

First Unitarian Universalist Society of San Francisco
Regular Board Meeting
November 17, 2009

Present

Board Members

Matt Fuller, Moderator
Claire Weber, Vice Moderator
Thad Smith, Treasurer
Jane Park, Secretary
Ben Bear
Laura Gilmore
Stephen Schwichow
Judith Stoddard
Don Williams
Bill Wise

Staff

Rev. Greg Stewart, Senior Minister
Nancy Evans, Executive Director
Joel Gilbertson-White, Ministerial Intern
Denis Paul, Affiliated Community Minister

Guests

Lop Hau, Lautze and Lautze

Call to order. The meeting was called to order by Moderator Matt Fuller at 7:00 pm.

Opening. Bill read from Harry Scholefield

Agenda review. There were no changes to the agenda.

Presentation from Lautze & Lautze of Fiscal Year 08-09 Financial Review

Thad introduced Lop Hau, who has worked with the Society for four years, conducting audits and financial reviews. Lop presented the Financial Review for the church ended June 30, discussing the Society's financial position, relevant regulatory changes, and his recommendations. Overall, the Review showed positive results. The Society has good control of expenses, resulting in fairly predictable expenses from year to year. Lop recommends that the Society improve its tracking of unrealized gains and losses of invested funds. New regulations require that, if accumulated unrealized losses exceed the actual fund value, the loss must be posted against unrestricted funds. This lowers the net total for the unrestricted balance. This may have implications for the resolution passed by the congregation last May. That resolution suspended the "1/3-1/3-1/3" endowment allocation provision under the bylaws until the Society has "six months operating reserves." The Finance Committee will consider how to determine the six-month figure given the Society's significant unrealized losses. Lop also recommends that the Society consider appraising more valuable gifts.

Lop explained the difference between an audit and a financial review. The latter involves less investigation and results in a "negative statement" to the effect of "we are not aware of anything that needs changing." An audit involves much greater examination, including testing for internal controls, checking bank statements against internal statements, and results in a positive statement from that auditor that "we are sure this is the case." Lop believes a financial review, which generally costs 60% the costs of an audit, is sufficient for the Society. Lautze and Lautze advises audits in some circumstances, including when organizations have debt (lenders may require an audit); major change in personnel; and major fluctuations in expenditures, with no

obvious explanations, if investment values are not following market fluctuations, or if expenditures are not consistent with previous patters (something we could easily see, as we have consistent expenses). There is no legal requirement that the organization conduct audits, although outside donors often require an audit.

The Board thanked Lop, church staff Nancy and Grace, and Treasurer Thad.

Stephen **moved** that the Board accept review as presented. Ben seconded the motion. The motion was **approved** by a unanimous vote of 9 to 0 with no opposing votes, no abstentions and the moderator not voting.

Consent agenda. The minutes of the October 20, 2009 meeting were accepted with a clarification that it is the responsibility of the entire Board to identify a treasurer for next year.

Policy Review

1. Fundraising Policy Review

Continuing from last month's meeting, the Board reviewed changes to the Fundraising Policy. A few more edits need to be made (changing ET to Senior Executive and police to policy, and a suggestion from Judith). Greg, who as Senior Executive has ultimate responsibility for implementing the policy, had no questions or concerns.

Reports

1. Senior Minister's report. Greg submitted his written report for September.

- a. The Board reviewed Greg's monthly report. Board members reiterated their appreciation of the new format.
- b. Greg discussed next steps for hiring a Beyond Sunday Coordinator. The position has generated interest nationally: Greg has received CVs from Vermont and Florida, and the UUA is getting calls based on the PCD newsletter announcement. He aims to have the BSC start in February; this will be a major focus during his study leave in January. He is likely to hire a minister and does not plan not to hire from within the congregation. Greg described two types of ministerial hires: a regular hire and a "hire to call." With the latter, the Senior Minister hires someone; after two years, the congregation votes on calling the minister. Greg has documentation on this process. The Board agreed to discuss this issue further in December. Board members noted they are hearing questions and expectations about the BSC and emphasized the need for clear communication with the congregation. Greg will try to incorporate this into his newsletter column.
- c. Annual Monitoring of Financial Conditions. Nancy presented this report and took Board members' questions. She noted that our insurance is very comprehensive and covers many situations.

2. Executive Director's report.

The Board reviewed Nancy's monthly report and the first quarter financials. Overall, the good news in this difficult economy is that there is nothing remarkable in the first quarter: income and expenses are both just under 25%, with members keeping up with pledges. Personnel is under 25% because staff raises have not been implemented and there are no BSC expenses yet. Building income has consistently increased about 10% a year, even as some income has been

reclassified from rentals to HELP. To meet this year's rental income goals, the staff might expand the wedding coordinator's marketing work. It was agreed that Line 3102 best represents figure for the "six month operating reserve," that was the focus of the resolution passed in May. As noted earlier, the Board needs to clarify whether to subtract unrealized losses from our "underwater" endowments from that figure.

3. Moderator's report

The Board appreciates receiving this report.

Old Business

1. California Pacific Medical Center (CPMC) update

Bill discussed his report sent to the Board via email. Among other things, the report noted that construction couldn't begin until the Environmental Impact Report is approved by the city, which is unlikely to happen before September 2010. The CPMC Committee believes we should keep \$5,000 allocated for attorney fees. The church has no official position on the new hospital. The committee's focus has been to minimize the impact of the construction on us. CPMC would like the church to endorse the hospital. The Cathedral Hill Neighborhood Association is against the plan; they would like to relocate the expansion, which Bill thinks is unlikely to happen; or they may advocate for a smaller size, an option for which there may be support from some city supervisors. The congregation may wish to consider the proposed hospital's impact on access to health care, given the consequent reduction of services at St. Luke's, which serves poorer neighborhoods in the Mission (also the neighborhood with the largest number of church members, according to zip code analysis.) There was agreement that the Board should discuss an official church position at a future time.

2. Annual Budget Drive/Beyond Sunday Challenge Update

Matt thanked the Board, noting that our calls to large donors and the larger congregation, made the difference. He distributed certificates of appreciation to each Board member.

3. Ordination Requests

Matt updated the Board on communication with Jeremy Nickel and Michael Walker. He asked Jeremy for a budget and plan and hasn't received a response; he plans to speak with Michael this week.

4. Privacy Policy

The Board considered a revised privacy policy, included in the packet as a letter to members. The church currently uses members' personal contact information to: (a) update members about the church and its activities; (b) list their contact information in the directory; and (c) share information with other non-profit organizations whose mission and purpose align closely with our own (e.g., Up On Top and the Faithful Fools.) The policy would allow members to opt out of "b" and "c".

Don **moved** approval of the policy; Claire seconded the motion.

The motion was **approved** by a unanimous vote of 9 to 0 with no opposing votes, no abstentions and the moderator not voting.

Committee Update & Reports

1. The Lay Leadership Development team

Laura reported that the committee has met and discussed the “missing middle.” Matt has prepared draft for the group to review, which will eventually be brought before the Board and presented to the Council of Committee Chairs at its January meeting. We hope this might be in place by the end of church year.

2. Culture of Generosity team’s meeting.

Judith reported that the Committee is well ahead on its tasks for the year, with leaders for the Annual Budget Drive (ABD) and Silent Auction already identified. At their last meeting, the group discussed “culture of generosity” broadly. They explored the idea that the church is already generous and how we might focus on this theme during the Sunday service; one idea is to have reflections/credos on “how this place helps me be generous”, rather than “why I give.” ABD co-chairs Shirley Gibson and Ron Weber have asked the Board for direction as to why we should ask for financial support; they aim to discuss specific goals, rather and go beyond slogans. Claire will send an email to Board relaying the co-chairs’ request more specifically.

3. Town Hall Review & Update

Jane will lead the next Town Hall about the Building, to be scheduled in January. The Board reviewed the tentative outline in the packet.

4. Finance

The Finance Committee met and discussed first quarter financials and financial review

New Business

1. Emerita Status of Kay Jorgenson

The Board considered the following resolution, printed in the packet:

Whereas, the Rev. Dr. Kay Jorgensen served as Social Justice Minister of the First Unitarian Universalist Society of San Francisco from 2002 - 2007, and;

Whereas, Kay Jorgensen has retired from the ministry, and;

Whereas, the First Unitarian Universalist Society of San Francisco was the last congregation where Kay Jorgensen was an active minister, and;

Whereas, we wish to recognize her trailblazing work throughout the Unitarian Universalist Association on community ministry, the significant contributions she made to The Society and our surrounding neighborhood with both The Faithful Fools and Up On Top social justice ministries, and her life-long service to the principles and purposes of Unitarian Universalism, and;

Whereas, Kay Jorgensen has made no request to the Board of Trustees for any honorific title, yet there are many within our congregation who hold her Ministry with high esteem and deep affection;

Therefore:

The Board of Trustees bestows the title of “Minister Emerita” upon Kay Jorgensen.

Stephen **moved** approval of the motion. Ben seconded the motion.

The motion was **approved** by a unanimous vote of 10 to 0 with no opposing votes, and no abstentions.

Stephen will provide guidance to anyone willing to organize the reception; Matt will find volunteers. Matt and Stephen will examine whether funds leftover from Margot reception could be used for a reception for Kay.

2. Motion regarding implementation of FY 09-10 Budget

The Board considered the following **motion**, included in the packet, continuing its discussion from last month.

Following the successful annual budget drive for fiscal year 2009-2010, the Board of Trustees of the First Unitarian Universalist Society of San Francisco directs the Senior Executive, or his designee, to implement the 2009-2010 budget approved by the congregation. To ensure continued fiscal stability, the Board further directs the Senior Executive, or his designee, to postpone all capital expenditures greater than \$10,000 that are not directly related to the preservation or maintenance of the physical plant of the church and center. The Board further directs that monies designated for the forum coordinator should not be spent at this time.

In a short discussion, the Board discussed reasons for supporting this resolution. Greg and Nancy confirmed that Forum leaders are not expecting any stipend from the church.

Don **moved** approval of the motion; Stephen seconded the motion.

The motion was **approved** by a unanimous vote of 9 to 0 with no opposing votes, no abstentions and the moderator not voting.

3. Making some money for the Board

The Board discussed various ways it could raise funds to give staff holiday gifts. Matt will arrange something on e-bay.

4. Ministerial Relations Committee member change

The MRC currently consists of Bernice Biggs, Rob Pakenham, David Jones and Linda Enger. Rob has asked to step down. Ian Slattery is willing to serve as his replacement.

Ben **moved** that the Board accept Rob's resignation, and approve Ian Slattery as a member of the MRC, replacing Rob Pakenham. Judith seconded the motion.

The motion was **approved** by a unanimous vote of 9 to 0 with no opposing votes, no abstentions and the moderator not voting.

5. Motion regarding intern for next year

Matt provided background on the current status of the search for next year's intern. According to committee chair Amy Kelly, a position has been posted (half in the church and half at Faithful Fools); no interviews have been scheduled; and the committee is planning on a final decision by the end of January. Thus, this is the time to consider not funding an intern for next year; if such a

decision were postponed until the budget process, the Board would have to rescind an offer to an intern. The Board considered several aspects of whether to have an intern. Greg stated that supervising an intern can take 4-10 hours a week, depending on the intern. The ½-Fools/½ Parish model emerged during the summer, as Greg realized he would need to supervise the BSC and prepare for his sabbatical. Discussion centered on the extent to which our intern program is a church priority and the larger issue how to decide which programs are integral to the church and which are being propped up. The Board might consider suspending the program for one year, given the new BSC and Greg's sabbatical; the Board might also consider having an intern every other year, by having a line item in the budget for half of the intern's stipend every year. The Board agreed to table the item until the December meeting, when it is likely to make a decision.

6. Discussion of current policy of nominating a number of people to a number of slots

Don requested that this item be put on the agenda, because of concerns about the Nominating Committee's recent practice of putting forth a *slate* of Board candidates (i.e., where the number of candidates equals the number of openings) and democratic process. In the ensuing discussion, Board members expressed differing views of what strengthens the democratic process in the church setting. Some focused on elections with more candidates than openings; others put greater emphasis on increased transparency in the processes of elected leaders, including both the Board and the Nominating Committee. Some members felt that the "slate approach" is acceptable as long as the petition process exists; some believe having just one extra person is a scenario to avoid. Some felt having a real choice at the ballot could allow for greater discussion about our collective vision for the church; others felt that could be better accomplished through other means. The Board also discussed the most appropriate way to direct or advise the Nominating Committee, given the bylaws' ambiguity on accountability and the relationship between the Board and Nominating Committee. Matt informed Nominating Committee chair Galen Workman that this would be on agenda. If the Board were to consider this motion, Claire would like to edit the first two lines, which currently could imply that we are not democratic now. A straw poll found three members in favor of the motion, four opposed and two not sure. The Board agreed to table the issue until the December meeting.

7. Request for Nominating Committee to search for a treasurer

Matt reported that efforts to recruit a treasurer have not succeeded to date. The Board agreed the Secretary should communicate to Galen its request that the Nominating Committee identify a treasurer for next year.

Board members briefly discussed Greg's upcoming sabbatical, from March to June 2011. The Board will need to create a "sabbatical committee" to ensure quality worship during this time. The Board may choose to create a select committee that includes Board members, similar to the process used during the period between John Robinson's and Greg's ministries.

Upcoming Events

Upcoming events are listed in the agenda.

Appreciation

Thanks to Stephen Schwichow for the reception for Margot
Thanks to Grace for all her work on the financial review.

Good and welfare.

Kett Zegart will be going into the hospital
Delores Fletcher is back in church.

Closing. Bill read from Harry Scholefield “walk around the lake...”

Adjournment

Matt adjourned the meeting at 10:10.

Respectfully submitted,
Jane Park, Secretary, Board of Trustees