

FIRST UNITARIAN CHURCH OF WILMINGTON, DELAWARE BOARD MEETING MINUTES

MEETING: Board of Trustees Meeting, February 16, 2016. **TIME:** 7:05 p.m. – 8:20 p.m.

MEMBERS PRESENT: Ostin Warren, Marilyn Hyte, Donna González, Becky Laster, Anna Hamilton, , Doyle Dobbins, Leslie Dickerson, Linda Sanders. **MEMBERS ABSENT:** Jacqueline Kairis
NON-MEMBERS PRESENT: Roberta Finkelstein and Steve Cohen.

Recording Secretary: Doyle | Process Observer: Leslie | Centering: Leslie

Note: To better ensure follow-through with action items from Board meetings, areas for specific follow-up are **highlighted in red font** throughout this and subsequent meeting minutes and Board decisions are **highlighted in green font**.

Agenda Review: Ostin reviewed the agenda to begin the meeting and thanked members for revising their schedules and attending the meeting, which was postponed one day, due to the unexpected snow storm. Some adjustments were made to the agenda, which are noted in the appropriate sections.

Opening Words: Leslie provided the opening words.

GOVERNANCE / LINKAGE-ENGAGEMENT

Strategic Plan Report: Becky provided a summary overview. Linda also added comments regarding progress. Clarifying questions were raised: **Marilyn** asked about long-term and short-term goals and progress related to each and **recommended a one-page summary for future reports**. Becky observed that the change from two ministers to one should be reflected more specifically in the SP. For example, pastoral care is being addressed by Roberta and by pastoral care associates. Doyle asked about the final membership number for this year, which has been determined to be 367. The trend is flat or trending upward slightly, according to attendance numbers. Anna asked specifically about a blessing service for single mothers with adopted children. Ostin asked whether or not the whole Board needs more involvement in the SP—leadership for the future will be critical for the SP committee.

Doyle moved that the SP report be approved; Leslie seconded; motion passed.

Treasurer's Problem Statement: Steve provided a brief summary of his problem statement document, which was included in the Board packet, and very clearly explains the problem and offers ideas for ways to address the problem—see the addendum to these minutes. Although we are in good financial shape currently, the projections are that we will have a significant problem in coming years, especially in relation to building maintenance and upkeep, if it goes unaddressed. Anna strongly recommended that the building maintenance fund be placed in a separate account and not used for other needs. Donna questioned whether or not we could find a good way to use some of our invested funds to upgrade or renovate our current building. According to the SP, this item is on the agenda for next year.

Marilyn moved that a board committee be formed to address this issue, with Steve, Linda, and

Donna as members. Leslie seconded the motion; motion passed. The committee will consult with the ET and others as needed.

February Thank You: Catherine Williamson, Marina VanRensen, and Scott Ward were recommended for recognition via thank you cards. Ostin circulated the cards for completion.

Treasurer's Report – Steve: January was a very good month, ending with a good surplus; the surplus should sustain us through the remainder of the fiscal year—see Steve's report for additional comments. The external audit has been completed with no surprises or problems identified. The pledge campaign has been going really well, with good responses, so a good outcome is expected.

Black Lives Matter Communication Plan: Doyle moved that the public resolution be officially approved; Marilyn seconded; motion passed. Roberta would like for the resolution to be clearly communicated to the congregation. Ostin, Marilyn, and Anna volunteered to help with the communications process, getting it on the web site, using Eblast, and other good options. The various police units may be contacted and informed of the resolution.

Creative Problem Solving: This item is being postponed to a future meeting or handled via email.

CONSENT AGENDA

All reports and documents were made available with sufficient time for members to seek clarification or suggest minor corrections with the author of each, according to our Consent Agenda plan.

January Board Meeting Minutes – Doyle

EL # 3 & 4 – Marina

Ends #3 – the ET

Incidental Report – Roberta

BELT #4 Report – Ostin

Anna moved that we approve the consent agenda; Marilyn seconded; motion passed.

MONITORING / GOVERNANCE

In the works:

E-voting/proxy voting bylaws legal review – Ostin: Legal assistance has been found to review the Bylaws and the results will be reported at a future board meeting.

Roberta's contract review/developmental goals review: This task will be handled by a Board committee consisting of Ostin, Marilyn, Leslie, and possibly others. **Linda moved that the committee be established; Becky seconded; motion passed.** At the appropriate time, a search committee will need to be established to begin the search process for a settled minister before the end of the developmental ministry contract.

Leadership discussion: scheduled for next month.

Youth Membership on Board: Ostin and Marilyn will meet with the Youth Group in March to discuss options.

JPD & GA Candidates: Marilyn reported that she and Linda attended the CERG meeting on 2/13. Regional changes continue to be a work in progress. **Specific action in relation to CERG will be considered at the March meeting of the Board.**

Changes in investment strategies: Ostin reported that he and Barry are continuing to discuss investment options and more will be reported at future meetings.

BOARD DEVELOPMENT

Practice of Skit: The skit, to be performed at the all church luncheon on 2/21, will be practiced after the meeting is adjourned.

Board Responsivity & Linkage: Board members may do another phonation, as was done last year, at a time to be determined. The purpose will be to interact with church members and receive feedback regarding church programs over the past year.

CLOSING: Process Review – Leslie was complimentary regarding our process. She offered closing words, and the Meeting was adjourned at 8: 15 p.m.

ADDENDUM

FOR FIRST UNITARIAN BOARD DISCUSSION

by Steven R. Cohen, Treasurer

February 5, 2016

Problem Statement: The current and proposed First U Budget do not support BOTH our current operating costs AND Reserves needed for future Building Maintenance.

Background: The study conducted by the Strategic Planning team has concluded that the Church needs to set aside at least \$50,000 per year for Building Maintenance in a Reserves account so that when major repairs are needed, the required funds are available. These will cover items like our many roofs, windows, floors, as well as our parking lot and building exterior. Most of our Church Facilities are now 55 years old and we know that certain maintenance, repairs and replacements will be required over the coming decades. There will be insufficient funds to handle these events from normal Operating budgets. Also, the \$50,000 number excludes inflation over the coming 20 years so we need to periodically adjust the number upward over the course of the next 20 years.

Current Situation: We needed to withdraw \$179,000 from the Capital Campaign funds in order to complete critical overdue repairs in 2015 & 2016. This year's budget (2015-2016) has the largest amount of funds available for Building Maintenance Reserves in many, many years. The maximum amount that will likely be available is \$40,000 which is \$10,000 less than the goal. The Executive Team Budget forecast for the next three years has less than \$15,000 available for Building Maintenance Reserves resulting in an annual shortfall of over \$35,000. Also, the 2017-2018 Budget has an overall shortfall of \$14,000 and 2018-2019 has a shortfall of over \$31,000 which will likely further reduce the amount actually set aside for those fiscal years for Building Maintenance Reserves.

Board Action Needed: Discuss and formulate a long-term budget plan that provides for both the annual budget needs to operate the Church as well as saving enough money for future Building Maintenance.

My Starter Thoughts for Board Consideration:

Income vs Expense: We need more Income OR less Expense and most likely need both to occur to close the gap. The problem requires significant increases in income or reductions in costs so I recommend setting a

minimum threshold for discussion of at least \$10,000 per year for ideas to seriously consider implementing. The smaller ideas will likely be done in annual budget balancing.

Stewardship: More Stewardship (Pledge) income is unlikely since too much of our income today comes from the “Top 40” donors. In the current year, 43 pledge units out of 260 contribute 50% of our Pledge income. The pledges from this group have been decreasing as members retire, pass away or move away. Expected decreases in pledges from the “Top 40” will likely more than offset pledge increases from the rest of the Congregation.

Possible Additional Income Sources:

- 1) Increase Building Rentals: challenge is that our classrooms and meeting rooms are not highly desirable for daily rentals. There are lots of comparable or better rental space available in North Wilmington. Perhaps a start-up church of another faith that meets on a Saturday or Sunday night might want to rent the Sanctuary as was done by an Islamic congregation. Need a large steady rental to result in significant dollars. Note that some of the added rental revenue will be spent on extra janitorial services.
- 2) Fundraising Events: Our challenge is to broaden the base of customers beyond the Congregation. Also, fundraisers take a lot of volunteer effort which will likely impact other programs. In addition, the UUA recommends using fundraisers only for outside charity not for the Church budget. Currently, our every other year Church Auction is needed to balance our Church Operating budget = \$20,000 for 2 years.
- 3) Our Property on US 202: is there some way to get revenue from this land without compromising our values?
- 4) Bequests to Building Maintenance: could have people designate Building Maintenance Reserves instead or in addition to the Heritage Fund. However, this will likely lead to less bequests to the Heritage Fund.
- 5) Some UU churches run a separate pledge campaign just for Building Maintenance similar to our Counterpoint Drive. The risk is that we may reduce Operating Campaign pledges.
- 6) Significant Congregational Growth will result in more pledge income. This item has been worked on for the past 15 – 20 years with varying levels of intensity.

Possible Expense Reductions:

- 1) Share resources with nearby UU or even non-UU Congregations. This was proposed by Paul Pinson at the August 2015 Board/ET Retreat. Examples: shared DRE; shared Music Director; shared Bookkeeping; shared Publications. If we are going in this direction, my recommendation is start this while Rev. Roberta is here rather than in the first years of a new Settled Minister since this will be controversial. I would start with shared DRE and Bookkeeping.
- 2) Further increase role of Volunteers to do more jobs:
 - Building Supervisor (with paid Janitorial Staff)
 - Publications Assistant
- 3) There are not a lot of feasible items to cut in the non-Staff budget since most literally “keep the lights on” and fund our core Church programs or are pass-through funds.
- 4) The one exception is: Dues to the UUA. I am against cutting our Dues, because it violates our values and Board Policy.