CHURCH GOVERNANCE AND PROPOSED POLICY REVISIONS

First Unitarian Church of Portland
Congregational Forum

February 25, 2018
First Unitarian Church is a beacon of hope for us and our community, a Spiritual center in the heart of the city that helps each of us to find our moral compass, calling and challenging us to build the beloved community with an ever deepening sense of spirit, diversity and inclusion.
AGENDA

● 1:10 pm Presentation on Church Governance and Proposed Policy Changes. Primary Presenters:
  ○ Cindy Cumfer, Chair Governance Comm
  ○ Leila Wrathall, Treasurer
● 1:45 pm Dialog (Q&A)
● 2:15 pm Next Steps
● 2:30 pm Adjourn
GOVERNANCE POWERS OF CHURCH MEMBERS

**Organizational Documents**
- Articles of Incorporation
- Bylaws

**Sphere of Responsibility**
- **Senior Minister**
  - Spiritual Life
  - Church Operations
  - Appoints ET
- **Board**
  - Mission
  - Long-Term Plan
  - Oversees Church Operations
  - Adopts Board Policies
- **Nominating Committee**
  - Slates for Board and Nominating Committee

**Ongoing Involvement**
- **Member Approval**
  - Annual Budget
  - Sale of Church Property
  - Church Capital Campaigns
- **Member Consultation**
  - Mission
  - Long-Term Planning
- **Member Participation**
  - Run for Board and Nominating Committee by petition

**Call**
- Amend

**Elect**
- Call
- Elect

**Oversight**
- Nominations
POLICY-BASED GOVERNANCE AND WHY WE USE IT

• Policy-based Governance has no specific definition

• Derived from model of governance developed by John Carver

• Problem prior to adoption: Board and Senior Minister operated under a “Shared Governance” Model that failed as the church grew
WHAT AND WHY OF POLICY-BASED GOVERNANCE

• The church adopted PBG to accomplish three primary goals:
  – Delegate management of church operations to the Senior Minister and an Executive Team
  – Ensure accountability of the ET to the board
  – Provide for governance by written policies so that it is transparent to ET and members
CURRENT 2014 POLICIES: CHALLENGES

• Board delegates management to ET, subject only to limitations in policies (Bylaws, Art. III, Sec. 2 and 2014 Policy 2.1).

• Nothing in the policies gives Board assurance of ET’s competency to manage.

• If there is no policy, Board cannot evaluate ET performance on that issue (2014 Policy 2.3).

• Board cannot foresee everything it needs to regulate.

• Policy model leaves Board uncertain about how much detail to include in policies. (2014 Policies Part 3).
CURRENT 2014 POLICIES: CHALLENGES

• Board evaluation of ET is based solely on whether ET follows policies, not on how well the church is meeting its mission. (2014 Policy 2.3).

• Policies need a shift in attitude toward ministry from controlling ministry to collaborating with ministry as required in our Bylaws.
GOVERNANCE COMMITTEE’S WORK

• Board Charge to Committee: simplify policies in relation to the Executive Team and to create linkages among the board, ET and congregation

• Process to Develop Policies
PROPOSED POLICIES: KEEPING POLICY-BASED GOVERNANCE

• Board governs by written policies (as now)
• Board delegates management of church to Senior Minister who creates an Executive Team (as now)
• ET remains accountable to Board
PROPOSED POLICIES: MAJOR CHANGES

- Collaborative Relationship (New Policy 2.1)
- Assurance of Competency of Executive Team (New Policy 2.2)
- Elimination of Requirement that Board Foretell Future (2014 Policy 2.3 that limits Board evaluation of ET to determine whether Governance Policies are being met is eliminated.)
- Monthly Executive Team Reports (New Policy 2.5.1, already being provided by ET)
PROPOSED MAJOR CHANGES

• Board Evaluation of ET Performance emphasizes how church is progressing toward mission (New Policy 2.5 and 2.5.1) rather than how well ET complies with policies (2014 Policy 2.3)
ACCOUNTABILITY (New Policy 2.5.1)

- Monthly Financial Reports
- Monthly ET Reports
- Annual ET Report Covering Elements of Church’s Mission
- Annual Review or Audit of Church’s Finances
- Outside Consultant to Review Church Management Every Three Years
TRANSPARENCY AND COMMUNICATIONS WITH CONGREGANTS

• Detailed Written Board Policies on Governance (very rare for nonprofits)

• Open Board meetings (same as current policies)

• Enhanced Communications with Members/Congregants (Addition of 4.10.3 and 5.1)
PROPOSED MAJOR CHANGES - FINANCE

- Removes procedural items; refines policies based on actual experience
- Plan goes to BOT for resolving budget deficits >$25K (new 3.3.1)
- Modifies method of funding Maint Res if <$150K (budget or plan to BOT) (new 3.3.1)
- BOT approval for any debt (new 3.3.2)
PROPOSED MAJOR CHANGES - FINANCE

• Modifies UUA dues payments, what “church can reasonably make” (new 3.3.1)
• Removes Sabbatical Res of $4K (cur 3.3.2)
• Removes church maintenance plan & annual update provisions (cur 3.3.4)
Policies should support an organization's mission.
There's a committee looking into the air,
my supervisor said,
when someone complained
about our stuffy office.

Can't you just see them up there,
sitting around a conference table,
looking into the air.
That's all. Just looking.

There's a committee looking into the air.
I must get elected to that committee
because I care about the air too
and I would love to look into it,

all of it,
and I would love to look into it
with others also.
We would be this committee,

united,
to look into the air.
People would send us complaints about the air
and we would send memos back to them
describing what we saw when we looked into the air
and if something needed to be done about it
we would fix it.
We would be the committee that looks into the air.
Thank You!