

First Universalist Church Board of Trustees
August 17, 2017
Board Packet

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First Universalist Church of Minneapolis

Board of Trustees Meeting

September 20, 2017

6:30 p.m. Cummins Room

Agenda

I. Call to Order (6:30).

- Lighting of the Chalice

May this flame that burns before us light our way, informed by the wisdom of leaders gone before, and inspired by the trust that we have been given as stewards of this Church. May we have vision, compassion, and courage as we serve this congregation now and for the generations to come.

- Reading (see SM report)
- Spiritual reflection question (see SM report)

II. Consent Agenda (6:55)

- Approval of minutes from August meeting.
- Monitoring: Acceptance of attendance and membership numbers
- Monitoring: Acceptance of staff and significant volunteer changes
- Monitoring: Treatment of staff (including job descriptions and position criteria), staff grievance procedure, and treatment of volunteers (all intended for direct inspection).

III. Information Items:

A. Architectural Team information (*see* Board packet insert). This information was included with the order of service this past Sunday but I wanted to make sure all of the Trustees had a copy.

B. Upcoming Listening Sessions: Sunday, Sept. 24, 2017, 12:45 – 1:45 and Tuesday, Sept. 27, 5:30 – 7:30. It would be helpful to have board members attend.

C. Far Ahead: Possible congregational budget meeting dates: Sunday, April 29, 2018, at 12:30 and Tuesday, May 1, 2018, 6:30 pm.

IV. Administrative Items: (6:55 – 7:00)

- A.** Appointment of Nominating Committee Chair.
- B.** Appointment of Board representative to the Nominating Committee.

C. Board volunteer to serve on Building Team. *Our current board representative has been serving on the building committee but needs to step off. It would be helpful to continue to have a Board member on this committee as the project moves forward. Eric is serving ex-officio but cannot attend all of the meetings, so we're looking for an additional volunteer.*

V. Finance (7:00 – 7:25)

Jen Crow will provide a more complete picture of FYE 2017 and updated information about pledge status for 2017 and 2018. We will also discuss the impact on the budget of annual pledges coming in between 5% and 10% less than budgeted.

VI. Change Team. (7:25 – 7:40)

We will take action to complete the appointments to the Change Team (applications in separate PDFs from the Board packet).

VII. Black Lives of Unitarian Universalists (BLUU) fiscal sponsorship (7:40 – 7:50).

Preliminary information about this item can be found in the Senior Minister's report.

BREAK (7:50 to 8:00)

VIII. Update and Discussion Regarding Collaboration with Shir Tikvah. (8:00 to 9:00).

A. Summary of discussions to date (Dick, Jen, Eric). (10 minutes).

B. Review of Choice Points analysis tool (5 minutes) (*see* attachment in packet).

C. Discussion.

IX. Adjournment (9:00)

First Universalist Church of Minneapolis
Board of Trustees Meeting
August 17, 2017

Trustees present: Richard Spratt, Bryana French, Dick Niemiec, Cindy Marsh, Caitlin Rodgers, Karin Wille, Jen Crow, Justin Schroeder, Eric Cooperstein, Christa Anders, Lillie Pang

I. Call to Order

- a. Lighting of the Chalice
- b. Reading – From Rosemary Bray McNatt, President of Starr King Seminary
- c. Reflection

II. Consent Agenda

- a. Approval of Minutes from Annual meeting
- b. Approval of Minutes from June 17 Board of Trustees meeting
- c. Monitoring: Acceptance of attendance and membership numbers
- d. Monitoring: Acceptance of staff and significant volunteer changes

III. Administrative. The Trustees noted the following upcoming dates:

- a. State of the Church – February 11, 2017 from 12:45 to 1:45
- b. Budget Meetings (April or May) – Dick will follow up¹
- c. Annual meeting and Board brunch (June 3, 2018 11:30 to 2:30)
- d. Board Retreat – Christa will send out a Doodle poll for Saturday mornings

IV. Financial

- a. Rev. Crow provided a preview of the 2017 Fiscal year-end preliminary financials. We are still waiting to close out 2016-2017. Looking like we will break even or have a small deficit, perhaps around 1% of total expenses. June pledges came in unexpectedly low and there are still some outstanding amounts owed. We have not contacted by phone all of the households who have not yet paid their 2016-17 pledges.

¹ The following information was provided by Dick Niemiec after the Board meeting: The GPH reads “*Staff will present the draft annual operating and capital expenditure budgets to the finance committee for review and comment no later than five days prior to the April finance committee meeting.*” This applies to the board acting as the finance committee. Since the April board meeting is April 19, 2018 the budget needs to get to board by April 14.

The GPH further states that the Board will “*Provide notice to the Church members of at least one meeting for the purposes of discussing the draft annual operating budget and capital expenditure budget with Church leadership no later than 5 weeks prior to the Annual Meeting, with such meeting(s) to be concluded no later than 3 weeks prior to the Annual Meeting.*” The first budget meeting needs to be held by April 29 and the meetings need to be concluded by May 13.

Lastly, the GPH states, “*Staff will present the draft annual operating and capital expenditure budgets to the board for its approval no later than five days prior to the May board meeting.*” Since the May board meeting is May 17, 2018, the budget needs to get to board by May 12.

The trustees discussed incorporating small (1% or 2%) automatic annual increases for households paying their pledges by autopay.

- b. 2017 – 2018 pledge status. Rev. Schroeder reported that we currently have \$1,050,000 pledged for the next year. There are 102 families who have pledged before but have not pledged this year (totals \$125,000). Justin and team are making phone calls to try to get this money in. If it does not come in, Jen will have to start contingency budgeting to make some reductions.
- c. Plans for wrapping up Capital Campaign. Rev. Schroeder reported that we are moving into the next phase of the project where there are expenses for the campaign as well as expenses for the actual work. Justin and Jen will have a good draft of a capital budget for the Board in November. Dan Berg and Justin are working to secure matching funds to bring in additional gifts before the end of the campaign. There will be a closing celebration on Sunday, October 15, 2017 with Kate Tucker preaching and Ann Reed and Give Get Sistet singing. We are expecting the campaign to close out at around \$5.5 million.

Eric Cooperstein, Dick Niemiec, Jen Crow, and Bruce Manning will get together to discuss potential space sharing with Shir Tikvah. Eric will schedule the meeting and let folks know about it.

Architects are on board. They are coming next week to start scouring through the building. From September 12 to 14th there will be program meetings with the architects and teams of people on discrete program areas. Late September there will be two open meetings that all congregants can attend and provide feedback. Then the architects will come back in November and present a variety of different options.

Jen Stromberg is putting together a narrative of the process to date of all the work that has been done – focus groups, meetings, party, architecture search etc.

V. Discussions of Board Objectives for 2017 – Themes of things we want to work on in the course of the next year (in addition to all of our fiduciary responsibilities including monitoring all the capital expenditures).

- a. Working with Change Team

The Change Team needs to get launched. The Racial Justice Leadership Team (RJLT) is working on firming up the members that they will recommend to be on the Change Team. It is a Board Committee so technically the Board should act on the recommendations. Polly Talen did an application for the RJLT and the Change Team and there were people that indicated interest and completed

applications. Bryana will try to recruit a few more people to make sure that all interested have applied.

The Board will circulate the applications for the Change Team at-large members. We will ask the Racial Justice Leadership Team to make recommendations for their two members by our September Board meeting. We will decide the composition of the Change Team at the September Board meeting. We also need to decide who the two Board members will be to participate on the Change Team.

The Trustees discussed the need to make sure that racial justice leads and guides the capital campaign decisions and that the capital campaign does not lead us. Racial Justice IS part of the campaign, the theme, the way we chose the architects, the teams we are putting together, etc.

The goal of the Change Team is to look at everything over time – how we function as an institution. It is planning for our future. The building is a long term decision that we can not change easily. The benefits of the recommendations from the Change Team will help the Board understand the power and authority embedded in the bylaws. If they dig deep into the work, the richness will come out.

b. Revision and updating of Bylaws

The bylaws have not been updated in many years and may be getting in the way of governance. Many of the issues that will come up in a comprehensive review of the bylaws should be put through a choice points racial-justice analysis and they also need to be analyzed with respect to whether and how they contribute to white supremacy. The UUA is doing an audit – Committee on Institutional Audit – that will be an institutional audit of the whole UUA from a racial justice perspective. They have set the expectations that this is a lengthy process. <http://www.uuworld.org/articles/board-report-april-2017>

It was agreed that we need to do research with regard to what good model bylaws look like for a good policy governance church. This could also include an analysis of the Governance Policy Handbook.

Karin, Caitlyn, and Lillie agreed to serve on a Bylaws Subcommittee with Eric as an ex-officio member.

c. Ministerial Team Development

The Board will take a role in researching and exploring issues related to the development of the ministerial team. Cindy, Dick, and Christa agreed to serve on the Ministerial Team subcommittee, with Eric as an ex-officio member.

d. Strategic Plan

Board expressed desire to get back to the strategic plan at some point. We will need to ask staff to bring something back although we understand that this will be complicated given sabbatical and maternity leaves. Jen is working on a staff work plan even in the absence of a strategic plan.

Discussion about where we are at in our racial justice work. Remember that Heather Hackman said once we realize what is going on we will have to change everything! It will go from the people of color calling things out to many more people being aware of white supremacy and calling it out.

VI. Developing Sanctuary Church Objectives and Guidelines

Eric went to a CLE on being a sanctuary church and found it sobering to realize that harboring a refugee can be a felony. There were 50 attorneys in the room – there is a lot of demand for this information. The legal analysis prepared by the Dorsey law firm was provided to Board members. We have a responsibility to our ministers, staff and congregants to understand these issues and get policies and procedures in place that can protect us and help us set our boundaries. It needs to be clear to staff that they do not have to participate. We need to be able to take action, to resist and come at it with full awareness of what we are engaging in.

We need to give some thought to who will be hands on with the refugee(s) and those people do need to be trained. We need to be much more careful than we were in the 80s because we are operating under a different administration.

“If you did not know that this work is dangerous, now you do.”

VII. Adjournment

The meeting was adjourned by the Chair at 8:55.

August Attendance						
			2017			2016
Adults		10:00			10:00	
1st week		249			228	
2nd week		228			650*	
3rd week	*				307	
4th week		394			294	
5th week						
Monthly Total		871			829	
Average for August		290.3333333			276.3333333	
RE						
1st week		28			44	
2nd week		27			0*	
3rd week	*				14 *	
4th week		14 *			60	
5th week						
Monthly Total		69			118	
Average for August		23			39.33333333	
Combined Average		313.3333333			315.6666667	
Notes		*Lake Harriet Service, no attendance reported			*Lake Harriet Service, not included in totals or averages.	
		*Backpack Blessing, multi-gen service			*Backpack Blessing, multi-gen service	

**First Universalist Church
August 2017 Statistical Report
September 21, 2017**

MEMORIAL SERVICES: 0

MARRIAGES/SERVICES OF COMMITMENT: 1

Shelley Thron and Shelley des Islets, Aug. 12 – by Rev. Elaine Aron Tenbrink

MEMBERS FOR APPROVAL: 0

MEMBERS REINSTATED: 0

MEMBERS FOR REMOVAL:

Nathan O’Konek – moved away

Andrea Brown - no longer attending

CHILDREN DEDICATED: 0

MEMBERS (Fiscal Year)	To Date	End of Year Totals		2014-2015	2013-2014
	2017-2018	2016-2017	2015-2016		
		109	54	58	46
TOTAL MEMBERS:	1,004	1,011	934	920	921

TOTAL MEMBERS AS OF THE LAST MEETING: 1,004

To be added: 0

To be removed : 0

TOTAL MEMBERS: 1,004

Senior Minister's Report for September 21, 2017 Board Meeting
Prepared by Rev. Jen Crow, Executive Minister

I. **Opening Reflection** - Grounded in September's worship theme of Intention

"Famous" by Naomi Shihab Nye

The river is famous to the fish.

The loud voice is famous to silence,
which knew it would inherit the earth
before anybody said so.

The cat sleeping on the fence is famous to the birds
watching him from the birdhouse.

The tear is famous, briefly, to the cheek.

The idea you carry close to your bosom
is famous to your bosom.

The boot is famous to the earth,
more famous than the dress shoe,
which is famous only to floors.

The bent photograph is famous to the one who carries it
and not at all famous to the one who is pictured.

I want to be famous to shuffling men
who smile while crossing streets,
sticky children in grocery lines,
famous as the one who smiled back.

I want to be famous in the way a pulley is famous,
or a buttonhole, not because it did anything spectacular,
but because it never forgot what it could do.

Reflection Questions: What do you want to be famous for? What do you think you are famous for? Who or what is famous to you? Who are you famous to? Have there been moments in your life when you have felt very clear about what it was that you could do or needed to do? What were those moments like?

II. **Monitoring Items**

A. **Staff and Volunteer Changes**

We are pleased to have hired our part-time custodian, Richard Thomas, to staff the kitchen on Sunday mornings in addition to his previous duties. This addition brings Richard up to .78 time, which makes him eligible for benefits. Richard's easy going and flexible personality, as well as his dedication to making our building work in support of our mission make him a great person for this job, and we are grateful to have him on board with us.

B. Direct Inspection of Staff Job Descriptions

These have been sent to Board Chair, Eric Cooperstein, for review.

C. Treatment of Staff

The Employee Handbook, which contains the grievance policy, should staff have a significant concern, has been shared with Board Chair, Eric Cooperstein. There have been no grievances filed by staff.

D. Treatment of Volunteers

In past years, a survey has been shared with volunteers to discover how well they have felt supported, nurtured, and cared for. Last year, due to the Rainbow Research survey, as well as the Membership Survey, we decided not to share a survey with volunteers. No negative comments about treatment of volunteers came up in either of these surveys last year. No survey has been shared this year. Anecdotally, I often hear volunteers expressing their appreciation for the professionalism, flexibility, and talents of the staff.

E. Staff Work Plan

While our strategic plan concluded at the end of the 2016-17 church year and has yet to be replaced, new visionary goals were adopted at the end of the 2016-17 church year, and staff have taken these new visionary goals as their guide in developing a work plan for 2017-18. We began by remembering our larger mission:

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

And then grounding ourselves in our visionary goals:

First Universalist is a faith community committed to a transformational spiritual path guided by Unitarian Universalism's theology and Seven Principles. Our worship, spiritual practices, and rituals unify us, challenge our assumptions, provide comfort, and connect us to the holy.

First Universalist is a multi-generational congregation where we connect to ageless wisdom, our ever-evolving religious tradition, listen to the call of love, and build meaningful relationships and community.

First Universalist is a multi-racial, multi-cultural, and intergenerational faith community of mutual caring and support where people bring all of who they are

and welcome each other with joy. Our sense of who we are as a community of faith is ever-expanding. First Universalist is a multi-racial, multi-cultural, and intergenerational faith community of mutual caring and support where people bring all of who they are and welcome each other with joy. Our sense of who we are as a community of faith is ever-expanding.

First Universalist is a faith community that acts with humility, bravery, and compassion to create a racially just and sustainable world.

The Program Team then identified four themes for our work together:

Relationship Building
Communications/Storytelling
Inclusion/Welcoming
Equipping/Sending

As we approached our goal setting under each of these 4 themes, we paid particular attention to things we need to set in motion immediately if we were to accomplish these four visionary goals within the next 5 years. Below is a summary of our planning for the year. This summary includes only new projects/programs, we plan to continue the vast majority of programs/projects that we have provided in the past going forward.

2017-18 Program Themes

Relationship Building

- Continue to successfully share space with our tenants and with community groups, look for more opportunities to share our space, with and without rental income, balancing the needs of First Universalist and the needs of the community.
- Learn from and be in relationship with other multi-racial communities, especially communities that began as predominantly white and then transformed into multiracial communities.
- Launch a trial Artist-in-Residence program with Give Get Sistet
- Continue to foster a variety of interfaith, ecumenical, and UU connections: Southwest clergy group, Minneapolis Senior clergy group, Black Lives of UU, Safety Pin Box, relationship with a local Mosque, Soul Matters, etc...
- Bring children, youth, and adults who are not related to each other together - in classrooms, social justice work, and social opportunities
- Thanks to the work of volunteers, we will be utilizing our database to connect congregants with volunteer opportunities on a regular basis
- Soul Matters - use this curriculum for our small groups, preach from the materials and encourage the spiritual practices on a large scale, bring the themes through Children's and Rainbow Chapel.
- Holiday Giving - this will enable us to build or deepen a relationship with a partner working for justice in the community.

Communications/Storytelling

- Continue to focus on telling the story of who we are, where we are, and where we are going
- Share stories across generations, through worship services (sharing Sundays, Rainbow (pre-k-1st grade) and Children's Chapel (2nd-5th grade) and Soul Matters
- Continue to have an annual calendar easily available, and continue to have annual events
- Plan rituals that connect us, especially as we complete the Capital Campaign and begin the building process
- Tell the story of our building renovation and design, especially highlighting congregational involvement and input
- Tell the story of continuing to align our ministry with our gifts, and how we we adjust our ministry team roles to best suit the needs of the congregation
- Project and embody steadiness as we navigate a year of change
- Improve internal staff communications

Inclusion/Welcoming

- Consistently use language that reflects our values and the community we want to build - for example, inclusive language and practices around gender and physical ability/disability
- Improved usher and greeter nametags, active ushering on Sunday mornings
- Make it easier to identify how to get help and what help is available through our ministry of pastoral care
- Make inclusion and accessibility a primary requirement in our building renovation and design
- Staff review of white supremacy culture in our staff culture and work environment
- Actively support the work of the Change Team.

Equipping/Sending - building up the spirit, sending out to act for justice in the world

- Develop a core group of congregants who are building relationships and making connections that can help us live out our faith through public witness and shared justice making opportunities
- Build a process and a system by which to mobilize our congregation for public witness events
- Develop an interim quick response plan for public witness events
- Racial Justice - continue to educate ourselves and consider the impact/role of race, racism and whiteness in issues of justice, continue to use the Choice Points model when making decisions, implement the Vendor Policy
- Holiday Giving Project
- Provide opportunities for spiritual reflection before and after justice work (Families Moving Forward and Habitat for Humanity volunteers).

III. Information Items

Black Lives of Unitarian Universalism

Lena Gardner, a member of First Universalist Church and the Executive Director of BLUU, approached us this past month looking for two things: consistent, private office space and an exploration of fiscal sponsorship. Within 2 weeks, we were able to clean out and make available an office (the former Director of Administration office) at no charge. This space will be available to BLUU staff and will no longer be used by First Universalist staff. First Universalist staff were eager to meet this request and have made this change willingly.

We continue to be in conversation with Lena about what fiscal sponsorship of BLUU might look like. Understandably, BLUU is hoping for as much autonomy and independence as possible. Lena has presented a model of fiscal sponsorship that Black Lives Matter of Minneapolis developed with the Jewish Community Association. Staff are currently assessing that model and whether or not it could work for our relationship. BLUU is requesting fiscal sponsorship for a period of one year. The UUA currently acts as BLUU's fiscal sponsor. Unity Church - Unitarian acted as fiscal sponsor for BLUU prior to its move to the UUA. BLUU's current annual budget is \$325,000. The UUA has pledged \$5 million in donations to BLUU over the next five years.

IV. Financial Reporting

A. 2016-17 Year End Financial Summary

Income

Total income came in roughly \$80,000 over budget this year. This increase can be attributed to the acquisition of a major tenant, higher than expected donations to the church and a 7% rather than a 4% transfer from the Legacy Fund to support operating expenses. Income via fundraising and payments for the Boston Youth Trip, Senior High Trips, and YCE were also higher than expected, but these are directly offset by expenses for these trips, resulting in no net impact on the budget. Pledges came in \$60,000 under budget, and notably, we received \$10,000 less in pledge revenue during the fourth quarter in comparison to the prior year. In addition, there was no church-wide fundraiser this year, therefore our fundraising line came in \$5,000 under budget.

Expenses

Total expenses came in just below \$80,000 over budget. This is notable given that expenses for all of our youth trips, totaling more than \$50,000 over budget, are included in this number. On the whole, expenses tracked under budget, with the exception of Salaries which increased to meet the needs of our new tenant, Insurance, and Administrative expenses which included our realtor fee, and Professional Expenses. In addition, \$10,000 that was not originally included in the budget was set aside in a temporarily restricted fund to support any Sanctuary needs that may occur in the future.

Summary

The 2016-17 fiscal year closed with an \$8,000 deficit. Total Income increased significantly this year thanks to the addition of a major tenant, while pledge income decreased by \$8,000 over the previous year. Expenses were tightly controlled, and we chose to set aside \$10,000 that was not originally included in the budget for future Sanctuary expenses. Given the decrease in pledge income and this \$10,000 that we set aside, we are closing the year in remarkably good financial shape.

B. July 2017 Financial Summary

Income

Income was running roughly \$20,000 under budget at the end of July. Pledge revenue was roughly \$7,000 below expectations, and Rental Income was also significantly under budget because our major tenant's monthly rent payment did not post until August.

By the time the Board meets in September, the Pledge Team will have met to strategize how to end the 17-18 Pledge Drive, reaching out in particular to those who pledged last year but who have not yet made their pledge for 2017-18. This group of pledges represents \$70,000 in potential income. A letter has also gone out to all those who have not yet fulfilled their 2016-17 pledges in full, encouraging them to make their final payments immediately.

Expenses

Expenses are running significantly under budget (\$24,000), which is typical for this time of the year, as many employees do not work or work fewer hours over the summer. Salaries are \$7,000 under budget. The majority of expenses are tracking at or under budget.

Summary

If our major tenant's rent had posted in July, we would be showing a \$6,500 surplus for July. We will continue to tightly monitor expenses as we develop plans for increased pledge revenue.

C. 2017-18 Pledge Update & Expense Modifications

While I hate to say it, it appears that we have not escaped the predictions made by all of our colleagues who have run successful capital campaigns. Even though we ran our annual campaign in tandem with our capital campaign, as recommended by our consultant, we are still seeing a significant drop in pledging to our annual campaign this year. This drop in pledging is consistent with the experience of both our financial consultant, Kurt Hochfeld, and our ministerial colleagues who have recently completed capital campaigns, all of whom warned us to expect a 5-10% drop in pledging to our annual campaign. The good news is that these same colleagues have reported that this drop in annual giving lasts for two years, and then the annual campaign and annual pledges not only recover to previous levels, but exceed them.

In the meantime, we need to plan for two years of reduced pledging, even as we do our best to defy the odds and have our annual campaigns come in differently than predicted. We also need to strategize about how to achieve the delicate balance of maintaining momentum in our programming and the experience of a successful, growing church, while managing our budget. Colleagues have made several suggestions as to how to do this:

- Look to see what expenses can be shifted to the Capital Budget. Some examples include Building Maintenance and Repairs and any portion of staff time that is devoted to the building project. For us, this staff time could include a percentage of our Facilities Manager, Communications Manager, and Executive Minister, as well as any additional financial consulting hours.
- Reduce expenses wherever possible without impeding momentum.
- Get comfortable with a deficit budget for these two years.

We continue to hold out hope that the nearly \$70,000 in annual pledges that were made by individuals and families last year but have not yet been renewed will come in. If these pledges do come in in full, this will result in a pledge total \$50,000 lower than budgeted. The pledge team is meeting this week to strategize on how best to close our 2017-18 pledge drive.

Currently, roughly \$1,057,000 is pledged for 2017-18. Another \$70,000 remains outstanding from individuals and families who pledged in 2016-17, but who have not yet made their pledge for 2017-18. All of these individuals and families have received at least one phone call, and the pledge team has created a plan to follow up with each outstanding individual or family. If these remaining pledges come in as they did last year, pledges for 2017-18 will total roughly \$1,127,000. This total is roughly \$50,000 lower than our budget for the year, and would be roughly \$20,000 under where pledges came in for the 2016-17 church year.

Given this difference, it is important for us to closely monitor both income and expenses this year.

For income, we are glad to report two items that will help to offset the decrease in pledges. One is the write off of long outstanding checks, which will result in roughly \$15,000 added to our income this year. Second is a bequest from Pam Vincent, which if the Board allocates 10% to the operating budget as is its usual practice, will result in \$10,000 or more of additional income this year. Together these items add \$25,000 in income to our annual budget.

For expenses, we can make reductions in some areas of spending which will offer savings throughout the year. Currently, each director has been instructed to review their budget and provide a list of significant budget cuts to the Executive Minister, to go into effect immediately. We do have one area of increased expense, which will be our salaries and benefits. With both of our recent hires of Meera Kannan (Young Children's

Program Assistant) and Richard Thomas (Custodian), we made the decision to hire and retain the best employees possible, even though it meant hiring them into positions that would require granting benefits. We are excited for the way that these individuals have enhanced the quality of our staff, and we are willing to make offsetting cuts in expenses to make these hires possible.

We will be looking for guidance from the Board regarding the three suggestions offered by colleagues about how to close our financial gap this year. In particular, it will be helpful to know what the tolerance of the Board is for the first and third options, as we are already at work on option 2.

D. Capital Campaign Income & Expenses

Capital Campaign income and expenses continue to track on budget. Additional expenses remaining include a final celebration on October 15th, and ongoing administrative expenses in support of the campaign. These additional administrative expenses will continue through December as we send out pledge statements, update pledge information, and analyze data.

E. Capital Budget Draft

This will be brought to the Board in person at our meeting, after review from the Building Team this week.



Not for Ourselves Alone: Building an Inclusive Future

First Universalist Church Capital Campaign

Introducing Our Architects

With the capital campaign nearing completion, we are now moving forward with plans for our building project and renovations! We're excited to announce that we've selected Miller Dunwiddie Architecture for the project. In Spring 2017, our Architect Selection Committee developed eight criteria for sourcing and evaluating potential firms, including: quality and experience in related projects, alignment with our vendor policy and values, fee and transparency, and plan to complete the project on time and on budget. After interviews, the Committee unanimously chose Miller Dunwiddie Architecture.

Why Miller Dunwiddie? MDA has extensive experience in churches, education buildings, and restoration work. (In fact, three members of our project team worked on the recent renovations/expansion at Unity-Unitarian in St. Paul.) In conversations with MDA, it was clear that the firm highly values teamwork, consensus building, careful listening, proactive communication, transparency, and stewardship of resources. They share our values on equity, community, sustainability, and commitment to employees in the form of fair wages and strong benefits. MDA is a 100% employee-owned company, and has intentionally formed a diverse team of employees that currently includes 45% women and 16% self-identified minorities. The architect selection committee is confident that MDA is an excellent fit for our project, and in working with the team we've already experienced the firm's core philosophy that "people always come first." Read about our project team on the reverse!

How Did We Arrive Here?

- Our **2012 Strategic Plan** identified the need for a future capital campaign.
- **Spring 2015:** Rev. Justin and Rev. Jen presented a broad vision for a campaign to the Board of Trustees.
- **Fall 2015–Spring 2016:** Rev. Justin, Rev. Jen, and the Board developed initial campaign plans and selected a **Campaign Consultant**, J.D. Klote, using our vendor policy to ensure alignment with our values. A **Pre-Design Team** of congregants with expertise in architecture, design, and construction worked with staff and congregant groups to further identify needs, possible solutions, and estimated costs in preparation for the capital campaign.
- **Summer/Fall 2016:** We formed a **Capital Campaign Steering Committee** and conducted **25 Focus Groups**, open to all members of our community, to gather input on needs, vision, and direction of the campaign.
- **Winter 2017:** We launched the **Capital Campaign**, *Not for Ourselves Alone: Building an Inclusive Future*, with an official launch celebration on March 11. Individual and group visits with congregants throughout 2017 have resulted in nearly \$5.4 million in pledges and gifts as of early September 2017.
- **Spring 2017:** An **Architect Selection Committee** of congregants, with representatives from the Pre-Design Team, the Board, and Building & Grounds, evaluated potential firms and unanimously selected Miller Dunwiddie Architecture.
- **Fall 2017:** A **Building Project Team**, with Rev. Jen Crow as staff lead, was formed to work with the architects throughout the process of design development, project planning, and construction.

What's Next? Upcoming Opportunities for Your Input!

Listening Sessions with the Architects

Sunday, Sept. 24 between 12:45 and 1:45 p.m. | Wednesday, Sept. 27 between 5:30 and 7:30 p.m.

Meet the architects and contribute your thoughts at two open-house-format listening sessions. ***Your feedback will help us refine and prioritize our space needs and how we envision making our building more welcoming and accessible,*** building upon the direction set using input gathered thus far, from last fall's focus groups and more.

Congregational Meetings to Review In-Progress Schematic Design

Wednesday, Nov. 15, 5:30 – 7:30 p.m. | Sunday, Nov. 19, 12:45 – 2:45 p.m.

After taking in and incorporating all input that has been gathered thus far—including from Fall 2016 focus groups, the 2015–2016 pre-design team, and Fall 2017 Listening Sessions, this will be a chance for the architects to check in with our congregation after getting started on—but before completing—schematic design.

About Miller Dunwiddie Architecture (MDA)

Miller Dunwiddie is a full-service architecture firm based in Minneapolis. Founded in 1963, the firm's architecture philosophy is based on the core concept that "people always come first." Miller Dunwiddie works with clients on a broad range of project types such as educational, transportation, and commercial facilities, as well as religious and cultural institutions. They offer a range of services, including: architectural design, historic preservation, interior design, building envelope architecture and engineering, and construction services and owner's representation. To learn more, visit www.millerdunwiddie.com.

First Universalist's Core Team from MDA



Paul May

PAUL MAY, AIA, LEED AP PRINCIPAL, LEAD DESIGNER

Paul is Principal at MDA, and is a registered architect with over 30 years of experience.

Throughout his entire career he has championed the participatory planning process and community involvement in the design of spatial environments. This has been developed into a special expertise in programming, planning, and design of faith-based and educational facilities.

Paul is the contractual contact with First Universalist and is responsible for overall team performance. He will also lead the overall design intent of the project.

JEAN TURCK, AIA, LEED AP PROJECT MANAGER, ARCHITECT

Jean is a Project Architect with MDA and has over 10 years of experience in architectural design and planning.

With an aesthetic flair, she has a special expertise in translating client and consultant ideas into detailed, complete documents. Jean will follow the project from beginning to end.

Jean is the day-to-day team contact person and responsible for managing the team.



Jean Turck



Kathryn Hunsley

KATHRYN HUNSLEY, ID, IIDA PRINCIPAL, INTERIOR DESIGNER

Kathryn is a Principal & Director of Interior Design with MDA with over 15 years of experience. She is involved in every facet of a project, from programming and space planning to construction documentation and implementation.

Collaboration with her clients, which involves guiding a client through the entire design process, from materials and finish selections to furniture specifications and installation, is at the core of her passion for interior design.

LUCIE SKJEFTE GRAPHIC DESIGNER

Lucie is a Graphic Designer and part of MDA's Communications and Marketing team. Her communications and graphic design expertise will assist our team and First Universalist in congregational information distribution materials, fundraising graphics, and presentation development. Lucie is passionate and actively involved in her community, working on projects such as the Mni Ki Wakan: Indigenous Peoples' Decade of Water Summit recently organized in partnership with First Universalist Church.



Lucie Skjefte



Kermit Duncan

KERMIT DUNCAN, AIA CONSTRUCTION ADMINISTRATION

Kermit is a senior architect with over 35 years' experience. He has broad-based experience in Project and Construction Management with extensive experience from conceptual through construction phases of both new and existing commercial, institutional, and military housing projects, and a comprehensive background in the technical aspects of architectural design and construction providing the background to perform in-depth analysis from project reviews to on-site inspections.

WING KONG, PE BUILDING ENVELOPE EVALUATION & DESIGN

Wing is a senior staff engineer. He is a waterproofing specialist and provides our projects with expertise in evaluation of existing building systems, including windows, wall systems, foundations and roofs. Wing is a Minnesota Licensed Professional Engineer and a Certified Level 1 Thermographer with 27 years of experience. He has experience in evaluation and forensic investigation of moisture distress in building envelopes, masonry preservation and restoration, and plaza and underground building waterproofing systems.

First Universalist Church of Minneapolis
Analysis of Revenues & Expenses - Summary
 July 2016 to June 2017

Accounts	Current Balance (This Year)	YTD Budget (This Year)	Annual Budget (This Year)	Last Year YTD Actual
Revenues				
Pledges	\$1,056,665.45	\$1,115,775.00	\$1,115,775.00	\$1,064,167.19
Contributions Unrestricted	\$146,931.90	\$120,000.00	\$120,000.00	\$145,222.88
Contributions Temp Restricted	\$0.00	\$0.00	\$0.00	\$0.00
Contrib Released from Restr	\$0.00	\$0.00	\$0.00	\$0.00
Fundraisers	\$71,606.00	\$26,500.00	\$26,500.00	\$100,148.69
Program Fees	\$3,995.31	\$6,600.00	\$6,600.00	\$13,354.25
Dividends & Interest	\$10,646.02	\$15,000.00	\$15,000.00	\$13,718.40
Rental Income	\$119,814.20	\$57,400.00	\$57,400.00	\$106,379.60
Realized Gains & Losses	\$567.26	\$0.00	\$0.00	(\$291.65)
Unrealized Gains & Losses	\$1,309.39	\$0.00	\$0.00	\$1,011.76
Other Income	\$10,744.81	\$3,333.33	\$3,333.33	\$6,903.26
Total Revenues	<u>\$1,422,280.34</u>	<u>\$1,344,608.33</u>	<u>\$1,344,608.33</u>	<u>\$1,450,614.38</u>
Expenses				
Salaries & Wages	\$756,092.37	\$725,222.00	\$725,222.00	\$730,645.30
Payroll Taxes	\$57,125.95	\$55,345.00	\$55,345.00	\$49,680.94
Employee Benefits				
Medical Insurance	\$63,957.38	\$63,771.00	\$63,771.00	\$72,980.10
Long Term Disability Insurance	(\$0.04)	\$1,050.00	\$1,050.00	\$306.25
Life Insurance	\$1,776.44	\$2,378.00	\$2,378.00	\$1,971.68
403(b)	\$63,022.73	\$62,367.00	\$62,367.00	\$57,283.66
Total Employee Benefits	<u>\$128,756.51</u>	<u>\$129,566.00</u>	<u>\$129,566.00</u>	<u>\$132,541.69</u>
Professional Expenses	\$30,843.04	\$24,240.00	\$24,240.00	\$24,703.27
Temporary Labor	\$30,203.85	\$35,300.00	\$35,300.00	\$29,539.99
Program Expenses	\$39,874.76	\$42,400.00	\$42,400.00	\$55,214.33
Miscellaneous Program Expenses	\$75,146.15	\$29,750.00	\$29,750.00	\$79,091.69
Membership Program Expenses	\$11,803.57	\$9,200.00	\$9,200.00	\$10,262.91
Fundraising Expenses	\$4,822.91	\$5,500.00	\$5,500.00	\$6,263.13
Administrative Expenses	\$80,884.09	\$78,350.00	\$78,350.00	\$76,844.35
Miscellaneous Expenses	\$6,519.10	\$7,200.00	\$7,200.00	\$11,097.30
Insurance	\$26,292.17	\$23,750.00	\$23,750.00	\$22,077.86
Dues & Memberships	\$43,784.00	\$43,850.00	\$43,850.00	\$41,550.00
Utilities	\$49,667.55	\$49,000.00	\$49,000.00	\$43,621.41
Repairs & Maintenance	\$23,458.73	\$32,000.00	\$32,000.00	\$29,275.88
Other Building Related Expense	\$65,170.23	\$64,975.00	\$64,975.00	\$67,780.78
Offering Plate for Community	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses	<u>\$1,430,444.98</u>	<u>\$1,355,648.00</u>	<u>\$1,355,648.00</u>	<u>\$1,410,190.83</u>
Net Total	(\$8,164.64)	(\$11,039.67)	(\$11,039.67)	\$40,423.55

First Universalist Church of Minneapolis
Balance Sheet
June 2017

Headings and Account

Current Balance (This Year)

Assets		
Current Assets		
Cash & Cash Equivalents		
Cash	\$	217,244.61
Total Cash & Cash Equivalents	\$	217,244.61
Investments		
Schwab- Church Operating	\$	110,964.77
Schwab - Church Reserve	\$	313,875.66
Schwab - Don Carter & Mary Carter	\$	73,343.75
Schwab- Legacy Fund	\$	777,831.98
Schwab - Temporarily Restricted	\$	115,574.44
Sunrise - Church Reserve	\$	1,505.58
Total Investments	\$	1,393,096.18
Cash & Cash Equiv - Foundation		
University Bank - Foundation	\$	11,138.34
Total Cash & Cash Equiv - Foundation	\$	11,138.34
Investments - Foundation		
Schwab - Foundation	\$	1,653,257.23
Total Investments - Foundation	\$	1,653,257.23
Total Current Assets		\$ 3,274,736.36
Other Current Assets		
Other Current Assets		
Mortgage Escrow Deposits	\$	771.38
Prepaid Expenses	\$	16,320.96
Prepaid Loan Expenses	\$	5,224.66
Prepaid Medical Insurance	\$	6,807.65
Total Other Current Assets	\$	29,124.65
Total Other Current Assets		\$ 29,124.65
Fixed Assets		
Fixed Assets		
Fixed Assets	\$	1,635,811.71
Total Fixed Assets	\$	1,635,811.71
Total Fixed Assets		\$ 1,635,811.71
Total Assets		\$ 4,939,672.72

Liabilities & Equity

Current Liabilities		
Accounts Payable		
Accounts Payable	\$	13,438.93
Total Accounts Payable	\$	13,438.93
Total Current Liabilities		\$ 13,438.93
Other Current/Long-Term Liabilities		
Benefits Payable	\$	2,697.38
Accrued Expenses	\$	17,462.73
Deferred Revenue	\$	9,419.78
Misc Other Liabilities	\$	13,000.00
Mortgage Payable - Long Term	\$	576,054.59
Mortgage LOC Advance Payble	\$	132,334.00
Total Other Current/Long-Term Liabilities	\$	750,968.48
Total Other Current/Long-Term Liabilities		\$ 750,968.48
Total Liabilities & Equity		\$ 764,407.41
Fund Principal		
Undesignated Net Assets/Equity		
Church Equity	\$	1,313,883.81
Total Undesignated Net Assets/Equity	\$	1,313,883.81
Designated Net Assets		
Board Designated Net Assets	\$	987,076.80
Total Designated Net Assets	\$	987,076.80
Unrestricted Net Assets		
Unrestricted Net Assets	\$	662,660.73
Total Unrestricted Net Assets	\$	662,660.73
Temp Restricted Net Assets		
Temp Restricted Net Assets	\$	416,749.94
Total Temp Restricted Net Assets	\$	416,749.94
Other Temp Restr Net Assets		
Temp Restr - Legacy Fund	\$	90,669.51
Temp Restr Cummins Ministerial Fund	\$	205,383.92
Total Other Temp Restr Net Assets	\$	296,053.43
Permanently Restricted		
Don Carter Endowment	\$	56,696.96
M E Carter Endowment	\$	15,047.43
Total Permanently Restricted	\$	71,744.39
Total Fund Principal	\$	3,748,169.10
Excess Cash Received		
Excess Cash Received	\$	427,096.21
Total Excess Cash Received	\$	427,096.21
Total Fund Principal and Excess Cash Received		\$ 4,175,265.31
Total Liabilities & Equity, Fund Principal, & Restricted Funds		\$ 4,939,672.72

First Universalist Church of Minneapolis
Analysis of Revenues & Expenses - Summary
July 2017

Accounts	Current Balance (This Year)	YTD Budget (This Year)	Annual Budget (This Year)	Last Year YTD Actual
Revenues				
Pledges	\$86,152.09	\$92,981.25	\$1,115,775.00	\$102,555.28
Contributions Unrestricted	\$6,899.99	\$7,198.79	\$141,700.00	\$2,433.67
Contributions Temp Restricted	\$0.00	\$0.00	\$0.00	\$0.00
Contrib Released from Restr	\$0.00	\$0.00	\$0.00	\$0.00
Fundraisers	\$900.00	\$3,458.34	\$46,500.00	\$2,781.29
Program Fees	\$0.00	\$550.00	\$6,600.00	\$0.00
Dividends & Interest	\$252.38	\$1,250.00	\$15,000.00	\$308.54
Rental Income	\$1,940.09	\$11,478.50	\$137,742.00	\$8,898.59
Realized Gains & Losses	\$20.30	\$0.00	\$0.00	\$0.00
Unrealized Gains & Losses	\$1,147.43	\$0.00	\$0.00	(\$135.58)
Other Income	\$10.00	\$277.78	\$3,333.33	\$99.00
Total Revenues	<u>\$97,322.28</u>	<u>\$117,194.66</u>	<u>\$1,466,650.33</u>	<u>\$116,940.79</u>
Expenses				
Salaries & Wages	\$60,745.37	\$67,876.74	\$814,521.00	\$55,479.65
Payroll Taxes	\$4,625.54	\$5,181.52	\$62,178.00	\$4,176.39
Employee Benefits				
Medical Insurance	\$5,962.37	\$6,222.91	\$74,675.00	\$5,123.10
Long Term Disability Insurance	\$0.00	\$87.50	\$1,050.00	\$0.00
Life Insurance	\$108.70	\$198.16	\$2,378.00	\$102.60
403(b)	\$5,446.24	\$5,507.33	\$66,088.00	\$5,075.31
Total Employee Benefits	<u>\$11,517.31</u>	<u>\$12,015.90</u>	<u>\$144,191.00</u>	<u>\$10,301.01</u>
Professional Expenses	\$871.69	\$2,075.01	\$24,900.00	\$0.00
Temporary Labor	\$1,029.50	\$2,799.99	\$33,600.00	\$1,405.00
Program Expenses	\$1,570.31	\$3,624.98	\$43,500.00	\$339.19
Miscellaneous Program Expenses	\$900.00	\$2,591.67	\$31,100.00	\$2,756.29
Membership Program Expenses	\$779.54	\$958.33	\$11,500.00	\$186.20
Fundraising Expenses	\$0.00	\$666.66	\$8,000.00	\$0.00
Administrative Expenses	\$5,061.89	\$6,691.65	\$80,300.00	\$3,814.44
Miscellaneous Expenses	\$790.25	\$516.67	\$6,200.00	\$57.00
Insurance	\$2,221.01	\$1,998.96	\$23,987.50	\$2,171.99
Dues & Memberships	\$0.00	\$3,833.55	\$46,002.50	\$0.00
Utilities	\$4,127.20	\$4,249.99	\$51,000.00	\$3,773.23
Repairs & Maintenance	\$771.41	\$2,566.66	\$30,800.00	\$1,079.62
Other Building Related Expense	\$4,434.99	\$6,006.25	\$72,075.00	\$3,450.38
Offering Plate for Community	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses	<u>\$99,446.01</u>	<u>\$123,654.53</u>	<u>\$1,483,855.00</u>	<u>\$88,990.39</u>
Net Total	(\$2,123.73)	(\$6,459.87)	(\$17,204.67)	\$27,950.40

First Universalist Church of Minneapolis
Balance Sheet
July 2017

Headings and Account

Current Balance (This Year)

Assets		
Current Assets		
Cash & Cash Equivalents		
Cash	\$	263,238.72
Total Cash & Cash Equivalents	\$	263,238.72
Investments		
Schwab- Church Operating	\$	125,249.59
Schwab - Church Reserve	\$	318,133.88
Schwab - Don Carter & Mary Carter	\$	74,450.80
Schwab- Legacy Fund	\$	789,031.75
Schwab - Temporarily Restricted	\$	117,265.62
Sunrise - Church Reserve	\$	1,485.60
Total Investments	\$	1,425,617.24
Cash & Cash Equiv - Foundation		
University Bank - Foundation	\$	11,138.34
Total Cash & Cash Equiv - Foundation	\$	11,138.34
Investments - Foundation		
Schwab - Foundation	\$	1,676,898.22
Total Investments - Foundation	\$	1,676,898.22
Total Current Assets		\$ 3,376,892.52
Other Current Assets		
Other Current Assets		
Mortgage Escrow Deposits	\$	1,026.79
Prepaid Expenses	\$	16,320.96
Prepaid Loan Expenses	\$	5,224.66
Prepaid Medical Insurance	\$	6,561.47
Total Other Current Assets	\$	29,133.88
Total Other Current Assets		\$ 29,133.88
Fixed Assets		
Fixed Assets		
Fixed Assets	\$	1,640,153.70
Total Fixed Assets	\$	1,640,153.70
Total Fixed Assets		\$ 1,640,153.70
Total Assets		\$ 5,046,180.10

Liabilities & Equity

Current Liabilities		
Accounts Payable		
Accounts Payable	\$	16,452.17
Total Accounts Payable	\$	16,452.17
Total Current Liabilities		\$ 16,452.17
Other Current/Long-Term Liabilities		
Benefits Payable	\$	1,798.58
Accrued Expenses	\$	13,993.17
Deferred Revenue	\$	8,519.78
Misc Other Liabilities	\$	13,000.00
Mortgage Payable - Long Term	\$	574,153.49
Mortgage LOC Advance Payble	\$	130,714.21
Total Other Current/Long-Term Liabilities	\$	742,179.23
Total Other Current/Long-Term Liabilities		\$ 742,179.23
Total Liabilities & Equity		\$ 758,631.40
Fund Principal and Excess Cash Received		
Fund Principal		
Undesignated Net Assets/Equity		
Church Equity	\$	1,655,910.93
Total Undesignated Net Assets/Equity	\$	1,655,910.93
Designated Net Assets		
Board Designated Net Assets	\$	994,894.24
Total Designated Net Assets	\$	994,894.24
Unrestricted Net Assets		
Unrestricted Net Assets	\$	662,660.73
Total Unrestricted Net Assets	\$	662,660.73
Temp Restricted Net Assets		
Temp Restricted Net Assets	\$	489,512.21
Total Temp Restricted Net Assets	\$	489,512.21
Other Temp Restr Net Assets		
Temp Restr - Legacy Fund	\$	91,431.10
Temp Restr Cummins Ministerial Fund	\$	208,004.66
Total Other Temp Restr Net Assets	\$	299,435.76
Permanently Restricted		
Don Carter Endowment	\$	57,571.53
M E Carter Endowment	\$	15,279.91
Total Permanently Restricted	\$	72,851.44
Total Fund Principal	\$	4,175,265.31
Excess Cash Received		
Excess Cash Received	\$	112,283.39
Total Excess Cash Received	\$	112,283.39
Total Fund Principal and Excess Cash Received		\$ 4,287,548.70
Total Liabilities & Equity, Fund Principal, & Restricted Funds		\$ 5,046,180.10

Capital Campaign 2016-2017 Budget Breakdown (As of 08/31/2017)

Division	Budget	\$	Remaining Budget
Revenue			
Donations/Legacy Fund Transfer	\$ 6,400,000.00	\$ 673,857.28	\$ (5,726,142.72)
Expense			
Consultants	\$ 230,000.00	\$ 226,375.00	\$ 3,625.00
Printing/Supplies	\$ 8,000.00	\$ 5,027.39	\$ 2,972.61
Launch Event	\$ 30,000.00	\$ 51,324.25	\$ (21,324.25)
Architectural Pre-Work	\$ 27,000.00	\$ 2,000.00	\$ 25,000.00
Total Budget	\$ 295,000.00	\$ 284,726.64	
Remaining Budget	\$ 10,273.36		
Total Loan from Legacy Fund	\$ -		
Net Income	\$ 389,130.64		



Using Choice Points to Advance Equity

1. **Identify a Choice Point:** What is one of your points of opportunity to make or influence a decision that may affect equitable outcomes?
2. **Assess Impacts:** What are the impacts of current decisions and actions that may be unintentionally reinforcing bias, barriers or inequities?
3. **Generate Options:** What are some alternative action options that could produce different outcomes? (Try to generate several of them.)
4. **Decide Action:** Which option will generate the most leverage, momentum or gain towards advancing equity and inclusion?
5. **Change Habits:** What reminders or “equity primes” can be structured into you routine practices and protocols to make equity an ongoing priority and habit? What relationships, supports, incentives or accountability measures could help?