

First Universalist Church Board of Trustees
November 16, 2017
Board Packet

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First Universalist Church of Minneapolis

Board of Trustees Meeting

Thursday, November 16, 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 (6:50)

- Approval of minutes from October meeting.
- Monitoring: Acceptance of attendance and membership numbers
- Monitoring: Acceptance of staff and significant volunteer changes
- Monitoring: Staff / Volunteer grievances (Sr. Minister report)

III. Admin: Rescheduling December meeting (6:55)

The December board meeting is the same night as the solstice service. Some years we skip the December meeting but it feels like this year we may need the time. So, let's talk about rescheduling, possibly to Thursday, Dec. 14.

IV. Budget (7:00 – 7:20)

- A. Discussion of first quarter results. (Jen Crow)
- B. Southside Child Development Center

V. Capital Campaign / Building Plans (7:20 – 7:35)

Jen Crow will lead a discussion of a possible new approach to the renovation of the building with the funds raised during the capital campaign. **Please note that the congregational meeting for November 15, 2017 has been postponed.**

BREAK 7:35 – 7:45

VI. Executive Session: Sanctuary Church Activities. (7:45 – 8:25)

A. The Board will have a confidential discussion about activities related to our Sanctuary Church resolution.

VII. Sub-Team Planning (8:25 – 8:35)

We have subteams in place regarding Ministerial Team Development (Cindy, Dick, Christa) and Bylaws review (Karin, Caitlin, Lillie). We're devoting time to allow the sub-teams to plan their work so that we can move these issues forward in December, January, and February.

VIII. Adjourn.

First Universalist Church of Minneapolis
Board of Trustees Meeting
October 10, 2017
7:30 am - Common Roots

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

I. Call to Order

II. Consent Agenda

- a. Approval of September Board minutes

III. Informational Items

- a. Dick reported that the Connected Volunteers project will be kicked off from the pulpit on Nov. 5. He shared a memo containing the roll out plan for the project.

IV. Financial Report

a. Rev. Crow had circulated a memo from Kurt Hochfeld, our financial consultant, containing his recommendations on a variety of issues. He urged transparency about the annual pledge results (lower than last year) as well as any cuts that need to be made to the 2017-18 budget as a result of the pledge shortfall. He also commented on the contingency fund and repayment requirements, capital allocations and fiscal agency issues.

Regarding the revised budget requested by the Board at its September meeting due to the pledge shortfall, Rev. Jen made the following recommendations to reduce the budget by \$75,000: \$25,000 in additional income (10% of a recent bequest and \$15,000 from old check write offs), legitimately allocating \$25,000 of staff time that will be spent on capital campaign issues, such as moving, to the capital budget, and \$29,235 of expense cuts provided by the program directors. Rev. Jen noted that, per Kurt, a staff overhead allocation could also be moved to the capital budget, something she has not yet done.

The \$75,000 reduction was predicated on receiving an additional \$45,000 of pledge income from prior pledgers, only \$11,000 of that has been pledged to date. The revised budget is based on pledge income of 1.1M; we are currently at 1.075M. Although we may get more income from prior and new pledgers, Rev. Jen perceives that even with this \$75,000 reduction, there is still a gap that will need to be bridged.

The Board is comfortable with the proposed program cuts but requested that Rev. Jen specifically apply the racial justice lens choice points to the cuts before they are finalized.

IV. Proposed Building Collaboration with Shir Tikvah

a. Eric asked Jen and Dick, who participated in the recent meetings with Shir Tikvah, if they any amendments or changes to the summary memorandum that he circulated to the

Board. Rev. Jen felt that Shir Tikvah is more open to option 2 (a lease arrangement) than the memo indicated, although probably as an interim solution to see how “living together” works out.

The Board assessed a potential building collaboration with Shir Tikvah against the congregation’s visionary goals. The consensus was that the collaboration would primarily enhance our visionary goals, with some negatives.

The Board then moved to applying the racial justice choice points, or racial justice lens, to the potential building collaboration. After extensive discussion the Board agreed to continue the building collaboration discussions with Shir Tikvah with two caveats: first, that it is clearly stated to Shir Tikvah that our congregation’s commitment to racial justice is a bedrock commitment that will guide our continuing conversations; and second, that if a decision is made to move forward with a building collaboration, financial gain resulting from that decision will be committed to the congregation’s racial justice work.

V. Adjournment

The meeting was adjourned by the Chair at 9:35 am.

Respectfully submitted,

Karin Wille, Acting Secretary

**First Universalist Church
September 2017 Statistical Report
October 19, 2017**

MEMORIAL SERVICES: 0

MARRIAGES/SERVICES OF COMMITMENT:

Sept. 1 - Liz Ericsson and Joe Krekeler – by The Rev. Jen Crow

Sept. 16 - Dick Rueter and Ray Dillon – by The Rev. Elaine Aron Tenbrink

Sept. 22 – Kaitlyn Hunt and Bee Wing > L’Aurantier – by The Rev. Ruth MacKenzie

MEMBERS FOR APPROVAL: 8

Mallory Warner-Richter and Mark Richter, Minneapolis

Collin Davidson and Amy Kerr, Minneapolis

Lukas Udstuen, Minneapolis

Kathy Kugel, Minneapolis

Grace Fremont, Minneapolis

Michelle Manson, Minneapolis

MEMBERS REINSTATED: 0

MEMBERS FOR REMOVAL: 1

Kristin Blake – moved away

CHILDREN DEDICATED: 0

MEMBERS (Fiscal Year)	To Date	End of Year Totals		2014-2015	2013-2014
	2017-2018	2016-2017	2015-2016		
	26	109	54	58	46
TOTAL MEMBERS:	1,027	1,011	934	920	921

TOTAL MEMBERS AS OF THE LAST MEETING: 1,020

To be added: 8

To be removed : 1

TOTAL MEMBERS: 1,027

**First Universalist Church
October 2017 Statistical Report
November 16, 2017**

MEMORIAL SERVICES: 0

October 6, Seth Friedell, son of Lynn Argetsinger and Roger Friedell, at First Universalist – Rev. Elaine Aron Tenbrink

October 19, Memorial service for parents of Christopher Watson, at Forest Lawn Memorial Park in Maplewood – Rev. Elaine Aron Tenbrink

MARRIAGES/SERVICES OF COMMITMENT:

MEMBERS FOR APPROVAL: 0

Elizabeth A. Tilman, Minneapolis
Chris Willcox, Minneapolis

MEMBERS REINSTATED: 0

MEMBERS FOR REMOVAL:

CHILDREN DEDICATED: 0

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

TOTAL MEMBERS AS OF THE LAST MEETING:

To be added: 0

To be removed : 0

TOTAL MEMBERS:

September Attendance									
				2017					2016
Adults	9:30	10:00	11:15			9:30	10:00	11:15	
1st week		181		181			232		232
2nd week	252		298	550		340		311	651
3rd week	292		244	536		255		236	491
4th week	318		248	566		236		309	545
5th week									
Monthly Total	862	181	790	1833		831	232	856	1919
Average for September	287.333 3333	181	263.333 3333	458.25		277	232	285.333 3333	479.75
RE	9:30	10:00	11:15			9:30	10:00	11:15	
1st week		0		0	*		33		33 *
2nd week	22		8	30	*	23		15	38 *
3rd week	259		206	465		219		212	431
4th week	242		189	431		214		188	402
5th week									
Monthly Total	523	0	403	926		456	33	415	904
Average for September	174.333 3333	0	134.333 3333	231.5		152	33	138.333 3333	226
Combined Average	461.666 6667	181	397.666 6667	689.75		429	265	423.666 6667	705.75
Notes	*Labor Day weekend, child care only					*Labor Day weekend, child care only			
	*Multi-gen service: Water Communion					*Multi-gen service: Water Communion			

October Attendance							
			2017				2016
Adults	9:30	11:15			9:30	11:15	
1st week	212	227	439		273	353	626
2nd week	334	245	579		262	273	535
3rd week	328	297	625		215	182	397
4th week	256	249	505		207	220	427
5th week	343	278	621		291	307	598
Monthly Total	1473	1296	2769		1248	1335	2583
Average for October	294.6	259.2	553.8		249.6	267	516.6
RE							
1st week	200	195	395		198	171	369
2nd week	197	157	354		177	142	319
3rd week	229	172	401		210	191	401
4th week	53	47	100 *		106	69	175 *
5th week	200	160	360		197	177	374
Monthly Total	879	731	1610		888	750	1638
Average for October	175.8	146.2	322		177.6	150	327.6
Combined Average	470.4	405.4	875.8		427.2	417	844.2
	*MEA weekend, youth friendly service				*MEA weekend, youth friendly service		

Sr. Minister and Executive Minister Report to the Board of Trustees, Nov 16, 2017

Opening Reading and Reflection: Blessing for the Broken Hearted by Jan Richardson

There is no remedy for love but to love more.

– Henry David Thoreau

Let us agree
for now
that we will not say
the breaking
makes us stronger
or that it is better
to have this pain
than to have done
without this love.

Let us promise
we will not
tell ourselves
time will heal
the wound,
when every day
our waking
opens it anew.

Perhaps for now
it can be enough
to simply marvel
at the mystery
of how a heart
so broken
can go on beating,
as if it were made
for precisely this—
as if it knows
the only cure for love
is more of it,
as if it sees
the heart's sole remedy
for breaking
is to love still,
as if it trusts

that its own
persistent pulse
is the rhythm
of a blessing
we cannot
begin to fathom
but will save us
nonetheless.

Reflection Questions: What is breaking your heart right now? What is saving you right now? As always, is this poem stirs something else in you that these questions don't point to, please speak to that.

Sabbatical Update: During my sabbatical time, I studied and read about what it means to racialized as a "white" person, including how being racialized as a "white" person impacts my body, my emotional capacity/bandwidth, and the ways I move through the world. I read several books related to this topic, including "Learning to White," by Thandeka, "White Rage," by Carol Anderson, and started "My Grandmother's Hands: Racialized Trauma and the Pathway to Mending," by Resmaa Menakem. Mostly significantly, during my sabbatical, I met weekly with Susan Raffo, a founding member of the "People's Movement Center," at 41st and Chicago. (You can learn more here: <http://www.peoplesmovementcenter.com/>.) The work with Susan was particularly focused on the ways that whiteness and white supremacy conditioning and patterning live in my body, and show up in my ministry, my parenting, and my life. I found this time to be incredibly helpful, as I able to feel and sense in my body the ways that white supremacy was impacting my capacity to be fully human.

Monitoring Items:

Staff and Volunteer Grievances: No formal grievances have been filed or reported.

Transitions in Staff and Volunteer Positions: Jerrod Wendland, our pianist, is leaving at the end of November. Franco Holder, someone highly recommended by Jerrod, and who has played at First Universalist before, will begin as our new pianist in December.

Financial Update:

Financial documents for this month, including a report on Capital Campaign income and expenses, our first quarter review, as well as income and expense and balance sheets for September will be provided to the Board at or right before our meeting on Thursday.

2017-18 First Quarter Financial Summary
Prepared by Rev. Jen Crow
November 15, 2017

Summary

At the end of the first quarter, expenses exceed income by roughly \$30,000. As you can see below in the detailed information about our income, roughly \$14,000 of this deficit will be resolved before the end of the year. The remaining \$16,000 of that gap can be attributed to the typical front-loading of start-up expenses in the church year, as well as the decreased pledge base.

Income

We have currently received income in the amount of \$454,203, which is approximately \$45,000 below what we would have expected compared to our approved budget. This difference comes from three main sources, one is that our pledge base is significantly lower than budgeted, the second is that rent payment from our major tenant was delayed, and the third is that income from our music fund is not shown here.

Given that our pledge base is currently \$1,080,000, not the \$1,115,775 listed (which includes a 5% uncollectable rate on the approved pledge base of \$1,174,500), we are actually ahead in the collection of pledges. One quarter of \$1,080,000 is \$270,000, and we have currently collected \$327,000 in pledges for the year.

The delayed rent payment accounts for \$8,667 of that difference in expected income for the first quarter. Southside was late paying rent in both September and October. All payments are currently up to date, but because September's payment was paid in October, it is not included in the first quarter's income.

Also income from the music fund is not shown (\$5900), but was included in the approved budget. Because this income comes from a temporarily restricted fund, it could not be included in this report due to restrictions in our accounting software. Please note that this amount is consistent with the deficit amount listed for our annual budget in this report.

Expenses

Expenses are tracking significantly under budget. Staff have made many adjustments to reduce spending in order to offset the anticipated reduction in income for this year's budget. It is also true that many expenses are front-loaded in the year: classroom supplies, dues & memberships, and any other costs associated with the ramp up in church events in the fall. Staff compensation related to our building project has been tracked and reallocated to our capital building project budget as approved by the Board. I anticipate seeing our expenses coming in even more under budget, and in line with our income, in the second quarter.

Additional Information

Originally, staff had expected to present a draft budget for our Capital Campaign expenses at the November Board Meeting. Plans have been delayed, however, as the architects do some additional research and focus in on a preferred direction for our project. Also, a draft copy of the end of year assessment conducted by our financial consultant, Kurt Hochfeld, has been provided to the Board President and Treasurer. A few minor details are still being wrapped up, and a final copy will be provided to the Board for its December meeting.

Capital Campaign 2016-2017 Budget Breakdown (As of 10/31/2017)

Division	Budget	\$	Remaining Budget
Revenue			
Donations/Legacy Fund Transfer	\$ 6,400,000.00	\$ 1,063,820.26	\$ (5,336,179.74)
Expense			
Consultants	\$ 230,000.00	\$ 228,820.00	\$ 1,180.00
Printing/Supplies	\$ 8,000.00	\$ 8,000.00	\$ -
Launch Event	\$ 30,000.00	\$ 52,688.65	\$ (22,688.65)
Architectural Pre-Work	\$ 27,000.00	\$ 2,000.00	\$ 25,000.00
Total Budget	\$ 295,000.00	\$ 291,508.65	
Remaining Budget	\$ 3,491.35		
Projects			
Full Compass Hearing Assist	\$ 3,664.34		
Architect Fee	\$ 4,560.00		
Staff Salaries	\$ 7,269.52		
	\$ 8,224.34		
Total Loan from Legacy Fund	\$ -		
Net Income	\$ 756,817.75		

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

Accounts	Current Balance (This Year)	YTD Budget (This Year)	Annual Budget (This Year)	Last Year YTD Actual
Revenues				
Pledges	\$326,968.18	\$371,925.00	\$1,115,775.00	\$351,502.96
Contributions Unrestricted	\$23,351.91	\$31,353.93	\$141,700.00	\$36,788.07
Contributions Temp Restricted	\$0.00	\$0.00	\$0.00	\$0.00
Contrib Released from Restr	\$45,082.93	\$23,481.96	\$115,445.89	\$58,919.67
Fundraisers	\$14,040.41	\$13,833.36	\$46,500.00	\$22,061.71
Program Fees	\$414.00	\$2,200.00	\$6,600.00	\$135.00
Dividends & Interest	\$1,167.46	\$5,000.00	\$15,000.00	\$1,294.18
Rental Income	\$40,390.30	\$45,914.00	\$137,742.00	\$31,349.38
Realized Gains & Losses	(\$491.72)	\$0.00	\$0.00	(\$385.74)
Unrealized Gains & Losses	\$3,257.02	\$0.00	\$0.00	(\$142.08)
Other Income	\$23.00	\$1,111.12	\$3,333.33	\$2,803.50
Total Revenues	<u>\$454,203.49</u>	<u>\$494,819.37</u>	<u>\$1,582,096.22</u>	<u>\$504,326.65</u>
Expenses				
Salaries & Wages	\$254,320.97	\$269,786.96	\$809,361.00	\$241,504.95
Payroll Taxes	\$19,796.63	\$20,595.08	\$61,785.00	\$18,167.52
Employee Benefits				
Medical Insurance	\$24,891.78	\$23,333.64	\$70,001.00	\$20,492.42
Long Term Disability Insurance	\$0.00	\$0.00	\$0.00	(\$0.04)
Life Insurance	\$434.80	\$792.64	\$2,378.00	\$410.40
403(b)	<u>\$21,995.85</u>	<u>\$22,029.32</u>	<u>\$66,088.00</u>	<u>\$20,768.68</u>
Total Employee Benefits	<u>\$47,322.43</u>	<u>\$46,155.60</u>	<u>\$138,467.00</u>	<u>\$41,671.46</u>
Professional Expenses	\$5,849.80	\$8,300.04	\$24,900.00	\$4,636.50
Temporary Labor	\$6,808.75	\$11,199.96	\$33,600.00	\$5,416.50
Program Expenses	\$12,090.30	\$14,499.92	\$43,500.00	\$6,999.82
Miscellaneous Program Expenses	\$14,545.46	\$10,366.68	\$31,100.00	\$37,136.61
Membership Program Expenses	\$3,248.81	\$3,833.32	\$11,500.00	\$2,019.41
Fundraising Expenses	\$0.00	\$2,666.64	\$8,000.00	\$105.00
Administrative Expenses	\$3,245.23	\$26,766.60	\$80,300.00	\$46,124.85
Miscellaneous Expenses	\$2,029.82	\$2,066.68	\$6,200.00	\$600.55
Insurance	\$6,841.03	\$7,995.84	\$23,987.50	\$6,693.97
Dues & Memberships	\$22,601.26	\$15,334.20	\$46,002.50	\$575.00
Utilities	\$16,138.73	\$16,999.96	\$51,000.00	\$14,458.04
Repairs & Maintenance	\$5,585.66	\$10,266.64	\$30,800.00	\$5,713.07
Other Building Related Expense	\$28,934.25	\$24,025.00	\$72,075.00	\$45,455.14
Offering Plate for Community	\$13,281.85	\$13,333.36	\$40,000.00	\$13,539.01
Other Charitable Contributions	<u>\$21,637.34</u>	<u>\$25,148.64</u>	<u>\$75,445.89</u>	<u>\$3,890.19</u>
Total Expenses	<u>\$484,278.32</u>	<u>\$529,341.12</u>	<u>\$1,588,023.89</u>	<u>\$494,707.59</u>
Net Total	(\$30,074.83)	(\$34,521.75)	(\$5,927.67)	\$9,619.06

First Universalist Church of Minneapolis
Balance Sheet
September 2017

Headings and Account

Current Balance (This Year)

Assets		
Current Assets		
Cash & Cash Equivalents		
Cash	\$	332,971.77
Total Cash & Cash Equivalents	\$	332,971.77
Investments		
Schwab- Church Operating	\$	282,903.19
Schwab - Church Reserve	\$	323,370.76
Schwab - Don Carter & Mary Carter	\$	75,785.64
Schwab- Legacy Fund	\$	802,613.95
Schwab - Temporarily Restricted	\$	119,375.95
Total Investments	\$	1,604,049.49
Cash & Cash Equiv - Foundation		
Sunrise Bank - Foundation	\$	11,220.46
Total Cash & Cash Equiv - Foundation	\$	11,220.46
Investments - Foundation		
Schwab - Foundation	\$	1,705,555.48
Total Investments - Foundation	\$	1,705,555.48
Total Current Assets		\$ 3,653,797.20
Other Current Assets		
Other Current Assets		
Mortgage Escrow Deposits	\$	1,621.02
Prepaid Expenses	\$	16,320.96
Prepaid Loan Expenses	\$	5,224.66
Prepaid Medical Insurance	\$	6,972.25
Total Other Current Assets	\$	30,138.89
Total Other Current Assets		\$ 30,138.89
Fixed Assets		
Fixed Assets		
Fixed Assets	\$	1,641,048.05
Total Fixed Assets	\$	1,641,048.05
Total Fixed Assets		\$ 1,641,048.05
Total Assets		\$ 5,324,984.14

Liabilities & Equity

Current Liabilities		
Accounts Payable		
Accounts Payable	\$ 11,950.23	
Total Accounts Payable	<u>\$ 11,950.23</u>	
Total Current Liabilities		\$ 11,950.23
Other Current/Long-Term Liabilities		
Benefits Payable	\$ 2,717.02	
Accrued Expenses	\$ 15,735.31	
Deferred Revenue	\$ 19,995.70	
Misc Other Liabilities	\$ 13,000.00	
Line of Credit Advance Payable	\$ 127,529.17	
Mortgage Payable	\$ 570,649.58	
Total Other Current/Long-Term Liabilities	<u>\$ 749,626.78</u>	
Total Other Current/Long-Term Liabilities		<u>\$ 749,626.78</u>
Total Liabilities & Equity		<u>\$ 761,577.01</u>
Fund Principal		
Undesignated Net Assets/Equity		
Church Equity	\$ 2,036,614.28	
Total Undesignated Net Assets/Equity	<u>\$ 2,036,614.28</u>	
Board Restricted Net Assets		
Board Designated Net Assets	\$ 1,004,374.61	
Total Board Restricted Net Assets	<u>\$ 1,004,374.61</u>	
Temp Restricted Net Assets		
Temp Restricted Net Assets	\$ 1,057,253.50	
Total Temp Restricted Net Assets	<u>\$ 1,057,253.50</u>	
Permanently Restricted		
Don Carter Endowment	\$ 58,626.06	
M E Carter Endowment	\$ 15,560.22	
Total Permanently Restricted	<u>\$ 74,186.28</u>	
Excess Cash Received	\$ 390,978.46	
Total Fund Principal and Excess Cash Received		<u>\$ 4,563,407.13</u>
Total Liabilities & Equity, Fund Principal, & Restricted Funds		<u><u>\$ 5,324,984.14</u></u>