

First Universalist Church of Minneapolis
Board of Trustees Meeting
January 17, 2013

Agenda

In the Universalist spirit of love and hope, we give, receive, and grow. First Universalist Church

Treats provided by Craig Bierbaum

6:30 Call to Order

-Chalice lighting and centering meditation – Craig Bierbaum

6:40 Consent Agenda:

-Approve December minutes

-Approve new members

-Officer Change

6:45 Sr. Minister Report

6:55 Finance Committee Update - Paul

7:00 Complete Financial Policy Interpretation and Review - Justin / Board

7:20 Visionary Conversation with the Sr. Minister

8:05 Foundation Update

8:20 Review Forward Schedule of Board Activities

8:25 Meeting Review / Wrap Up

8:30 Meeting adjourned

Attachments:

President's Report (Craig)

Dec 2012 Board Minutes (Dan)

Sr. Minister's Report (Justin)

Minutes of January 2013 Finance Committee Meeting (Paul)

Revised Draft Interpretation of Financial Policies (Justin)

Board 2013 Schedule (Craig)

President's Report
January 2013

Dear Board:

Happy New Year!

When I wrote that, I caught myself reflecting on how different our board work has been compared with this time one year ago. It's been quite a departure, uniquely rewarding. I admit to having some difficulty distinguishing one board meeting from the next since we've really been having one large conversation spread over many months. I appreciate how we've kept with it and hopefully grown into our role as governors.

For our January meeting, the signature topic will be an engaging visionary discussion led by Justin regarding the future direction of the church. Before we do this, we will receive a brief report on the church's financial condition and complete our financial policy development and review. This will help us get into the right frame of mind as we begin to utilize the concepts of fiscal jeopardy and "at what cost?" when envisioning the future. I expect this discussion to span more than one board meeting. For now, our goal for January will be to start capturing the questions that pertain to fiscal jeopardy and "at what cost?".

Additionally, we will discuss some initial plans for the Foundation and review the remaining schedule of board activities. We've reached the mid-year point of our church year, so it's a good practice to prioritize how to make the best use of our six remaining meetings this church year.

In Faith,
Craig Bierbaum

December Attendance

2012				
Adults	9:30 AM	11:15 AM	Special Services**	
1st Week	352	280	530	632
2nd Week	177	176	200	353*
3rd Week	310	311	34	621
4th Week	343	406	364	749*
5th Week	234	166	254	400
Monthly Total	1416	1339	1382	2755
Avg for December	283.20	267.8	276.4	551.00
Church School				
1st Week	189	169		358
2nd Week	138	104		242
3rd Week	166	139		305*
4th Week	9	8		17*
5th Week	31	20		51*
Monthly Total	533	440		973
Avg for December	177.67	146.67*		324.33*
*RE averages based on 3 weeks of full programming				
Combined Avg	460.87	414.47		875.33

Notes:

Services:
 Week 1:
 Week 2: First big snow
 Week 3:
 Week 4:
 Week 5:

Church School:

Week 1:
 Week 2:
 Week 3: FIA group RE grade 4-12
 Week 4: care for 0-3yo only
 Week 5: group RE for 0-grade 5

**Special Services/Column D are listed in the following order:
 Solstice service 12/21 = 530; Pageant
 12/23 = 200 estimate (no attendance document);
 Christmas Eve Contemplative = 34;
 Pageant 12/24 = 364; Christmas
 Eve Candlelight = 254. These number do
 not appear in weekly service totals or avgs.

2011			
9:30 AM	11:15 AM		
247	298	545	
434	561	995	
200	724	924*	
	103	103*	
		0	
4:00 PM	11:00 PM		
383		383*	
881	1686	2567.00	
293.67	421.50	641.75	
168	159	327	
173	164	337	
13	6	19*	
		0*	
		0	
354	329	683	
118.00	109.67	227.67	
411.67	531.17	869.42	

Notes:

Services:
 Week 1:
 Week 2:
 Week 3: pageant Sunday, includes kids
 Week 4: Christmas Day, one service
 Week 5:
 Christmas Eve 11:00 - no attendance sheet

Church School:

Week 1:
 Week 2:
 Week 3: 0-3 year olds only
 Week 4: No RE
 Week 5:

2010		
9:30 AM	11:15 AM	
306	322	628
0	0	0*
166	508	674
95	0	95
0	0	0
4:00 PM	11:00 PM	
289	171	460
567	830	1397
189.00	415	465.67
138	175	250
0	0	0*
0	0	0*
0	0	0*
0	0	0
138	175	313
34.50	43.75	78.25
223.50	458.75	543.92

Notes:

Services:
 Week 1:
 Week 2: Weather Cancellation
 Week 3:
 Week 4:
 Week 5:

Church School:

Week 1:
 Week 2: Weather Cancellation
 Week 3: Service Project/Not Counted
 Week 4: No RE
 Week 5:

2009		
9:00 AM	11:00 AM	
188	335	523
194	423	617
0	480	480
0	118	118
0	0	0
4:00 PM	11:00 PM	
0	0	0
382	1356	1738
95.50	339	434.50
89	310	399
88	218	306
0	0	0
0	0	0
0	0	0
177	528	705
88.5	264.00	352.50
184.00	603.00	787.00

2008		
One Service		
0	0	461
0	0	569
0	0	463
0	0	139
0	0	442
4:00 PM	11:00 PM	
0	0	0
0	0	2074
0.00	0	414.8
0	0	214
0	0	309
0	0	0
0	0	0
0	0	0
0	0	523
0.00	0.00	261.50
0.00	0.00	676.30

2007		
One Service		
0	0	333
0	0	413
0	0	550
0	0	553
0	0	125
0	0	0
4:00 PM	11:00 PM	
0	0	0
0	0	1974
0.00	0	394.8
0	0	213
0	0	206
0	0	0
0	0	0
0	0	0
0	0	419
0	0.00	209.50
0.00	0.00	604.30

First Universalist Church of Minneapolis Board of Trustees Meeting

Thursday, December 20, 2012, 6:30 p.m.

Board Members present (absent): David Bach, Dan Berg, Craig Bierbaum, ~~Craig Bishop~~, David Leppik, Paul Robinson, ~~Pam Vincent~~, ~~Lark Weller~~, Karin Wille

Clergy present: Justin Schroeder

Others present: Laura Park

<u>Agenda Item</u>	<u>Presenter</u>	<u>Discussion</u>	<u>Action, if any</u>
Opening Words/ Meeting Preparation	Paul Robinson	The meeting was called to order at 6:33. Paul offered a reflection on the season and read "A Christmas Prayer," by M. Maureen Killoran (with thanks to Lauren Wyeth).	
Consent agenda	Craig Bierbaum	Approve November minutes Approve new members Action: Motion to approve Consent Agenda.	Passed
Conversation with the Senior Minister	Justin Schroeder	Justin called out highlights from his Senior Minister's Report in the December Board Packet : The Christmas Pageant will have two performances to accommodate all the children and adults...the new Worship Associate program will begin on January 6...the winter program guide has been published...Jen Crow is leading a pilot Wellspring Group and there will be two or three launched in the fall...Justin mentioned his personal joy in leading a small group for fathers with young children...our third annual Day of Service will be held on February 2...and our housing/homelessness ministry team is developing a relationship with the Augsburg Fairview Academy. Congregational conversations on race and racial justice are continuing; these are monthly listening sessions and they will continue this year, and the racial justice work and learning will be ongoing. Justin mentioned a gathering this week of 12 people around the topic of the "Indispensable Church," related to a recent sermon theme: what does it mean to be in relationship with our neighbors, and what is our commitment to remaining a city church. Our ministry of generosity continues to grow. There was a question about our Sunday offerings earmarked for the Unitarian Universalist Association and the Prairie Star District and how they relate to our budget. (They offset budgeted expenses for these dues.) Justin shared a few other updates for the Board—Sara Smalley has been asked to stay through June as our Interim Director of Membership and Adult Ministries. Justin has begun thinking about his first sabbatical, which is prescribed in his letter of agreement as being one month per year of service, which can be taken after four years of service. There were questions about the timing of a sabbatical during the church year and how the financial and programmatic issues would be addressed. For clarity, Justin will distribute his letter of agreement to the Board. Craig Bierbaum congratulated Justin officially for having been granted Final Fellowship in the ministry of the UUA. Discussion is underway to design a third service option, as proposed in the Strategic Plan.	
Policy Workshop	Laura Park	Laura Park from Unity Consulting joined the meeting to facilitate a discussion about several policy matters and the Senior Minister's interpretations. Justin began with a review of the changes that he made in his interpretation of Visionary Goal #1, since last month's meeting. Primarily, he removed several suggested additional survey questions. He also made a few changes to the text based	

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	<p>on feedback from the board last month. His revised version is included in the Board Packet. There was considerable discussion about the metrics for evaluating Justin’s success in achieving Visionary Goal #1. Karin Wille expressed concern about targeting survey percentages as the primary measures for evaluating success. There was consensus that a more qualitative evaluation tool should also be employed, but that it is probably a project for the board next year. There was additional conversation about the word “compliance” in assessing progress toward visionary goals; it was suggested that “adequate progress” would be more appropriate.</p> <p>Action: It was moved and seconded that the board accept Justin’s interpretation of Visionary Goal #1 as reasonable, with the understanding that the phrase “adequate progress for fiscal year 2012-13” will replace the word “compliance” in the measurement sections of the interpretation.</p> <p>Laura Park asserted that the role of the board of directors in Policy Governance is solely to evaluate progress toward ends (Visionary Goals) and compliance with limitations. Several trustees expressed discomfort about this being the only frame for evaluation, believing it to be too narrow. This matter should be addressed by the trustees preparing the next evaluation, which may include some components of last year’s reviews for additional context.</p> <p>Discussion regarding Financial Policies:</p> <p>Laura Park reviewed a recent Executive Committee discussion which she attended, about financial condition limitations in the Governing Policies Handbook (GPH). She had distributed a memo in advance, which is included in the Board Packet. She explained that there are three lenses through which the board should view the finances of the church: material deviation, fiscal jeopardy and “at what cost.”</p> <p>There was general agreement that the term “material deviation” was appropriate in the context of its first use in the GPH—related to deviation from “board priorities established in visionary goals”—but there was discomfort with the next reference, “that expenditures do not deviate materially from the approved annual operating budget or capital expenditure budget.” As in previous discussions, defining “material deviation” in such a context was considered too confining.</p> <p>The policy discussion migrated to a review of the first quarter (9/30) financials that were in the Board Packet. (These were also handed out at the end of the November meeting, but not discussed.) There was some frustration with the budget projections based on the first quarter financials. These projections, based on detailed line-by-line analysis by the staff, demonstrated both the need for and the challenge of defining “material deviation.”</p> <p>There was discussion about the board’s decision in August to approve added expenditures in order to complete a database and financial system conversion. Although this approved expense has been reduced by a subsequent staff decision to only do a partial (financial) conversion at this time and a decision that some of the conversion expense can be capitalized, the 9/30 financials still show a (\$43,500) year end projection. Dan Berg pointed out that board review of quarterly financials will always be 6+ weeks out of date, and that it’s is the financial monitoring committee’s</p>	<p>Passed.</p>
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		<p>responsibility to review monthly and quarterly information on a more timely basis. This will be considerably easier once the financial conversion is completed.</p> <p>It was suggested that the presentation of the year-end shortfall be described on the financial statements as being more of an unresolved deviation from the approved bottom line, than a statement of fact. There should be a continuing effort to modify budgeted expenses or secure additional revenues to balance the budget by fiscal year end.</p> <p>Returning to the policy discussion, there was general agreement that “fiscal jeopardy” is a more serious condition than material deviation from budget. Nevertheless, fiscal jeopardy was also considered to have multiple levels of seriousness. Dan had suggested that one bar of fiscal jeopardy is when the financial condition of the church undermines the congregation’s confidence in the board and Senior Minister. A higher bar is when financial conditions have deteriorated to the point of default on payroll or other debts.</p> <p>Laura Park explained the board’s role when the threshold of fiscal jeopardy is approached or crossed. The right conversation to have is one that resolves <i>when</i> the Senior Minister is going to restore balance, or <i>whether</i> the board will support a deviation—and at what cost.</p> <p>As a next step, Justin will attempt to restate the Financial Condition section of the GPH, removing the third bullet point and providing a relatively simple interpretation, informed by the discussion at this meeting.</p> <p>It was suggested that Justin include a financial comment as part of his Senior Minister’s Report at each board meeting.</p>	
Meeting Review And Wrap Up		Due to the length of the meeting, there was no review.	
Adjourn		The meeting was adjourned at 9:14 p.m.	

Important Dates:

Next meeting: Thursday, January 17, 2013

Treats for Next Meeting: Craig Bierbaum

Prepared and submitted by Dan Berg, Secretary

Sr. Minister Report for the Board of Trustees, Jan. 2013

Mission Statement: In the Universal Spirit of love and hope, we give, receive, and grow. First Universalist Church.

Visionary Goals (*Shorthand: "We are all Love's people, held by a Love that will not let us go. As Love's people, we do holy work: we welcome, affirm, and protect the light in each human heart; we act outside our walls for justice and equality; we listen with our whole being to where Love is calling us next."*)

The people of First Universalist Church grow in their UU faith: we are equipped to live out our values and experience worship, spiritual practices, and rituals that challenge, comfort, celebrate, and heal.

I believe that the Christmas season was the best I've experienced in the years I've been here. Our December theme, "Awaken," resonated deeply with congregants, and our Christmas schedule, with two Pageants, and a 9:30 Christmas Eve service was well attended and received. The Worship Team has debriefed the Christmas season, and overall, we are delighted by the changes we've made. Ruth MacKenzie, our Director of Worship Arts, deserves much of the credit for coordinating and helping to plan these many Holiday services. Deep appreciation to our music and choral staff, Rev. Jen Crow, Cummins Ministerial Interns, Laura Smidzik, Lauren Wyeth, and Mary Bohman. The Solstice service had over 500 attendees, and under Pam Vincent's coordination, was a thing of beauty.

Our Worship Associate Program re-launched on January 6th. Again, Ruth MacKenzie played a critical role in helping to re-launch this program.

First Universalist Church is a home for ageless wisdom. People of all ages find opportunities to engage in an intellectual and spiritual search for deeper meaning and understanding in the UU tradition, both as individuals and in community. We know our roots, find our wings, and apply our knowledge and wisdom to all our endeavors.

Jen Crow and Laura Smidzik was been hard at work, creating Elder programming opportunities. The first gathering had over 30 elders attend. I plan to attend the February gathering, as we begin to think about out "Elder Sunday" service sometime in the spring, and solicit ideas from our elders.

First Universalist Church is an intergenerational community of mutual caring and

support. We build this community by actively welcoming all and encouraging each other to discover, develop and share their gifts.

We are currently exploring the possibility of having our chalice lighters (our elementary school aged children who light the chalice monthly during worship), be a part of every Sunday service.

Jen Crow and I recently met with three members of the congregation who have experience as sex therapists, counselors, educators and researchers around human sexuality. This meeting was part of the Worship Team's preparation for our Sex and Spirit sermon series starting Feb. 10.

The people of First Universalist Church work to build a just, loving and sustainable world. We are a visible, influential voice, and we act to shape the larger community into a more just and equitable society.

We have a number of service opportunities lined up for our 3rd annual day of service on Feb, 2. 2013. We are being strategic about the Day of Service, intentionally trying to offer a number of service projects connected to our "Focus Areas" – housing/homelessness, environmental justice, and immigration.

Our racial justice conversations continue. This month, we're screening "Race: Power of an Illusion." Over 40 people attended the first session (women made up the vast majority of those gathered; I will be personally inviting a number of men to participate in these conversations and learnings as they continue.) Later in January, we'll hold another listening session/conversation about what it would mean to become a church committed to racial justice principles. We continue to build on what we've learned from the Marriage Amendment Work – that is, the importance of conversations and deep listening.

Debra Rodgers and I continue to have monthly Skype meetings with a UU colleague who is coaching us on our Racial Justice initiative; we're also moving forward with Heather Hackman, a local consultant, who will work with us over the next few years.

Reminder: This racial justice work is not a one year project. This is a multi-year, multi-decade project that we're beginning this year. It is important and urgent work, but there is not set end point. It will be important to have the Board involved and committed to this journey. The clear next step is for the Board to participate in the training for staff, lay leaders and Board members that Heather Hackman will lead.

Finally, our **ministry of generosity** continues to grow. In the past month, we've given over \$6000 to the Minister's Discretionary Fund, \$1804 for our racial justice work, and over and \$2500 for our multi-generational holiday service project.

Pledge Update: We launch our Pledge Drive on Feb. 3, 2013. It is my expectation that leaders in the church, including Board members, model the generosity that is at the heart of our faith, and are either making, or moving toward, pledging 5% of their income. I would encourage the Board job description be amended to include this expectation.

First Universalist – Financial Monitoring Committee

January 9, 2013 – Meeting Notes(less formal than minutes)

Attendance: Susan Claeys, Justin Schroeder, Dan Berg, Bill Elwood, Paul Robinson, Craig Bishop

1. **Quicken Conversion** – Finance committee was asked if the Quicken conversion process should be placed on hold in order to complete a 2Qtr financial report or if the conversion process should be completed and the report created one month late. There was some discussion, some felt we should get the conversion completed others felt it was important to keep the confidence in our financial process by completing the 2Qtr on time. When asked, Staff indicated that completion of the 2nd Qtr report would not significantly add time to conversion process it would just postpone its completion in order to spend time of the 2Qtr report. The Committee preferred to see the 2nd Qtr report delivered on time.

Generally, the conversion was taking a little more time than planned, in part due to the conversion all of the 2012 data in fiscal year 2012–13 to Quicken. This was being done in order to have a full fiscal year of data in the new system.

Susan provided the committee with an example balance sheet from the Quicken system....it looked very nice.

Susan learned from the auditor that has been helping her that the purchase of the software and the consulting time to set it up can be capitalized. We did not talk at length about this but this will help to reduce the approved budget deficit.

2. Brief 2012–13 Goals Updates

- a. **GPH – Financial Policy** – Justin will be providing his interpretation to the board at the next board meeting.
- b. **Audit** – Susan has been working informally with Kern Dewenter and Viere (KDV) she expects to have firms selected for RFPs by March and RFP's with a staff recommendation for the committee to review by the Committee by April.
- c. **Review Quarterly Reports** – There were none. Robinson was going to follow up with Susan outside of the meeting.
- d. **Use FMT as a sounding board** – No update, item 1 was an ongoing example.
- e. **Ideas for Handling Balloon Payment** – Susan will contact the bank and get some general information about what options we would have to refinance/renew the loan, what the process would entail (time and cost) and bring that back to the February meeting.
- f. **Other**
 1. **Gift Acceptance Policy** – Policy revision is in progress. It is being worked on by the planned giving team.

3. **Future Agenda Items** – The FMT discussed generally a list of possible items to address, discuss at future FMT meetings. They included...
 - a. Reserve Policy – % of undesignated assets
 - b. \$ for fulfilling future Capital Improvement Plan as projected
 - c. Capital Replacement Plan/Policy
 - d. Role of the FMT and all members of the FMT
 - e. Budget Process – Role of FMT
 - f. Pledge Drive – Role of FMT, if any
 - g. What Constitutes Monitoring
 - h. Understanding Seasonal/Yearly Cash Flow
 - i. How does the FMT's work relate to the Visionary Goals

Some items were given more weight than others. It was generally left up to the chair to add items to future agendas as we have time/energy.

4. **Historical Context Spreadsheet – DRAFT** – The committee briefly reviewed a rough draft of a historical context spreadsheet. The purpose of this document was to help the board and its committees by providing a historical context to the life of the church using basic membership and financial data over time. Robinson was looking for general feedback. Generally all felt it was a useful document. A more final draft will be worked on for a future meeting.

Executive Committee Meeting Notes – 1-7-13 – (Unofficial summary of Meeting)

Justin Schroder, Pam Vincent, Dan Berg, Craig Bierbaum, Paul Robinson

Treasurer Position – Craig Bierbaum let the executive committee know that he was in discussions with Craig Bishop about the role of Treasurer. Craig Bishop, due to his busy work schedule was finding it difficult to fulfill the treasurer role. Craig Bierbaum asked Paul Robinson if he would fill the role. He said he would. Bierbaum checked with the nominating committee and plans to bring this change to the board on January 17, 2013.

Finance Committee – There was some discussion about if we should hold a FMT meeting. It was decided to hold a meeting and a couple agenda topics were discussed. Robinson will send out an agenda.

Board Meeting Agenda – Topics for the upcoming Board Meeting were discussed.

- Fiscal Policy – Justin will have a recommendation and his thoughts/ interpretation of the Financial Policy.
- Budget/Financial – Justin will include in his update a comprehensive package looking into the future. This will include thoughts on financial compensation, staffing, etc. and whether or not the board wants to accommodate the current needs but using some reserves or if their needs to be some programming and staffing adjustments.

Planning for Future Meetings – Review of Proposed Board Schedule for 2012–13

- Decided not to include VG #2 for January Meeting and that we may not get to VG #4 this year. Time will tell.
- Craig checking with David Bach if Nominating Committee Update
- Justin wanted to know when there would be greater clarity on the Sr. minister evaluation. We set a tentative goal of getting this on the March agenda. That this would likely include a mix of factors and that this was part of the monitoring committees responsibly – namely member Karin Willis.
- Craig had not done anything yet with the foundation issues.
- Justin wanted to make sure that the GPH changes that have been recommended by various committees get compiled into an updated GPH for the board to approve. I think that was also added to March ish timeframe. Dan Berg said he had most if not all of the changes.

DRAFT INTERPRETATION Jan., 2013
H. Financial Condition

With respect to the actual, ongoing condition of the organizations financial health, the Senior Minister may not cause or allow the development of fiscal jeopardy, loss of allocation integrity, or a material deviation of actual expenditures from board priorities established in the Visionary Goals.

I interpret “fiscal jeopardy” as a situation where First Universalist is unable to meet its financial obligations.

The way that I am going to demonstrate that First Universalist is not in fiscal jeopardy is by presenting a balanced budget each quarter, or a budget with a projected deficit that I anticipate eliminating by the end of fiscal year, or a budget with deficit spending that has been approved by the Board.

I interpret “material deviation of actual expenditures from board priorities established in the Visionary Goals” as expenditures that are not directly connected to the fulfillment of the Visionary Goals.

The way that I am going to demonstrate compliance is by noting in the annual budget how expenditures are linked to fulfillment of the priorities and Visionary Goals as articulated by the Board. Furthermore, I will demonstrate compliance by adding notes to the quarterly financial reports about how spending changes (greater than \$5000) reflect my understanding of how to best fulfill the Visionary Goals.

I interpret “loss of allocation integrity” to mean the same thing as “material deviation of actual expenditures from board priorities established in the Visionary Goals.”

Accordingly, the Senior Minister shall not fail to:

- Ensure that cash remains at or above the amount needed to settle payroll and debts as scheduled.

I interpret “cash” as meaning the funds in First Universalist checking, saving, or money market accounts. I interpret “settle payroll and debts as scheduled” as meaning paying debts within the timeframe indicated on invoices, without penalty, and paying employees and contractors as agreed.

Compliance will be demonstrated by an auditor’s report that debts and payroll were paid on time. Compliance will also be demonstrated by maintaining a current and reconciled accounts payable balance, which will be included on the quarterly statement of financial position.

- Expend Legacy or restricted funds only for the purposes determined at time of receipt or designation.

I interpret “Legacy or restricted funds” to mean, but not be limited to, the Legacy Fund, the Cummins Fund, and all other temporarily or permanently restricted funds.

I interpret “only for the purposes determined at time of receipt or designation” to mean that each of the funds in question will be spent according to the purpose which established those funds and the rules governing each fund, with respect to donor intent.

Where the fund is no longer serving a purpose for which it was created, I will inform the Board so that a proper disposition of the assets can be made to other more useful purposes.

Compliance: I will demonstrate compliance by following the Board’s Gift Acceptance Policy (when this policy is completed; this policy assures that gifts, bequests, etc. are designated properly), and by showing how these gifts have been accounted for in the financial balance sheets of the church, and used according to the respective fund guidelines.

- Provide cash reconciliations and completed financial reports on at least a quarterly basis to the Board in writing.

I interpret “cash reconciliations” as documentation that all bank and investment accounts have been reconciled, meaning that the book balances have been proved out against the statements from the financial institutions. These should be periodically reviewed by the Treasurer of the Board who will provide confirmation to the Board that all cash and investment accounts are reconciled.

I interpret “completed financial reports” as meaning a statement of financial position, with accounts reconciled, and a statement of activities.

Compliance will be demonstrated by having quarterly reports to the Financial Monitoring Team two months after end of each quarter.

- Provide reasonable access to financial records by the Board, its committees, and authorized outside advisors.

I interpret “reasonable access” as meaning that such committees or individuals (approved by the Board) requesting information shall be given access to any requested information, provided such request is made with at least three business days notice. With regard to salary information, I interpret “reasonable access” to mean salaries in the aggregate, except for the Sr. Minister and any other positions that report directly to the Board.

I interpret “financial records” as the general ledger, bank statements, and pay roll records.

I interpret “authorized outside advisors” as external auditors, or any applicable regulatory or governmental authorities.

Compliance: I will keep a record of requests received, the date fulfilled, and provide that to the Board by request.

- Perform the following only with the explicit prior approval of the Board of Trustees:

- Borrow funds

I interpret “borrow funds” as taking out loans of any kind. I interpret “borrow funds” to also include incurring credit card debt that is not satisfied by its due date.

- Make unbudgeted transfers or “loans” between the general funds and the Legacy Funds

. I interpret the “Legacy Fund” to include both temporarily restricted and Board designated portions of the Legacy Fund.

Compliance will be demonstrated through quarterly financial reports.

- Solicit funds for non-budgeted purposes

I interpret this to mean that I will not ask members, friends, or funding institutions for amounts greater than \$10,000 for items not included in the budget without explicit Board approval.

Visionary Conversation/Updates for the Board: I am linking these updates and this Visionary Conversation to relevant Board policies.

Inform/Consult	Item	Relevant Policy and Comments
Inform/Consult	<p>Request to adequately fund the growth and Visionary Goals of the Church, without putting the church in fiscal jeopardy. In part, this includes compensating employees fairly.</p>	<p>Policy H. Financial Condition</p> <p>With respect to the actual, ongoing condition of the organizations financial health, the Senior Minister may not cause or allow the development of fiscal jeopardy, loss of allocation integrity, or a material deviation of actual expenditures from board priorities established in the Visionary Goals.</p> <p>F. Compensation and Benefits</p> <p>With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Senior Minister may not cause or allow jeopardy to fiscal integrity or public image of the church.</p> <p>Accordingly, the Senior Minister may not:</p> <p>...</p> <p>2) Establish current compensation and benefits that:</p> <p>a) Deviate materially from the nonprofit or geographic market for the skills employed.</p>

In order to fully inform the Board for this consultation, I have included a copy of the Strategic Capacity Document (at the end of this document), which was created by the staff last year, and informed the development of the Strategic Plan. This document gives a 360 degree snap shot of the church, and the strengths, weaknesses, opportunities, and threats that the staff identified. (A quick scan of this Document would be helpful for our conversation; a detailed reading is not necessary.)

With the help of Susan Claeys, I've also included comprehensive compensation information, shared by Program Department. This grid shows what First Universalist is currently paying employees, and what First Universalist would need to be pay to be

within market range. (As I informed the Board last year, the Management Team engaged a consultant to help us create a detailed salary compensation plan for First Universalist. As the Management Team and I have reviewed and digested this information, we believe we that are “deviating materially” in our compensation from the nonprofit and geographic market rates.) Because this document contains confidential salary information, it will be sent in a separate email.

Additionally, I’ve included a high level snapshot of the church’s finances, including reserves, and recently received bequests. This document is attached below.

Finally, it is clear to me that we are under staffed administratively, given the administrative workload our Administry Team is experiencing. We have dedicated employees working 50, 60, and sometimes 70 hours per week. While there are times when this is simply part of the rhythm of church life, this has been happening too often. I believe we are at risk of losing good employees because of administrative workload.

As I’ve researched this, this is not surprising. As the church’s financial/accounting, planned giving, Human Resources, reception, building maintenance, room scheduling and set up, rental, office, communication, building policy, and many other needs have exploded in the past two years, the majority of this work has fallen on our Administry Team.

As far as organizational growth and development, what we’re experiencing is in line with what a church our size would be expected to experience. Based on attendance numbers, we had about 700-800 people or so in the building per Sunday when I began my ministry in 2009. Now we are closer to 900-1000 people in the building on any given Sunday. As Susan Beaumont, a Large Church Consultant, notes, *“When a church reaches the threshold of about 800 people in worship (total attendance), the administrative team begins growing more quickly than either the clergy or program staff. The programs of the congregation can continue growing in size only if there is adequate support to track the people participating in the life of the congregation, enough staff to support the increased usage of the building, and sufficient staff to ensure effective communication.”* Furthermore, *“In the ‘strategic church’ (800-1200 in attendance on a Sunday)...the vast majority of (staff) growth is seen in the addition of administrative staff.”*(123, 124, *Inside the Large Church.*) In short, our Administry staffing has not caught up with the growth we have experienced as a church.

Thus, in response to this, the Management Team has shared a staffing plan that we believe will allow the church to thrive, retain its current staff, successfully launch a 3rd service, and best fulfill our Strategic Plan and Visionary Goals. This is contained in the salary information spreadsheet that was sent separately.

**First Universalist Church
Reserve Accounts**

NAME	12/31/12			DESCRIPTION
	CHURCH	LEGACY & ENDOWMENT FUNDS	FOUNDATION	
CASH AND INVESTMENTS				We have this money in 4 separate investment accounts.
7 Church Reserve Fund	520,540			Investment account actual balance.
8 Foundation			1,407,795	Investment account actual balance.
86 Foundation CD			11,067	Investment account actual balance.
61 Legacy & Endowment Funds		273,542		Investment account actual balance.
(7) Less Capital Campaign Transfers	(18,204)			Amounts expended from Capital Campaign Reserves to be transferred to Checking Account.
(61) Less Ministerial Intern Transfers		(3,050)		Amounts expended from Cummins Ministerial Fund to be transferred to Checking Account.
TOTAL	502,336	270,492	1,418,862	
BOARD DESIGNATED FUNDS				Designated funds are restricted by Board decisions, not by donor restrictions.
245 Undesignated Bequests	66,682			Two bequests plus interest.
244 Contingency Reserves	155,410			Two months operating reserve.
243 Future Debt Fund	67,790			To provide for one year of mortgage payments.
239 Memorials	827			Memorials used to purchase items of lasting value.
258 Legacy Additions		42,104		Board designated additions to the Legacy Fund.
TOTAL	290,709	42,104		
TEMPORARILY RESTRICTED				Temporarily Restricted by time and/or purpose based on donor intent.
124 C & M Olson	23,807			Established in 1965 to provide financial assistance to UU ministerial students.
249 Capital Campaign Reserves	56,820			Balance remaining from capital campaign.
95 Ministers Discretionary Fund	8,095			Donations from congregants to this fund, mostly at Christmastime.
256 Simpson Meals--Offering Plate	4,734			Amounts donated to cover expenses for Simpson meals.
99 Unity Summer	6,199			Amounts from various funding sources.
100 150th Anniversary	3,513			Amounts contributed to be used for 150th celebration.
105 Music Fund	2,060			Monies donated and raised for music.
321 RE Music Fund	715			Monies raised for children's music.
261 Children's Offering	645			Money kids raise to donate to outside organizations.
65 Library	5,932			Bishop and Lund donations for library and sales of used books, fees, lost books plus unrealized gains and losses from the M.E. Carter Library Fund.
303 Cummins Ministerial Fund		156,846		Donor contributions to the Cummins Fund for ministerial interns.
304 Misc Operating Donations	4,280			Misc donor restricted contributions.
259 Legacy Fund		70,279		Donor contributions to the Legacy Fund.
39 Foundation Equity			1,356,534	
TOTAL	116,800	227,125	1,356,534	
PERMANENTLY RESTRICTED				Restricted by donor to use only interest earnings. Sometimes permits defined use of corpus.
M.E. Carter Library		13,331		Established in 1973. Income derived from the corpus is to be used for library materials.
Don Carter Endowment		50,282		Created in 1986. Income to be used to assist the Church in meeting its normal operating expenses.
TOTAL		63,613		

NET RESERVE 94,827

Reserve Account balance less Fund balances.

DEFERRED REVENUE				Monies earned to be used in future periods.
313 Deferred Revenue YCE	13,467			Egg roll sales to fund Nicaragua trips.
322 Deferred Revenue Youth Trips	3,328			Monies earned for future trips for youth.
69 Deferred Revenue	0			RE fees paid in advance for next year's classes.
TOTAL	16,794			These monies are not "reserved" but should be part of the Checking Account balance.

*Strategic Planning
Capacity Document
February 22, 2012
First Universalist Church*

First Universalist Visionary Goals

- 1. We, the people of First Universalist Church, grow in our UU faith: we are equipped to live out our values and experience worship, spiritual practices, and rituals that challenge, comfort, celebrate, and heal.*
- 2. At First Universalist Church, people of all ages find opportunities to engage in an intellectual and spiritual search for deeper meaning and understanding both as individuals and in community.*
- 3. First Universalist Church is an intergenerational community of mutual caring and support. We build this community by actively welcoming all and encouraging each to discover, develop and share their gifts.*
- 4. The people of First Universalist Church work to build a just, loving and sustainable world. We are a visible, influential voice, and we act to shape the larger community into a more just and equitable society.*

Executive Summary

As part of the Strategic Planning Process, the First Universalist Church Management Team studied up to seven years of collected data to look for trends in growth and attendance, program life, staffing, facilities use, and finances.

Through this study, it became abundantly clear that First Universalist's fulfillment of the adopted visionary goals will be impacted by the current capacity of our facilities, staff, finances, and programs.

The most critical evidence has been analyzed and prepared for the strategic planning committee in the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. This analysis is followed by the evidence, trends, and narrative summary of current capacity, collected into Appendices A-E for your reference.

SWOT Analysis: Growth Trends

Strengths:

Average Sunday morning worship attendance has grown from 416 in 07-08 to 600 in 11-12.

Average Sunday morning RE attendance has grown from 223 in 08-09 to 343 in 11-12.

Numbers of Active Members have grown from 791 in 07-08 to 902 in January of 2012.

Numbers of children enrolled in RE has grown from 386 in 08-09 to 468 in 11-12.

With clarity of the Path to Membership, easy access to RE programming, excellence in Sunday morning worship, and a growing commitment to focused Faith in Action programming, we can only anticipate these growth trends continuing.

Weaknesses:

Our poor record-keeping, as well as a lack of staffing for growth has allowed for many of our people to leave the church unnoticed. Due to the fairly low level of commitment of so many in our database, church programming and resources are growing due to the commitment of the stewards of the church while many remain mere consumers of our church and our “products.”

Opportunities:

With over 3000 participants currently in affiliation with First Universalist and tracked in our database, there is room for much growth in membership and pledge units. While we track approximately 350 visitors each year, we suspect there are easily twice that number whose names we never know. Connecting with these visitors and non-members (and inviting them into deeper involvement and stewardship) is an opportunity for growth.

Expanding programming and worship opportunities in the summer, as people are “church-shopping,” is a real opportunity for growth and outreach a well.

Threats:

As growth outpaces our resources, we are scrambling to keep up. Without proactive attention to space and staffing, we are likely to limit our own potential for growth, excellence in programming, and positive change in the community.

See Appendix A for further information about Growth Trends.

SWOT Analysis: Staffing

Strengths: We have a strong, dynamic staff team that works well together. Rev. Jen Crow will add depth and stability to the Programming Life of the Church, as we grow and deepen our Small Group Ministry, Faith in Action Programming, and Faith Formation for Children, Youth, and Adults, and remain committed to providing a strong Congregational Care Program. In the spring/summer of 2012, we will hire a Director of Religious Education who will provide stability and committed energy to children and youth programming.

Weaknesses: It appears we are understaffed in some critical areas. Susan Beaumont, large church consultant, advises that for a church our size (with 800-999 in average attendance on Sunday morning; this includes adults, children, and youth), we should have a total of 19 Full-time employees. Currently we have 15 FTE, split between 24 employees; with so many part time staff, communication and coordinating can be difficult.

Recommendations for staff adds can be found in Appendix B. While in some cases we are compensating our staff competitively, nearly half of our staff positions are currently underpaid.

Opportunities: As a Management Team, we are committed to cultivating a staff team composed entirely of individuals committed to the Mission and Visionary Goals of First Universalist. We aim to provide the congregation with a staff who are dynamic, creative, driven, and collaborative. The opportunity to hire only the best means that we need to compensate appropriately, in order to better attract and retain these qualified individuals. Our staff has the opportunity to become key drivers of ministry at First Universalist – working with lay leaders to ensure the ministry we do here is excellent. We're keenly aware of the importance of staffing appropriately for the growth we're experiencing and anticipating.

Threats: There is a perception of some members of the congregation that the church is currently overstaffed and that staff members are overpaid. Workload expectations for our current staff are not realistic given the amount of growth First Universalist has experienced and will likely continue to experience.

See Appendix B for further information about Staffing.

SWOT Analysis: Facilities

Note: There is a mortgage on the building. As of January 31, 2012 the balance of the mortgage is \$684,000. Our monthly payment is \$5,649. A balloon payment is due January 1, 2014.

Strengths:

There is deep affection for our church “home.” The sanctuary has ample room for the number of adults we currently have in attendance in worship. Many love that we are located in Uptown, in an urban area with access to numerous bus lines and freeways. There are many strengths of our building condition. The office space was recently remodeled (summer 2010). The roof is in good condition. The building foundation and walls do not have integrity issues. There are updated windows in the education wing. The elevator is operational, and we have a new dishwasher in the kitchen. Many people have spent many years investing in making our building our own through building design, art installations, and beautification efforts.

Weaknesses:

There is inadequate space for emergency shelter at First Universalist. We simply don’t have enough safe space areas to house building occupants if a need arises during services.

Sanctuary wing: Sight lines and acoustics in the sanctuary are poor. Many meeting rooms in the sanctuary wing are inaccessible to people with limited mobility. Lighting in the sanctuary needs upgrading. There is inadequate space for the choir.

Religious Education and Meeting Spaces: Many meeting spaces are cold, linear, and uncomfortable. We have exceeded capacity in our Religious Education classrooms, with no more room for growth at either service. Small group leaders have complained of the ambiance of the meeting rooms and how that ambiance allows participants to connect and engage with each other. In general, there is inadequate storage in the office, RE wing, and building as a whole.

Building Exterior: On the exterior of the building, sidewalks are in need of repair. We have inadequate parking and poor limited mobility access to the building from the parking lot.

Opportunities:

The first floor is virtually unused, used only during RE classes on Sundays and childcare during the week. There is rental potential if this space is furnished appropriately. We could build a third floor addition to the education wing. There is an opportunity to set up a park and ride to alleviate parking strain. We could find another local “auditorium/theater” space to increase the number of people we can serve in worship. We could get creative with scheduling by shifting times that rooms are used to maximize occupancy. We have an opportunity to contract with other groups like Weight Watchers, who hold

weekly meetings, to maximize our rental income with minimal disruptions to congregational life. There is an opportunity to consider other offsite possibilities for relocation and/or expansion by purchasing neighboring properties, warehouses, vacant buildings, or other.

Threats:

The threat of an aging building and less than ample space is that it will negatively impact our ability to welcome newcomers to the church and provide adequate programming opportunities to our congregants. There are also specific threats to the facility and its occupants: deteriorating sidewalks, front steps hand railings are not stable, balcony railings need to be installed to prevent accidents, and inadequate emergency shelter.

See Appendix C for further information about Facilities.

SWOT Analysis: Program Life

Strengths:

A strong program life has contributed to the growth and health of this congregation. Clarity of the membership process and quality in the Pathways to Membership classes has resulted in 85-90% of people in attendance at those classes becoming members. First Step and Religious Education orientations are welcoming, grounding tools for newcomers. A mature and well-run Religious Education program has remained the backbone of our program life.

The Music Program has taken on a new level of vibrancy with the skillful coordination of our Director of Worship Arts (a new staff position).

Faith in Action has found greater clarity of purpose and mission with the development of the Umbrella Group concept (see Appendix D). All-church efforts, such as the Day of Service, help make our commitment to a just world a reality of program life.

Small Group Ministry is becoming an essential part of who we are as a church and how we grow in community and as faith-filled UUs. The program's growth has been unprecedented, with more than 350 adults expected to participate in 2011-2012.

Strong and committed congregational care lay leaders and Rev. Kate Tucker have ensured that this program is responsive to the needs of the congregation, as they emerge.

Weaknesses:

Hard decisions about how to direct space, resources, and staff time have resulted in a lack of clarity about our programming for adult faith formation. In the absence of this clarity, satellite groups and affiliate groups (AUW and MUUSJA, notably) have stepped in to fill this gap. Their work, while devoted, faithful, and good, has not always been truly aligned with the church's mission, vision, and commitments.

Opportunities:

A new Director of Religious Education will breathe new life and clarity of mission into this anchor program. Adding more staff and/or ministerial staff time to Faith in Action programming will allow us to capitalize on the positive steps forward this program has taken in 11-12.

The program life of the church remains the most accessible entrée into leadership for

congregants. It is here, that with the right leadership development program, we can create more committed participants and leaders in the life of the church.

Threats:

The biggest threats to the program life of the church are inadequate space, staffing levels that don't keep pace with church growth, and a focus that is too broad and shallow to offer depth or maturity in any of the programs.

Many of the church's emergent leaders are juggling family, career, and their passion for this institution. We must support these leaders with the resources they need (including staff time and support) if they will help nurture our programming and other areas of church life into excellence.

See Appendix D for further information about Program Life.

SWOT Analysis: Finances

Strengths:

The pledge base has grown significantly since 2009-2010. Our average pledge has jumped from \$1346 to \$1584. More people have committed to pledging; pledge units increased from 563 to 644. This has resulted in real financial strength for First Universalist, with our total pledge base increasing from \$757,803 to \$1,020,284.

Our top donor category (those who pledge \$4000 or more per year, has grown from 36 in 2009/2010 to 51 in 2011-2012). Average pledges are trending up. We are cultivating a deep sense of generosity in the church, a sense of giving as a spiritual practice. In 2009/2010, we gave away \$53,000 in the offering plate. In 2010/2011, we gave away \$67,000. In 2011/2012, we're on track to give away over \$60,000.

The First Universalist Foundation connects us to the Unity Settlement House. The Foundation currently has \$1,380,796 in assets.

Weaknesses:

We assume that our pledge growth is mostly in young families, whose capacity for giving may be less. There continues to be resistance to talking about money, setting concrete expectations for members, and encouraging particular levels of giving.

Opportunities:

The opportunity exists to help new members understand clear and concrete expectations about pledging, and what it means to be a member of the church (having a spiritual practice, serving in some capacity, attending worship, generously pledging). At the same time, we can continue to work with current members of the church, inviting them to stretch in their giving.

By focusing on providing high level, meaningful financial information to the congregation (for example, "Last year we gave away \$67,000 in the offering plate." Or, "The Emily Grey Charter School provided \$185,000 of income...we're in our second year of not having that income. We all need to stretch in our giving.") we are able to continue to celebrate current and future generosity and become known as a giving church.

There are opportunities to think strategically about fundraising and revenue. By creating a fundraising/development team to oversee and coordinate various fundraising projects, we may significantly impact our revenue. As we become more creative in revenue generation (opening a coffee shop, a book store, or charging community members for classes), we will have the opportunity to expand our budget and our impact in the world.

Threats:

Our top ten pledges are: \$35,000, \$24,000, \$18,000, \$16,000, \$15,500, \$15,500, \$13,200, \$10,000, \$8,500, \$8,400. Should several of these top pledgers cease pledging, it would have a felt impact on the

budget. Additionally, some of these top donors are nearing retirement and will not continue pledging at this level.

Note: In January, 2014, there is a balloon payment due on the mortgage.

See Appendix E for further information about Finances.

Appendix A: Growth Trends

Attendance Growth

Average Sunday attendance:

07/08	08/09	09/10	10/11	11/12
416	419	503	534	600

Average Religious Education Attendance* (for church school year):

07/08	08/09	09/10	10/11	11/12
186	223	297	340	343

**Note: All data from December 2008 and forward, reflects both children and youth. Data for November 2008 and earlier reflects children only (to 6th grade).*

Average Total number of people in the building each Sunday (Worship + RE):

07/08	08/09	09/10	10/11	11/12
602	642	800	875	953

Membership Growth

05/06 885

06/07 845

07/08 791 (We had a big clean up of our books, thus the drop)

08/09 840

09/10 849

10/11 902 (Another big clean up of the books; membership move from 940 to 902)

11/12 945 (Projected for June 2012)

Total growth in five years 134 (but accelerated growth in past three years.)

Current Total Members: 902 (as of January 23, 2012)

Small Group Growth

Year	Total Groups/Participants
2011-2012	34/315
2010-2011	35/336
2009-2010	17/155
2008-2009	3/26

Religious Education Growth

Number of registered children and youth:

2011/12	468
2010/2011	441
2009/2010	389
2008/2009	386
2007/2008	438

Financial Growth

Pledge Information

	09/10	10/11	11/12
Average Pledge	\$1,346	\$1366	\$1584
Total Number of Pledge Units	563	640	644
Total Pledge Base	\$757,803	\$874,500	\$1,020,284
Total Budget	\$1,233,781	\$1,326,828	\$1,385,377

Appendix B: Staffing

Current Staffing and Future Staffing Needs

Staffing Philosophy: We are committed to creating a staff team that is an “A” team, a group of individuals committed to the Mission and Visionary Goals of First Universalist, who are dynamic, creative, driven, and team players. We seek spiritually grounded individuals that are committed to their personal growth and the growth of the institution. We pay competitively, so that we can retain these qualified individuals.

List of current staff

Note: This list doesn’t include the Intern Minister; Interns, when counted, are usually .5 FTE

DEPARTMENT/Position	Standard Hours Per Week	% FTE
<u>MINISTERS</u>		
Senior Minister	40	100.0%
Minister of Program Life	40	100.0%
Director of Worship Arts	20	50.0%
<u>ADMIN</u>		
Director of Finance & Admin	40	100.0%
Office Manager	40	100.0%
Assistant Finance Administrator	40	100.0%
Front Office Receptionist	14	35.0%
Sunday Front Office Receptionist	4	10.0%
<u>COMMUNICATIONS</u>		
Communications Coordinator	32	80.0%
<u>PROPERTIES</u>		
Facility Manager	40	100.0%
Senior Cleaning Custodian	24	60.0%
Cleaning Custodian	16	40.0%
Sound System Operator	10	25.0%

CONGREGATIONAL LIFE		
Director of Congregational Life	40	100.0%
Program Assistant/Childcare Coordinator	30	75.0%
LIFESPAN FAITH DEVELOPMENT		
Director of Religious Education (not yet hired)	40	100.0%
Youth and Young Adult Ministries Coordinator	30	75.0%
2-3 Year Old Teacher	9	22.5%
MEMBERSHIP		
Membership Support Staff	26	65.0%
MUSIC		
Music Director	12	30.0%
Choral Director	12	30.0%
Childrens Music Coordinator	5	12.5%
FAITH IN ACTION		
Director of Faith in Action	20	50.0%
TOTAL	594	
HEADCOUNT	24	
TOTAL FTES	15	

Recommendations from Large Church Consultant, Susan Beaumont:

(See additional information about staffing suggestions from Susan Beaumont in pdf "AdditionalCapacityDocuments.")

Average Worship	Clergy FTE	Program Staff FTE	Admin Support FTE
200-399	2.2	1.9	2.3
400-599	2.5	3.0	3.4
600-799	3.0	5.6	3.7
800-999	2.5	6.3	11
1,000-1,199	5.4	7.0	12.7

We're in the 800-999 range with regards to total Sunday Morning attendance (worship + RE), but pushing up against the 1000 mark. According to the data Beaumont has collected from other large churches, churches in this range have 19 FTE staff. Currently, we're at 15 FTE.

Staffing Needs:

Based on reading about staffing the large church, and based on conversations with Large Church consultant, Susan Beaumont, here are some potential staffing "adds" we might make moving forward.

1) Hire a Receptionist/Executive Assistant to the Sr. Minister (or Ministers). This assistant would play a key role in pastoral care situations, manage and maintain much of the Sr. Minister's schedule, and protect the Sr. Minister's time. This position would provide a tremendous relief to the Sr. Minister and Ministry Team, and allow the Senior Minister to focus on the most critical pieces of the ministry

2) Hire a Membership/Development person. This position would focus on ensuring that new members don't fall through the cracks; furthermore, this position would help new members find appropriate places to use and share their gifts and skills in the congregation (helping us fulfill Visionary Goal 3.) Finally, this position would focus on steward and development, working closely with new members to help them develop a strong spiritual practice of giving and generosity. (Susan Beaumont and other large consultants suggest that due to our size, we need additional staff people to help us truly tend to and engage new members.)

3) Add additional hours to the Director of Faith in Action position, Worship Life Positions (Choir and Worship Arts). These staff positions, currently at half time or less, are central to the health of our program and worship life.

4) Hire a part time Minister of Congregational Care. As the congregation grows, the needs also grow. Having a dedicated staff person focused on this would ensure that nothing fell through the cracks.

5) Hire a part time financial staff person to work on the Administrative Team. Although this staff add is not directly related to the fulfillment of the Visionary Goals, it will allow the Director of Administration to build a healthy infrastructure on which all of this goals depend.

6) Increase our Communications staffing to at least 40 hours per week. This will allow our Communications to support all of our Goals, in a deeper, more sustained way.

Salary Compensation Analysis and Comments:

Our Compensation Philosophy (recently adopted):

To serve First Universalist's mission requires special people with unique talents and unparalleled commitment. To this end we consistently strive to hire and maintain the most talented and committed staff, which is essential for our success. Therefore, the Church maintains a competitive total compensation package, including pay, benefits (pension, healthcare, etc.) and working environment. The Church subscribes to UUA and Nonprofit benefit and salary surveys to help us determine what similar organizations are paying for positions with similar duties and offering in terms of benefits. Every three years we formally review each individual position to ensure competitiveness in our marketplace.

Current State:

At the current time, about half of our staff members are paid at a rate that is less than competitive (less than the minimum we need to pay to be competitive). Wage increases will need to be put into effect in order to retain and attract talented and committed staff. (The monetary implications of this will be provided soon.)

Appendix C: Facilities

The majority (85-87%) of our space use is by internal groups, and groups with long-standing relationships and church support including:

- Small Group ministry
- Worship
- RE and childcare
- Youth programming and events (i.e. parent's night out babysitting, overnights)
- Music/band and Choir rehearsals
- Church Board and Committee meetings
- Faith in Action
- MUUSJA
- Unity
- Church and Extended Community Events (i.e. Auction, Valentine's Dance, Global Gift Fair, Gift Exchange, YCE Truffle making and sales)
- AUW (i.e. Get Connected, board meetings, Spirit Movers/Friendship Group, Retreat Committee, Poinsettia Sales, Holiday Tea)
- Career Transition Support Group
- Men's Group
- Chi Gung

For outside groups, the most regular use (weekly) is by recovery support groups:

- Marijuana Anonymous (Mondays and Fridays)
- Alcoholics Anonymous (large group, two rooms on Mondays)
- Adult Children of Alcoholics (Fridays)

The most frequently requested rooms in order are:

- Cummins Room
- Room 203
- Library
- Rooms 200, 202, and 204

I don't know specifically if that has to do with proximity to the office, physical space and furnishings (lighter, warmer, more cheerful), accessibility for those with limited mobility.

Several small group facilitators have recently made mention of the "ambiance of the room" and what a difference that can make for the experience of participants. Those who have used Room 203 prefer and ask for Room 203. Alternately, we have also put in requests with SPIFF for softer lighting (floor and table lamps) for the 200-level classrooms.

Most frequent complaints for all spaces are:

- Too cold
- Seating uncomfortable
- Lights too bright/too dim

Appendix D: Programming

Faith in Action:

Umbrella Groups

First Universalist Church recently launched a pilot reorganization of its Faith in Action programs to better cultivate the passion of our members and increase the impact of the congregation in its efforts to address common and deeply felt social justice issues. This pilot officially began January 2012 and will conclude December 2013. It is called the Umbrella Pilot Project.

This effort ties into and is supported by the new mission approved by the congregation. The effort also supports the Visionary Goal of the church that declares “The people of First Universalist Church work to build a just, loving and sustainable world. We are a visible, influential voice, and we act to shape the larger community into a more just and equitable society.”

Clearly, this new Visionary Goal describes a church that is relational, strategic and intentional in its social justice efforts. We believe the Umbrella Group Pilot Project provides the framework necessary to achieve this Visionary Goal.

The Umbrella Group model will cluster similarly themed efforts. An example of an umbrella would be Housing and Homelessness which would cluster the Habitat for Humanity projects, Project Homeless Connect, Simpson Meals, Hats for the Homeless, etc. The umbrella would provide support, delineate expectations of participation and facilitate leadership, provide training and generate new activities. Each umbrella will contain projects that approach justice as articulated in the 5 Approaches to Change: Service, Education, Advocacy, Mobilizing and Organizing. Deepening the connection between faith and spirituality is also a key element of the pilot Project. At the end of the two year pilot period, the concept will be evaluated based on the goals described below.

The Goals of the Umbrella Group Concept are to:

- Coordinate and synergize similarly themed efforts;
- Encourage new ideas and inspire enthusiasm;
- Encourage efforts that ultimately reflect the 5 Approaches to Change;
- Provide an easy access point for newcomers and existing members and friends;
- Create steps for deep and integrated spiritual development and involvement;
- Facilitate greater impact and focus; and
- Allow for greater accountability.

Current Faith in Action Groups and Projects – Clustered in Umbrella Groups

Housing and Homelessness Umbrella	Number of Participants	Major Events and Activities	Estimated participation July – June
Habitat for Humanity Stonecutters	Typically 12-15	Work crews once a month on a Thursday between November and April	45 people
Habitat for Humanity Mentors	8-12	Meet regularly with new home owners	12 people
Habitat for Humanity Saturday builds	Typically 12-15	Semi-annual	60 people
Habitat for Humanity Week long builds	12-15 people for 5 days	1 week in August	75 people
Project Homeless Connect (host the volunteer training 2 X a year)	50-60	2 PHC events	100- 120 people
Simpson Meals	10-15	Monthly meals at the shelter	175 people (5-6 families)
Hats for the Homeless	65 people	Knitting hats and comfort shawls	65 on up
Environment and Sustainability Umbrella			
Recycling (Green Sanctuary)	7 committed folks	Manage composting, bins etc	Ongoing participation of 7 people
Earth Day	Planning: 25 Participation: 500+	Plan and Implement Earth Day celebration	525 - people of all ages
Energy Work Plan Committee (Green Sanctuary)	8 people	Building and energy focus	8 people
Green Sanctuary Misc activities	15 people	Lingering Green Sanctuary actions: Bike racks, RE curriculum, green stewards	15 people
Community Sustainable Agriculture	Planning: 2 Participation: 5	We were a drop off site only	7 people
Immigration Umbrella (emerging)			
Immigration in Minnesota Series	Planning: 12 people Email list: 67 people	Plan and implement three education forums (1 so far)	79 people

	Attending: 65 people		
La Conexion de las Americas (Kitchen Connection)	Planning: 3 Participants: 35	Cook meals and eat with Latino families regularly thru year	38 people
Youth Cultural Exchange	8 youth and families – about 30 people	Exchange trips with Nicaragua	38 people
Outside the Umbrella Framework			
Operation Warm them Up (Warm Hands Warm Hearts)	Planning: 4 people Participants: 200	Coats	204 people
Marriage Equality	Planning: 6 people Email list of 77 Participants so far: 35	Emerging committee and campaign work	41 people have participated so far
Day of Service	Planning: 26 Participants 420 (2012)	Plan and implement Day of Service	446 people
Global Gift Fair	Planning: 1 Participants: 500	Plan and Implement	501 people
Native American Connections	Planning: 6 Participants: 35	Help with MN American Indian Center Thanksgiving	41 people
Joyce Food Shelf	Planning: 2 Participation: 50	Provide food	52 people
First U Foundation	Participants: 9		9 people
			2,563 participants

Religious Education:

Since 09-10, there appears to be significant growth in the younger range of classes (ages 2-5). In 2011, the church hired a dedicated 2 & 3 year-old teacher. This has provided good continuity (a familiar face Sunday after Sunday) and alleviated the need to immediately push parents into volunteering just as they're beginning to know the church (we believe that seeking parents benefit from attending services).

In 2010-2011, we split room 208, which has provided room for more sections of highly populated elementary classes (grades 1, 2, 3 specifically). This decision also gave us some latitude on Sunday mornings when the Cummins Room is needed for other church events.

RE growth is limited by the number of classroom spaces available to us at each worship time, as well as the capacity of each classroom. The growth of the high school program has been severely limited by space available in the Arches. It will be a multi-year project to split classes so that the eldest teens are willing to meet in two or more groups. We have tried this before and it has resulted in kids dropping

out. But, without splitting up the Senior High Class, the attendance each Sunday has been limited to about 30 kids. In 07-08 the SH enrollment (# of registered kids) was as high as 70. More than half of the registered kids were unable to fit in their meeting space.

Equally troubling, due to its location in the Arches, the Senior High space is not accessible to youth or children with limited mobility.

On a positive note, switching the services from 9:00 a.m. and 11:00 a.m. (to 9:30 and 11:15) appears to have balanced attendance in the sanctuary and in Religious Education Classes.

Religious Education is essentially a healthy and vibrant program, but there are opportunities for improvement. We hope that a new Director of religious education will help us reimagine the model and curriculum we use, engage active learners and whole families, and learn to engage more people in multigenerational learning.

When the Emily Grey Charter School left, we began to reclaim our space. The changes have been incredibly profound, but we haven't yet spent the money to outfit the classrooms with carpet, soft furniture, AV equipment, etc. We dream of having more classrooms like the nursery for young kids (colorful, vibrant, welcoming), and room 203 for older kids, and/or classrooms that could be used on a rotating basis to allow kids to do art, theater, science, etc. This "workshop rotation" model may be what our new DRE decides is needed for the spiritual growth and enrichment of our kids.

As we make space available, we can imagine that our RE program will continue to accommodate about 50% or more of the number in attendance each Sunday in the sanctuary (a typical ratio for this community). Ex: If our average worship attendance grows to 1200 per Sunday, we can imagine needing space for 600 kids.

There is an opportunity to grow our programming for college-aged young adults, as well as to integrate Unity Leadership with Religious Education programming.

Congregational Care:

In 2011, the Congregational Care Leadership Team partnered with approximately 160 known volunteers. There is much congregational care that is offered informally and is not documented or tracked. For instance, choir members offer one another support and care, as do members of Sermon Based Small Groups and AUW Friendship Groups. This is as it should be. We are a caring community.

Meal Recipients: 10, each recipient receiving from 2 to 20 meals.

Transportation Recipients: 10, each recipient receiving from one ride to regular (every Sunday) rides.

Flower Recipients: 40, recipients of poinsettias and flowers from Sunday services.

Pastoral Visitor Recipients: 12, who live in assisted living facilities and receive regular visits from members who visit monthly (sometimes less frequently).

Memorial Service Hospitality: 7 services, several of which were large. Hospitality includes ushers,

greeters, servers, cleanup, and various other roles

Comfort Shawls Knitted and Delivered 30

Parish Nurse Service Recipients: 33 (members served by the TRUST parish nurse. Visits by phone or in person)

Bloodmobile: Over 30 units successfully donated (some volunteers were not accepted as donors)

Day of Service Cooking Event: 26 participants made soup and cookies for delivery to the homebound

Caregiver Support Group: 14 participants (Started in summer; meets monthly)

Cancer Support Group: 5-8 participants in this facilitated weekly group

Job Transition Group: weekly facilitated meeting, 3-6 participants. Meets every Monday; people cycle in and out

Health Care Directive 2-Part Workshop: February. 30 at the first part and 15 at the second part.

Program on Hospice and Palliative Care: 20 participants (November)

Caring Corner: Ongoing maintenance; supply of cards, sending cards, etc.

Members/Friends Listed in Cycle of Life: 120 (some listed more than once)

Memorial Service Leadership Training: 2 sessions (6-7 participants trained by 4 experienced CC Leaders)

Pastoral Counseling interactions by 2 ministers: conservative estimate, 150 appointments. This doesn't include casual or spontaneous interactions in the daily round.

Referrals by ministers (to other helpers, therapists, organizations etc): 40-50

Music and Worship Arts

First Universalist Choir: 65 active participants, 83 on the email list, most are members. Choir performs 2 Sunday's a month during the church year, as well as special performances during the holiday seasons. They rehearse every Wednesday in the sanctuary.

The choir is a growing and energized group since Randal Buikema's began in the fall. Many new members are joining the choir. The growth of the choir is limited by the amount of staffing and resources dedicated to it. Randy is only 12 hours a week. The space for the choir is not large enough for the growing number of participants. There has been very little money budgeted for buying music for the choir in past years. The choir library is woefully outdated, and Randy has borrowed music from his colleagues to support the growth and enthusiasm for the choir.

Other Worship Arts/Music Groups: Jazz Band, Folk Band, Visual Arts, Worship Arts Committee, Art Exhibition Group

Small Group Ministry

	Fall Groups	Fall Participants	Winter Groups	Winter Participants	Summer Groups	Summer Participants	Total Groups	Total Participants	Notes
11-12	12 half-year, 7 full-year	89 half-year, 71 full year	15 half-year, 7 full year	155 half, 71 full	x	x	34	315 – includes 35 facilitators (3 staff, 32 congregant)	Total doesn't <u>yet</u> include summer 2012
10-11	15	146	16	151	4	39	35	336	Participants include 39 facilitators. One online group failed
09-10	7	65	10	90	x	x	17	155	Participants include 20 facilitators.
08-09	1 (pilot)	10	2 (pilot)	16	x	x	3	26	

Spiritual Practice Groups and Adult Education

Ongoing Groups:

Buddhist study and meditation – Meeting since 2009. Three cycles per year with approx. 10 people engaged each time.

Chi Gung – mid-day, mid-week program; mainly elders and people with physical limitations, approx 15 people each time. Meeting since 2000. Congregant leader.

Mostly Silence – Kate leads. 10 participants.

Wheel of the Year – Open group for people interested in earth-based rituals. Intergenerational. Meets 8 times per year.

AUW Friendship Groups (some of these are practice based) ??

AUW get connected events and education events. ??

Open Minds (Secular Bible Study)- In its first year. Up to 50-60 participants, 65% from First U community. Congregant leader.

Labyrinth Open Walk – Expensive upkeep (restaining of Labyrinth is needed every few years). 5-10 people walk during open walks each month.

Lectio Divina – A way to deepen experience of worship by providing a time after each service for a small group experience of a communal spiritual practice . Led by Ruth MacKenzie but could easily be led by congregants. 10 to 15 people regularly attended.

Past Groups:

Theme Nights/Teaching Nights- up to 60 in attendance. Opportunity to connect with the ministers.

Films for Elders and Friends - huge potential turnout (I think we had 80 on our mailing list). About 10-30 would show up. Trouble with technology. Need carpool network. Congregant leaders.

Not much ministerial teaching going on now, but there have been periods of time when Kate has taught a class – Historical Jesus, Our American Roots, etc.

Foundations of Our Faith – monthly teaching for new members with lunch (sometimes guest teachers), did for one year – successful in transitioning people into leadership (ex: Dan and Martha Moriarty, Lark Weller) but didn't include very many people and they had to be very motivated to show up. Up to 24 people monthly. Staff leader.

Starting Point – Newcomers' small group about theology, UU identity, and faith exploration – 10 people. Pilot program.

Appendix E: Finances

Pledge Information

	09/10	10/11	11/12
Average Pledge	\$1,346	\$1366	\$1584
Total Number of Pledge Units	563	640	644
Total Pledge Base	\$757,803	\$874,500	\$1,020,284
Total Budget	\$1,233,781	\$1,326,828	\$1,385,377

Projections: We believe the average pledge in the church could be \$2500 (Approximately 3% of \$90,000 household income; based on the 2008 Senior Minister Search Packet Survey, this number is probably conservative.) Assuming the average pledge could be \$2500, this would put our pledge base at: 644 (current members) X \$2500 = \$1,610,000. This assumes no addition pledging units.

From the 2008 survey, members reported household income as follows:

- 2% Less than \$15,000
- 15% \$15,000 to \$49,000
- 21% 75,000 to \$99,000
- 23% \$100,000 to \$149,000
- 11% \$150,000 to \$199,999
- 6% \$200,000 to \$249,000
- 4% \$250,000 or over

(This survey received 512 completed usable questionnaires. 93% of responders were pledgers.)

Pledge Base Growth:

The pledge base has grown an average of 16% the past two years. Assuming a range of 8%-16% growth going forward, that would put us at:

- 2012/2013: \$1,101,907 - \$1,183,200
- 2013/2014: \$1,190,060 - \$1,277,856
- 2014/2015: \$1,285,265 - \$1,482,313

5% growth would be:

2012/2013: \$1,071,298

2013/2014: \$1,124,863

2014/2015: \$1,181,106

This does not reflect other revenue streams (bookstore/coffee shop), etc., income from legacy fund, etc.

The Ministry of Generosity

Giving away 70% of our offering plate is a powerful signal of our institutional commitment to generosity. It is a powerful signal to visitors and newcomers – “This is not the church you were expecting.”

Last year, we gave away \$64,000 in the offering plate. (The year before, we gave away nearly \$54,000.) We are on track this year to give away over \$60,000 this year. (70% of each offering plate goes to outside organizations).

Assuming we gave away 100% of the offering plate, it is not unreasonable to expect that we could give away \$80,000 or more per year. NOTE: Even with the 70%/30% split, the bottom line for the church has remained the same – we collected about \$25,000 to \$30,000 in the offering plate each year.

The opportunity remains to choose recipients who are more closely tied to our major justice initiatives.

Board Goals for 2012

Item	Comment
Finance Committee - increase engagement of the board with the senior minister in reviewing relevant aspects of the budget development, financial monitoring, and fund development activities of the church.	Quarterly reviews of financial statements have been added to the board agenda.
Continue to grow in our role as a strategic board	
Continue to mature governance practices (see next rows):	
Become a more policy-driven board	We've definitely been living into becoming a more policy driven board with our thorough review of finance and Visionary Goals.
Make GPH reviews seasonal and operational	Quarterly reviews of financial statements are scheduled as quarterly with brief monthly updates to be included in the Sr. Minister report beginning in June The survey is annual and in the spring 2013-2014 goal – to identify other practices to incorporate/operationalize
Leverage evaluation tools (ex: survey, and board/minister evaluations) to monitor and inform the accountability of the board and staff	The evaluation process we did last year contained qualitative and quantitative data that filled a gap left open by Justin's achieving full fellowship. There is no "best practice" template so we designed our own after consulting with the UUA and with Justin. Question/Task – is the evaluation enough to take forward?
Work with the Sr. Minister to develop his role as CEO	We have not formalized this but we are engaging in a "zone of collaboration" with the Sr. Minister on a regular basis and as part of that we do on occasion provide advice as a sounding board.
Effective linkage with congregation and other stakeholders	Opportunity for linkage that could feed a qualitative component of Sr. Minister Evaluation
Monitor the SP to ensure realistic goals and work to manage the expectations of the board, staff, and congregation	I don't see a direct role for the board to play except measuring progress toward ends in other areas
Clarify roles, activities, and strategic alignment with the NomCom	In progress and delegated to Board/NomCom liaison Dave Bach
Align the goals of the Church and the Foundation to increase the social justice effectiveness of both	Justin and I had an initial meeting with Ralph Wyman and agreed to form a team consisting of Foundation, Board, and select lay leaders.

Schedule of Board Activities for 2012-2013 :

Item	Jan	Feb	Mar	Apr	May	June	Future
Policy (All)	Complete Financial Policy Review/Interpretation	Begin VG#2 Interpretation/Review Finance Policies	Complete VG#2 Interpretation/Review	Begin VG#3 Interpretation/Review	Complete VG#3 Interpretation/Review	Annual Meeting	
Finance (Finance Cmte/Staff)	Conversion Update	Review 2 nd Qtr Results (Susan to attend)			Review 3 rd Qtr Results (Susan to attend)		
Budget Planning (Finance Cmte/Staff)	2013-2014 Budget - Hear Justin's plans for future:	TBD	TBD	Affirm Annual Budget			
Sr. Min. Evaluation (Karin)	Goal – apply learnings of this year's policy discussions to existing evaluation			Present scope and formate of evaluation	Complete Eval		Present Eval
NomCom (David B.)		David Bach to share Findings / recommendations					
Foundation (Craig)	Initial Plan and approach		TBD	TBD	TBD		TBD
Monitoring	Determine approach for utilizing staff	Address confidentiality / access issues	Confirm form/content of Survey	Issue 2013 Congregational Survey			
Governance Doc Updates (Dan)			GPH Updates: Volunteer Integration Financial Policies Binder Updates: Job Description VG Interpretations				