

FIRST UNITARIAN CHURCH OF PORTLAND

Meeting of the Board of Trustees Regular Meeting, February 23, 2006

Present: Cindy Cumfer (Moderator), Randy Russell (1st Vice Moderator), Lee Fawcett (2nd Vice Moderator), Dave Patterson (Secretary), Don Watne (Treasurer), Kathryn Estey, Helena Lee, Eric Schmidt, Jean Omelchuck, Pierre Provost, Marilyn K. Scott, Marilyn Sewell (Senior Minister), Tom Disrud, (Associate Minister).

Absent: Teri Martin

Staff: Candace Clarke (Director of Finance and Administration),
Jan Larson (Administrative Assistant)

Guests: Tricia Knoll, Robin Henderson, Jane Betts-Stover, Bob Townsend, Barb Dow, Marsha Marzano, Bill Michtom, Bev Wilson, Martha Richards (Eliot Campaign Consultant), Richard Wilson, John Thompson.

Minutes: Valerie Lyon

Process Observer: Dave Patterson

Time Keeper: Don Watne

The Meeting was called to order at 7:10 pm.

There was a quorum with 11 of 12 Board members present.

To do list:

Board members help with the phone-athon to raise money for the Eliot Campaign
Wednesday nights from 5:30-8:00.

Call Diane Englert at the church several days ahead if you can come.

Announcements:

Ed White, the consultant from the Alban Institute will meet with the Board on March 18, from about 9:00 to noon.

The administrative staff are giving, on their own time, a dinner to the Board as a thank you. It will be on the April Board meeting evening.

No Action Items to review.

BOC Recommendations on Open Mic:

Board members are concerned about times when congregants have veered outside of respectful communication with the Board in the open mic sessions.

Congregants are asked to speak with respect and to address issues and not to make personal attacks.

The procedure now will be that a Board Member will be the process observer and will stand when he/she feels the speaker is being disrespectful. The second time the Board Member stands for the same person, that person will no longer be invited to speak at Open Mic.

After discussion the Board passed these recommendations unanimously.

Open Mic. for Congregants:

Bill Michtom spoke, asking the board to move Open Mic to later in the meeting.

Report on the Eliot Campaign/Congressional Voting:

- The most recent cost is \$7,180,358. This includes \$300,000 of contingency costs, and doesn't include builders updated costs. The final total will probably be less and definitely not more. This amount is locked in through the end of April.
- Martha Richards reported that \$3.3 million has been pledged. We need a total of \$5.6 million to be at 80%, so we need to raise \$2.3 million by the end of April.
- The larger donors already contacted have pledged less than anticipated, so we need a broader campaign.
- The work plan is available at the front office. It includes:
 - Review all outstanding advocate calls, and new members.
 - There have been 47 advocates, some of whom have dropped out for various personal reasons. Forty-eight additional advocates have been identified. The goal was to have 12-18 more advocates, and 12 have agreed to do it so far.
 - 120 donors have pledged. We have 1,000 pledging members.
 - Marilyn has directed the staff to make the Eliot Campaign the top priority.
 - There will be Testimonials each Sunday.
 - Build urgency and a sense of reasons related to who we are from the pulpit.
 - Program Staff are looking at potential larger donors from participants in their programs.
 - Informational meetings (they have been good so far).
 - Not counting the million dollar gifts, the average gift is \$10,000. We will need a lot of people to give. The money is here, the question is can we meet the pledge commitment.
 - Board members will be asked to do very specific tasks.
 - Weekly phone bank for advocates.
 - Revisit people who have been called on who haven't yet pledged, or whose written pledge hasn't arrived. The bank will only honor written pledges.
 - The plan is fluid and evolving as new information comes in.

There was much discussion. This is exciting work that needs to be done within 60 days. The key is contact. This requires a different mindset than the annual pledge, so advocates help people think about what this means.

People who are not large donors think their gift won't amount to much, but if everyone gives, we can make this happen. Everyone needs to feel like they have a contribution to make.

There is an after tax cost of the gift, which saves the donor up to almost half of the value of the gift, depending on their tax bracket.

There are values to a challenging campaign. We get to consider reasons related to who we are.

We need more and clearer communication about how to make the pledge and that now is the time.

Report on Executive Sessions:

There have been a number of Executive Sessions over several months.

1. The Assessment of the Senior Minister— Specially called Executive Sessions were held November 17, December 15 and 18, 2005, and January 19, 2006. The reason for the Executive Sessions is that this is a personnel matter. A report of the assessment and decision will be released to the church website early next week.

Since Marilyn has never had an assessment, her leadership in her whole tenure was assessed. The conclusion was that Marilyn had brought excellent leadership to our church.

The purpose of the assessment was to arrive at a compensation figure. The board has decided that compensation is primarily based on comparables of ministers in similar positions but should take into consideration Marilyn's performance. The board used figures published by UUA on their website as comparable figures. The UUA classifies salaries by Geo Indexes that are based on prevailing salary ranges in the area. Portland is in Geo Index 4. Within each Geo Index, the UUA classifies salaries by the size of church. The largest church category is for churches with more than 700 members. The largest churches often don't report salaries, so the top estimate in this category is probably low. Marilyn's current salary is in the mid-range of large churches reported on Geo Index 4. The recommendation is to step up her salary now and work toward moving her toward the top range for two reasons: 1) Marilyn deserves it, 2) When Marilyn retires or leaves, we need to pay at that level to find a comparably qualified minister. The board is not recommending jumping Marilyn's salary to the top of the range in one year, because the church is not in a position to make similar adjustments to other salaries. Marilyn has not decided if she will accept the increase.

2. Hiring of a Consultant—Specially called Executive Session was held January 19, 2006. The reason for the Executive Session was to address personnel concerns. Two board members reported experiencing adverse health problems in significant part because of the stress created by the unhappy congregants. Several board members experience the barrage of emails, letters and negative comments about board members that we have been receiving since the beginning of this church year as harassment.

Two board members have had spouses or partners suggest that they resign because of the stress. The majority of Board members are losing sleep, frustrated and distressed. The outcome of this session was that the Board felt that it was faced with a situation we don't know how to handle. We decided to hire a consultant familiar with large church issues to advise us about how to handle this conflict.

Report on BOC Decisions:

Hiring Ed White as consultant.

We decided to go outside the UUA to hire a consultant for two reasons: there is not enough experience in the UUA with large churches; and Marilyn is so well known in the UUA that we felt we would find a more neutral person outside the UUA.

Ed White is a large church conflict manager. He is a senior consultant with the Alban Institute, a highly reputable organization which studies and advises churches. He will meet with representatives of all parties involved and will then make recommendations. The board unanimously supported the BOC's decision to hire him.

Authorizing Expenditures for Shop Drawings on Construction Project:

The board unanimously supported the BOC decision to authorize spending \$40-50,000 for the shop drawings. The contract estimates for construction were firm till March 1. The shop drawings will cost \$40-50,000 and will allow us to extend the price we received without inflation until approximately May 1. If the Campaign is unsuccessful this year, the drawings will still be good for the next campaign.

Consent Agenda

Note-taking of Board Minutes:

For Open Mic, write the person's name and the subject discussed.

Capture major points of board discussions. No need to say who said what.

Make clear what the board decision is.

Do not report announcements unless there is a benefit after the minutes are published.

Excess Benefits Transactions Policy/Finance Committee

In response to IRS rules, we are required to document that we set the compensation of our most influential employees in line with what similarly situation people are paid. A policy following the IRS rules was adopted by BOC unanimously and is attached to these minutes.

The Finance committee handles compliance with this policy for all positions other than the Senior Minister.

Third Minister Update: Randy Russell

There were many applicants. They were narrowed to 8. Six were interviewed by phone. Two are being brought in to pre-candidate. One has preached in a nearby church, observed by committee members. One more is coming. No decisions have been made at this point. If neither candidate works, we may have to look farther. We want someone who can bring a lot to the church. The church will give a lot to the minister chosen.

Board Committee Reports:

Committee on Generosity:

The Annual Fund Drive is closed. \$1,147,223 was pledged. The goal for the basic operating budget was exceeded by 2 percent.

The Board's role as advocates for the Eliot Campaign continues for 45-60 days, but shouldn't be burdening. Goals are:

1. Have current advocates recommit.
2. Marilyn, Tom and Candace are recruiting new advocates.
3. Board members help with the phone-athon Wednesday nights from 5:30-8:00.

Call Diane Englert at the church several days ahead if you can come.

Board members make calls to other advocates and talk with people who are ready to pledge.

The Eliot Campaign is doable.

Finance Committee: Don Watne

- Because of the successful pledge drive, we have a surplus this year of \$65,000 that was not budgeted, and \$65,000 for next year (begins July 1).
- Last year we had a \$63,000 deficit. This year we have a \$60,000 surplus. Program revenues have brought in \$182,000 in the last 6 months. This is 42% again over budget. This demonstrates their sincere attention to how they're running their programs.
- Gardner Grice has completed a 5-year Management Plan. It will be on the church web site next week. Many of his proposals have a return of investment (e.g. changing lighting in Fuller hall will result in a 70% savings on electricity. We can also sell our energy credit to a for-profit organization). Candace will put an overview in the Board Packet. The Board thanked Candace and Gardner for their great work.
- Candace has been asking vendors to contribute to the Eliot Campaign and has raised \$37,000 so far.
- April 6 is the extra Finance Committee meeting for Budget approval, but we may not need it.

Communication Committee: Kathryn Estey

There are 4 congregant information meetings for the Eliot Campaign.

Foundation: Pierre Provost

There is a remarkable amount of revenue. \$40,000 is going to the church operating fund.

Executive Team: Marilyn Sewell

We generally have an intern who becomes Summer Minister but we don't have an intern this year. This year Marilyn contacted Rev. Edward Frost, retired minister of the large Atlanta church. He will be here from mid June to mid August, and will do most of the preaching and usual tasks. Marilyn will be in Guatemala most of the summer. Tom will be around to help.

Summer attendance is 500. When we have 3 ministers, one of the 3 will be part of an ongoing program to be developed for the summer months.

A Congregational Survey, designed by the PR Team, was emailed to Board members. Teri Martin had a lot to do with it as she has much experience in survey construction.

Process Report:

Good, respectful conversation. Not much of people speaking at the same time. Finished ahead of time!

Closing Words:

Helena read *What Does a Bag Lady Give Up for Lent* by Ethel Marbach

The meeting was adjourned at 8:45.

EXCESS BENEFITS TRANSACTIONS POLICY

The Board of Trustees shall monitor the transactions between the corporation and any disqualified persons as required by the Internal Revenue Service in its excess benefits transactions rules to ensure that the corporation complies with these rules. This policy supersedes any conflict of interest policy of the corporation to the extent that this policy is more stringent than the conflict of interest policy.

In order to comply with the IRS rules, the Board of Trustees shall act as follows:

1. The board shall develop and maintain a list of disqualified persons.
2. The board shall ascertain that no member of the board is a disqualified person with respect to any transaction it considers. If a board member is a disqualified person with respect to a transaction, the board shall appoint a committee, consisting of all board members who are not disqualified, to consider the transaction.
3. The board shall notify each disqualified person who is employed by the corporation or with whom the board anticipates that the corporation may engage in a transaction that that person is a disqualified person.
4. The board shall convey the list of disqualified persons to the Executive Team and shall instruct the Executive Team to notify the board if the Executive Team or any employee plans to engage in a transaction with a disqualified person, including payment or reimbursement for business or travel expenses of the disqualified person and/or members of the disqualified person's family. If so, the board shall monitor the transaction to ensure that it complies with the procedure in #6 below.
5. When employee compensation packages are established each year, the board shall identify those employees who are disqualified persons. The board shall monitor the compensation packages of disqualified persons in accordance with the procedure in #6 below.

6. When the corporation engages in a transaction with a disqualified person, the board shall monitor the transaction as follows:

(a) The board shall gather appropriate data to ensure that the compensation for each disqualified person is reasonable.

(b) The board shall document its decision by keeping written records that state the terms of the transaction and date approved, the members present and who voted on it, the comparability data and how the data was obtained, and any actions taken with respect to board members who had a conflict of interest with respect to the transaction. The records must be prepared before the latter of the next board meeting or 60 days after the final action is taken. Once prepared, the records must be reviewed and approved by the board within a reasonable time.

The board may delegate its responsibilities under this policy to a committee of the board. If the board does so delegate its responsibilities, the committee shall alert the board if the committee ascertains that the board is considering a transaction with a disqualified person. The committee shall report to the board in a timely fashion the results of all monitoring of disqualified persons that the committee is required to do under this policy.