

First Unitarian Church of Rochester, NY
Board of Trustees Meeting
December 13, 2016

I. The meeting was called to order by President Barbara de Leeuw at 6:32pm

Board Members Present: Barbara de Leeuw, Vice President Chris Graziano, Clerk Linda Friedman, Treasurer Anne Perry, Jo Cone, Nicole Delgrosso, Tim Farnum, John Solberg, Paul Suwijn.

Excused: Dave Burnet, Mary Moglia-Cannon, Jill Poremba

Staff: Rev. Joel Miller, Rev. Carlos R. Martinez, Laurie Collins

Guest: David Friedman

II. Centering Rev. Joel Miller

III. November 2016 meeting minutes were approved

IV. Interim Senior Minister's report:

Good Governance:

Financial condition:

Treasurer's reports for October and November 2016 presented orally by Rev. Joel Miller.

Annual Budget Drive should meet the \$763k goal, but does not include (-\$15,000) from UniUni closure and (-\$65,000) balance due of the negotiated ministerial separation. Resolving the minus \$80,000 deficit will be discussed.

Staff changes: Kimberly Joy Account's payable, new part time.

Protection of Assets (all insurances): Liability, Property, and Workers Comp insurances are in place. Rev. Joel inquired about offering long-term disability to staff. The board requested actual premium costs. The board agreed to notify UUA that First U staff were not offered an opportunity to obtain LTD insurance during the open enrollment period.

Motion: To notify UUA that First U staff was not given the opportunity to apply for Long Term Disability coverage during the eligibility period. Motion passed.

Updates:

1. Most of the Board participated in a Healing Circle. Rev. Joel expressed gratitude to Rev. Tina Simson for her excellent work.

2. The temporary roof patches are completed, approximate cost \$13,300k.

3. Worship associates and Healthy Congregation teams are being assembled. Part of celebrating "What's good" at First U is the number of congregants desiring active participation in church ministries.

4. Rev. Joel thanked Rev. Carlos for his excellent work with the Membership Team and the Social Justice Council. First Unitarian Social Justice Council is sponsoring buses to the January 21, 2017 "March on Washington" and co-sponsoring a local Rochester event. The

Church is insured for liability for the bus trip. Rev. Joel or Treasurer Anne Perry must be consulted regarding any contracts.

5. Rev. Joel met with a website contractor/designer. A bid to recode website and transition to a template-driven site was requested.

V. Financial Maintenance:

Investment committee proposals - Anne Perry Treasurer, David Friedman, Investment chair
The Investment Committee meets quarterly to review church investments. They monitor financial advisor, Alesco's, allocations, results (against the stated targets) and make recommendations to the board, as needed.

Anne Perry presented two proposals for discussion and vote:

Update investment policies: (basic financial maintenance)
Update benchmark dates and clarify investments included in target ranges.

Motion: Update the First Unitarian Church of Rochester, Unrestricted Board Designated and Restricted Endowment Fund Investment Policy Statement to incorporate the changes to the sections entitled 'Expected Market Returns and Volatility' and 'Asset Allocation' and to show the effective date for the policy as December 2016 and the date of approval as December 13, 2016

Motion passed. (See attachment A)

Close Charter funds:
Terminate inactive funds with zero balance, no activity for years and no charters.

Motion: To terminate charter funds in attachment B, which have zero balance and little or no activity for many years and to direct the senior minister to indicate in their official names that they have been terminated.

Motion passed. (See attachment B).

**Please remove "Appendix E Investment policy 2011" (pp. 26-31)*

Replace with **REVISED Appendix E Investment Policy December 2016, Governing Policies of the First Unitarian Church**

Regional UU leadership collaboration workshop update:

Barbara de Leeuw, John Solberg and Rev. Carlos Martinez attended a workshop for GUUSTO (Genesee Valley Unitarian Universalist Societies Together). UUA is encouraging greater collaboration between all the UU groups in the area. Local groups were most interested in cooperative events, sharing newsletters and larger social justice activities/events etc. First U is still in partnership with UCC.

President de Leeuw called executive session at 8:00 PM. Guest: Rev. Carlos Martinez-
2017-18 financial planning, sustainability and personnel

Meeting reopened – to adjourn.

UPDATE THE INVESTMENT POLICY FOR RECOMMENDED CHANGES IN TARGETS

At the most recent meeting of the UU Investment Committee, held Monday, November 14, 2016, the members of the Committee approved the following changes in investment targets. These changes are driven by the fact that International incorporates significant numbers of US companies doing business globally.

The Board of Trustees thus needs to update the Investment Policy to incorporate these changes. (See pages 6-7 of full policy, attached.)

Expected market returns and volatility – previous figures showed 1926-2010. These have been updated to cover 1926-2015.

Asset Allocation - the table below shows the current targets side by side with the proposed targets.

Total Portfolio: Asset Class	Target	<i>Proposed Targets</i>
Equities	65.0%	<i>67%</i>
Real Return	11.0%	<i>11%</i>
Fixed Income/Cash	24.0%	<i>22%</i>
Total	100.0%	<i>100%</i>

Equities Allocation	Target	<i>Proposed Targets</i>
Large-Cap	50.0%	<i>46%</i>
Mid-Cap	10.0%	<i>13%</i>
Small-Cap	22.5%	<i>11%</i>
International	17.5%	<i>30%</i>
Total Equities	100.0%	<i>100%</i>

In the previous several revisions, the meaning of ‘target’ was explained by keeping the Asset Classes within 5% plus or minus of the stated goal. A sentence has been added to clarify that the same language applies to the Equities Allocation targets.

MOTION: To update the First Unitarian Church of Rochester, Unrestricted Board Designated and Restricted Endowment Fund Investment Policy Statement to incorporate the changes to the sections entitled ‘Expected Market Returns and Volatility’ and ‘Asset Allocation’ and to show the effective date for the policy as December 2016 and the date of approval as December 13, 2016.

A full copy of the updated investment policy is to be attached to the minutes as an appendix.

December 13, 2016

MOTION: To terminate the following Charter Funds, all of which have a current ZERO balance and little or no activity for many years and to direct the senior minister to indicate in their official names that they have been terminated.

Acct Number	Title	Notes	Charter?
01-2115-000	Ikeler Tree/Lawn Care Fd.	Helen Ikeler bequest; completely spent	Yes
01-2180-000	Williams Memorial Fund	Spent down to a few dollars and probably closed by Board	Yes
01-2240-000	Ministerial Intern Fund	When Interns have been compensated, it was from Operating Budget	Yes
01-2245-000	Music Fund	Special Charter Fund - original intent to encourage bequests; never used	Yes
01-2139-000	Schell Crescendo Fund	Two accounts were set up. The other one is being used (2275)	No
01-2170-000	The Josephine Wenger Fund	Merged with Paul Wenger Fund, per Josephine's Will	No
01-2207-000	Chair Restoration Fund	Completely spent on chair restoration and other projects	No
01-2210-000	Chapin Settlement Fund	Negotiated severance with Helena Chapin.	No
01-2244-000	Music Equipment Reserve	These reserve accounts have been spent down in recent years and are now at ZERO	No
01-2244-001	General Equipmt. Reserve	"	No
01-2244-002	Organ Enhancement Fund	"	No
01-2245-001	General Music Reserve	"	No
01-2245-003	Enjoy July Concert Grant	Over and done. Not sure why it was set up as a fund.	No
01-2271-000	Loan to PMF from Op. Cash	This has been paid off	No