

First Universalist Church Board of Trustees
December 19, 2019
Board Packet

Table of Contents

December Meeting Agenda.....	1
Co- Minister's Report	2-3
November Board Meeting Minutes.....	4-6
November Attendance	7
November Statistical Report	8
Capital Campaign October Summary.....	9
October Balance Sheet	10-11
Year to Date Performance	12
Analysis of Reviews and Expenses	13
December Change Team Meeting Minutes	14-15



First Universalist Special RJ Board Meeting

DETAILS

Date 12.19.19	Start Time 6:15 pm- arrive/snacks 6:30 pm -start	End Time 9:30 pm	Location Chalice Room (Bring a sweater)
<p>Meeting Objective</p> <p>Reflection on past journey of our racial justice work and readying ourselves for initial consideration of the Third Visionary Goal:</p> <p><i>“Our faith calls us to be 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.”</i></p>			

PARTICIPANTS

Board Members, Racial Justice Education Team (RJET), the People of Color and Indigenous Peoples (POCI) Caucus, the Change Team, and Ministerial Leaders
Facilitated by: Bryana French, Arif Mamdani, and Laura Johansson.

AGENDA

Topics	Facilitator
Arrive: Share Snacks, Find a Seat, and Greet One Another	All in Chalice Room
Opening and Context: Introductions, welcome and context	Bryana French, Arif Mamdani, and Laura Johansson
Agenda & Group Agreements	Laura
Grounding in Relationships Triad conversations	Laura
Break	
Reflections & Acknowledgements of Journey Part 1: Joys/Accomplishments Part 2: Disappointments and Struggles Part 3: Lessons We Are Learning and Implications	Bryana Arif Laura
Closing	Laura & Arif
Adjourn	Bryana

December 2019 Board Meeting Co-Senior Minister Report

Monitoring Items

Staff and Volunteer Transitions: None

Informational Updates

Financial Updates, October 2019 Summary

We are in a steady, strong position with our operating budget as of October 2019. Income, aside from rental income, is coming in as expected and the congregation has come forward with generous one-time and annual gifts. If rental income were coming in on time, we would be showing a balanced budget.

Income

- Annual Giving income is stronger than ever, coming in almost exactly as budgeted.
- Close the Gap was a huge success, as you can see in our Contributions Unrestricted line, (\$30,000+ above budget).
- Rental income is far below budget. Our major tenant, Southside Child Development is several months behind on rent, for a total of \$28,000.

Expenses

- Personnel expenses are below budget.
- Program expenses are coming in over budget, largely because of Boston Trip expenses, which are directly tied to youth trip fundraising in our income lines, for no net effect on the operating budget.

Investments

After several conversations between Foundation Board members, Brad Schmidt (Accounting Manager), Keven Ambrus (Treasurer), and Rev. Crow, we have decided to keep our investments with Accredited for now, knowing that we can explore other options and change course in the future if we so choose. Given the excellent rates of return that Accredited has generated on our investments over the years, we believe that paying their standard fees for services and continuing to have them invest our funds is in the best interest of the Church and the Foundation.

Capital Campaign Updates

Since our last board meeting, we have selected a General Contractor using our vendor policy as a guide. We are delighted to be working with Flannery Construction, a woman-owned business that came in with the best price and the best responses to our questions about equity and racial justice practices in their business. Flannery Construction has done a considerable amount of work with non-profits, including work with Beacon Interfaith Housing Collaborative. With the

selection of our general contractor, we are now moving into the next phase of our project as we make choices about what to include and exclude from the overall scope of the project. We are using these guiding ideas:

- Make our building as accessible, welcoming, functional, and safe as possible
- Work within our budget
- Keep the mortgage paid off
- Attend in equal parts to deferred maintenance, sanctuary improvements, and other building improvements

We are moving forward with the expectation that all work will be completed this summer, between May 2020-September/October of 2020.

We are also happy to share that over the last few months, an additional \$250,000+ has been raised in Capital Campaign pledges, and we hope to give the congregation another opportunity to give and make pledges this spring so that we can achieve even more of our hopes for this renovation.

Action Items

- **Approval of 2020 Housing Allowances for the Ministers**
 - Rev. Jen Crow: \$38,000
 - Rev. Justin Schroeder: \$35,000
 - Rev. Ruth MacKenzie: \$22,000
 - Rev. Karen Hutt: \$3,425

**First Universalist Church of Minneapolis
Board of Trustees Meeting
November 21, 2019**

Trustees present: Eric Cooperstein, Keven Ambrus, Richard Spratt, Bryana French, Ben Miles, Kristin Siegesmund, Daryn Woodson, Christa Anders

Ministers: Rev. Crow and Rev. Schroeder

Guests: Michael Dotson

I. Call to Order

II. Grounding

- a. Chalice Lighting
- b. Group Agreements
- c. Grounding-In

III. Consent Agenda

- a. Approval on Minutes from October meeting
- b. Acceptance of Membership Numbers and Attendance
- c. Staff and Significant Volunteer Changes
- d. Staff and Volunteer grievances
- e. Exit interviews

APPROVED.

IV. Staff Updates

- a. Rev. Ruth McKenzie has let Rev. Crow and Rev. Schroeder know that she would like to retire by the end of May, 2020. This will be a big hit for the adults in the church but also the youth in the church. She is working on her transition with Lauren and Emma so that the youth feel heard and valued. Jen and Justin are open to conversations about how to restructure staff, ministerial hiring, how to go about this. Justin will be on sabbatical so Jen will have to make decisions. Justin comes back on July 1. Jen will be taking July off. There will be construction over the summer. We will potentially use the January meeting for a strategic conversation about these issues. How can the core leaders of the church hold the church? What does the Board need to do to support Jen? We should look at whether this is an opportunity to right-size the budget. Keven recommends a couple of “what if” scenarios. We should look at a variety of opportunities and considerations. Who do we need to hear from first? How to do that? What is it that Ruth does that we need to keep doing? How can we best put the pieces together? Ruth started here as an intern 9 years ago.

V. Racial Justice Work

- The Change Team is going to think about term limits, leadership rotation and membership of Change Team. We will postpone a more full discussion until January.
- Bryana and the ministers are proposing to use our December Board meeting to have a collaborative meeting with the Change Team, the POCI Caucus, RJET and the Board. We will look at the third visionary goal: *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.*

How do we resource this? Who owns what? How do we come out of our separate silos about this work? How will we know we are achieving this goal? When we will know that we are making progress? What would it look like if we had achieved this goal? Would be interesting to hear from people about their perspective on what multi-cultural and multi-racial would really look like. This is important shared, middle-bucket work. The ministers and the board president will do the logistical to make it happen. We will have shared snacks!!

The Board agreed this was an acceptable plan and that it would be good to have a facilitator.

VI. Financial Update

Rev. Crow shared the financial update. Giving is strong!! We are above the budget. They have renegotiated a lease with Southside that goes through February (although they may be there through May). Shout out to Ben for working with staff on how to price the building, property tax issues etc. The city is now charging us property taxes for the income we get from Sioux Chef and Southside. She is forecasting a balanced budget.

The Wake Now Our Vision campaign is a UUA campaign that has resulted in us receiving a check from the UUA for \$5,800. This is not a bequest but Jen is proposing to use the money to the general operating fund. Keven suggests putting it into the unrestricted reserves. If it is unrestricted, Jen can use the money IF it is needed and she would need to inform the Board if she uses it. The Board is supportive of Keven's approach.

Ben requested that they put the change from a past period on the balance sheet.

MOTION: To put the Wake Now Our Vision money received into unrestricted reserves.

APPROVED.

Our investments are currently held at Accredited and Ross Levin has waived the fees for many years. We will now need to pay for their services so we are looking at options. Keven and Brad will be researching this and coming forward with recommendations. We agreed that this will be a good opportunity to use our vendor policy.

VI. Approval of Owner's Representative for Building Project

Jen thanked the Board for reminding her of the import of the Vendor Policy. She has posted the position, interviewed people and has two really good candidates that she is considering. One is a White female and the other is an African American man. They are checking references on these two people. The price tag is higher than what our church member was coming in at (but she has taken a job in Portland). One of them is a flat 3% and the other is willing to start hourly and then scope the project and give a total project cost. The 3% is market rate. Keven thinks of this as an insurance policy on the project.

MOTION: To give Reverend Crow the authority to spend up to \$90,000 to hire an Owner's Representative to help with the construction project.

APPROVED.

VII. Healthy Congregations

- They had planned to meet this past week but illness of one of the members prevented this from happening. They will meet and come back to the Board in January.
- How can we best prepare for Justin's sabbatical? There will be some kind of a ritual blessing of the minister going on sabbatical, a blessing of the ministers remaining and a blessing of the congregation to take on a new role in ministering to each other. Jen is thinking about specific asks that she will be needing to make. She will appreciate our calm and steady leadership.

VIII. Process Observation

Racial justice conversations prompted the verbal processors to start talking. It took a while to have the thinkers start to pipe up. Same trend with the financial conversations; those who are most comfortable about finances do the talking. There was really good conversations about owning white privilege and then being appreciative for the conversations. Several opportunities for appreciation were shared. Good meeting!

IX. Adjournment

The meeting was adjourned at 8:14.

November Attendance							
			2019				2018
Adults	9:30	11:15			9:30	11:15	
1st week	330	199	529		314	302	616
2nd week	218	147	365		326	285	611
3rd week	283	242	525		306	291	597
4th week	205	249	454		284	251	535
5th week			0				
Monthly Total	1036	837	1873		1230	1129	2359
Average for November	259	209	468		308	282	590
RE							
1st week	209	197	406		208	156	364
2nd week	204	150	354		197	151	348
3rd week	193	197	390		160	144	304
4th week	170	146	316		16	6	22*
5th week			0				
Monthly Total	776	690	1466		581	457	1038
Average for November	194	173	367		145	114	260
Combined Average	453	382	835		453	397	845

**2019 Statistical Report
November 2019
Board Meeting December 19, 2019**

MEMORIAL SERVICES: 1

Nancy Atchison, 11/1/19

MARRIAGES/SERVICES OF COMMITMENT: 0

MEMBERS FOR APPROVAL: 0

MEMBERS REINSTATED: 0

MEMBERS FOR REMOVAL: 0

CHILDREN DEDICATED: 0

	To Date	End of Year Totals			
MEMBERS	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
(Fiscal Year)	6	81	66	109	54
TOTAL MEMBERS:	1064	1058	1049	1,011	934

Total members as of the last meeting: 1066 *(which was incorrect)*

To be added: 0

To be removed : 0

TOTAL MEMBERS: 1064 *(due to some double counting of new members, the numbers were off for two months. This number is now accurate in ACS and in our records.)*

Capital Campaign Budget Breakdown (As of 10/31/2019)

Division	Budget	Actual	Variance
Revenue			
Donations	\$ 4,450,946.07	\$ 2,673,799.24	\$ 1,777,146.83
Initial Project Expenses			
Expense			
Consultants	\$ 230,000.00	\$ 229,030.00	\$ 970.00
Printing/Supplies	\$ 8,000.00	\$ 8,000.00	\$ -
Launch Event	\$ 30,000.00	\$ 52,689.09	\$ (22,689.09)
Architectural Pre-Work	\$ 27,000.00	\$ 2,000.00	\$ 25,000.00
Total Initial Project Expenses	\$ 295,000.00	\$ 291,719.09	\$ 3,280.91
Remaining Budget	\$ 4,155,946.07	\$ 2,382,080.15	\$ 1,773,865.92
Project Expenses			
Architect Fee	\$ 128,552.57	\$ 128,552.57	\$ -
Debt Retirement	\$ 649,151.38	\$ 649,151.38	\$ -
Other Expenses	\$ 105,426.79	\$ 105,426.79	\$ -
Tuckpointing	\$ 122,000.00	\$ 122,000.00	\$ -
	\$ 1,005,130.74	\$ 1,005,130.74	\$ -
Net Income	\$ 3,150,815.33	\$ 1,376,949.41	\$ 1,773,865.92

First Universalist Church of Minneapolis
Balance Sheet
October 2019

Headings and Account	Current Balance (This Year)		Change in Balance
Assets			
Current Assets			
Cash & Cash Equivalents			
Cash	\$	471,013.12	\$ (11,423.42)
Total Cash & Cash Equivalents	\$	471,013.12	\$ (11,423.42)
Investments			
Schwab - Church Operating	\$	800,997.19	\$ 50,978.34
Schwab - Church Reserve	\$	347,793.71	\$ 3,996.68
Schwab - Don Carter & Mary Carter	\$	83,317.96	\$ 1,340.21
Schwab- Legacy Fund	\$	877,593.23	\$ 13,768.53
Schwab - Temporarily Restricted	\$	129,172.61	\$ 2,078.58
Thrivent Mutual Funds	\$	22,452.26	\$ -
Total Investments	\$	2,261,326.96	\$ 72,162.34
Cash & Cash Equiv - Foundation			
Sunrise Bank - Foundation	\$	11,275.50	\$ -
Total Cash & Cash Equiv - Foundation	\$	11,275.50	\$ -
Investments - Foundation			
Schwab - Foundation	\$	1,626,039.40	\$ 26,119.36
Total Investments - Foundation	\$	1,626,039.40	\$ 26,119.36
Total Current Assets		\$ 4,369,654.98	\$ 86,858.28
Other Current Assets			
Other Current Assets			
Prepaid Expenses	\$	1,545.00	\$ (609.02)
Prepaid Medical Insurance	\$	7,770.94	\$ (603.30)
Total Other Current Assets	\$	9,315.94	\$ (1,212.32)
Total Other Current Assets		\$ 9,315.94	\$ (1,212.32)
Fixed Assets			
Fixed Assets			
Accumulated Depreciation	\$	(2,438,538.30)	\$ -
Fixed Assets	\$	4,180,666.63	\$ -
Total Fixed Assets	\$	1,742,128.33	\$ -
Total Fixed Assets		\$ 1,742,128.33	\$ -
Total Assets		\$ 6,121,099.25	\$ 85,645.96

Liabilities & Equity			
Current Liabilities			
Accounts Payable			
Accounts Payable	\$ 25,807.43		\$ (8,831.08)
Total Accounts Payable	\$ 25,807.43		\$ (8,831.08)
Total Current Liabilities		\$ 25,807.43	\$ (8,831.08)
Other Current Liabilities			
Benefits Payable	\$ 94.06		\$ 94.06
Accrued Expenses	\$ 16,649.47		\$ -
Deferred Revenue	\$ 15,569.68		\$ (13,225.39)
Misc Other Liabilities	\$ 13,000.00		\$ -
Total Other Current Liabilities	\$ 45,313.21		\$ (13,131.33)
Total Other Current Liabilities		\$ 45,313.21	\$ (13,131.33)
Total Liabilities & Equity		\$ 71,120.64	\$ (21,962.41)
Fund Principal and Excess Cash Received			
Fund Principal			
Undesignated Net Assets/Equity			
Church Equity	\$ 1,535,101.80		\$ (94,675.28)
Total Undesignated Net Assets/Equity	\$ 1,535,101.80		\$ (94,675.28)
Board Restricted Net Assets			
Contingency Reserve	\$ 271,109.21		\$ -
Legacy Fund	\$ 862,108.16		\$ 366.22
Memorials	\$ 6,881.88		\$ -
Total Board Restricted Net Assets	\$ 1,140,099.25		\$ 366.22
Temp Restricted Net Assets			
Capital Campaign Fund	\$ 1,376,949.11		\$ 119,877.48
Cummins Ministerial Fund	\$ 229,504.10		\$ -
Foundation	\$ 1,584,860.25		\$ -
Miscellaneous Funds	\$ 3,583.73		\$ (16,734.32)
Total Temp Restricted Net Assets	\$ 3,194,897.19		\$ 103,143.16
Permanently Restricted			
Don Carter Endowment	\$ 49,163.26		\$ -
M E Carter Endowment	\$ 13,765.32		\$ -
Total Permanently Restricted	\$ 62,928.58		\$ -
Total Fund Principal	\$ 5,933,026.82		\$ 8,834.10
Excess Cash Received			
Excess Cash Received	\$ 116,951.79		\$ 98,774.27
Total Excess Cash Received	\$ 116,951.79		\$ 98,774.27
Total Fund Principal and Excess Cash Received		\$ 6,049,978.61	\$ 107,608.37
Total Liabilities & Equity, Fund Principal, & Restricted Funds		\$ 6,121,099.25	\$ 85,645.96

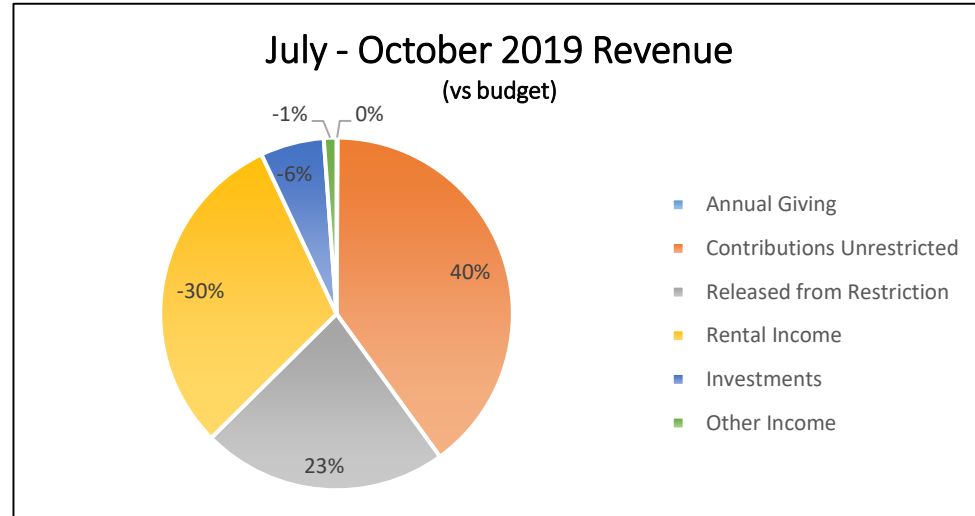
First Universalist Church of Minneapolis
Year to Date Performance
July to October 2019

Revenue Summary

Annual Giving	\$ (89.80)
Contributions Unrestricted	\$ 33,733.90
Released from Restriction	\$ 19,065.49
Rental Income	\$ (25,712.16)
Investments	\$ (4,935.13)
Other Income	\$ (978.38)
Total Revenue Variance	\$ 21,083.92

Variance

Annual Giving	\$ (89.80)
Contributions Unrestricted	\$ 33,733.90
Released from Restriction	\$ 19,065.49
Rental Income	\$ (25,712.16)
Investments	\$ (4,935.13)
Other Income	\$ (978.38)
Total Revenue Variance	\$ 21,083.92

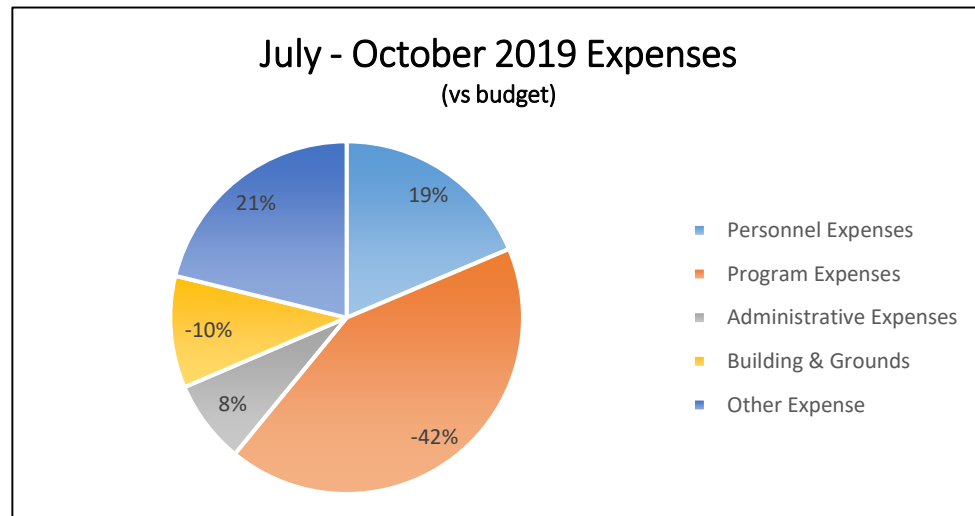


Expense Summary

Personnel Expenses	\$ 10,939.05
Program Expenses	\$ (24,832.94)
Administrative Expenses	\$ 4,472.92
Building & Grounds	\$ (6,024.29)
Other Expense	\$ 12,435.81
Total Expense Variance	\$ (3,009.45)

Variance

Personnel Expenses	\$ 10,939.05
Program Expenses	\$ (24,832.94)
Administrative Expenses	\$ 4,472.92
Building & Grounds	\$ (6,024.29)
Other Expense	\$ 12,435.81
Total Expense Variance	\$ (3,009.45)



Net Total

\$ 18,074.47

First Universalist Church of Minneapolis
Analysis of Revenues & Expenses
July to October 2019

Headings and Account	Actual	Budget	Variance
Revenue			
Support			
Annual Giving	\$ 349,938.80	\$ 350,028.60	\$ (89.80)
Contributions Unrestricted	\$ 71,344.32	\$ 37,610.42	\$ 33,733.90
Released from Restriction	\$ 26,065.49	\$ 7,000.00	\$ 19,065.49
Support	\$ 447,348.61	\$ 394,639.02	\$ 52,709.59
Earned Revenue			
Rental Income	\$ 20,854.52	\$ 46,566.68	\$ (25,712.16)
Investments	\$ 1,148.19	\$ 6,083.32	\$ (4,935.13)
Other Income	\$ 331.54	\$ 1,309.92	\$ (978.38)
Earned Revenue	\$ 22,334.25	\$ 53,959.92	\$ (31,625.67)
Revenue	\$ 469,682.86	\$ 448,598.94	\$ 21,083.92
Expenses			
Personnel Expenses	\$ 370,986.53	\$ 381,925.58	\$ 10,939.05
Program Expenses	\$ 48,302.68	\$ 23,469.74	\$ (24,832.94)
Administrative Expenses	\$ 22,010.40	\$ 26,483.32	\$ 4,472.92
Building & Grounds	\$ 40,234.84	\$ 34,210.55	\$ (6,024.29)
Other Expense	\$ 24,150.23	\$ 36,586.04	\$ 12,435.81
Expenses	\$ 505,684.68	\$ 502,675.23	\$ (3,009.45)
Net Total	\$ (36,001.82)	\$ (54,076.29)	\$ 18,074.47

CHANGE TEAM MEETING

December 5, 2019

6:30-8:30

Present: Richard Spratt, Kayci Rush, Sarah Hedge, Karin Wille, Jen Crow, Justin Schroeder
Absent: Ben Miles

Richard opened the meeting with a reading by Joseph Cherry and reviewed the agenda.

The first item was the Marnita's Table type meal being planned for the CT and POCI, which Sarah and Kayci have been working on. Sarah reported that she and Kayci haven't talked since Sarah reported on their meeting with Ruth and Lauren at the Nov. meeting. As Sarah reported in November, this a huge undertaking. Kayci noted that the prior Marnita's Table meal at church had significant staff involvement and that this is too big a project for the CT to take on.

Jen noted that Lauren, Ruth and others are planning more MTs dinners and perhaps the CT can piggyback off of their plans. Kayci asked whether building relationships with POCI is an appropriate role for the CT, or whether it is the Board that should be doing this. Others felt the work of the team is just getting started.

Justin stated that he feels we have a plan in terms of building relationships with POCI. He noted we've met with Karen and will be meeting with Arif on Dec.15, and that the CT, POCI Caucus, RJET and Board are meeting together on Dec. 19 to review Visionary Goal 3. Richard feels the meeting outcomes need to be captured in writing; he will talk with Bryana about that.

After those meetings, the CT can reflect on all its heard in those conversations and make recommendations to the Board. Sarah observed that we can decide whether we need a meal/more opportunity to build relationships with POCI after the 2 upcoming December meetings, and that the CT might get real clarity from reflecting, at its meeting in January, on everything we'd heard.

Kayci stated that the CT needs to be about building capacity in the Board and the institution and that it's not an end in itself, which all members agreed with. Jen noted she was also hearing that the CT can and should act as a check on the Board to help stay our racial justice course.

Richard expressed that he and other POC are looking for a plan of specific steps as to how the congregation will achieve its racial justice goals. Jen and Justin noted that their annual work plan contains those steps and that the plan is reviewed by the Board. Richard would like to see the plan reviewed more frequently, which is something that could be discussed with the Board.

Karin noted that Bryana had emailed with she and Richard, as co-chairs of the CT, about the recruitment process, composition and terms for the CT. Bryana suggested the that CT make a recommendation to the Board in January about these issues. Justin suggested 3 Board members, 3 non-Board members and the senior co-ministers, with staggered 3 year terms. Richard expressed a preference for 2 Board members to encourage greater participation. Since the current CT all started at the same time, obviously not everyone can go off at the same time.

Jen suggested using the guidelines used by some Marnita's Table dinners of 51% POCI and 30% youth. There was general agreement that the chair should be a Board member; a non-Board member co-chair and a chair-elect were both considered but no decision was reached.

Richard expressed concern that Jen and Justin were present when Rev. Karen spoke with the CT, notwithstanding that the CT had discussed how to proceed and concluded that they would leave the decision to Karen as to whether they would be present.

Jen and Justin will talk with Arif about the power dynamic prior to the meeting. Richard will clarify, at the meeting, the reason the CT wanted to hear from he and Karen and will ask permission to take notes to be shared with the CT only.