

First Unitarian Church of Portland
Board of Trustees Meeting - December 5, 2019 - Agenda
Board Meeting - **Earlier time 6 - 7pm** - Buchan Reception Room

Board Meeting

Board Roles:

Process Observer: ?
Timekeeper: Andy W
Words: Ryan

- 6:00 **Convene**
Opening Words - Ryan
Determine Quorum
Process Observer Review
Review Agenda
Review & Approve previous meeting's minutes

6:10 Congregant Comment Period

Updates

6:20 ET Update

NOTE: Committee Updates - reports attached.

NOTE: Dates to calendar -
Forum dates next year - December 8, January 12, April 19
Board Holiday Party Dec 5 (after 1 hour board meeting)

Action Item -

6:40 Finalize forum details

Meeting Wrap-up

- 6:50 Communications Check and Process Observations
Closing Words - Ryan
- 7:00 Adjourn

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**Our Church Mission:**

The mission of First Unitarian Portland is to create a welcoming community of diverse individuals; to promote love, reason and freedom in religion; to foster lifelong spiritual growth; and to act for social justice.

## **Our Church Vision:**

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.

## **Goals for First Unitarian Church**

Five Year Church Goals are created in collaboration with the congregation and Executive Team and adopted by the Board. They reflect the mission and vision of our church. Church goals are primarily carried out by the Executive Team and staff, collaborating with the Board.

Board 1-3 Year Goals are created by the Board and Executive Team at our yearly Retreat. Board goals may draw from the 5 Year Church goals, yet reflect work within the purview of the Board.

## **First Unitarian Church Five Year Goals**

At the Board meeting on May 6, 2016, the Board adopted five year goals for the church.

From 2016-2021, First Unitarian Church of Portland will:

- Focus on collaborative governance, revising policies for clarity and brevity and creating linkages between the Congregation, the Board, and the Executive Team.
- Increase church funding through enhanced giving, including goal to reduce or retire the Buchan Building mortgage.
- Make a cultural transition from program-focused church to mission-driven church, with priority to building beloved community between generations.
- Develop a long-term plan for development and sustainability of church campus given changing dynamics of West End and downtown Portland.

## **Board Goals for 2019/20**

Recognize that adopted goals are 1-3 year goals. (Going forward, add a new goal when an old one is retired.)

1. Continued to work on issues of Power, Privilege and White Supremacy Culture by
  - a. Educating ourselves on the issues.
  - b. Examining the ways in which Power, Privilege and White Supremacy Culture affect our Church, including our Board work.
  - c. Taking steps to improve our practices.
2. Support Executive Team to have an Annual Fund Drive and other income streams that meet the church's budgeted expenses by the 2020-2021 church year
3. Governance committee to review and possibly recommend changes to the bylaws as they relate to size of Board, and definition of pledging member in by-laws and policies.
4. Ensure that current possibilities for development on the current campus receive thoughtful consideration and appropriate Board review.

5. Continue a Senior Minister Transition Team to educate the Board, create a timeline, and a congregation education plan.

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Board Committee Members

- Finance: Leila Wrathall, Chair, Kathy Ludlow, Andy Wilson
- Gov Com: Cindy Cumfer, Chair, Ryan Deibert, Andy Parker, Mindy Clark
- Com Com: Barbara Morrison and Randy Russell, Co-Chairs, Alan Comnes, Brad Taylor, Theo Harper
- Board Inclusion Advisory Team (BIAC): Theo Harper, Chair, Ryan Deibert, Cindy Cumfer, Mindy Clark

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**First Unitarian Church Portland Oregon  
Board of Trustees Meeting - Final  
November 7, 2019**

**Board Members present:** Mindy Clark, Cindy Cumfer, Ryan Deibert, Theo Harper, Kathy Ludlow, Barbara Morrison, Randy Russell, Brad Taylor, Andy Wilson, Leila Wrathall

**Absent:** Alan Comnes, Andy Parker

**Ministers and staff present:** Rev. Bill Sinkford, Rev. Tom Disrud, Kathryn Estey

**Timekeeper:** Randy Russell

**Assistant note taker:** Dotti Chidester

**Process Observer:** Theo Harper

**Congregants present:** Dev Dion, Pat Malone, Karen Shawcross

The board meeting convened at 7:00 PM. Kathy lit the Chalice. Board read the church vision.

**Opening words:** Randy Russell read a poem by Paul Laurence Dunbar, "Merry Autumn."  
Kathy determined that there was a quorum.

**Process observer review:** Ryan reiterated that by their nature, generative discussions contribute to dismantling the culture of white supremacy.

**Review agenda:**

Agenda was reviewed.

**Review and Approve previous meeting's minutes:**

There were no changes. Randy Russell moved to approve the minutes, Leila Wrathall seconded the motion and it passed by unanimous vote.

**Congregant Comment:**

None

**ET updates: ET Updates were presented by Kathryn Estey, Tom Disrud and Bill Sinkford**

- Significant dates to calendar:
  - Forum dates for the church year: Feb 23, April 19
  - AFD Celebration Sunday: Nov 17
  - Board's holiday gathering: Dec 5 following a one-hour board meeting
  - AFD update, as of this date – Bill, Tom, Katheryn
  - \$634,000 has been pledged toward the goal of \$1.6 million
  - 293 pledges have been received
  - Average pledge is \$2,164/person or household
  - 136 of the pledges received are increases with an average increase of 12%
  - 11 pledges are reductions from last year
  - 9 pledges are new
  - The ET is not seeing any red flags
  - This year's pledging ritual during Celebration Sunday will be different from last year to be more inclusive
  - Music will be provided by a New Orleans-style jazz band
  
- Additional updates
  - On 12/8 there will be a celebration of the installation of the solar panels
  - The new choir structure is in place and feedback from choir members and the congregation is positive. The choirs have decided to move away from separate names and all four will be known as the "Chancel Choir" when they are performing. Internally, the four groups will be known as Amity, Grace, Harmony and Radiance. The choirs chose their own names during the choir retreat.
  - The outside investigator found no substance to the complaints from the former choir member and the matter is closed
  - Union negotiations are continuing

Committee Reports are included in packets, and Kathy reminded everyone to read them thoroughly in order to know what is going on in each committee. Randy asked people to review the website to see if it should be updated.

**Consent Agenda:**

Affirm the request from Jennifer Springsteen for congregational sponsorship (part of the process of ministerial formation). Ryan Deibert moved to affirm, Randy Russell seconded the motion and it passed by unanimous vote.

**Action Items:**

Board members' assignments for various AFD activities were reviewed and finalized.

**Closed Discussion:**

The board moved into a closed discussion at 8:10.

**Open Discussion**

The board returned to open session at 9:05. Randy Russell moved to approve the request for funds as presented by the Real Estate Development Task Force, Theo Harper seconded the motion and it passed by unanimous vote.

**Communication Check:**

None

**Process Observations:**

- Randy helped keep us on track as timekeeper
- Brad was willing to ask questions despite feeling uncertain and was supported by others on the board and ET
- Good participation all the way around
- Good tolerance of discomfort during discussions
- Discussed real issues during closed session
- Realistic timelines
- Brad noted a sense of urgency in the end of the meeting when making a decision about block redevelopment

**Closing Words:** Randy read a poem by Mary Oliver, "Song for Autumn"

Meeting adjourned at 9:10 pm.

**Minutes respectfully submitted:** Mindy Clark, board secretary

**First Unitarian Church  
Finance Committee Minutes  
October 29, 2019**

**Attending:**

Committee Members: Leila Wrathall, Andy Wilson

Non-Voting Board Members, Committee Members and Congregants: Linda Craig, Jo Ann Foor, Ed McClaran, Josh Soske

Staff: Kathryn Estey

**Call to Order:** 5:00 pm

**Reading:** Leila provided a reading.

**Date and Time for Next Regular Meeting:** December 3, 2019, 5:00 – 6:30

**Meeting Schedule for Year: December 3; no meeting post-Christmas. Starting January 28<sup>th</sup>, revert back to 4<sup>th</sup> Tuesday of the month from 5:00 – 6:30 pm.**

**Announcements and Reports:**

Leila reviewed Agenda.

Leila asked for volunteers from non-Board member attendees for Celebration Sunday. Jo Ann volunteered and Ed will if he is available.

**Motions/Approval:**

**M/S/C:** Approve September 25th Minutes as amended (see attached).

**September 30, 2019 Financial Review - Discussion**

| <b>September -19</b>    | <b>YTD</b>  | <b>Budget YTD</b> |
|-------------------------|-------------|-------------------|
| <b>Operating Income</b> | \$ 419,526  | \$ 482,958        |
| <b>Operating Costs</b>  | \$ 503,749  | \$ 534,111        |
| <b>Reserve Deposits</b> | \$ 11,574   | \$ 11,574         |
| <b>Investment</b>       | \$ 64       | --                |
| <b>Net Cash Effect</b>  | \$ (95,733) | \$ (62,727)       |

**Discussion: September Financial Report:** Rental income is doing okay, there are some big events upcoming. Pledge income is down, it is also below last year's receipts by \$20,000. Cash flow is also tight. Due to the salary increases from last FY, payroll expenses are higher and will likely be at or about the actual budgeted amount throughout the year. The September Report indicates a net cash flow of -\$95,733. Last year's operating deficit is a little higher if you subtract out the "Reimbursable Expenses."

The Reimbursable Expenses were funds expended for a BOT approved lighting project which were later paid for out of the Wells Fargo Reserve Fund.

The Church has received the last of the reimbursements from Church Mutual. They reimbursed half of the over \$16,000 total cost of the new flooring in Buchan Reception. The Church opted to replace the floor with carpeting instead of the original material. Replacing the flooring with carpet had been on the Church's project list. Absent the flood, new flooring would have been more costly.

There was some discussion about attendance per Sunday also being down from the last two years. One observation is that the summer of 2018 was an anomaly because there were 2 summer services in the Eliot Chapel. A lot of people liked attending services in Eliot. In 2017, TJ Fitzgerald who was a very popular intern was the summer minister. The question was raised about whether there is a correlation between attendance and pledge payments.

### **Updates – Kathryn**

**Annual Fund Drive:** Kathryn reported that they added a chart to the congregant mailing that shows the target number of pledging households, 1,000, in addition to the goal of \$1.6 million. As of October 29th, Church has received 195 pledges, just shy of \$458,000. This is dead even with last year. This averages \$2,349/pledge. High pledgers tend to pledge earlier. Having 2 check boxes on the AFD form with possible increases seems to be working. People are checking them.

**Banking Task Force:** Should have recommendation soon.

**Block Development:** Committee is continuing to work on this.

**Accounting Advisory Team:** The Accounting Advisory Team will be meeting Wednesday with Zaida, Kathryn and the Church's outside accountant to prepare information for the audit using a format supplied by the auditors. So far Zaida and the accountant are finding the process to be improved from the prior audit firm's.

### **OTHER ITEMS:**

**Amendment to the 1999 Articles of Incorporation:** Extensive discussion. Committee would like to see Articles streamlined, made consistent with the Bylaws, and have, as much as possible, policy items shifted to the Bylaws, including the provision in IV. Section 2. Requiring sale of Real Property and unbudgeted items over a certain amount be approved by vote. There was discussion about term "Real Property." Could "Real Property" be changed to real estate? Leila will talk to Cindy Cumfer and Governance Committee about these issues. The Committee wants a proposal and explanation that will "play well in the narthex."

M/S/C to change Article IV. Section 2. Expenditures of the 1999 Amendments to the Articles of Incorporation to the following: "The Board of Trustees may vary actual expenditures from budgeted amounts insofar as actual income varies from budgeted

income. However, any authorization by the Board of Trustees for sale or mortgage of real property, ~~or for any single unbudgeted expenditure of more than \$20,000 from non-restricted funds~~ shall be effective only if approved or ratified by a vote of two-thirds of the members present and voting at an annual or special meeting. Any single unbudgeted expenditure from non-restricted funds of 2% or more of the Church's Total Adopted Budget must have prior approval of the Board of Trustees."

**Generative Discussion Topics:** There was a lively discussion about topics. Generative Discussion Ideas:

Two topics emerged: #1. consensus that **Sustainability & Strategic Planning** should be discussed by the Board. There was a very strong consensus that a strategic plan should be developed prior to Block Development being pursued. Attendees think that projections about the future of the church, what is necessary for sustainability and what type of development is most appropriate, e.g. low-income housing, retirement housing, etc, need to be addressed prior to moving forward with the current proposal. This should include long-term planning, projecting how the church will look organizationally, projected staffing levels, membership/attendance projections, demographics, physical plant needs, how people will get to church, etc. The Block Development project is putting the cart before the horse in essence.

Second topic, Generosity and Gratitude, how it governs our lives as part of the community.

Volunteer for next meeting: Kathy

Meeting adjourned at 6:45 pm.

Minutes submitted by Leila.

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Proposal for Audit Committee for First Unitarian

Description

An audit committee at First Unitarian is proposed as a subcommittee of the Finance Committee. It would have no independent authority; it would be advisory to the Finance Committee.

Its function would be to help with oversight for the church's financial statements and the church's relationship with its outside CPA firm. It would provide advice to the Finance Committee and staff on the following:

- a) In years when a new CPA firm is sought for auditing or reviewing the church's financial statements, preparation of RFP and review of responses from CPA firms who apply.
- b) Advise staff, as requested, on preparation of internal documents and financial statements to be submitted to the CPA firm.
- c) Review of adjustments proposed by the CPA firm to the internally prepared financial statements.
- d) Review of draft financial statements presented by the CPA firm after their review or audit.
- e) Review of management letter or letter on internal controls prepared by the CPA firm and advice to Finance Committee and staff about changes or resolutions.
- f) Recommendation to the Finance Committee for acceptance of financial statements and management letters prepared by the CPA firm.

Purpose

The purpose of this proposal is to establish a small committee of people in the church with professional qualifications as CPAs, CMAs or the equivalent to help the Finance Committee and the Board of Directors with oversight of financial reporting. The Finance Committee does not always have members with this kind of expertise, and the members of the church who do have this expertise may not have time or desire to serve as regular members of the Finance Committee. People with the needed expertise would be willing to serve on the subcommittee because it would provide valuable support to the church with a limited time commitment.

Proposal by Linda Craig

May 10, 2019