

Board of Trustees
Meeting Minutes

All Souls Church, Unitarian

July 28, 2016

7:00 pm

Trustees, Officers, and Staff in Attendance:

Peg Barratt, President
Chuck Dulaney, First Vice President
Ken Ambrose, Trustee (via phone conference)
Whitney Cooper, Trustee
Vickie Lindsey, Trustee (via phone conference)
Tracy Zorpette, Trustee
Phyllis Caldwell, Trustee
John Strongman, Treasurer
Cledwyn Jones, Moderator
Gary Penn, Acting Executive Director
Susan Newman Moore, Acting Senior Minister
Allison Ralph, Assistant Secretary

Also in attendance: Betsy Quilligan, Sara Hudgins

Not in attendance: Robert Hardies, Senior Minister; Leo Jones, Chief Program Officer; Anne Bradley, Second Vice President; Kysseline Jean-Mary Cherestal, Trustee; Erin Boeke Burke, Board Secretary; Laurie Lester, Membership Secretary

Chalice lighting and reading: Whitney Anderson

Meeting called to order at 7:02PM

Brief introductions were made around the table.

Minutes: (Allison Ralph)

Approval of May and June minutes was postponed due to the fact that the file format the minutes were in was unable to be opened.

Report from Generosity Team (Betsy Quilligan and Sara Hudgins)

Betsy and Sara provided a draft text in the Board meeting booklet; Gary has also provided a physical mock up. It is based on the theme and draft “we remember” from past reports with the double theme of “recalling and recommitting” yourself to membership. They asked for feedback so that they could get it to the printer within two weeks. Sara noted that the text in the Board meeting booklet on page 6-7 is the same as in the mock up brochure. Betsy noted that there were also edits to the targeting plan – that is, they anticipate marketing to target members in the fall (see page 3-5 of the Board meeting booklet). The plan right now is that there will be three rounds of targeted marketing. The first will be small parties in order to encourage peer to peer pressure.

Round 2 will target constituency groups (such as choir, RE, etc.). This is different from last year because the approach was more scattershot – this year the plan is to be more targeted. Round 3 is the broad congregational push, which will include pulpit testimonials, generosity Sunday, tabling in Pierce Hall, announcements in RE classes, etc. A final round will be the time to send thank-you notes, etc.

Rev. Newman Moore noted that she remembered the pulpit testimonials being very effective last year. Also, she agreed that the constituency group pushes are a good idea, because each group has a different dynamic. She noted that Rev. Rob had wanted this constituency targeting done with the covenant group leaders as well.

On that note, Betsy mentioned that the Generosity Committee was interested in talking to the collected covenant group leaders. However, Rev. Newman Moore recommended that the Committee not wait for such a collection, but reach out to those leaders right away. Cledwyn encouraged the committee to reach out to the next Church Council meeting (on September 24), and also mentioned the new committee group round tables, which he suggested might also be a good way to connect with committees.

Tracy brought up the question of how many non-member congregants pledge, and asked Gary if he knew a number. Gary said that it could be found, but he didn't have it on hand. Chuck noted that, although it would be fairly easy to get a calculation, there is a database quirk that makes it slightly complicated. Tracy explained that she had brought it up because it pertains to the targeting of pledging congregants – in hopes that we wouldn't be seeking pledges only from members and therefore miss potential donors. Betsy responded that the committee had performed last year a special outreach to "friends" – or non-member pledgers. Chuck offered to run the information and share it with Tracy and others.

Peg asked the Generosity Committee members if the outreach plan feels different from the outreach plan of 2015. Betsy answered that, in her opinion, yes, the outreach feels different; large part because the outreach is extremely targeted this year. The party invitations to the parties at Rev. Rob's home will be very targeted, with the second party planned as a "leveling up" party.

On the subject of "leveling up", Sara noted that Rev. Rob had asked the committee to ask pledgers not to increase their pledge by a percentage but by an amount. She then asked if the Board had any direction to share about that. Betsy noted that the committee had been working through specific proposals for how to approach the question. One option is to have the second party target folks who have pledged and given generously, but who may not have increased in the last few years. Because many folks are finishing their TCC pledges, the Committee had already last year been doing a lot of 1-1 visiting with "TCC Completers", but the finding was that the financial return was not as great as hoped from that exercise.

Phyllis asked the Committee whether part of their strategy of increase included a breakdown of segments of the congregation (e.g., folks who have attended for three years but never pledged) and goals against them. Or whether the Committee has a strategy of how to get the increase? Or the changes plotted year over year to see where things went down or up? Betsy responded that

their breakdown information is in Small, Medium, or Large- amount givers, and that the plan is to increasingly target the group whose giving hasn't changed much for several years.

Betsy brought up a new item, explaining that on the recommendation of the UUA, the Generosity Committee leadership reached out to a contracting group that works with UU and other progressive churches on stewardship issues, "Stewardship for Us." This group provided three options or levels of support.

1. "Stewardship for Us" can run an intensive weekend workshop. This can be run on any issue, is something we could do soon, and the cost would be \$2000.
2. "Stewardship for Us" could run a webinar on any topic, can be done anytime, and the cost is variable and would be based on our requests.
3. "Stewardship for Us" could run our entire budget drive for \$5000, but we would have to have a contract in place very soon.

Tracy noted that \$5000 would be inexpensive for a very successful funding drive. Peg requested asked if the Committee would return with more information later, and Betsy agreed.

Upon Tracy asking if the full drive service is recommended by the Committee at this time, Sara responded that it is probably too late to do the full program now, but perhaps we could do it next year. She did note the Committee might be interested in a webinar on institutional memory to help them learn how to capture leaders' work and ideas.

On that note, Tracy pointed out that the staff liaison (Gary, while Katie is gone) is a good place to find that institutional memory.

In a change of subject, John asked for clarification on whether the goal was obtained by looking first at the budget requirement (demand) or at the congregation (supply). He asked that because that goal number feeds into the budget process. Betsy answered that last year's number was given to them by Katie. Phyllis said that the goal for the TCC was informed by both, as they looked at both the budget requirement and the congregation. John asked then whether the Generosity Committee was using the data pulled together by the TCC. Betsy answered: no. John then offered to connect the members of the TCC and the Generosity Committee.

Chuck asked whether the Board members would be able to contact the Committee if they thought of any questions later – and the answer is yes.

Secondly, Chuck also brought up the pledging testimonials, noting that testimonials should be more a tool of education to those who have no background in pledging and membership, than a tool of admiration. On that, Rev. Newman Moore noted that Rev. Hardies usually has the generosity team member do the worship announcement slot and also that he usually preaches about generosity that month as well. Additionally, she recommended contacting Rev. Meghan Foley with the UUA for resources on how to write an effective weekly announcement.

Peg thanked Sara and Betsy for their presentation. Rev. Newman Moore also brought up that Rev. Hardies would be available for ideas and consultation on August 21.

Membership Report (Tracy Zorpette)

Tracy met with the leaders of the membership committee and annual giving campaign. Tracy noted first that she had learned that some of our members do not pledge at all, and wondered when it would be appropriate to clear them off the rolls. Gary responded that, for the folks who have been inactive for two years, the church has sent an email, a snail mail letter, and a second email. Some responded by sending checks, some by requesting removal from the rolls. A few have asked to retain membership but have not offered a gift. About 200-250 people have not responded at all, and they will be deactivated, which is in accordance with our bylaws. They can easily be reactivated. Peg noted that the result would be more precise membership numbers from now on.

Tracy noted that there are strong differences of opinion about what the new message to members should be about an obligation to support the church financially. This split exists among both staff and congregation members. Tracy argued that the decision should not be left to church individuals, but to the board, and that the bylaws state that members need to be prepared to give.

Rev. Newman Moore noted that the problem has a lot to do with how the membership secretary defines membership, and that in her opinion, the interpretation of “membership” needs to come from the senior minister. She also noted that the interpretation has varied over time.

Tracy reiterated that there should be a directive from the Board and members to the membership coordinator and whomever else has a role in it. A change in lay leader (the membership secretary, e.g.), should not change the policy about giving expectations for new members.

Rev. Newman Moore pointed out again that the membership “connecting souls” committee has an understanding of the policy from the senior minister.

Chuck also argued for a strong Board role, and argued that the Board should look at the bylaws and other appropriate documents to develop the language. Although he said that Rev. Rob should be part of the process, it should be the Board who decides, and, that this Board decision may require changes to the bylaws. Peg noted that the membership definition could be added to the next agenda.

Ken argued that the membership definition should come primarily from the congregation because All Souls is a congregational polity, so that the Board should reach out to the congregation and other lay leadership, and decide on the final definition in collaboration and consensus with those stakeholders. Cledwyn pointed out that the policy level decision should rest with the Board, who are the elected representatives of the congregation.

Peg noted that the bylaws have been variously interpreted at different times. Inserting a note of caution, Cledwyn noted that the Board may do well to tread lightly because of established staff, ministerial, and ET roles involved.

John wondered who selects the worship associate and whether they are all members. Rev.

Newman Moore noted that in fact, the worship associate positions are volunteer, and that yes, it is a problem that they are not all members. She added a side note that she is frustrated that a regular invitation to membership does not follow at the very end of services.

On the fact that worship associates are not required to be members, Tracy brought up that non-members participate in all sorts of church activities. This leads to a question of how we pay choir directors e.g., when choir members are not All Souls members and aren't giving. She asked, what is the benefit of All Souls membership other than voting?

Peg noted here that this question was too large to solve in this meeting, and that it should come up on another regular or retreat agenda. Chuck and John agreed that the issue was a large one of member rights and obligations.

Update from the Vision, Goals, and Metrics Task Force (Cledwyn Jones)

Cledwyn first explained that the item in the packet was not the most current version; rather that he had just emailed a fresh version of the current language revised on the basis of the listening sessions. These had been 3 sessions and included about 30 people. The feedback there inspired the creation of an entirely new goal that now needed to be figured out.

He explained that one of the discoveries upon asking who was being left out of the process, that the denominational connections committee had not been captured in any way.

Peg asked if the revised Vision, Goals, and Metrics document would come back to the Board again on the way to the congregational meeting. Cledwyn: yes.

Tracy asked if the Board could share ideas with the team after review. Cledwyn: yes, email me.

Peg asked if the Goals team wanted time at the August meeting. Cledwyn: yes, and the team plans to send something to the Board about a week before that meeting with final (or near) final goals along with metrics and procedures. Peg responded that there would be a focus group at that time.

Cledwyn also noted that the first meeting of the Social Justice roundtable took place – an affinity group of committees who met just to have a better sense of coordination and planning. He reported that the meeting was good, that the next meeting was scheduled for August 4, and that Rev. Rob Keithan was helping run the roundtable with assistance from the lay leadership. The intent of the council Steering Committee being to roll these out with the other affinity groups (community, spirituality), over time.

Finally, Cledwyn noted that he is working on potential suggestions to make the annual meeting better reflect our community and values. One suggestion might be to have the budget process happen more fully earlier, while a more radical approach might be to turn the annual meeting into something more like a worship service. Cledwyn noted that he believes the business of the church should be a moving experience as much as the worship moves us.

Peg asked whether Cledwyn was inviting feedback on these issues. Cledwyn: yes, and noted that he wanted to connect with Rev. Rob as well.

Governance Process: Finance Committee Report (John Strongman)

John reviewed the finance committee budget materials included in the Board packet, beginning in section A, on page 12 of the packet. He noted that section A repeats information shared in the last Board meeting, showing change in expenditures and income since 2011. Although we showed a 111K surplus in 2011, we show only a 16K surplus in 2016. Section B shows that when we came to paying down the loan to 3.5M in March, we had a 175K shortfall, part of which is explained by the 81K cost of wrapping the steeple. This brought up the question of regularly budgeting funds for church maintenance and capital improvements. Additionally, we may have declines in funds from various other sources.

Section D put down in writing one part of the policy governance and executive limitations. John did note that here, the question of whether All Souls' "expenditures are in line with similar organizations" will need some attention.

Likewise, some Board attention was requested in one matter of section E, "The Budget Process." The question has to do with the Finance Committee's advice to the Board to adopt the 2017 Financial Goal that the budget "has payroll/program/building shares of expenditures are in line with similar organizations." John noted that payroll is currently 65% of the budget, and that he would like to see some benchmarking against other organizations on whether that is a prudent place to be.

On the budget process, John noted that there may be times when the Finance Committee (FC) could really be of assistance to the Executive Committee, such as when FC members worked with Katie on loan refinance possibilities, but would always first seek the permission of the board.

On the topic of the refinance, he noted that more savings might be possible. First Virginia Community Bank (FVCB) had brought to the attention of the Committee that treasury yields are falling. The Committee had been given a mandate by the Board to ask FVCB for a better rate. Peg asked why they would volunteer that information. Phyllis explained that they had done so to begin with because there was a contender. Now, John explained, we can use the lower yields to see if a further reduction in interest rate might be possible, or to be able to refinance for cash to repair our steeple if necessary.

Section F, John explained, gives a recommendation on how best to balance the budget. The options are to take higher distributions from our endowment or to cut expenditures, and the place that they need to be cut is in personnel. John noted that one of the outcomes of having a Finance Committee this year is that we are beginning to see the deep and tough questions of budget and finance that we weren't necessarily seeing before.

On section G, John explained that the Finance Committee was seeking a preliminary endorsement that their stated goals are largely in line with Board goals. Second, although they'll

need to wait for Katie's return for final movement, the Finance Committee would like to have preliminary approval to approach FVCB and ask for an interest rate reduction. Third, John asked if there were possible capital improvements or maintenance work that needed to be brought into consideration.

Tracy commented that a 65% allocation to payroll seems high for a congregation now carrying building debt. Also, she argued that putting money aside for building maintenance is not optional according to All Souls policy guidelines. In fact, she said, the budget must include money set aside for building needs and sabbaticals. She noted here that the building windows are in serious need of repair and appear to be rotting, and that the sanctuary has been peeling for a decade. As the fiduciary of congregants' money and assets, requiring a plan from the ET for such repairs is not optional for the Board.

John agreed to take the raised issues back to the Finance Committee. He asked for guidance on the size of the funding needs and the priorities.

Cledwyn noted that budget shortfalls like failures in savings and maintenance plans should be made clear in conversations with the congregation. He also offered the Goals team as a planning partner to the Finance Committee.

John explained that, since the major work on the budget will be in September, any large spending items need to be considered within the next couple of months.

Phyllis noted that a certain percentage should be set aside every year for maintenance. While Chuck pointed out the complicating factor that the proposed 2017 budget will arrive in November, while the Board's role will be to decide whether the budget is in line with the goals. He pointed out the difficult position that puts the Finance Committee in. Seeking detail and specifics, John asked that the Board give guidance on whether the sanctuary should be painted this year or not.

Tracy pointed out the policy that "the executive team budget shall not fail to provide for building needs." John requested again details and priorities. Tracy noted that staff should have details on building maintenance needs.

Ken agreed with Tracy that our policy and laws all say that we have to maintain the building, and also that it is clear that we have not been keeping up. He argued that a statement now from the Board that these concerns are important would make a big difference – noting that the choice will really come down to completing maintenance or hiring a new staff member. It is important, now that Capital campaign is winding up, and we might get substantial pledge increases – but how that works out and how we reallocate for personnel and other things is important because those choices will stay with us a long time.

On budget category percentages, Ken wondered if the UUA may have some information for us, and that this topic recently came up on the UUA money listserve. It would be good to get some more information about comparable churches.

Lastly, on maintenance, as part of the CAP planning process, Ken did note that the windows were analyzed in detail and were found in large part only to need stripping and repainting, rather than serious work. A very few had more structural problems and were to be fixed. Katie will know details on those. Finally, Ken explained that the water damage in the sanctuary was a result of failed gutters, which problem has now been repaired.

Rev. Newman Moore pointed out that, when many items were on the wish-list for the capital campaign that weren't going to get funded, some families stepped in to offer funds specifically for special projects, and some staff members offered to assist in special projects like painting. She also pointed out that some expenses since the renovation have been higher, such as utility costs, that have taken up funds that might otherwise have been used for maintenance. But, she cautioned, check with Katie.

Cledwyn noted that having a list of all maintenance projects we *could* do if we had the funds to do them may be useful as a fundraising tool – such items as window or sanctuary repainting might serve as stretch goals for the congregation.

Peg seemed to agree – noting that stretch goals would be more inspiring than paying the mortgage! On a different note, Peg noted that she was less comfortable with the last of the three proposed goals for the Finance Committee.

Chuck explained that, although he recognized the discrepancy, the fiduciary responsibilities are defined as including a review of whether our expenses are comparable to other churches. From his perspective, therefore, the Finance Committee goals are exactly right, because they seem to support exactly what the Board is supposed to be doing.

But, John pointed out, when we come back with a real budget, we'll want to make sure we get it right, now!

Regarding budget category percentages, Tracy argued that the Executive Team needs to ensure that payroll expenses are strictly in line with salaries and benefits recommended by UUA fair compensation guidelines if we follow these. She asked if we do follow these.

Rev. Newman Moore pointed out that the church follows fair compensation guidelines, so that we should be easily comparable to other similar organizations. Tracy responded that, although the comparability will be easily shown for some of our staff members, but because of our unique staff, there will be some positions for whom there are no comparisons in the UUA guidelines such as the Director of Social Justice and Church Programs and Communications and Database Manager. The ET would need to show that these are in line with comparable non-profits.

Rev. Newman Moore explained that the benefits packages follow the Department of Labor guidelines. Tracy said the DOL does not play a role in this issue.

John wondered whether making the comparison would be a job for the ET.

Rev. Newman Moore answered that Katie would perform the comparison and bring the report back to the ET. John asked if the Finance Committee could ask Katie to perform the comparison, report to the ET, and have it come back to the Finance Committee. Rev. Newman Moore answered, yes, that would be the right process. John explained that this process would be helpful in covering some of the budgeting process gaps (such as the gap in maintenance budget).

Peg added a note of caution, saying that the Finance Committee is in a position to ask the ET for information, but that the Board and its committees should be careful not to ask too much.

Chuck explained that the Finance Committee probably does not require a formal motion from the Board to verify that the Finance Committee goals are on target. Secondly, that the ET does not require approval to seek refinancing options using a Board or Finance Committee member.

Monitoring: Reports from the Executive Team

Report on Operations and Programs (Gary Penn)

Peg asked Gary to please run through the report highlights.

Gary explained that we now have a security system up and running, and were able to do it very cost effectively with the assistance of OJ Moore's contractor's discount. The result is that we are 6K *under* budget. We have hired Ackerman to monitor the system. If the system is triggered, Ackerman calls the church to see if it's an accidental trigger, then they call the police, and then they call Gary. The video cameras record and keep about a months' worth of video. All staff not currently away have been trained on the use of the system.

Rev. Newman Moore noted that the offering in July was particularly excellent (20K!), even though there was no special appeal. Peg and Chuck asked clarifying questions. Peg wondered if some of the money was for regular pledges (**AKR didn't catch an answer here**), and Chuck whether automatic debit payments get counted in the pledge count (no, Gary answered, those are separate from the plate collection).

Peg asked if there were additional questions or information about the solar panels or the Church of the Advent.

Gary explained that the Church of the Advent has found a new host congregation who has now voted to accept them, and that they will likely be out of All Souls in August. Regarding the solar panels, he said they are waiting for Katie to return, and would be happy to come present to the Board.

AKR QUESTION FOR BOARD – I DO NOT HAVE NOTES ON A REPORT ON MINISTRY – I HOPE I HAVEN'T MISSED OUT A WHOLE SECTION OF THE MEETING!

At this point, the Board spent some time in Executive Session.

Governance Process: Discussions and Decisions (Peg Barratt)

Peg noted that feedback has been positive at the idea of a fall retreat for the Board, though finding a time may be difficult. She said she would continue to add items to a draft Board Retreat agenda.

Consent Agenda

- Appointment of Bruce De Puyt as a Cluster Representative (Denominational Connections, Chuck Shields)

Motion: Chuck moved to approve.

Tracy seconded.

Vote: board approves.

Next meeting date and agenda

Date: August 25, 2016 Thursday

Peg noted that if materials can be provided in written form farther in advance, that BOT members will have a bit more time.

Tracy urged that BoT members read and understand the policy governance materials, and bring the document with them to meetings, because those policy documents should shape everything the Board does.

Peg admitted that the Board sometimes runs a little less professionally than it should. On this note, Ken explained that getting the key board documents saved on google drive so they are all available all the time would improve our operations.

Vicky asked whether anyone had followed up on the idea that we should have a single repository for past board votes and action items, and reached out to former Board secretaries or presidents. In response, Chuck noted that Mark had provided a list of four years of Board actions, and that the list is currently being reviewed to see if the bylaws or policy book needs to be updated.

It was noted here too that it might behoove the Board to have a regular action item list to come out of Board meetings. John also thanked Tracy for highlighting the financial provisions of the UUA guidelines.

Rev. Newman Moore pointed out that the next agenda includes a misspelling of Kathy Ferger's name that should be fixed.

Finally, Whitney announced that the next anti-racism training will be September 16-18.

The meeting adjourned at 8:58PM

Respectfully submitted,
Allison Ralph,

Board Assistant Secretary