



**First Unitarian Church of Rochester
Board of Trustees Meeting
Tuesday, December 10, 2019
6:45 pm at First Universalist Church**

Attendance: Tim Farnum, Terri Goldstein, Mary Hammele, Robert Lyubomirsky, Courtney Miller, Paul Minor, Gregory North, Anne Perry, Scott Stamper, Paul Suwijn, Rev. Shari Halliday-Quan.

Guests:

Absent: Kyle Williams, Ken Buckle

1. Establish a Quorum and Call Meeting to Order at 6:56 pm — Tim Farnum
2. Centering and Chalice Lighting — Rev. Shari Halliday-Quan
The Board members were asked to partner with each other to think about and give examples of "Listen deeply to others and ourselves" from our mission statement. She indicated that we would continue this practice of thinking about our mission and ends over the coming months.
3. Consent Agenda.
 - a. Approval of November 2019 Board Minutes
Minutes removed from consent agenda for further discussion. There were questions about detailed reports appearing as attachments to the minutes. Based on Robert's Rules of Order Newly Revised, "the minutes should contain mainly a record of what was done at the meeting, not what was said by the members."
MOTION TO TABLE approved unanimously.
4. Routine business
 - a. Cards of gratitude and concern
To Will Hayes who is on medical leave – Anne will send
To Michael Smith who organized Thanksgiving Potluck – Paul S. will send
To Unitarian Universalist Congregation of Northern Chautauqua congratulations for their purchase of a building – Terri will send
5. Investment Committee Report, Annie McQuilken, Chair, Investment Committee of the Board of Trustees. Summary of key points:
 - a. Committee meets quarterly with the church's investment advisor Alesco Associates. Two committee members are Certified Financial Planners
 - b. Church investment policy uses 'passive' investment, investing in indexes rather than the more expensive approach of 'active' management. Alesco provides value by advising on asset allocations and tracking fossil free and socially responsible investing. Alesco and the Committee assure that the investment policy is followed.
 - c. Fossil Free Investing. The Board updated the investment policy three years ago by

- adding: “The Board of Trustees does not wish the Church endowment to support, or profit from, the long-term use of fossil fuels which is responsible for destabilizing the global climate system. As cost-effective investment vehicles become available that closely match other investment criteria that are spelled out in this policy, investment funds will shift toward sustainable technologies and away from fossil fuels.” As of 9/30/2019, 73% of our U.S. equities are fossil-fuel free, which represents 41% of total investments. At this time, there are no fossil-fuel free index funds that focus on value or small-cap stocks and these are categories included in the investment policy. Alesco and the Committee are currently focusing on international investments and expect to find appropriate investment vehicles in the coming 1-2 years.
- d. Environmental, Social, Governance (ESG). Alesco and the Committee continue discussions of appropriate ESG vehicles that meet the investment policy guidelines. In the course of the discussion, the Board’s consensus was that overall ESG goals should be balanced with the goal of fossil fuel reduction.
 - e. Spending Policy. “The target annual distribution rate shall be 5% of average market value of the endowment for the preceding 12 quarters (3 years).” In recent years, the calculation used the last three calendar year-end values, contrary to the Spending Policy. The Investment Committee will be actively involved in future years in calculating the distribution amount for the budget as there can be significant differences in the dollar amount of the draw, depending on the calculation method.
 - f. Church bylaws require us to follow the New York Prudent Management of Institutional Funds Act (NYPMIFA). According to NYPMIFA, distributions of greater than 7% over five years ‘creates a rebuttable presumption of imprudence.’ We have withdrawn more than 7%. However, the calculation is complicated by the significant increases in our endowment over the past few years.
 - g. There was a good discussion of our recent additions to the endowment that come primarily from bequests from people in the ‘traditional’ generation (i.e., over 80 years of age). Will the baby boom generation continue this level of legacy giving? How much should we be relying on Endowment draws versus Pledging.
6. Minister’s Report (See Appendix A):
- a. Staff/Volunteer Treatment – Hannah Chhibber is new administrative assistant whose hours are Tuesday-Friday 1-6 pm. The church office hours are now Tuesday-Friday 10 am-6 pm
 - b. Financial Condition – with some additional pledge income and deferral of some expense to next church year, our financial condition is good.
 - c. Ends Interpretations & measures
 - d. Membership – upcoming new member reception in January. Currently preparing for annual UUA certification of membership and expect some attrition during the interim period.
 - e. Building and Property Maintenance and Capital Improvements – an electronic lock has been installed in the front door of the church, allowing staff to lock the building remotely and making it possible for staff to leave at 6 pm. Projects to install hearing loops in Williams Gallery and Room 110 awaiting parts.

- f. Financial Planning (for 2020-21 budget)
- g. Upcoming Study Leave, Vacation, or Travel – Rev. Shari out of the office December 25-30 and will be on call for emergencies.
- h. Highlights, Celebrations, and FYIs – Former UUA President John Buehrens will preach on January 19; Rev. Shari’s installation on March 15.

7. Board Reports

- a. Treasurer’s report — Robert Lyubomirsky
 - i. Consideration of timing of audit review. Accounting firms are generally very busy in late winter and spring through April 15. Audit Committee will be appointed in January or February. Staff time is very full during the pledge drive in February and March and through the end of the church year. Thus, it is suggested that the audit review occur during the summer months.
 - ii. Working with staff on regular treasurer reports with interactive content.
- b. Policy Governance Team – Gregory North
 - i. A meeting is planned in the near future.
- c. Congregational Survey — Gregory
The survey has been streamlined to reduce the time necessary to complete it. It will be issued through Simple Church by the end of this week. As a ‘beta test’, it will be sent to the Board members to make sure it’s working seamlessly before it goes out to everyone.

8. New business

- a. Appoint members of Grievance Team (term runs calendar year so this need to happen every December). Tim indicated that he has some recommendations but would like more. The Grievance Team is only called upon if/when a grievance is initiated.
- b. Appoint Audit Committee. Tim indicated that he has some recommendations but would like more. The Audit Committee of the Board of Trustees is tasked with selecting and communicating with the audit firm that is engaged to do an audit review, to receive their report and to report to the Senior Minister and the Board. As a non for profit, the church is not required to meet the accounting standards that would trigger a full audit. Audit Committee members must be independent of the Board of Trustees and the Staff. The expectation is that the appointment of the Committee will be in January or February with the audit review to be scheduled in July or August.
- c. Generate ideas for membership of a Stewardship team for the Annual drive. Rev. Shari asked that each Board member recommend to her the names of two congregants for the Stewardship team.

9. Share what’s been happening around the church.

- a. Gregory and Anne are working with Laura Park on a workshop for the General Assembly (GA) next June. The theme of the GA is “Rooted, Inspired, & Ready!” which shouted to

us the work of our congregation in Our Road Ahead. Laura will talk about the process we engaged in. Gregory and Anne will present Our Road Ahead and what we are doing regarding our revised Ends. The proposal was in by the Nov. 26 deadline; we expect to hear back in January.

- b. Most of the Board members and Rev. Shari attended the County Legislature meeting on December 10th where Board member Mary Hammele spoke on behalf of First Unitarian Church and expressed her outrage that the 'Annoyance Law' that was signed by County Executive Cheryl Dinolfo on the very day when local citizens had protested the law and representations were made that additional comments would be heard before it was signed.

10. Adjourn at 9:37 pm

11. Closing and Extinguishing the Chalice — Rev. Shari Halliday-Quan

12. Who will bring food on January 14 – Gregory volunteered, and Terri offered to bring a cake to honor Mary Hammele's birthday.

APPROVED 1/14/2020

Appendix A: Senior Minister's Report to the Board

December 10, 2019

Staff/Volunteer Treatment

- Will Hayes will be on medical leave for several weeks; current staffing will cover most responsibilities with additional temporary staff brought in on an as-needed basis.
- Hannah Chhibber has begun as our Administrative Assistant and is learning quickly. Her hours are 1-6 Tuesday-Friday, and the office hours have stabilized at 10 am - 6 pm Tues-F.
- Office was closed Friday after Thanksgiving; paid holiday for most staff.
- Kim Joy is currently working on year-end benefits and payroll tax processes.
- Second minister search has begun.

Financial Condition

- For the purposes of dashboard views of some financial condition metrics and with the hopes that the board will serve as test users, please login to Simple Church.
- With additional pledges, some members being added in January, and expense management that includes some minor trimming and \$6000-10,000 related to start-up costs deferred to next year, the budget gap is within closing distance.
- While the overall income remains the same, I am currently working with Robert and Kim Joy to get clarity on how pre-payments of pledges and other contributions are applied.
- Gregory and Tim drafted a great appeal letter, but the timing feels too close to Greater Good and our upcoming pledge drive.

Ends SM is working on draft of Ends Interpretations (see addendum) and board is welcome to comment. At the January meeting in advance of initial budget conversations, the board will need to affirm or reject these interpretations as reasonable.

Membership

- New Member Ceremony added in January with welcome reception scheduled for Saturday at 1/11 at 4 pm. 6-10 new members expected; another welcome is scheduled later in April.
- With 24 month cycle for looking at our membership rosters, we expect that our membership numbers will reflect some attrition during the interim period when we complete our annual certification with the UUA in January.

Building and Property Maintenance and Capital Improvements

- A remote lock has been installed on the front doors to allow us to lock the building after staff has left and support our new office hours.
- Still awaiting completion of hearing loops and progress on falls prevention mechanism for sanctuary catwalk
- In spring, Kim Joy will pull together planning team to map out major building and property work plan for the next 30 months.

Financial Planning

January

February

March

April

May & June

<p>Budget Planning Group (BPG) works with FACBOT to determine projected investment income</p> <p>Comments and requests from staff and groups solicited and received by BPG</p> <p>Informed by priorities based on the Ends, BPG drafts initial budget</p>	<p>Summary of draft budget presented to BOT by SM</p> <p>Target pledge based on draft budget given to stewardship team</p>	<p>Pledge Drive Kick Off: 3/1 Celebration 3/29</p>	<p>BPG constructs balanced budget based on revised expected income and expenses to be presented by SM at May BOT meeting</p>	<p>Congregational Budget Presentation for more detailed conversation around the budget.</p> <p>Congregation votes to approve budget at Annual Meeting</p>
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Upcoming Study Leave, Vacation, or Travel

- *December 25-December 30:* After Christmas Eve service, I’ll be out of the office but on call for emergencies. Will not be present on Sunday, December 29.
- *February 24-28:* Senior Ministers of Large UU Congregations Study Group.

Highlights, Celebrations, and FYIs

- January 19: Guest preacher John Buehrens, former UUA President, with special lecture in evening
- Installation of Rev. Shari: March 15
- Ministry Start Up moved to fall to allow us an intentional start up for newly formed multi-minister team.