

# First Universalist Church Board of Trustees

November 21, 2013

Board Packet

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Attachment: First Quarter Financials

Date: November 12, 2013

To: Board of Trustees of First Universalist Church

From: David Bach, President

Re: November 21, 2013 Board Meeting

Our first Working Session was very rewarding. I do feel that we have some intentional practices to incorporate into our board meetings and preparations that will move our leadership to a new place. A copy of Lark's summary of that meeting is included in the Board Packet and I encourage you to re-read it in preparation for the meeting.

I am adding a review of our Board Goals to our monthly agenda to provide a reminder of our priorities and a check-in on our progress toward them. We have some assignments imbedded in the minutes from the October 17 meeting that you will want to review. We will not have something to report on each goal each month but we can use this process to hold ourselves accountable to completion or progress by the end of the year.

Please let me know if you have any questions about the agenda or attachments. I look forward to another productive and rewarding meeting.

First Universalist Church of Minneapolis  
Board of Trustees Meeting  
November 21, 2013  
6:30 p.m. Cummins Room

**Agenda**

6:30 Call to Order

- Lighting of Chalice and Reading – Lark Weller
- Check-in
- Spiritual practices to incorporate in today's meeting

6:50 Approval of minutes from October 17 meeting

6:55 Items from the Senior Minister

- Fiscal agent agreement – for approval
- Building reservation policies
- Sabbatical update
- Gala celebration

7:30 Items from Monitoring schedule

- Financial condition – Paul Robinson
- Financial plan (first quarter financials) – Paul
- Attendance and Membership numbers – Justin Schroeder
- Staff and significant volunteer changes – Justin
- Staff-volunteer grievances policy (to be reviewed later as part of a comprehensive HR policy review)

8:00 Committee Reports

- Governance Committee – Karin Wille
- Finance Committee – Paul Robinson
- Foundation investment policy

8:20 Items from the President – Dave Bach

- Foundation trustee nominees
- New members orientation schedule and participation
- Check-in on Board Goals
- Recap and follow-up from Board Spiritual Practices session, November 7
- January 11 – Racial Justice with Dr. Heather Hackman

8:45 Executive Session

9:00 Adjournment

Attachments: Letter from President, Minutes from Oct. 17, Minister's Report, Fiscal agent agreement, Building use policy, Finance Committee minutes, Board Goals, Notes from Working Session November 9.

First Universalist Church of Minneapolis Board of Trustees Meeting  
 October 17, 2013 6:30 pm

**Board Members Present:** David Bach, Dan Berg, Karin Wille, Pamela Vincent, ~~Paul Robinson~~, Lark Weller, Jill Braithwaite, Dick Niemiec, Cindy Marsh

Clergy Present: Justin Schroeder

Others Present: Rev Gretchen Haley, Foothills UU church

Agenda Item	Presenter	Discussion	Action
Opening words and chalice lighting	Dan Berg	Meeting was called to order at 6:30 pm. Dan read a passage from The writings of Thich Nhat Hanh, followed by reflections/check ins	
Approval of Consent agenda		Approved September minutes	Approved
Items for Approval	Justin	<ul style="list-style-type: none"> <li>• Strategic plan revisions were shared and discussed- see highlighted copy distributed with board packet. The changes reflect the church's added focus on racial justice.</li> </ul> <p>It was noted that Section 2.4 should also be highlighted as new.</p> <p>Discussion on 3.4- supportive community- included questions regarding 'diversity' - 3.4.1 It will be changed to "racial justice" as well. There was also question on section 5.2.3 which now reflects recruiting staff of people of color, not other diverse groups- Justin confirms that this is the intention, to call out racial diversity in our hiring. Perhaps we need to look at more integration of racial justice into the whole strategic plan, rather than 'adding on.'</p> <p>Page 13-new words are intended to be commentary according to Justin.</p> <p>Question was raised whether this new plan calls out racial justice as the primary focus of the church. The language will be moved to follow the bullet points, or moved to the introduction. Adding this language to the introduction preserves the work done to prepare the strategic plan, and protects the integrity of the document. We will preserve the original</p>	<p>Move introductory section on pg 13 to page 14. 3.4.2 replaces 3.4.1 1.4- remove 'problems' at top of page 16</p> <p>Approve to accept provisional changes to plan with changes outlined.</p>

		<p>version and add an addendum to the introduction for Version 2.</p> <ul style="list-style-type: none"> <li>Affiliation agreement for Mary Bohman</li> </ul>	Motion made and approved.
Items from the Sr. Minister	Justin	<ul style="list-style-type: none"> <li>Ministers' housing allowances- for approval</li> </ul> <p>It is considered best practices for the Board to approve the housing allowances- IRS regulations call for housing allowances to be congruent with fair market value. Justin confirms there is no variance from last year's amounts.</p> <ul style="list-style-type: none"> <li>Changes to ends outcomes schedule- for approval</li> </ul> <p>Justin's request to consider the annual report as a quarterly marker, with other reporting to follow that sequence was approved.</p> <ul style="list-style-type: none"> <li>Informational items</li> </ul> <p>Second round of racial justice training to be led by Heather Hackman on March 8, April 12, and May 3.</p> <p>Justin would like the remaining Board members to attend spring training sessions. There were a few comments from board members who are in the current round of training regarding impact so far.</p> <p>Heather's workshop with the congregation in October will be different than content in the working session with the board January.</p>	<p>Motion made and approved.</p> <p>Motion made and approved.</p> <p>Board members will participate as schedules permit.</p>
Items from the monitoring Schedule			
Financial condition	Dan	Financial review has begun.	
Staff and volunteer changes	Justin	<p>Discussion regarding administrative staffing. Craig Lindahl-Urban resigned last Tuesday. Justin feels turnover is related to being under-resourced financially and understaffed for a church of our size. Being under resourced has created a high workload and has caused the church to say no to some things. The level of professionalism required in job expectations are much higher now than when Justin first arrived. Justin feels staff is professional and expects to be compensated accordingly. We do not have a comprehensive compensation plan in place which reflects fair compensation guidelines. In addition, staff has not had COL increases in three years. Diane, Justin and Jen are taking executive leadership training.</p>	

		<p>Justin feels the continued practice of exit interviews by the board is a distraction and is beyond policy requirements. Justin stated that the board can best help by creating comprehensive compensation guidelines. Justin and staff are evaluating the administrative staffing needs. Some work was already done on developing compensation guidelines- using UUA and MN Council of Non-profits recommendations, but that was not finalized. This data is outdated, and staff would need to gather new data in order for the board to proceed. We will have a plan in place before the annual budget process. Board goals include a decision on the contributions to UUA, etc, and should be part of the larger conversations on resource allocations.</p>	<p>Justin and staff to gather salary survey data- using MN council of non profits and UUA. Cindy recommends that self-reporting survey not be used. Justin will meet with members of the Governance Committee. We will look at other denominations in the Twin Cities area</p>
Protection of Assets	Dan	We reviewed the schedule of insurance coverages with Diane with some recommendations of changes made.	
Investment and financial policies	Dan	Investment policies for legacy funds and Cummins fund were reviewed. There are separate policies for reserve funds- and foundation assets. A new policy for Foundation assets is being developed in alignment with other policies. An investment plan for each account correlates with the policies. Next month we will present the investment policy for board review. Meeting with Ross Levin next month to review investments. Attach Financial committee minutes to the board packet.	We need to add finance committee minutes to the website board packet.
Committee Reports			
Governance	Karin	The Committee reviewed 'human resources systems.' They are not sending or posting minutes at this point because work is in progress. Goal this year is to review all non-financial policies. Work has begun on grievance procedures on treatment of staff and volunteers. Goal is to make comprehensive recommendations to the board in January on HR issues, including compensation. They have divided committee goals and assigned responsible parties.	Will distribute minutes to the board, but not for publication at this time.

Finance	Dan	<p>Paul is meeting with heads of the planned giving and pledge team. They reviewed finance committee goals.</p> <p>Capital improvements- mortgage: locked in on 7 yr, 5% balloon mortgage, assuming a likely capital campaign in the next 7 yrs or so which will include paying off mortgage. Plan to move banking relationship to Sunrise Bank. 12 month window to add \$200,000 to mortgage for additional improvements- there is a potential \$2000 cost for doing this.</p>	
Board's role in Pledge campaign	David	<p>David had discussion with Rich Jaeger from the Pledge team the opportunities for board members to help support the team by playing a leadership roles in different parts of their work. The Pledge Team would like to help the congregation move to the 5% giving level. They are working with Justin to find opportunities for the Board and others to give testimonials on our commitment to giving. The Board job description currently includes the following language "Model generosity as church leaders by assisting with fundraising and making or moving to the 5% pledge level..."</p> <p>Discussion followed on the meaning of income (individual income vs household, pre-tax or post tax)- Justin's assumption is pre tax, 'pledging unit income'.</p> <p>Consider Charlotte Cowtan's framework of tithing—5% to church, 5% to non-church organizations. Dick suggested using two or three specific examples to illustrate.</p>	David will communication the board's commitment to assist, as available, with the campaign.
Final approval of board goals	David	<p>David called attention to the overarching goals at the top. The agreement was that these are the goals we should work on. Specific strategies to achieve goals are missing.</p> <p>January action item: Address information regarding UUA giving.</p> <ul style="list-style-type: none"> <li>• Develop and implement linkage to congregation- possible activities: Attend New Member Orientation Sessions. Hold informal conversations with members on-going basis—listen to hopes and aspirations to help form future plans and also understand how people are feeling now—inform people what is going on now. It is the board's</li> </ul>	<p>Spiritual practice- Nov working session. Justin will give information to Dan and Paul regarding UUA giving guidelines</p> <p>Each board member is to seek out a way to link with congregants—using the language from our job description and communicate findings back to other board members. Use board</p>

		<p>responsibility to link with the congregation- part of policy governance.</p> <ul style="list-style-type: none"> <li>• Communication plan- Liberal article monthly. Begin to think about communication in areas of congregation concern— specifically finances: Is there an opportunity for a mid-year report to get some information to the congregation as part of the pledge campaign? Lark, David and Pam could communicate on the racial justice initiatives.</li> <li>• Review of the Strategic Plan- David and Jill will take the lead on this. Board members to notify them of any areas of concern.</li> <li>• Begin initiative to live into excellence as a policy governance board- a 3 year goal. Look to other organizations that are practicing policy governance-</li> </ul>	<p>meeting agenda as a vehicle for communication.</p> <p>Pam and Jill will work together on using social media for communications</p> <p>Liberal article this month will focus on board efforts for communication and linkages- Perhaps we can use questions from our annual survey. Dan will do the Nov Liberal article, Karin will do December which will focus on our work as an intentional community.</p> <p>David will look to Lutheran Social Service and other non- profit organizations for resources on Policy Governance. – Seward coop, MN Council of non profits.</p>
Topics for working sessions	David	Nov- Board spiritual practice	Pam will pull information together from Wikstrom’s “Serving with Grace”. Look at the Community Circle information included with our packet. David will look for a local restaurant to meet at.
Executive session	Move to executive session at 9:24 pm.		
Return to regular session	9:36	Adjourned	



**Sr. Minister Report for the Board of Trustees, Nov. 21, 2013**

<b>Inform/ Consult/ Approve</b>	<b>Item</b>	<b>Relevant Policy and Comments</b>
<b>Inform</b>	<b>Update of Building Use Policy</b>	<p>We've created an updated building usage policy that will go into effect on January 1<sup>st</sup>, 2014. This policy will allow the church to be proactive in regard to all building usage and clearly outlines what services the church is able to provide for various groups (rentals, affiliate groups, church groups, etc.) We have not had clear building usage policies in the past; this absence of clear policies put staff church staff in a very reactive position, responding to each request without clear policy guidelines to fall back on.</p>
<b>Inform</b>	<b>Sabbatical Update</b>	<p>The preaching load is covered during my sabbatical (between Jen, Ruth, Elaine). I'll kick off the Pledge Drive before I leave for Sabbatical, and Jen Crow will wrap up the Pledge Drive on March 23. I would like to invite Jen to attend the January and February Board meetings, to ensure a smooth a transition for her time with the Board in March and April. Because this is a very short sabbatical, the impact on the church and staff is minimal.</p> <p>I plan to read a number of books about large church ministry and large church management. I am excited about the opportunity to work with several coaches during this time, figuring out how to best serve the church in the next phase of its ministry.</p>
<b>Inform</b>	<b>Gala Celebration</b>	<p>As you know, we are not doing our church auction this fall, nor are we planning to do our annual Valentine's Dance either. Instead, we are planning to blend both of these events into a big, celebratory Gala, that we will hold in late February, as a kick off to the Pledge Drive.</p> <p>As a reminder, we are not doing the auction for two main reasons:</p> <p>First, it is an event that demands many hours of staff and volunteer time. The money raised last year -- \$36,000 -- though a significant source of income, came at great expense in terms of resources invested. We are paying more attention now to the burdens placed on staff, and</p>

		<p>working hard to limit periods of intense stress that result in staff burnout.</p> <p>But perhaps more importantly, we are rethinking the church auction in light of our growing commitment to being a racial justice church. We know that socioeconomic inequality is inextricably entwined with systems of racial injustice. And we know that hosting events that create a separation between those who can afford to attend and those who cannot communicates something about our values. When we've hosted the auction in the past, we knew that there were congregants who could not afford to attend, and even among those who could afford to attend, the auction reinforces that those who can afford to give more receive increased benefits and privileges within our church community. We believed that the ways the auction reinforced this disparity was warranted by the fundraising that supports the church.</p> <p>But now, we are wondering whether there are other ways to raise money, maybe even more money, without creating a feeling of exclusivity, and by retaining the best parts of the auction. We're thinking about how we can create fundraisers that honor every congregant's contribution -- events that reflect our commitment to being a church where all congregants, regardless of their socioeconomic status, are welcomed and treated as valued members of our religious community.</p> <p>So what if we were to re-envision our annual fundraiser as a:</p> <ul style="list-style-type: none"><li>*an annual "homecoming" celebration of our community</li><li>*an inspiration to generously share our resources as stewards of First Universalist and its mission</li><li>*a chance for those with abundant resources to sponsor this new event for our community</li><li>*an opportunity for all to join Great Gatherings that build connections and strengthen our community (incorporating the best elements of the Auction) <i>and</i></li><li>*a chance to dance, listen to music, and have fun! (weaving in the best elements of the Valentine's day dance)</li></ul> <p>We know that many people in our congregation give generously to First Universalist. Those with financial</p>
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		<p>means have given money at the auction not so much because they an afternoon of sailing or a basket of wine and chocolate, but because they are committed to the work of this church. We believe that many of our members who are able to give would be just as willing to give, even without getting "stuff" in return. In fact, these folks might even rather that their donation go directly to the work of the church, without a chunk of it being used to pay staff to organize auction prizes.</p> <p>The church auction nets about \$36,000, and we rely on this to balance our annual budget.</p> <p>We are hoping to find a small number of generous sponsors who would be willing to sponsor a new kind of event, and help transform our annual fundraiser into an event that reflects the values and mission of First Universalist Church. With seven \$5,000 sponsors, or 14 \$2500 sponsors, and a reasonable, sliding-scale ticket price, we could host an annual Gala that serves multiple purposes, and replaces the annual Auction (at least for this year...possibly in years to come). We imagine a casual, fun event with good food, dancing, entertainment, great gatherings (the social, fun, affordable gatherings that we've done at the annual auction), and an inspirational program.</p> <p>Ruth MacKenzie, Diane Gavere, and Justin Schroeder are the lead staff people in charge of the Gala; they will be working closely with a congregant team. Lauren Wyeth helped conceive of the "sponsor" idea and much of the verbiage you see here. We'll already raised \$10,000 from sponsors, so I do believe that \$30,000 is realistic.</p>
		<p>(This policy relates to all of the information below.)  Policy D. Communication to the Board and Congregation.  <i>Inform the board in a timely manner of any relevant trends, issues, or events affecting the health of the organization.</i>"</p>
<p><b>Inform</b></p>	<p><b>Search for an Administrative Assistant (Staff and Significant Volunteer</b></p>	<p>We continue our search for an Administrative Assistant. We are bringing in a temp to help out during this interim time, as it is too much to expect Heidi Johnson to do both Communications and Office and Events Management work. Julie Frederickson has agreed to stay through the end of November, as well.</p>

	<b>Changes)</b>	
<b>Inform</b>	<b>New Communication Manager (Staff and Significant Volunteer Changes)</b>	Heidi Johnson, our Office and Events Manager, is stepping in to our Communications Manager position. Heidi has a master's degree in Communication, and has begun to outline how we might strengthen our internal and external communications, including our website.
<b>Inform</b>	<b>The Search for a New Office and Events Manager (Staff and Significant Volunteer Changes)</b>	We have begun to interview candidates.
<b>Inform/ Consult</b>	<b>Update on the Auction, Valentine's Dance, and proposed Gala</b>	Please see the Word document outlining these updates.

# October Attendance

	2013			2012		
<b>Adults</b>	9:30 AM	11:15 AM		9:30 AM	11:15 AM	
1st Week	255	266	521	271	327	598
2nd Week	315	321	636	318	350	668
3rd Week	269	290	559	247	286	533
4th Week	297	345	642	367	303	670
5th Week	-	-	-	-	-	-
Monthly Total	1136	1222	2358	1203	1266	2469
<b>Avg for October</b>	<b>284</b>	<b>305.5</b>	<b>589.5</b>	<b>300.75</b>	<b>316.5</b>	<b>617.25</b>

## Church School

1st Week	168	146	314	179	187	366
2nd Week	198	156	354	208	196	404
3rd Week	102	87	189	182	166	348
4th Week	197	169	366	185	172	357
5th Week						
Monthly Total	665	558	1223	754	721	1475
<b>Avg for October</b>	<b>166.25</b>	<b>139.5</b>	<b>305.75</b>	<b>188.5</b>	<b>180.25</b>	<b>368.75</b>

## **First Universalist – Finance Committee**

### November 13, 2013 – Minutes

Attendance: Robinson, Berg, Niemiec, Gavere, Ellwood, and Owens.

1. **1<sup>st</sup> Quarter Financial Report** - The committee reviewed the 1<sup>st</sup> Quarter Financial Report. Gavere reviewed some of the changes to the format. The report is being structured so that it can be generated directly out of the Quick Books. She went through each of the documents generally. She said one of the biggest changes is the way she is handling pledge income, rather than releasing all the income at the beginning of the year she is releasing it as the pledges are received. All agreed that this made sense. There was some discussion about the outstanding pledges from the previous year. Gavere said that there were \$40,000 in outstanding pledges. That was \$5,000 better than the amount budgeted as uncollectible. The committee suggested that it may be worthwhile to follow up one last time with the pledges over a certain dollar amount such as over \$2,000-2,500.

Gavere explained that in the quarterly income and expense report the budget column shown was 25% of the total budget. Gavere said that now that she was getting a better handle on the overall church finances she was able to better analyze the overall cash flow of the church. She said that basically the church's monthly revenues covered monthly expenses in the first quarter. She said for the first quarter the church had a net positive cash flow of about \$40,000. She said that each department received a copy of the quarterly report to see the status of their spending.

There was some discussion about the pledge revenue since it was over the budgeted amount. Gavere explained that a number of members send in their checks for the upcoming pledges year with their pledge cards so there was an initial surge in pledge revenue in the first quarter from those prepaid pledges.

There was some discussion about how the report could be modified. Robinson asked that columns be added one for the total budget amount for each line item and one to reflect the difference between the YTD and the total budget. There was some discussion about adding a previous column to the report. At this time with the software conversion Gavere said that would be difficult but that would be a goal for the future. There was some discussion about adding a projected column. Gavere said that would likely be added at some point in the future. Robinson said that they agreed there would not be much use of for a first quarter projection.

There were a few questions on expenditures. One to note was that there were no funds paid out to the UUA and PSD. There was some discussion about what the policy was for those payments. Gavere did not know and said she would look into it and get back to the group.

Gavere said that it is her intent, once she gets a little more time under her belt, to break out the budget monthly.

There were some additional questions on the quarterly report but overall the Finance Committee was comfortable with the report and will send it on to the board.

The committee recognized that this report is a work in progress and appreciated all the work being done by the Gavere.

2. **Foundation Investment Policy** - Robinson said that the foundation Investment Policy, drafted by Dan Berg, had been reviewed and found acceptable by the Foundation Board. Berg explain that the investment criteria for the Foundation was the same as for the Legacy Fund but there were some additional and/or different provisions in the Foundation Policy for how much they can spend from the principal each year. Berg stated that this amount is set within the Church's bylaws. Motion recommending board approved of the foundation investment policy made by Niemiec, seconded by Berg. All Approved. Motion Passed.
  
3. **Year End Financial Review** - The year end final review was briefly reviewed. This report will be reviewed in greater detail at the December meeting. Gavere said she would get the commentary on the finances from MAP to us before the next meeting and at the next meeting the MAP reviewer will be in attendance to answer questions. There was some brief discussion on the report. One of the topic that Robinson mentioned wanting to discuss next time was how we handle depreciation. Robinson said he would follow up with Gavere in between meetings with some additional comments.
  
4. **Cash Reserve** – According to our investment policy we hold a cash reserve. To date that has been held in a Schwab account by Accredited but earns no interest. Gavere requested that she be allowed to move the cash reserve (\$100,000) to Sunrise Bank. She stated that we will be switching over our banking to them in conjunction with the refinancing of our loan and moving this cash would help in building that relationship and instead of making no money we will be able to make some money on the cash account. Motion recommending to the board a transfer of our cash reserve (\$100,000) from our Schwab account to Sunrise Bank made by Niemiec, Seconded by Berg, All Approved. Motion Passed.

There was some discussion about the Reserve Policy. Gavere will work with Robinson in between meetings to come up with a draft policy for review at the next meeting.

5. **Denominations Connections** – Robinson said that the board requested that we address this issue. There was a brief discussion. Basically the discussion ranged from our contributions reflect our values in these relationship to our contributions should a minimum reflect our financial obligation. How either is defined will likely be a future lively discussion. The group needed to assemble some additional information to make this a more fruitful discussion. Robinson will coordinate.

Niemiec, Riley and Berg left the meeting, each had other obligations.

6. **Refinancing Status** – Gavere said she had provided Sunrise Bank with all the paperwork they need. Sunrise has ordered an appraisal which should come sometime in mid-December. The final paper work and closing will be completed by the end of December. Gavere said that she was able to get Sunrise to reduce their origination fee from .5% to .25%. There was much rejoicing.

**DRAFT 9/11/2013**

**First Universalist Church Foundation**

**PLAN OF OPERATION: STATEMENT OF INVESTMENT AND SPENDING OBJECTIVES AND POLICIES**

Pursuant to Article VI<sup>1</sup> of the Bylaws of the First Universalist Church of Minneapolis ("the Church,") the following Plan of Operation has been adopted by the Board of Trustees ("the Board") of the Church and may be amended by the Board from time to time.

**I. INVESTMENT PHILOSOPHY AND OBJECTIVES**

The First Universalist Foundation ("the Foundation") is composed of restricted net assets received as a result of the sale of the Unity Settlement House property in 19xx. The Foundation is governed by a Board of Directors elected by the members of the Church as provided in the Bylaws of the Church. The assets of the Foundation are invested as an endowment, providing income for the purpose of allocating funds in response to proposals from groups within or outside of the Church to promote social justice.

This purpose dictates the need for a reasonably stable and growing annual yield on the Foundation's assets. The First Universalist Foundation investment philosophy is summarized as follows:

- Preserve capital for long term financial needs.
- Strive for consistent returns to achieve the grant policy herein.
- Preserve value over time by striving for long-term returns that either match or exceed the total of fees, inflation, and distributions.
- Practice socially responsible investing (SRI) in accordance with guidelines herein.

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<sup>1</sup> The title of Article VI is "The First Universalist Foundation"



## II. GOVERNANCE AND REVIEW

The Board of Trustees of the Church shall be the custodian of the Foundation assets, and shall maintain a plan of operation setting forth the administration of the Foundation in accordance with the Bylaws of the Church and founding documents of the Foundation. Accordingly, oversight of Foundation assets and any changes to this Plan of Operation are ultimately the responsibility of the Board of Trustees of the Church. This Board may appoint or delegate to a committee, composed of members of the Board of Trustees, staff members, members of the Foundation Board of Directors, and/or members of the Church to assist it in fulfilling its responsibility.

The Board will fulfill its fiduciary responsibility regarding the Foundation itself or through its appointed committee, in part, by:

- Developing and/or recommending these Investment and Spending Objectives and Policies in order to guide the investment, management, and annual pay-out of Foundation assets.
- Considering proposed changes to these policies from time to time and presenting any such changes to the Board for its review and approval.
- Selecting and/or recommending an Investment Manager or Managers.
- Evaluating investment structure and performance at least quarterly to ascertain progress against the fund's objectives, analyze returns, monitor the level of diversification and sector concentration compared with the broader market, and ensure compliance with relevant policies.
- Exercising ordinary business care and prudence with respect to the Foundation assets.
- Communicate regularly with the Foundation Board (at least twice a year).

### III. INVESTMENT POLICIES

Assets should be diversified to reduce risk, by manager (e.g. mutual funds), asset class (e.g. equities, bonds) and within asset classes (e.g. geography, economic sector, industry, quality and size). The purpose of diversification is to provide a reasonable assurance that no single sector or class of securities will have a disproportionate impact on the fund. To insure this diversification:

- The total security position (debt and equity) in any one company, whether owned directly or as a mutual fund holding, should not exceed 10 percent of the Foundation's portfolio.
- No more than 25 percent of the entire Foundation portfolio should be invested in one mutual fund or the securities of any one sector.

Socially responsible investments (SRI) will comprise 20% - 30% of the Fund's investments. Socially responsible investments will consist of investments that are considered by the church's designated investment manager as representing "best of class," meaning that they include allocations to all major sectors and companies who have high SRI ratings relative to their peers.

In order to maintain risk levels consistent with the overall objectives of the fund, and to achieve the investment objectives of the fund, the following ranges will be reflected:

<u>Class</u>	<u>Min.</u>	<u>Target</u>	<u>Max.</u>
Equities	50%	70%	90%
Bonds/Cash*	15%	30%	45%
Other/Alternatives	0%	7%	25%

\*Excluding cash needed for liquidity.

Assets may be invested in mutual funds meeting the guidelines defined in this section.

#### IV. INVESTMENT MANAGER

An Investment Manager, if selected, shall manage assets according to the representations made to the Church at the time of selection and according to a written agreement between the Church and the Investment Manager. Any significant deviation from the Manager's policies or style will require notice to the Church and written approval from the Church.

Communication by the Investment Manager to the Church must include monthly written statements, regular meetings on a schedule determined by the Church, and written notice of any material change in firm ownership, organizational structure, financial condition, senior staffing and management, and assets under management.

#### V. SPENDING (PAYOUT) POLICY

In order to help meet the current social justice needs of the greater Twin Cities metropolitan area, The First Universalist Church Foundation will annually distribute grants in accordance with the First Universalist Church Bylaws. The amount available annually for grants and expenses of the Foundation will typically be no more than 5% of the underlying assets, as valued at the beginning of each fiscal year (July 1). The calculation of this payout will be based on a 12 quarter rolling average of the Foundation's market value.

#### VI. PROXY VOTING

The Board may implement a proxy voting policy whereby the proxies issued by companies will be voted according to guidelines consistent with UU principles.

Policy approved by vote of the Board of Directors of First Universalist Church:

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APPROVED

First Universalist Church of Minneapolis

Board of Trustees Goals

2013-2014

Overarching Goals

- Begin an initiative to define, understand and live into excellence in leadership as a policy governance board
- Conduct a comprehensive review of the Strategic Plan
- Develop and implement a strong Communication Plan with the Congregation and other major stakeholders
- Develop and implement a strong Linkage Program with the Congregation (opportunities to listen closely to needs and aspirations)
- Determine the appropriate linkage and contribution level to the UUA and the Mid-America Region (formerly Prairie Star District)
- Become an intentional Community Circle as a Board, including developing and engaging in a regular spiritual practice

Finance Committee Goals:

- Develop a financial reserve policy
- Develop strategies for capital improvements
- Refinance mortgage
- Review the cost/benefit of the frequency of financial monitoring for staff and board

Governance Committee Goals:

- Review GPH non-financial policies and make recommendations to the Board
- Evaluate implementation of monitoring schedule for timeliness and efficiency
- Develop and implement a strong board evaluation process
- Evaluate HR systems to determine policies required for appropriate monitoring including exit interview process
  - Determine responsibility for oversight of policies (GC/Personnel sub-committee of GC/separate Personnel Committee)
- Review letter of agreement for Senior Minister and other ministerial contracts
- Standardize the process for Senior Minister evaluation
- Resolve 5.6 policy issue: Compensation and Benefits, and recommend a resolution to the Board

## Foundation Board Nomination Bio

Upon joining First Universalist in early 2010, I also joined a small group, which I found to be an incredibly valuable experience both spiritually and socially. After about a year, I was asked to become a small group facilitator and have facilitated 3-4 small groups. I was also asked to join the small group leadership team, which I did and have really enjoyed helping to grow and strengthen that core program at our church. In 2012, I served as a member of the Leap of Faith team, which partnered with All Souls in New York city. As part of that team, we explored how to grow our church through key initiatives, including racial justice, small groups and hospitality. In addition to those leadership roles, I have taught Sunday school (toddlers & 9-10 grade), served as a COA mentor, and an usher. I also facilitated one of the strategic planning sessions held in 2012.

I have worked in the non-profit sector for six years (and volunteered for many years prior to that). Through that work, I have become very familiar with the ins and outs of philanthropy and fundraising. I have extensive grantwriting experience and a strong background in program development, management and evaluation. In my current job, I am longer involved in fundraising, but have shifted my focus to program evaluation. I have a very strong understanding of how to measure success of programs, which I believe would be valuable as a member of the Foundation Board. Having always been on the “asking” side of the equation, however, I am very interested in learning more about how decisions are made on the “giving” side of the philanthropy equation.

In terms of strategy, policy and governance, the non-profit where I have worked for the past five years (World Savvy) is quite small and staff are always invited to participate in strategic planning, which I have done twice during my tenure. I have also served on the Board of Citizens for Global Solutions, the Minnesota Academic League Council, and, most recently, the Global Literacy Advisory Council for the Minnesota Department of Education, which created a strategic plan for global education for the state of Minnesota.

When I was approached about joining the Foundation Board, I was interested because I really value the role that our church plays in supporting organizations out in our community that are doing work that aligns with our values. However, as a new mother I was hesitant about making another commitment at this point in time. As I thought about it more, I decided this would be a commitment well worth leaning into because I could both contribute and learn a lot. I believe my background in program development and evaluation will be very useful to the board in making decisions about which organizations and programs to support. I also believe that I will learn a lot about how philanthropic decisions are made. I also look forward to building relationships not only with fellow board members who are also committed to social justice.

**First Universalist Church Board of Trustees—Work Session:  
Board Work as a Spiritual Practice  
November 9, 2013**

Attending: David Bach, Dan Berg, Jill Braithwaite, Cindy Marsh, Dick Niemiec, Pam Vincent, Lark Weller

**Discussion summary (items the group agreed to pursue are in bold):**

“What would it take to make it feel, to you, that the work we’re engaged in together as a board is a sacred, holy practice? What are the elements of this work that are spiritual to you?”

- Ability to trust one another, which is built on our covenantal elements (e.g., use of discretion in communicating about board issues outside of meetings, speaking with one voice).
- Knowing that we are serving the congregation in addition to future generations (including those outside the church, in the world); we are here for people, not for the institution of the church itself.
- Serving the larger good, giving back.
- Chalice lighting, readings, group check-ins.
- We represent a community *and* we *are* a community. We’re here by choice to do work that differs from “work work.” It is a privilege to serve this community.
- Opportunity to serve as lay leaders.
- Our governance role, if done well, helps the congregation grow and serve more.
- Having our own community and spiritual practice as a board.
- Being more intentional about remembering, including, and organizing meeting elements (chalice, etc.)
- Listening, including within our meetings, as a critical spiritual practice.
- Allowing for the inclusion/addition of spiritual pauses—anyone can call for the group to take a breath during a meeting. Take a “time out” to re-center and re-ground in our common purpose.
- Need for inclusion of silence.
- Stretching and growing as our own spiritual beings and modeling that to the rest of the congregation.

“How, specifically, do you think we can approach and do our work together so that we are attending to the spiritual nature of our work? What specific practices can we incorporate to keep our work grounded in its holy nature?”

- Would like to explore group spiritual practices more—what do other groups practice together? Common readings?
- Intention setting: “Here’s what I want from this work. Here’s our purpose as a board.”

- Also be intentional about our space and how we organize the physical and organizational layout of our time together. Consider bringing a cloth for the table, invite individuals to bring items they would like to include around the chalice during meetings.
- **Make our own chalice.** Jill, Pam will work on this.
- **Write our own opening and closing readings.** Jill, Pam will explore this.
- **Buy our own chalice so we don't have to search for one each time we meet. Keep a board meeting "kit" in the Cummins Room that includes the chalice, matches, candles (maybe also easel paper and markers?).** Pam will bring chalice, fire materials to November board meeting.
- **Have a small singing bowl to use in conjunction with opening, moments of silence.** Dan will bring one to our November meeting.
- **Encourage the inclusion/addition of spiritual pauses—anyone can call for the group to take a breath during a meeting to allow us to re-center and re-ground in our common purpose.** All board members can suggest this during future meetings.
- **Include a closing ritual to conclude each meeting (closing words written/agreed to by the board, each board member offers a one-word summary or feeling at the close of the meeting).** We will explore these and decide what works best for the group.
- Consider meeting early ~twice each year to walk the labyrinth together. (There are also small, portable versions that we could use in or just outside of the Cummins Room.)
- **Send a thank you card to staff and other community members to whom we wish to express gratitude as a board.** Lark will write and bring thank you card to November meeting for board to sign.
- **Consider preparing and reading the meeting agenda/packets as a meditation.** Read with intention, call others to mind as we read materials, reflect on how last meeting went and how we'd like upcoming meetings to go. See <http://www.uua.org/publications/skinnerhouse/authorfeatures/servinggrace/171079.shtml> and <http://www.uua.org/publications/skinnerhouse/authorfeatures/servinggrace/171059.shtml> for brief videos from UU minister Erik Walker Wikstrom on these topics.
- Bring our own individual spiritual practices to the group, and consider sharing what these are with the group. This helps us stretch by sharing our spiritual practices, allows us to explore practices that we may not have otherwise, and helps us deepen our connections to each other.
- Consider doing a check-in for each meeting around a question, similar to those that were part of centering time in services for awhile (e.g., "What is feeding your soul this week? What is bringing you joy?") Give options so that we can choose from a

couple questions to respond to, and allow the opportunity to pass without responding. Some would like to try this a couple times, some are less comfortable with this idea.

- Recognize and make space for discomfort among us.
- Consider our covenant language in the Governing Policies Handbook as something to come back to and to ground us in common purpose and call. (Is there visionary goal language that provides spiritual centering?)
- Consider laminating our covenant language and keeping it in our “meeting kit” so we can have it physically present at all meetings.
- Use our “take a breath” moments also as “re-ground in our purpose and meaning” moments.
- We had some discussion about how we, as a body, feel about decision-making and dealing with conflict. Are we looking for consensus? How long do we want to air things out before making decisions? Should we consider deciding *how* we’re going to decide bigger issues *before* we begin discussing them? Can we use something like the “fist to five” approach to checking in on issues to see how much distance there is between us? Recognize the importance of allowing a safe space for dissent and of the value of the deliberation process.
- Pre-meeting preparation (with adequate time before our board meetings) by staff and Senior Minister are important elements that help us prepare to do our best work as a board.

**Questions to continue to ponder as a group and as individuals:**

1. “What are some guiding questions that we can ask of ourselves during meetings, deliberations, and difficult moments to ground us and bring us back to the spiritual purpose of our work together?”
2. “How do you want to be present during our time together? What is important to you in terms of how you behave and what you bring to our meetings, to this space, and to this work?”

**Next steps**

We agreed to try a number of practices. We would like to check in about how they work for us as we try them. Consider using the beginning of our Saturday work group sessions as an opportunity to check in about how the material/content from the preceding work group has been going.



### Elements of our work:

- Pre meeting
  - agenda setting,
  - packet development,
  - members' preparation via packet reading (it's important that ideas be contributed to the meeting, but not important who contributes them. "Something has to be said," rather than, "I have something to say." Allow others to speak and if your important points have already been raised, leave it at that.)
  - committee meetings and reports
- Meeting
  - agenda and items,
  - reading,
  - check in,
  - covenant,
  - chalice lighting,
  - physical space (room layout, temperature, lighting, chalice, etc.),
  - internal and interpersonal space (members' physical grounding and breathing, care for each other, how we speak and interact with each other)
- Relationships:
  - As individuals, how do we wish to *be* in our work together?
  - As a board, how do we wish to relate with each other?
  - As a board, how do we wish to relate with the Senior Minister?
  - As a board, how do we wish to relate with other staff?
  - As a board, how do we wish to relate with other congregants?

### Resources:

<http://www.uua.org/governance/leadership/spirit/index.shtml>

### **Potential opening words:**

Kyoto, Japan, is home to a number of Zen monasteries. One of them has a beautiful zendo, the meditation hall where the monks gather for their meditation. Outside, an icy mountain stream cascades down in a beautiful waterfall, at the base of which lies a large flat rock. The senior monks do their zazen, or meditation practice, here, beneath the icy water, rather than in the zendo. Anyone can meditate in the quiet of the meditation hall; it takes sincere concentration to meditate with a distraction such as this. It might seem easier to separate your prayer time from your productive time, your spirituality from the rest of your life, but it doesn't work like that. All the great spiritual traditions teach that life is ultimately One, that there is no separation possible, and that we must be able to find our calm in the

midst of confusion, our peace in the heart of our problems, our spirituality in the center of everything else.

In other words, your lay leadership can't truly be a spiritual practice if you consider its spiritual dimension only as a set of fringe benefits. The challenge is to radically re-conceptualize the very purpose of lay leadership, not from the congregation's perspective but from your own. Selfless giving is undoubtedly a spiritual virtue, but if that comes to dominate your involvement in church life, then that community will become for you a place of work and pressure, no longer your spiritual home. Imagine how your work for the congregation might be transformed if you approached it primarily as your spiritual practice, and secondarily as helping the church fulfill its mission. If this sounds too selfish, keep reading. You may find that this approach will actually make you a more effective leader. Think of your time and energy as congregational resources, and yourself as a responsible steward of those resources. A key aspect of that stewardship is to avoid burnout, so tailoring your lay leadership so that it truly grows your soul is essential.

-from *Serving with Grace*, by Erik Walker Wikstrom