

**Unitarian Universalist Church of Berkeley
Board of Trustees Meeting Agenda
Wednesday, June 5, 2024**

Via Zoom: <https://zoom.us/j/91070175965?pwd=d2FUcWZCQjYzVEF2MFZabWJQQVRrUT09>

- 7:15 1. CALL TO ORDER & OPENING RITUALS**
- a. Chalice reading & lighting – Selene Fabiano
 - b. Board Covenant reading – David Rosales
 - c. Land Acknowledgement Statement – Kay Fairwell
 - d. Widening the Circle Statement – Beth Pollard
- 7:25 2. CONSENT AGENDA – Items may be approved in one motion unless a Board member requests an item be removed for question or placement under discussion/action**
- a. Approve agenda
 - b. Approve May 2024 Board Meeting minutes
 - c. Recommend May 2024 Congregational Meeting minutes for approval
 - d. Accept monthly Treasurer’s report
 - e. Accept Freestone Oversight Committee report
- 7:30 3. MINISTER’S REPORT**
- 7:35 4. ANNOUNCEMENTS/LISTENING**
- a. Board or staff announcements, Board Listening Presence
 - Update on the Bylaws Task Force
 - DFM Search update
 - Update on Right Relations
 - b. Congregants who wish to speak to the Board on agenda items or other matters.
- 7:45 5. DISCUSSION/ACTION ITEMS – BREAK @ 8:00 PM, if needed**
- a. Vote regarding Ministerial Housing Allowance for IRS: 100% of salary designated as housing allowance in anticipation of potential home purchase
 - b. Financial Roles and Responsibilities work
 - c. Board meeting scheduling changes for the summer
 - d. Beacon Article focus for July
- 8:30 6. BOARD COMMITTEE MEMBER/LIAISON REPORTS**
- 8:45 7. CLOSING COMMENTS AND ADJOURNMENT**

Aspirational Covenant of the UUCB Board of Trustees

Approved September 2019, updated May 2020

We as the UUCB Board of Trustees agree:

- To stay committed to connection even when we disagree;
- To recognize the fullness of our power, and the many responsibilities that power entails;
- To listen actively to each other and the congregation, and to seek out opportunities to do so;
- To be caring, respectful, present and open-minded;
- To work together to make the changes the congregation needs, as we keep the best interests of the congregation above our own and to live into our mission;
- To support and trust each other in our work;
- To remember the goal of our work is to build a thriving, loving congregation;
- To be unafraid in the face of hard decisions, to be unafraid of making mistakes, knowing that we will learn from them if we do, and to be unafraid of challenging sacred cows; and
- To come to decisions we all feel we can support while recognizing diverse views.

Land Acknowledgement Statement

As we begin, we want to acknowledge that this church occupies land in Huchiun* in the unceded territory of the Chochenyo**-speaking Ohlone*** people. May we have the humility and courage to do our part to restore what has been broken and the wisdom to live into a new solidarity with Indigenous communities and the earth.

*Hoo-chee-oun—last syllable rhymes with spoon

**Cho-chen-yo

***Oh-loh-nee

Widening the Circle Vision Statement

We, the trustees of UUCB, commit ourselves to championing racial justice embodying anti-racist practices, and confronting and dismantling white supremacy culture and all forms of oppression (including but not limited to racism, sexism, ableism, homophobia, transphobia, classism, ageism, xenophobia and religious oppression (including anti-Semitism and Islamophobia) in everything we do.

Mission Statement of the Unitarian Universalist Church of Berkeley

The mission of the Unitarian Universalist Church of Berkeley is to create loving community, inspire spiritual growth, and encourage lives of integrity, joy and service.

Vision Statement of the Unitarian Universalist Church of Berkeley

The Unitarian Universalist Church of Berkeley is a welcoming and vibrant congregation. We joyously support spiritual development guided by individual faith, reason, and conscience. We are committed to serving one another, the church community, the community at large, and the global community. We foster a spirit of generosity and trust that encourages care for our church home and affirms diversity and relationships consistent with Unitarian Universalist principles.

**Unitarian Universalist Church of Berkeley Board of Trustees Meeting
Wednesday, May 1, 2024**

Meeting Conducted via Zoom Video Conference

Minutes – Draft

ATTENDEES

Voting members: Michael Armstrong, Michael DeWitt, Kay Fairwell, Beth Jerde, Beth Pollard, Pier Sun Ho, Helen Tinsley-Jones, Helen Toy,

Absent: Dave Rosales

Ex officio members: Rev. Marcus Liefert, Tess O’Riva (Executive Director), Selene Fabiano (Secretary), Lisa Maynard (Treasurer)

Visitors: Anne Greenwood, Paul Hudson, Larry Nagel, Marta Tobey, Dave Wemmer

A quorum being present, the meeting was called to order by Pier Sun Ho, co-president, at 7:20 p.m. Michael Armstrong did the chalice lighting and reading, Kay Fairwell read the Board covenant, Beth Pollard read the land acknowledgement, and Helen Toy read the Widening the Circle Vision Statement.

CONSENT AGENDA

A motion for the following (M Michael Dewitt_/S_ Beth Pollard) passed unanimously:

- Approve agenda
- Approve April 2024 Board Meeting minutes
- Accept Executive Director’s monthly report
- Accept March financial reports
- Accept Freestone Oversight Committee Update
- Approve replacing Cordell Sloan with Lorraine Schnurr as a Nominating Committee Member for 2024-25

MINISTER’S REPORT

Rev. Marcus had a successful service trip to Tijuana with the UU Justice Ministry of California to build a home for a family. UUCB member Jack Duggan was present along with 15 members from 7 other UU congregations. Rev. Marcus hopes UUCB will participate in an annual service

trip and more members can attend. He thanked everyone who helped with the “over-the-top wonderful” installation. Next Sunday is the Doctors of Durability service. Thanks to Barbara Cullinane for all her work on making it happen. Last Sunday (4/28) was Heaven Walker’s last Sunday at UUCB. We had a good celebration. The search is underway for a new Director of Family Ministry. There are several exciting applicants and the search committee hopes to bring a recommendation to the June Board of Trustees’ meeting.

Charlie Clason, Tess’s niece, was hired as a childcare worker and is also training to be an event host. Charlie is on leave from Smith College and is interested in doing an unpaid internship through Smith reflecting on accessibility and welcoming at UUCB.

Rev. Marcus will take vacation and study leave during the end of June, most of July, and the beginning of August. He will come back for an “unplugged work week” in July. During the “unplugged work week”, UUCB staff won’t work on their computers or respond to email but will work together on various other projects around the church that are often hard to get done during the regular work week. He is lining up guest speakers for the summer services. He recommended we read Sue Magidson’s email to the community regarding her health concerns. The Board discussed rescheduling our July and August board meetings.

ANNOUNCEMENTS/LISTENING

Board or Staff Announcements:

- a. Call for volunteers for the Bylaws Committee - Pier stated that we are looking for additional Bylaws Committee members.
- b. Report on Right Relations Update – Helen Tinsley-Jones stated last fall, it was brought to the attention of Rev. Marcus and the co-presidents that, several years ago, a difficult situation, which involved a then-employed, but not currently employed staff person. The message we received was that the matter was not sufficiently resolved, and continued to be of concern. As it is the Board’s intention to abide by our UUCB Covenant of Right Relations, we engaged in a process of gathering information and of healing, which includes transparency. While we had hoped to read our report at last month’s Board meeting, the Board decided to take a deeper look at the document and is now in the process of making revisions. The former staff person involved has been advised of this, and plans are being made for the document’s reading at a future Board meeting. We believe that the finalized document will benefit from the extra care and thoughtfulness of this process.

Report from Board listening presence: There were many wonderful comments about the Installation. It made me feel connected to our other UU brethren. We are all still reveling in it.

Congregants who wish to speak to the Board:

Dave Wemmer reported that the prospective buyer of the two undeveloped Freestone lots is doing due diligence and we are hoping that things will progress successfully.

Anne Greenwood encouraged interested individuals to attend the International Convocation of Unitarian Universalist Women in Romania (September 5-7th) which will be followed by a fantastic tour of historical sights.

DISCUSSION/ACTION ITEMS:

a. Approve the 2024-25 Budget for voting at the May 19th Congregational Meeting
Tess shared the latest draft with the updated pledge revenue for FY24-25 (currently \$502K). They are projecting \$525K in pledge revenue. Staff salaries reflect an across-the-board 2.6 % COLA for all staff except Rev. Marcus who is not taking an increase in salary. In addition, almost all staff salaries will be increased to the minimum per the UUA guidelines. Funding for professional development for staff was also increased. The 24-25 budget double's last year's Hospitality funding, includes a \$2000 Rainy Day reserve fund, and includes a \$9200 surplus. A few donors offered to give specifically for technology upgrades.

Discussion/Comments

The Finance committee does not want our ministers to sacrifice their income on behalf of the church. Rev Marcus' decision this year not to take a COLA increase this year should not be a precedent.

What are the Freestone expenses in the operating budget? Tess will let Beth know.

Anne Greenwood expressed a concern about setting the pledge revenue at \$498,000 in light of the fact that \$65,000 of the pledge revenue is coming from one generous donor who increased their pledge to help the church meet its stretch goal. Anne's concern is about sustainability and whether the church will have the money to continue with raised staff salaries given the unusual circumstances in which we reached this year's stretch goal. Tess responded to this concern by stating there is some wiggle room in budget. For example, the increased pledge to UUA could be lowered, if needed. Rev. Marcus stated that less than half of the \$100,000 increase in revenue from FY23-24 to FY24-25 is going towards staff salaries.

Motion. Michael Armstrong made a motion to approve the 2024-25 draft budget as presented to go in front of the congregation at the 5/19/24 congregational meeting. Michael Dewitt seconded. The motion passed unanimously.

b. Approve the May Congregational Meeting Agenda

Motion. Helen Toy made a motion to approve the 5/19/24 Congregational Meeting Agenda as presented. Pier seconded. The motion passed unanimously.

c. Congregational Meeting Voting Process and Roles

Helen Tinsley-Jones asked if the board wants to use a simple hand-raising process for the budget vote at the May Congregational meeting or a more layered process that has several checks in place such as the process that was developed for the Special Congregational meeting for the Freestone Resolution. The more layered process required certified members attending the meeting in-person to check in and have their names checked off on a list of certified members before they received a ballot and member card. With the more layered process, members attending on Zoom received a Zoom link to vote electronically during the meeting.

Voting Process Discussion and Decision

The layered process is time-consuming for members attending the meeting and those checking in the members. The layered process seems unnecessary for routine, non-controversial votes.

Several members expressed a wish for a simplified process for situations when the topic being voted on is simple and not controversial. We can use a more layered, secure process and explain the need for it to the congregation, as needed.

It's easier to count votes if members vote using a card rather than by raising their hands.

The following plan was established: Provide messaging about what constitutes certified membership. Using the honor system, ask members attending in-person to pick up a voting card on the way into the sanctuary. Members attending via Zoom can vote by raising their hands during the vote count.

Tasks/Roles for the May Congregational meeting

Opening readings: Pier & Helen TJ

Quorum & vote counters: Michael A & Beth Jerde

Zoom monitor (Let people in, count raised hands): Michael Dewitt

Count mail-in ballots: Selene

Tech team support: Helen TJ will ask Greg and then Bill

Contact Stephanie Ann Blythe and ask her to be the parliamentarian: Helen Toy

Hand out voting cards: Helen Toy

Coordinate with Ann Harlow regarding food: Michael A

- d. Approve delegates to General Assembly 2024: Anne Greenwood, Evelie Delfino Sâles Posch, Helen Tinsley-Jones, Rev. Jane Ramsey, Kathleen Slobin, Ladie Malek, Melissa Rosales, with Lonnie Moseley (alternate)

Motion Pier made a motion to approve the delegates to GA 2024 as listed. Beth J seconded. The motion passed unanimously.

Helen thanked Victoria Bowen and Melissa Rosales who have organized the delegates

e. Update on Calls to New Members

6 Board members contacted new members. Some sent emails and included a link to The Week Ahead. Several had nice phone conversations. One member was connected with The Week Ahead and the UUCB Discuss list.

f. May Beacon Article. Ideas: The amazing Installation, and new member phone calls.

BOARD COMMITTEE MEMBER/LIAISON REPORTS

Social Justice Council. Helen Toy reported on the SJC's many projects including the blessing bags, Voting Justice's enlisting postcard writers, and Climate Justice's nature walk. The World Peace group is encouraging people to send messages asking the US government not to send weapons to Israel. Cyndy Greenleaf has agreed to run for SJC Chair.

Freestone Committee. Michael Dewitt thanked Dave Wemmer for his tireless work.

Widening the Circle of Concern. Beth Jerde reported that one of their themes is encouraging people to continue noticing things that may go unnoticed.

Family Ministry. RE ends this year's programming after the first 2 Sundays in May. They are looking forward to working with a new DFM next year. The children were very excited to participate in the installation. UUCB youth participated in a beach clean-up day.

CLOSING COMMENTS

Helen thanked everyone who attended the meeting and Board members for their time and attention to board matters.

ADJOURNMENT

The meeting adjourned at 8:43PM

Respectfully submitted,

Selene Fabiano, Secretary

Next Board Meeting: 6/5/2024

**Unitarian Universalist Church of Berkeley Congregational Meeting
Sunday, May 19, 2024**

Meeting Conducted In-Person and via Zoom Video Conference

Minutes – Draft

Call to Order

Pier reviewed the voting process. A quorum being present the meeting was called to order by Pier Sun Ho, co-president, at 12:58 p.m. Michael Armstrong and David Rosales did the chalice lighting and reading, Pier read the covenant, and Helen Tinsley-Jones read the land acknowledgement.

Consent Agenda:

Adoption of Agenda
Approval of February 10, 2024 Congregational Meeting Minutes

A motion to approve the consent agenda (M-Karen Elliott/S- Norie Clark) passed with no objection.

Presentation of Schweitzer Medals for Extraordinary Service

Ariel Smith-Iyer – Presented by Paul Hudson.

Tom Tripp – Presented by Larry Nagel

Affirmation and Installation of the Nominating Committee

Rev. Marcus installed the members of the 2024-25 Nominating Committee: Andrew Swan, Anita Mermel, Bill Brown, Carisa Orwig, Liz Der, Lorraine Schnurr, Randall Hudson, Sandy Portillo-Robins, and Suzette Anderson-Duggan

State of the Congregation Report

Co-Presidents Helen Tinsley-Jones and Pier Sun Ho presented the State of the Congregation report. Some of the highlights included the arrival of our new settled minister in August 2023 and his installation in April 2024, reconnection with our Transylvania partner church, seventeen new members joined our church, and 141 household units made pledges for the 2024-25 Stewardship campaign, allowing us to reach our goal to bring most UUCB staff salaries to UUA minimum standard. The Board of Trustees updated the Governance Manual and will get input from the Ground and Horizon discussions before revisiting its goals.

Committee Reports

A. Endowment Projects Oversight Committee- Beth Pollard and Lenore Ralston

The Endowment Projects Oversight Committee has spent \$669,000 of its current \$725,000 spending, and has received an additional \$180K in targeted donations. The remaining \$55K is targeted for repairing the black folding doors between the sanctuary and atrium, the atrium and the social hall, and the social hall and the Fireside Room. The doors don't meet fire code, are a safety issue, and have been on the repair list for 10 years. The congregation was invited to help by volunteering to be on the Buildings and Grounds Committee or the Endowments Committee, donate, or making a bequest to UUCB in one's estate plans.

B. Freestone Oversight Committee

Beth Pollard reminded the congregation that the first milestone in the Freestone resolution is to raise \$250,000 by 12/1/2024 in order to fund needed repairs. Beth provided updates on the Freestone's two fundraising strategies. The conservation application was denied for insufficient history of agricultural use at Freestone. Selling the two undeveloped lots is a second fundraising strategies. The lots were listed and UUCB received a good offer; however, the offer was withdrawn after a well-water survey of six locations did not provide evidence of sufficient water. The Freestone Committee is currently considering other options including a possible long-term lease of the dome lot, a possible proposal to the FOC for day-time use for church groups, a possible additional well-water survey, and ongoing fundraising activities.

C. Social Justice Council (SJC)

Carol Carlisle, Cyndy Greenleaf, and Sheila Tarbet provided a report on the many facets of the SJC. Some highlights include the work of Honoring Indigenous People (HIP) in replanting the Three Sisters' Garden and supporting an indigenous restaurant in Oakland. One of the SJC's sponsored projects for the coming year is "Working to Achieve Equity in Berkeley Schools" which will involve assisting in classrooms, in food delivery, and with the librarians. The Voting Justice project has already elicited the support of the UUCB community in writing over 1000 postcards. The Climate Justice Committee completed the first phase of the work towards Green Sanctuary recognition. The next step is the Opportunity Assessment.

D. Widening the Circle of Concern –Lonnie Moseley

Lonnie reviewed the WTCC Committee's goal of helping the congregation implement the WTCC Task Force's recommendations. The committee's recent focus has been

on observing ways that the implementation is happening and encouraging the congregation to be attentive to these implementations and to notice ways UUCB can widen more. Lonnie highlighted some of the WTCC's observations including more youth participation, advocacy to bring back the AC transit bus line to the Arlington, diverse musical selections, Tongan-American Free Wesleyan Church's participation in the Installation, search committee for the Director of Family Ministry is using WTCC recommendations.

Installation Committee Acknowledgment and Appreciation

Co-Presidents Helen Tinsley-Jones and Pier Sun Ho thanked the Installation Committee for all their work on creating such a spectacular event. The committee members were Suzette Anderson-Duggan (Chair), Natalie Campbell, Karen Elliott, Jean Gleason, Megan Hailey-Dunsheath, Lisa Maynard, Sandy Portillo-Robins, Kerry Simpson, Ariel Smith-Iyer and Karen Tripp. Suzette thanked donors who contributed to the Installation, UUCB staff for all their ways they supported the installation, and the congregation and friends for their enthusiasm, flexibility, hearts, and help.

Presentation and Vote the Board of Trustees recommended Budget for 2024-25 Fiscal Year

Tess Snook O'Riva shared some highlights of the recommended budget including that Stewardship exceeded its stretch goal and UUCB is on a path to getting all staff to the UUA minimum salary. The budget for staff and volunteer appreciation has been increased, a new "reserves" line item has been added to the budget, and there is a \$9000 surplus built into this budget. To reduce the strain on current staff, a property manager was hired for the Craft Cottage and Lexington Lodge properties.

A **Motion** to approve the recommended Budget for 2024-25 Fiscal Year (M- Norie Clarke/ S – Anne Greenwood) passed unanimously.

Benediction by Reverence Marcus Liefert

Adjournment 2:40PM.

May 31, 2024

To: UUCB Board of Trustees
From: Lisa Maynard, Treasurer

RE: Report for Board Meeting - June 5, 2024

Treasurer Training

While I don't plan to provide details of my learning process each month, it seemed useful for my first report to the Board.

I attended the Orientation for New Board Members in late March. In late April, after my other UUCB projects (Stewardship and Installation) were substantially complete, I met with outgoing Treasurer Carolyn James to learn more about UUCB's finances and the Treasurer's role in overseeing them. Carolyn and I will continue to meet informally as needs arise. Carolyn continues to participate in the Finance Committee, as well as to offer her invaluable help in specific areas of our finances. It may take some time for us to discern how best to avoid overburdening her.

I have also been meeting with ED Tess Snook O'Riva, to learn how the Treasurer's role meshes with her role as ED, and to learn how UUCB uses the FundEZ financial system. We anticipate meeting twice monthly for now, in addition to the monthly Finance Committee meetings that Tess also attends.

The Finance Committee is another source of financial expertise and institutional knowledge for the Treasurer; I expect to bring questions to them every month. My first meeting with them on May 20 showed me what a valuable resource they are.

Financial Reports

This month I'm providing only the Budget Comparison Report for 7/1/2023 through 4/30/2024. I have a Balance Sheet as of 4/30/2024, but I need more time and some expert help (from Carolyn and Tess) to review it properly, so I'm not sharing it at this time. I will be seeking the Finance Committee's advice on how frequently to present the Balance Sheet to the Board; there are sections of it that can only be updated quarterly because of the reporting schedule of financial institutions.

I think we've all had a good review of the operating budget during the process of setting the budget for 2024-25. The attached Budget Comparison Report shows us our 2023-24 budgeted revenue and expenses, as well as the revenue and expenses to date. As usual, this report indicates with its subtitle that it excludes both restricted revenue and expenses covered by restricted funds.

At this point in our fiscal year (two months remaining after the end date of the attached report, not quite one month in real time), it's good to look at the big picture. How do our actual total revenue and expenses compare to the budgeted amounts? In the paragraphs below, I'm trying to address some of the issues that will affect our yearend balance or deficit. I decided it's a good time to do this, with the caveat that I don't understand all the details as well as Tess, and as well as I will at this time next year.

Our 2023-24 budget projected operating revenue of \$1,084,233 and expenses of \$1,078,962, with a planned surplus of \$5,271. Our 4/30/24 revenue is \$14,701 higher than that expected as of that date, while our expenses are \$24,739 higher, leaving a current possible deficit of \$10,039 (see Year-to-Date Variance). It's hard to gauge the reliability of that figure, since both

revenue and expenses can come in on a schedule different from that projected. So I'm making some semi-educated guesses about what's likely to happen by the end of the fiscal year.

On the revenue side, the pledge payments during June will have a significant effect on our bottom line. A number of the dedicated and highly involved members of our community do not pay their pledges in 12 equal monthly amounts, and have therefore paid less than one might expect to date, but they will respond to reminders to complete their pledge payments before June 30. Pledge income, unpledged contributions, and prior year pledge payments already total \$433,396, compared to the total budgeted, \$459,500. This difference of \$26,104 is much less than the total of the pledges as yet unpaid, which total well over \$50,000. Tess and I agreed to send multiple "complete your pledge" reminders, using our various communications, to encourage completion of pledge payments.

On the expense side, we should expect over-budget totals in staffing-related costs (wages, taxes, benefits, consultant/contractor fees, guest musicians/ministers/artists, possibly professional development). Many of these result from efforts this year to improve our connections, our worship-related operations, and our staff conditions (e.g. increasing Connections Coordinator hours midyear, increasing tech support time, encouraging professional development, protecting work-life balance by engaging guest presenters for worship services). I think we could consider these to be positive developments resulting from the enthusiasm and activity generated by the presence and leadership of our new settled minister, who of course joined us after the current year budget was approved. We're paying a bit extra now in order to support our congregation's recent growth, and promote continuing growth.

We also have high expenditures in accounting services because of needed improvements in our accounting support, and because of special projects to solve longtime problems. Insurance, phones, computers, property taxes and utilities show expenses greater than planned; these discrepancies have all provided useful information for the development of the 2024-25 budget.

Overall, I think it's looking probable that we will end the year with a manageable deficit (under \$15,000), and it's still possible that we will break even.

Report from the Freestone Oversight Committee

UUCB Board of Trustees Meeting
June 5, 2024

The Freestone Oversight Committee (FOC)

- Beth Pollard (Co-chair and Board Rep)
- David Wemmer (Freestone Committee Rep)
- Alan Davis (Freestone Committee Rep)
- Tom Tripp (Co-chair)
- Susan Lankford (At Large rep)
- Larry Nagel (At Large rep)

The Board may choose to add more members as necessary

Update on the Sale of Parcels 1 and 2

- The Freestone Committee is exploring, with geologist advice, whether to conduct additional groundwater surveying at different location(s) on the parcels, and possibly drill a well
 - The surveying and drilling work would be paid for with donations/angel funding
 - 1 gallon/minute flow rate is needed for a building permit. The May 2024 surveys estimated the availability at 0 to 3 gallons/minute
- Parcels 1 & 2 are still for sale, although currently inactive in status pending possible new information from additional water surveying

Fundraising

The May 24-25 Freestone Committee Art Sale raised approximately \$1,500

The Freestone Committee is exploring the feasibility and estimated revenue generation of leasing a portion of the dome lot another party for them to develop an accessory dwelling unit for their use

Other

Vacation rental license: Sonoma County vacation rental permit was approved a year ago. County is now requiring a vacation rental license (\$550 fee) even if property not being rented

Fire safety: A work party cleared brush from within 50 feet of the dome building

Freestone Resolution Milestones

Date	Milestone	Comments/Status
12/1/24	\$250,000 or more raised	Funds raised can be a written government funding obligation, per BoT 9/6/23
6/1/25	Building permits for Phase 1	
6/1/26	Phase 1 repairs completed & approved with secured funds	
6/1/27	Phase 2 repairs completed & approved with secured funds	
FY 25-26	Ongoing net costs to congregation's operating funds incl. operations & mngt, insurance, tax assessments, legal fees, permits, maintenance, repairs, and improvement do not exceed \$10k/yr for 2 yrs in a row, starting in FY 25-26, w/out express BoT approval in consultation w/ FOC	

FY 2023-24 Freestone Contingency Loan Fund - 1

Expenditure	Amount	Approve Date	Notes
Vacation rental property manager certification County fee	\$116.00	FOC August 30, 2023	Reimburse Michael DeWitt
County recorders fee related to VRP	\$19.50	FOC August 30, 2023	Reimburse David Wemmer
Lescure Engineers	\$1,810.00	FOC August 30, 2023	Completion of mapping; driveway analysis and mapping; including road permitting and septic system

FY 2023-24 Freestone Contingency Loan Fund -2

Expenditure	Amount	Approve Date	Notes
Lescure Engineers	\$392.50	FOC January 10, 2024	Surveying consultations to evaluate extent of encroachment issues by neighbors at the Villa
Western Groundwater Surveyors	\$5,162.00	FOC April 17, 2024	Balance of \$7,800 cost from Freestone donations
FY 2023-24 Limit	\$7,500.00		
FY 2023-24 Remaining	\$0		All Loan Funds expended

Discussion/Questions

Unitarian Universalist Church of Berkeley
 Budget Comparison Report
 Current Period: 4/1/2024 - 4/30/2024
 Budget Period: 7/1/2023 - 6/30/2024
Unrestricted/Budgeted Items Only

	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Yearly Budget	Remaining Budget
Revenue					
Pledge Income	379,159	396,000	(16,841)	435,000	55,841
Plate collections	22,256	16,667	5,589	20,000	(2,256)
Special Offering Collections	5,618	6,000	(382)	8,000	2,382
Good Neighbor collections	9,190	10,000	(811)	12,000	2,811
Other unpledged contributions	19,145	12,500	6,645	15,000	(4,145)
Member Weddings/Memorials/Cel	2,396	4,167	(1,771)	5,000	2,604
Prior Year Pledge Payments	35,092	7,917	27,175	9,500	(25,592)
Other Program Income	9,286	2,333	6,953	2,900	(6,386)
Craft Cottage Rental	29,038	32,000	(2,963)	38,400	9,363
Fundraising GrUUp Projects	8,033	9,700	(1,667)	10,500	2,467
Music Events	15,604	12,000	3,604	15,000	(604)
Community Use-Space Rental	116,872	120,000	(3,128)	150,000	33,128
Campus Rental-All Schools	284,027	275,161	8,866	330,193	46,166
Sales - Book Table	455	0	455	0	(455)
Other Revenue	321	12,500	(12,179)	15,000	14,679
Interest Income-general	5,288	8,333	(3,045)	10,000	4,712
Income from Trusts	4,650	6,450	(1,800)	7,740	3,090
Revenue	946,428	931,728	14,701	1,084,233	137,805
Expenses					
Salary and Wages	463,966	444,988	(18,977)	533,986	70,020
Housing	58,391	70,000	11,609	84,000	25,609
SECA	7,480	11,319	3,840	13,583	6,103
Payroll Taxes	35,581	27,250	(8,331)	32,700	(2,881)
Employee Benefits-Health	31,707	27,750	(3,957)	33,300	1,593
Employee Benefits-Life/Disabil	1,960	1,500	(460)	1,800	(160)
Employee Benefits-Retirement	35,013	42,208	7,195	50,649	15,636
Insurance	31,986	26,250	(5,736)	31,500	(486)
Worker's Comp Insurance	4,449	6,250	1,801	7,500	3,051
Accounting Services	25,138	16,667	(8,471)	20,000	(5,138)
Board Contingencies	39	1,667	1,627	2,000	1,961
CT/ED Contingencies	0	1,667	1,667	2,000	2,000
Consultants/Contractors	11,151	4,167	(6,984)	5,000	(6,151)
Safe congregation/Reopening Tas	209	417	207	500	291
Honoraria/Classes	2,127	1,244	(883)	1,400	(727)
Guest Musicians/Ministers/Artists	5,615	2,083	(3,532)	2,500	(3,115)
Supplies	6,917	9,750	2,833	11,500	4,583
Equipment leases	3,770	6,083	2,313	7,300	3,530
Equipment repair & maintenance	1,106	1,917	811	2,300	1,194
Postage	205	583	378	700	495
Phones & Computers	14,785	4,583	(10,201)	5,500	(9,285)
Advertising and PR	3,453	4,167	714	5,000	1,547
Communications & Web Site	829	583	(246)	700	(129)
Online Resources	641	250	(391)	300	(341)
Canvass Expenses/Stewardship C	0	417	417	500	500
Property Taxes	23,545	17,662	(5,883)	21,194	(2,351)
Professional development	15,344	13,750	(1,594)	16,500	1,156
GA Delegate & Leadership Schl	0	3,000	3,000	3,000	3,000
Staff & volunteer appreciation	736	1,250	514	1,500	764
Bank Fees	3,159	2,292	(868)	2,750	(409)
Other Expense	645	1,250	605	1,500	855
Payroll Processing Fees	2,940	3,500	560	4,200	1,260
UUA Annual Program Dues	32,917	32,917	0	39,500	6,583
Loan Interest	169	400	231	400	231

Building & grounds supplies	6,320	8,750	2,429	10,500	4,180
Building & grounds maintenance	3,591	18,333	14,743	22,000	18,409
Kitchen Supplies/Hospitality	3,202	5,000	1,798	6,000	2,798
Electricity	6,274	417	(5,858)	500	(5,774)
Gas	12,790	16,667	3,877	20,000	7,210
Garbage	4,856	7,083	2,227	8,500	3,644
Water	10,144	7,500	(2,644)	9,000	(1,144)
Fire Monitoring System	10,524	8,750	(1,774)	10,500	(24)
Other Program Committee Exps	17,397	11,883	(5,513)	15,450	(1,947)
Donations to Non-Profit Orgs	21,618	22,292	674	26,750	5,132
Fundraising event expense	1,003	2,500	1,497	3,000	1,997
Expenses	<u>923,694</u>	<u>898,955</u>	<u>(24,739)</u>	<u>1,078,962</u>	<u>155,268</u>
Excess or (Deficiency) of Revenue Over Expenses	<u>22,734</u>	<u>32,772</u>	<u>(10,039)</u>	<u>5,271</u>	<u>(17,463)</u>

MINISTERIAL HOUSING ALLOWANCE

Context

Internal Revenue Code §107 provides for a minister's housing expenses to be free from Federal income tax. They can exclude from gross income whichever is the lowest of the following amounts:

1. The amount officially designated (in advance of payment) as a housing allowance;
2. The amount actually used to provide or rent a home; or
3. The fair market rental value of the home (including furnishings, utilities, garage, etc.).

Last year, at Rev. Marcus's request, the Board designated \$7000/month as a housing allowance for the period of 8/1/2023 through 7/31/2024. Finance Committee research on this matter determined the following:

- It is common practice for the amount set by a church board to be fairly liberal so that the board-designated amount is not the limiting factor. The allowance the board sets is a maximum and gives the minister flexibility.
- There are situations in which the IRS allows 100% of a minister's compensation as housing costs.
- It is the minister's responsibility for making an estimate of the fair value of their housing and keeping track of their actual costs. If the minister tried to exclude more than the fair value or actual cost and was audited, the minister would be responsible, not the church board.

This year, Rev. Marcus has informed the Board of his intention to purchase a new home closer to the church. Since the entire down payment of a home purchase can be included as a housing expense, Rev. Marcus's CPA has recommended that he ask the Board to designate the 100% of his salary as housing allowance.

The IRS recommends that this annual designation coincide with the tax year, but also allows that non-retroactive changes may be made, as needed. Since the board designation last year did not use the tax year, Pier proposes we extend this year's designation to cover the remainder of 2024 and extend through 2025.

Proposed Motion

On the date of **June 5, 2024**, the following motion is introduced:

After considering the provisions of Internal Revenue Code §107 that provides for a minister's housing expenses to be free from Federal income tax with his intention to purchase a new home in the near future, the UUCB Board of Trustees designates 100% of Rev. Marcus Liefert's cash salary as housing allowance for the period of 6/5/2024 - 12/31/2025.

Clergy are responsible for reporting any portion that is unspent as taxable income on their tax return. If the total amount exceeds the "Fair Rental Value" as allowed by the IRS, the pastor's taxes could be increased.