

First Universalist Church Board of Trustees
January 16, 2020
Board Packet

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First Universalist Church of Minneapolis

Board Retreat

*Thursday, January 26, 2020, **5:30 - 9:00pm**¹

Location: **Roat Osha** 3001 Hennepin Ave S, Minneapolis, MN 55408

Facilitator: Bryana, *Volunteers needed for Timekeeper and Process Observer*

Getting settled and Ordering Meal (5:30)

I. Call to Order and Agenda Approval (5:45)

- Grounding-in: 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.
- Group Agreements (see Board Packet)

II. Consent Agenda (5:50)

- **Approval** of December meeting minutes
- **Monitoring**: Acceptance of attendance and membership numbers
- **Monitoring**: Acceptance of staff and significant volunteer changes
- **Monitoring**: Staff and volunteer changes
- **Monitoring**: Staff salary ranges review
- **Monitoring**: Financial obligations of deferred, long term comp and benefits

III. Breaking Bread (5:50 - 6:20)

Eating and connecting

Conversation and Questions for Jen

IV. Leading in Liminal Times (6:30 – 8:00)

- A. **Shared work**: Mission, Vision, & Process
 - a. Our individual and collective gifts
 - b. Reflecting on December RJ meeting and building trust
- B. **Shared work**: Practicalities
 - a. Staffing plans
 - b. Basic Operating Budget Assumptions
 - c. Board Presence in Social Hall

V. Financial Report (8:00 - 8:30)

- **Inform**: Monthly review
- **Approval**: Capital Campaign Spending Decisions

¹ Note change in meeting time and location

VI. Updates: (8:30 - 9:00)

- A. **Inform:** Senior Minister's Report
- B. **Inform:** Building Update
- C. **Shared work:** Healthy Congregation
- D. **Shared work:** Nominating Committee

First Universalist's Mission

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

First Universalist's Visionary Goals

1. 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.
2. First Universalist is a multi-generational congregation where we connect to ageless wisdom, our ever-evolving religious tradition, listen for the call of love, and build meaningful relationships and community.
3. 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.
4. First Universalist is a faith community that acts with humility, bravery, and compassion to create a racially just and sustainable world.

GPH Board Responsibilities

The Board has the ultimate fiduciary and policy-making authority for the Church with the exception of calling ministers and approving the annual budget, which are reserved to the congregation.

It is the Board's responsibility to articulate and develop the visionary goals statements, and to develop policies and practices that ensure accountability in achieving those ends

Group Agreements

1. **Listen actively** -- respect others when they are talking.
2. **Speak from your own experience instead of generalizing** ("I" instead of "they," "we," and "you").
3. **Do not be afraid to respectfully challenge one another** by asking questions, but refrain from personal attacks -- focus on ideas.
4. **Participate to the fullest of your ability** -- community growth depends on the inclusion of every individual voice. For White participants and others with privilege, check in with yourself to make sure your silence is not perpetuating the status quo
5. **Share the air** - Notice if your voice is dominating the space, if so, talk less and encourage hearing from other voices, particularly those from more marginalized communities
6. **Instead of invalidating** somebody else's story with your own spin on her, their, and/or his experience, share your own story and experience.
7. Seek to **achieve resolution through deeper understanding** of each other's position -- try to move forward and walk out of the room being able to speak in one voice as a Board.
8. **Be conscious of body language and nonverbal responses** -- they can be as disrespectful as words
9. **Confidentiality** -- maintain appropriate confidentiality, respecting individual privacy and positions and comments on issues

I. Monitoring Items

A. Staff and Volunteer Changes

There have been no significant staff or volunteer changes.

B. Review Physical Plant for Capital Improvements

The review of our physical plant is a continuous part of our planning for building renovations, and a significant portion of our capital spending will go toward critical building repairs.

C. Treatment of Staff - Salary ranges aligned to market and job descriptions

For the 2019-2020 church year, the majority of staff positions are being paid within the market range established by either the UUA recommendations or by the MN Council of Nonprofits Salary and Benefits Study from 2018.

For the 2020-21 church year, there are new salary recommendations from the UUA that are significantly higher, and we've taken the MN Council of Nonprofits Salary and Benefits Study from 2018 and increased the ranges by 4% to account for inflation/cost of living increases. With these new salary ranges, we anticipate that many of our staff positions will be paid significantly below their appropriate salary range unless major adjustments are made for the 2020-21 budget.

D. Financial Obligations - Deferred, Long Term Compensation and Benefits

In December of 2018, Rev. Crow reviewed our salary and benefits package with UUA Compensation and Practices Manager, Jan Gartner. She noted several places where our practices at First Universalist were not consistent with UUA recommendations, and the majority of these discrepancies were addressed immediately. Remaining discrepancies between UUA recommendations and our practice at First Universalist include:

- The UUA guideline for health insurance premiums is that the congregation should pay 80% of the employee's premium plus 50% of the additional cost of dependents for all full-time employees, and pro-rate for part-time employees, beginning at 750 hrs/year. Currently we pay 100% of the employee's premium, 0% for additional dependents, and pro-rate premiums and allow access to our plan only for employees who work 30hrs per week or more year-round. The majority of congregations pay at least 70% of the employee premium and meet the 50% guideline for additional dependents. This is an area of possible for improvement for us.
- New salary recommendations are available from the UUA here:
https://www.uua.org/sites/live-new.uua.org/files/salary_recs_20-21_geo4.pdf

II. Financial Condition

A. Operating Budget November 2019

Summary

We are in a strong financial position with our operating budget as of the end of November 2019. Income is coming in higher than expected in many areas, and expenses are tracking largely on target. We show a surplus of \$17,000 at the end of November 2019. In comparison, at the end of November 2018 we were running a \$118,000 deficit.

Income

- **Annual Giving** - Annual Gifts are currently \$58,000 ahead of budget at this point in the year.
- **Contributions Unrestricted**
 - Unrestricted gifts are over \$54,000 ahead of budget.
 - Close the Gap generated \$41,750 in revenue, surpassing fundraiser budget line by \$26,750.
 - Youth Groups generated \$32,000 (\$23,000 over budget) which is a no net impact revenue line.
- **Rental Income** - At the end of November, Southside was 4 months behind in rent. Makeup payment hits the books in December to make them current through November. December will be deposited in January.

Expenses

- **Program expenses** - Youth Groups generated \$32,000 in expenses which has no net impact. \$23,000 over budget.
- **Administrative expenses** - Currently ahead of our anticipated budget in Consultants, Postage and Printing. I expect we will fully use, but not exceed these line items by the end of the year.
- **Other** - Dues will hit the books in December. Currently showing a \$17,000 positive variance.

B. Capital Budget, November 2019

We currently have \$4.6 million dollars in anticipated capital campaign gifts. \$2.8 million of those gifts have been received, and \$1.8 million of those gifts remain outstanding. Roughly \$1 million has been spent so far to retire the mortgage, pay consulting fees, and for tuckpointing of the sanctuary roof.

III. Informational Updates

A. Ministerial Intern

I'm excited to say it looks like we will have a ministerial intern next year! Barrington Walker is a recent graduate of Starr King School for the Ministry. Both Karen and Arif have met him and are excited about him joining our team - and Karen and I had the chance to talk with him by Zoom yesterday. He has fulfilled all of his requirements for ministry aside from his internship, and he comes to us highly recommended by several people I trust (Sophia Betancort and Mykal Slack). He is relatively new to Unitarian Universalism and he is excited to learn in a large church. He brings a commitment to holistic health, artistry and creativity, and a passion for collective liberation. We've invited him to join us for an affirmation weekend - a chance to meet the intern committee and any available staff in person, and to be introduced to the congregation - next weekend - 1/17-20.

- B. Building Renovation Plans - Read Rev. Jen's recent Liberal article here:**
<https://conta.cc/35BINmk>
- C. Moving the State of the Church Meeting**
- D. Rev. Hutt moving up to 20/hrs week starting in May and going through August to cover pastoral care needs.**
- E. Additional Capital Campaign fundraising - would like to do a small amount of additional fundraising this spring, targeting specific items from our want list: solar panels, playground, new piano, sanctuary living space**

First Universalist Church of Minneapolis

Special Racial Justice Board Meeting

Minutes

December 19, 2019

I. Participants

Board members, along with the 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 Mandami and Laura Johansson.

II. Reflection on our Third Visionary Goal

The facilitators led the group gathered through a reflection of our past journey of racial justice work and an initial consideration of our Third Visionary Goal: *“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.”*

No formal minutes were taken during this evening. Facilitators may share compilation later as appropriate.

III. Additional Church Business

Several items were taken care of this month via email and electronic voting:

A. Flannery Construction Approval

On December 11, Board Chair Bryana French sent an email to all Board members asking for review and approval to enter into a contract with Flannery Construction as recommended by the Building Team. The Building Team used the vendor policy to analyze the potential bids and selected Flannery Construction.

Established in 1980, Flannery Construction is a woman-owned and operated general contracting firm. Flannery Construction has extensive experience with both historic and non-historic renovation projects. They are familiar with best practices and building nuances and understand fully how building systems operate. A team approach is their preferred working method and we are successful in developing diverse and inclusive subcontractor and labor teams. Their field staff is 11% women and 31% minority, these numbers reflect their commitment to diversity and inclusion.

Board members Anders, Siegesmund, Cooperstein, Moriarty, Miles, Spratt and French voted yes and on December 13, 2019 Board Chair French informed Reverend Crow to move forward with the contract.

B. Housing Allowance Approval

On December 18, 2019, Board Chair Bryana French sent an email to all Board members asking for approval for the ministers 2020 housing allowances as follows:

- Rev. Jen Crow: \$38,000
- Rev. Justin Schroeder: \$35,000
- Rev. Ruth MacKenzie: \$22,000
- Rev. Karen Hutt: \$3,425

The housing allowance is part of the ministers' overall compensation and is an amount of their salary that they can allocate to pay for housing, which reduces their overall taxes. Clergy are allowed to set aside a portion of their income as housing allowance, and then that housing allowance is subject only to self-employment tax. It's a savings for them, and comes at no cost or liability to the church. For more information see: <https://www.irs.gov/faqs/interest-dividends-other-types-of-income/ministers-compensation-housing-allowance/ministers-compensation-housing-allowance>

Board members Cooperstein, Moriarty, Spratt, Anders, Siegesmund, Woodson, Miles, Ambrus and French voted yes. On December 23, Chair French approved the Housing Allowances.

C. Architect Contract

On December 30, Board Chair Bryana French sent an email to all Board members asking for review and approval on entering into a contract with Miller Dunwiddee for architect's services related to the building project for \$141,500. A pdf of the contract was shared with all Board members. The renovations will include the sanctuary, education wing, administration area, chalice room, restrooms and entry spaces. Architectural and interior design services will be based on the general outline noted in Schematic Design Narrative dated July 2, 2018 with reductions in

scope to achieve the reduced construction budget of \$2,400,000 (total budget inclusive of soft costs in \$3,000,000).

Board members Anders, Ambrus, Siegesmund, Miles, Moriarty and Woodson voted to approve the contract and on January 6, Vice Chair Siegesmund told Rev. Crow to move forward with the contract.

December 2019 Attendance										
				2019					2018	
Adults	9:30	10:00	11:15			9:30	10:00	11:15		
1st week	209		136	345		235		280	515	**
2nd week	240		250	490		302		228	530	
3rd week	294		299	593		390		480	870	
4th week	238		127	365	*	134		113	245	
5th week		177			**		275		275	
Christmas Eve				214					190	
Monthly Total	981	177	812	1790		1061	275	1101	2435	
Average for December	245	177	203	493		265	275	275	609	
RE										
1st week	18		12	30		213		161	374	
2nd week	177		180	357		203		154	357	
3rd week	135		151	286		186		134	320	
4th week		0*		0*		0	0*	0	0*	
5th week		12		12		5		0	5	
Monthly Total	330	12	343	685		607	0	449	1056	
Average for December	110		114	171		202		150	264	
Combined Average	355	189	317	664		556	137.5	517	751	

*Dec. 22 service, no RE or childcare

**Dec. 29 -1 Multigen service - no RE, childcare nursery-Preschool only

** 1st week - 3 in. of snow Saturday night

*Dec. 30 service, NYE, Multigen service

*Dec. 24 service, no RE or childcare childcare nursery-Preschool only

**2019 Statistical Report
December 2019
Board Meeting January 16, 2020**

MEMORIAL SERVICES: 1- Nancy Atchison 12/1/19

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: 1064

To be added: 0

To be removed : 0

TOTAL MEMBERS: 1064

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

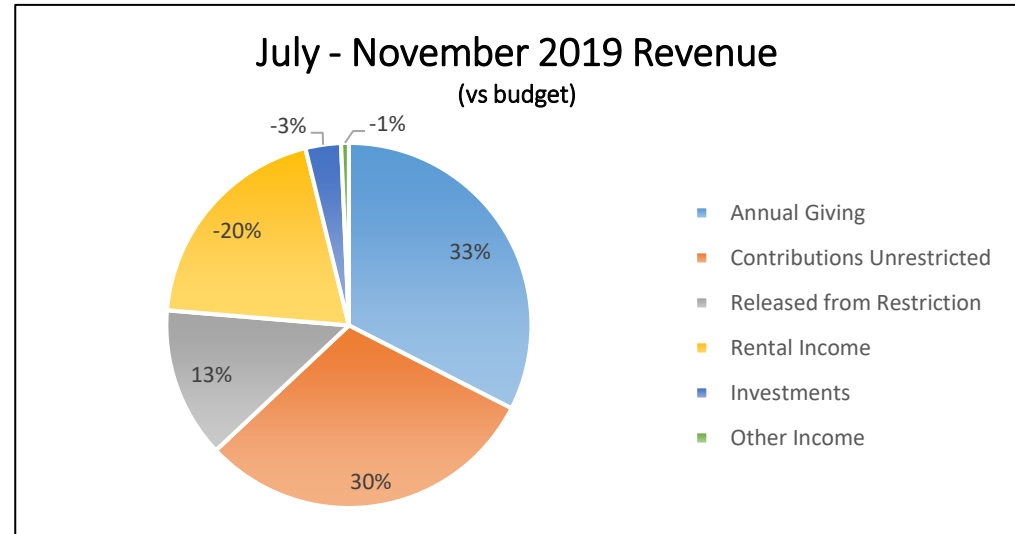
Headings and Account	Actual	Budget	Variance
Revenue			
Support			
Annual Giving	\$ 482,666.28	\$ 424,330.72	\$ 58,335.56
Contributions Unrestricted	\$ 112,989.68	\$ 58,265.03	\$ 54,724.65
Released from Restriction	\$ 32,669.99	\$ 8,750.00	\$ 23,919.99
Support	\$ 628,325.95	\$ 491,345.75	\$ 136,980.20
Earned Revenue			
Rental Income	\$ 22,600.33	\$ 58,208.35	\$ (35,608.02)
Investments	\$ 1,962.54	\$ 7,604.15	\$ (5,641.61)
Other Income	\$ 532.54	\$ 1,772.91	\$ (1,240.37)
Earned Revenue	\$ 25,095.41	\$ 67,585.41	\$ (42,490.00)
Revenue	\$ 653,421.36	\$ 558,931.16	\$ 94,490.20
Expenses			
Personnel Expenses	\$ 476,709.40	\$ 477,564.37	\$ 854.97
Program Expenses	\$ 55,155.99	\$ 31,158.42	\$ (23,997.57)
Administrative Expenses	\$ 27,806.26	\$ 33,223.97	\$ 5,417.71
Building & Grounds	\$ 48,341.35	\$ 52,091.18	\$ 3,749.83
Other Expense	\$ 27,990.41	\$ 45,732.55	\$ 17,742.14
Expenses	\$ 636,003.41	\$ 639,770.49	\$ 3,767.08
Net Total	\$ 17,417.95	\$ (80,839.33)	\$ 98,257.28

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

Revenue Summary

Annual Giving	\$ 58,335.56
Contributions Unrestricted	\$ 54,724.65
Released from Restriction	\$ 23,919.99
Rental Income	\$(35,608.02)
Investments	\$ (5,641.61)
Other Income	\$ (1,240.37)
Total Revenue Variance	\$ 94,490.20

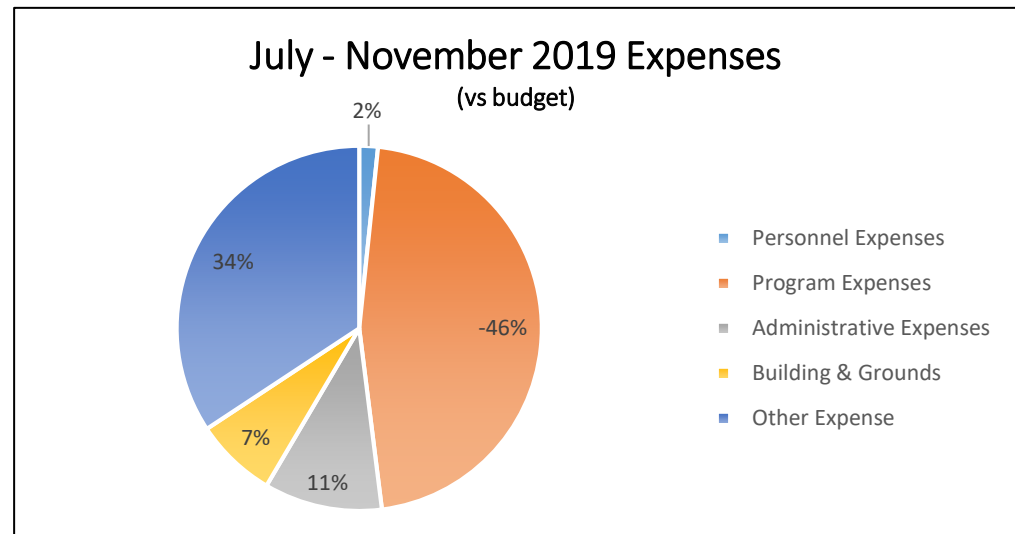
Variance



Expense Summary

Personnel Expenses	\$ 854.97
Program Expenses	\$(23,997.57)
Administrative Expenses	\$ 5,417.71
Building & Grounds	\$ 3,749.83
Other Expense	\$ 17,742.14
Total Expense Variance	\$ 3,767.08

Variance



Net Total **\$ 98,257.28**

First Universalist Church of Minneapolis
Balance Sheet
November 2019

Headings and Account	Current Balance (This Year)	Change in Balance
Assets		
Current Assets		
Cash & Cash Equivalents		
Cash	\$ 659,980.03	\$ 188,966.91
Total Cash & Cash Equivalents	\$ 659,980.03	\$ 188,966.91
Investments		
Schwab - Church Operating	\$ 821,789.97	\$ 20,792.78
Schwab - Church Reserve	\$ 353,065.65	\$ 5,271.94
Schwab - Don Carter & Mary Carter	\$ 85,004.14	\$ 1,686.18
Schwab - Legacy Fund	\$ 893,711.57	\$ 16,118.34
Schwab - Temporarily Restricted	\$ 131,827.67	\$ 2,655.06
Thrivent Mutual Funds	\$ 22,452.26	\$ -
Total Investments	\$ 2,307,851.26	\$ 46,524.30
Cash & Cash Equiv - Foundation		
Sunrise Bank - Foundation	\$ 11,275.50	\$ -
Total Cash & Cash Equiv - Foundation	\$ 11,275.50	\$ -
Investments - Foundation		
Schwab - Foundation	\$ 1,657,199.53	\$ 31,160.13
Total Investments - Foundation	\$ 1,657,199.53	\$ 31,160.13
Total Current Assets	\$ 4,636,306.32	\$ 266,651.34
Other Current Assets		
Other Current Assets		\$ -
Prepaid Expenses	\$ 1,545.00	\$ -
Prepaid Medical Insurance	\$ 7,167.64	\$ (603.30)
Total Other Current Assets	\$ 8,712.64	\$ (603.30)
Total Other Current Assets	\$ 8,712.64	\$ (603.30)
Fixed Assets		
Fixed Assets		
Accumulated Depreciation	\$ (2,438,538.30)	\$ -
Fixed Assets	\$ 4,182,876.63	\$ 2,210.00
Total Fixed Assets	\$ 1,744,338.33	\$ 2,210.00
Total Fixed Assets	\$ 1,744,338.33	\$ 2,210.00
Total Assets	\$ 6,389,357.29	\$ 268,258.04

Liabilities & Equity			
Current Liabilities			
Accounts Payable			
Accounts Payable	\$ 41,691.18		\$ 15,883.75
Total Accounts Payable	\$ 41,691.18		\$ 15,883.75
Total Current Liabilities		\$ 41,691.18	\$ 15,883.75
Other Current Liabilities			
Benefits Payable	\$ 695.55		\$ 601.49
Accrued Expenses	\$ 15,159.14		\$ (1,490.33)
Deferred Revenue	\$ 21,601.76		\$ 6,032.08
Misc Other Liabilities	\$ 13,000.00		\$ -
Total Other Current Liabilities	\$ 50,456.45		\$ 5,143.24
Total Other Current Liabilities		\$ 50,456.45	\$ 5,143.24
Total Liabilities & Equity		\$ 92,147.63	\$ 21,026.99
Fund Principal and Excess Cash Received			
Fund Principal			
Undesignated Net Assets/Equity			
Church Equity	\$ 1,381,287.31		\$ (153,814.49)
Total Undesignated Net Assets/Equity	\$ 1,381,287.31		\$ (153,814.49)
Board Restricted Net Assets			
Contingency Reserve	\$ 271,109.21		\$ -
Legacy Fund	\$ 874,841.65		\$ 12,733.49
Memorials	\$ 6,881.88		\$ -
Total Board Restricted Net Assets	\$ 1,152,832.74		\$ 12,733.49
Temp Restricted Net Assets			
Capital Campaign Fund	\$ 1,509,422.91		\$ 132,473.80
Cummins Ministerial Fund	\$ 232,888.95		\$ 3,384.85
Foundation	\$ 1,584,860.25		\$ -
Miscellaneous Funds	\$ 8,766.08		\$ 5,182.35
Total Temp Restricted Net Assets	\$ 3,335,938.19		\$ 141,041.00
Permanently Restricted			
Don Carter Endowment	\$ 49,163.26		\$ -
M E Carter Endowment	\$ 13,765.32		\$ -
Total Permanently Restricted	\$ 62,928.58		\$ -
Total Fund Principal	\$ 5,932,986.82		\$ (40.00)
Excess Cash Received			
Excess Cash Received	\$ 364,222.84		\$ 247,271.05
Total Excess Cash Received	\$ 364,222.84		\$ 247,271.05
Total Fund Principal and Excess Cash Received		\$ 6,297,209.66	\$ 247,231.05
Total Liabilities & Equity, Fund Principal, & Restricted Funds		\$ 6,389,357.29	\$ 268,258.04

Capital Campaign Budget Breakdown (As of 11/31/2019)

Division	Budget	Actual	Variance
Revenue			
Donations	\$ 4,664,680.59	\$ 2,806,272.74	\$ 1,858,407.85
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	\$ 4,369,680.59	\$ 2,514,553.65	\$ 1,855,126.94
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	\$ 3,364,549.85	\$ 1,509,422.91	\$ 1,855,126.94