

**Unitarian Universalist Church of Nashua, NH (UUCN)  
Meeting of the Board of Trustees**

Feb 7, 2019

**Final Minutes** by Jodie K. Holway, Clerk of UUCN

**Reviewed by** Carol Houde, Rev. Allison Palm, John Burkitt, Pam Jordan, Steve Hedges

**Meeting Attendees:**

John Burkitt, Steve Hedges, Lindsey Hedrick (Treasurer), Jodie K. Holway (Clerk), Carol Houde (President), Pam Jordan, Rick Spitz, Lindsey Sylvester, Brenna Woods (Vice President), Rev. Allison Palm

Full Agenda: see APPENDIX A

**1. Consent Agenda**

1. **MOTION** to accept January's minutes as amended via email reviews  
**MOVED** by Pam Jordan, **SECONDED** by Rick Spitz, **MOTION CARRIED**

**2. Minister's Report**, Rev. Allison (see APPENDIX B)

1. Rev. Allison has just hired a ministerial intern
  - i. Ben Atherton-Zeman, 1<sup>st</sup> year of theological school, has been a UU for 30 years
  - ii. First career was in Sexual & Domestic Violence prevention
  - iii. He will us visit for services on Feb 24, 2019
  - iv. Will work 20 hours per week starting Aug 15<sup>th</sup> 2019 through June 15, 2021
2. Grateful Gatherings are underway, for this year's stewardship campaign
  - i. Small group gatherings at people's houses seem to be going well
  - ii. Six or seven more are coming up, please attend if invited!
  - iii. Rev. Allison presents a nice brochure that breaks out our spending categories
3. Congregational workshop on Welcome, Inclusion, Trust, Covenant coming Feb. 17
  - i. By C.B. Beale, used to be a Religious Educator, really amazing presentation
  - ii. Please RSVP, and please encourage others to attend!
4. Fellowship hour is going very well with new volunteer system
  - i. Several people who seldom come to services, did come AND ran fellowship!
  - ii. Everyone bonded, listened to services via audio, watched the pulpit
  - iii. Michelle Morrison very kindly came to help them use dishwasher, coffee etc.
  - iv. Not hearing any more negative comments about the fellowship hour
  - v. Even people who said they wouldn't sign up with new system, then they did
5. Rev. Allison's interpretation of Policy E: Financial Planning and Budgeting
  - i. Rev. Allison will collect all agreed-upon interpretations into one Google Doc
  - ii. Requirement for us to have a Multi-Year Plan

1. What is this?
  - a. Really? Neither Rev. Allison nor Board have ever heard of this
  - b. Is it a 20-year property plan? Financial? 5-year strategic plan?
  - c. Probably in the policy because it sounds great, but wasn't done
2. Do we need one? Prioritize this among other things we can plan and do
  - a. Yes, we need a Property plan for 20 years: critically important
  - b. Yes, we plan for and put aside money for financial review/audits
    - i. Have saved \$2K/year for this type of audit every 3 years
  - c. One fund we don't have is a Sabbatical
    - i. Rev. Allison and Sadie Kahn-Greene will have sabbaticals
    - ii. Sherri Woolsey is asking if a sabbatical can be in her contract, which sounds reasonable
    - iii. If we don't plan for it, that year's budget will take the hit
  - d. Do we need a financial plan to increase staff salaries?
    - i. These are finally within decent levels
    - ii. Could increase but not in dire need of adjustment
    - iii. So doesn't need a specific multi-year savings plan
  - e. Conclusion: The main value is just to make us think about projects whose expenses and time cycles aren't predictable
  - f. Rev. Allison will now write an interpretation, Board can respond
- iii. Revisions proposed to tangled parts of this policy
  1. The Executive Director shall not (part 2) cause or allow financial planning to (part i) *"contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions..."*
    - a. Sentence construction is confusing, non-parallel, a mess
    - b. Yes we agree that the Board would want to know what planning assumptions Rev. Allison is making
    - c. **ACTION:** Lindsey Hedrick will come back with better rewording, after talking with Auditor
  2. The Executive Director shall not (part 2) cause or allow financial planning to (part iii) *"does not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over \$5,000 each..."*
    - a. To date we have never broken out Capital expenses
    - b. **ACTION:** Lindsey Hedrick will ask the Audit firm
    - c. They seemed to think \$20,000. would be a good threshold
6. Currently UUCN has 50 people considering membership
  - i. Now that we have Breeze database, we can tag people as considering joining

1. Some are new; other have been coming for two or three years
2. Some have even signed themselves up to help in a Fellowship Hour!
- ii. All of these 50 will get personal emails from Rev. Allison to touch base
7. Dignity USA is a new group that meets here: a Catholic LGBTQ group
  - i. They hold services on Sundays at 1 pm monthly
  - ii. Instead of traveling to Dignity Boston, new group formed here in NH
3. **Unity Consulting's Nested Bowls retreat**, Carol Houde
  1. Final details for retreat tomorrow and Saturday
  2. Carol signed up final food volunteers; everyone bring their own beverages
  3. We should do something special to thank the people whose house this is
4. **New Minister Evaluation**, Rick Spitz from Monitoring subgroup  
(Rev. Allison left the room for this section)
  1. Sufficient responses received, providing a wealth of data
    - i. 18 respondents, some teams had 1 or 2 respondents
    - ii. Rick has posted all data and some light analysis of numbers per category
      1. Showed the range of responses: lowest grade and highest grade
      2. Tally of how many abstentions per category
      3. Note some areas with lots of abstentions means the topic was not well-understood – what to do about this in future?
    - iii. Rick will make another pass at analyzing to find trends, before next meeting
    - iv. Comments collected into 17 pages, this is a decent and readable amount
  2. How to interpret and move forward with this input?
    - i. Let's put aside answers with high abstention rates, since it's much less valid
    - ii. Let's consider the consistent ratings to be solid guides: this means those questions where most of the answers are clustered in a tight range
    - iii. Last year it was very valuable for the whole Board to discuss together
      1. Crafted our overall summary of each area from all the input
      2. Haven't done this yet this year, we should do it with all these responses
      3. More than just the Monitoring subgroup, this should be full Board
  3. What will the finished product look like?
    - i. This format didn't show Board's relative weights or priority among the 9 areas
      1. Our feedback on what's critical, what's important, what's nice-to-have
    - ii. Our final review must summarize each of the 9 areas with guidance
      1. Provide priorities, e.g. here are the areas we want you to work on
      2. Also here are the strengths we see, keep up the good work!
    - iii. We also must provide the data for Rev. Allison to be able to develop her own improvement plans
      1. She knows more about ministerial development than we!

2. She always wants more criticism, to improve herself and continue to challenge and grow, vs. be seen as perfect and thus stagnating
  - iv. Rev. Allison is also working on her own self-review
    1. This will be in a simpler 3-question format
    2. She will deliver her self-evaluation to Board right before March meeting
  - v. **ACTION: Everyone** must read this, to prepare for Board discussion
  - vi. **ACTION: Carol Houde** to schedule a 1-hour meeting, via Doodle poll
    1. Board synthesize to create a 1-paragraph review in each of the 9 areas
    2. Before March's Board meeting where we will work on Salary decisions
5. **Break:** celebration of our minor name change and Valentine's Day, led by Carol Houde
1. UUCN no longer has a hyphen in "Unitarian Universalist Church of Nashua"
  2. Conservation of punctuation: the hyphen turned into a framed picture and cookies!



6. **Faith Formation Wing, Boiler Update**, Carol Houde and Rev. Allison (see Appendix C)
1. **MOTIONS:** On Feb. 4<sup>th</sup> Carol Houde emailed to the board, see full text in Appendix C:
    - i. "Approval to enter into a contract with J. Lawrence Hall to replace our existing boiler with a new high-efficiency unit for a total cost of \$58,660.00...."
    - ii. "Approval to pay J. Lawrence Hall a \$20,531 deposit from the Building Maintenance Fund (current balance = \$34,000) to begin the process of ordering the new boiler..."
    - iii. By email **MOVED** by Brenna Woods, **SECOND** by Rick Spitz, **MOTION CARRIED**
  2. Total cost of the project is \$58,660
    - i. \$20,530 is now paid, to start the work
      1. Carol Houde (president) signed the contract
      2. Lindsey Hedrick (treasurer) has signed the first check

3. The new boiler has been ordered
  - ii. \$12,710 is due immediately upon completion
  - iii. \$12,710 is due two more times in monthly instalments
3. Some of this total is already available to us
  - i. \$34,000 can come from what we've saved in the Building Maintenance Fund
  - ii. \$4,000 will be returned to us in rebates from Liberty Utilities
  - iii. Remaining \$20,6600 is necessary but beyond Rev. Allison's spending authority
4. From where will we fund the remaining \$20,660?
  - i. Option 1: Take from operating reserves in UUCN's checking account
    1. Policy says don't go below two months' operating budget
    2. This prudent guideline could be waived by a Board vote
    3. Doing this will not endanger our ability to pay our bills, and will not cut into other long-term funds we've been saving, nor this year's budget
  - ii. Option 2: Take from Maintenance line in budget
    1. This has the same impact as #1, just a bit more transparent
    2. If we slightly decrease other spending, we might make up some of this
    3. Board would decide now that we're OK to have a \$20,000 shortfall in our budget, we need to overspend this year
    4. We can clearly explain this at Annual Meeting, which helps the congregation to see the need for a Capital Budget
    5. Note this wiped out the Building Maintenance fund we'd been saving
  - iii. Option 3: Make a special draw from our endowment
    1. This could be authorized by Board, doesn't require a congregation vote
    2. We could make a promise to repay this if desired, or not
    3. This option would not be well-received by all in the congregation
  - iv. Option 4: Kick off a special fundraising request to pay for this
    1. A boiler is not an inspiring expense; may or may not inspire donations
    2. Donations we would receive for this might impact the Capital Campaign
  - v. Option 5: Could we get a grant, because we are a historic building?
    1. Quick internet research reveals this possibility
    2. Not sure this could be retroactive, since this is emergency?
    3. May require working with architect, more planning time than we have
5. **MOTIONS** to pay for this boiler replacement project by spending the \$34,000 in the UUCN Building Maintenance Fund and by Option #2 above, putting the rest into the Maintenance budget for 2018-19

**MOVED** by Steve Hedges, **SECONDED** by Rick Spitz, **MOTION CARRIED**

## 7. Delegate Selection Process for General Assembly and Northern New England District

1. NNED will take place on April 6, 2019 in Concord, NH's UU Church
  - i. What is the Northern New England District?
    1. It's a subsection of the UUA which includes Maine, NH, and VT

2. And also a subsection of NE Region along with MA, RI, and most of CT
  - ii. Legally it must meet every year, to qualify as a nonprofit in NH
    1. Main topic to discuss is about dissolution, but not vote on it this year
    2. Another goal of the meeting is to give people exposure to the Region and what it has to offer (as a future replacement to the District)
  - iii. What will occur?
    1. The delegates we'll select from our congregation will meet with others in order to qualify as a nonprofit, and not for much other business
    2. One thing is, they will elect Rev. Allison as her last year as secretary
    3. But delegates will learn a lot about the future of the area
    4. Agenda includes:
      - a. Keynote speaker will be Cary Macdonald, dynamic VP of UUA
      - b. Worship will be led by Jodi Cohen Hayashida, the long-time and beloved minister of the UU church in Auburn, Maine
      - c. Sarah Dan will do worship music, Reggie Harris evening concert
  - iv. Rev. Allison proposes the following delegates so far
    1. Mary Licking
    2. John Sanders
    3. We can send up to six, and we usually do
2. General Assembly will take place June 19, 2019 in Spokane WA
  - i. Brenna Woods is working finding delegates, flights to attend, etc.
  - ii. Delegates proposed
    1. Brenna Woods
    2. Dave Hudson, who was unable to go last year, really wants to go
    3. Lindsey Sylvester
    4. Ellen McCahon – Brenna will reach out in next two weeks
    5. Possibly Grace Morton, who will be 18 at that time, and who will need help with funding as well as parental permission
3. How to get additional delegates, for both events?
  - i. Nominating Committee might propose people
    1. Such as anyone they are considering to invite to join the Board in next one/two years, good experience
  - ii. **ACTION: Everyone** send ideas to Brenna, especially for NNED
    1. Brenna will put into newsletter and video announcements
    2. Unsolicited people may express interest
4. Deadlines to get names and register
  - i. Board needs to approve the slate of delegates
  - ii. NNED deadline is April 1
  - iii. GA registration opens March 1, and housing gets filled up very quickly

**8. Communication Improvements from Board to Congregation (Lindsey S. and Allison)**

1. Last month the UUCN Board discussed taking five minutes in the second service each month, to update congregation on our current business, along with Announcements
2. Worship Associates provided their thoughts on this proposal
  - i. Not in favor of taking people out of the Sunday Service experience – definitely not five minutes, even one minute is enough to diminish the worship mood
  - ii. Counter-proposals:
    1. Board can do a Wonder Box story, act out a question we're working on
      - a. Board thinks Sadie sets a high bar, not too eager to try this
    2. Put a handout into Order of Service
    3. Hold a Deeper than Coffee to tell congregation more, not just listen
      - a. Though these are sometimes not that well-attended
    4. Doing a Board video could be engaging, like one sentence per person
      - a. Board did have some interest in this
    5. Perhaps a Board Service, analogous to the Youth Service
3. Staff provided their thoughts too
  - i. Similarly, to them this didn't feel like the way to engage people in board work, doesn't fit in with the service
  - ii. Counter-proposals:
    1. Maybe a board service, similar to Youth Service – same idea as above
    2. During only two or three services per year, we announce what Board is working on, but not every month
    3. One whole service that's related to what the Board is working on
      - a. Similar to the recent Experience of the Holy, where Carol spoke about what we're up to on Jan 13, 2019
    4. If one big topic to explore with the congregation, Rev Allison can weave it with us to share the information while keeping the mood worshipful
    5. Board members could speak to reflect on how serving on board is part of our spiritual journey
      - a. This would be a nice Board update
      - b. AND this would be a powerful ad to recruit future Board service

**9. Upcoming rotation of subcommittees**

1. March: Monitoring (Minister Evaluation results and compensation package)
2. April: New Personnel Team/Committee Presentation
3. May: Visioning (Beyond the Nested Bowls Retreat)

**10. Closing – Meeting Adjourned**

**APPENDIX A: Agenda**

**APPENDIX B: Minister's Report**

# FINAL AGENDA

Board of Trustees, Unitarian Universalist Church of Nashua  
February 7, 2019 at 6:30 pm

*The mission of the Unitarian Universalist Church of Nashua is to engage people in a search for truth and meaning within a supportive liberal religious community that encourages personal and spiritual growth, embraces diversity, and promotes social justice.*

**6:30** [15] Admin: Chalice Lighting (Steve)  
Check-in

**6:45** [5] Admin: Consent Agenda  
•January BoT Minutes

**6:50** [20] Monitoring: Minister's Report (Allison)

**7:10** [10] Admin: Retreat—last details and questions (Carol)

**7:20** [15] Monitoring: New Minister Evaluation Format Update (Rick)

**7:35** [10] Admin: Boiler Update (Carol and Allison)

**7:45** [10] Break

**8:00** End of break

**8:00** [15] Linkage: Communication Improvements from Board to Congregation (Carol and Allison)

**8:15** [15] Admin: GA and NNED Delegate Selection Process (Brenna)

**8:30** [10] Admin: Upcoming Subcommittee topics and rotation schedule  
March: Monitoring (Minister Evaluation results and compensation package discussion)  
April: New Personnel Team/Committee Presentation (Steve, Pam, and John)  
May: Visioning (Beyond the Nested Bowls Retreat)

**8:40** [5] Admin: Covenantal check-out

**8:45** [5] Admin: Closing words (Allison)

Visioning: Brenna Woods, Carol Houde, Lindsey Sylvester  
Monitoring: Lindsey Hedrick, Pam Jordan, Rick Spitz  
Linkage: Steve Hedges, John Burkitt, Jodie Holway  
Personnel: Pam Jordan, John Burkitt, Steve Hedges



Parking lot:

- Articles of Agreement Changes--required 501(c)3 revisions, approved but not submitted
- Removal of hyphen from official name of congregation
- Knowledge management
- Examine oversight of committees of the congregation--Nashua Cemetery Assoc., et. al.

**Minister's Report to the Board of Trustees**  
**Rev. Allison Palm**  
**UU Church of Nashua, NH**  
**February 6, 2019**  
**Covering December 29, 2018 – February 6, 2019**

**1. WITHIN**

*The Unitarian Universalist Church of Nashua is a spiritual home where members and friends experience personal transformation by:*

- *Participating in varied and meaningful common worship that nurtures, challenges, and inspires;*

Interpretation: Worshipping together is central to who we are as a congregation. Our worship draws from a wide variety of sources and does not look the same every week. We seek to engage all ages in our worship. Worship connects people to their Unitarian Universalist faith, offers hope, encourages deeper reflection on individual's beliefs and values, and motivates people to live out their values in the world.

- Average attendance so far this year: 152
- On January 20, we did not hold our regular service and faith formation classes due to the weather. Instead, we did worship on Zoom. We had 41 computers logged in, and at least 60 people participating.
- On January 13, I incorporated the "Experience of the Holy" exercise into the service. People seemed engaged, and seemed to enjoy the format.

- *Exploring religious values and discovering individual truths;*

Interpretation: We are a learning community, and we value learning with and from one another. We understand our spiritual lives as a journey, in which we are always growing. We are a theologically diverse community, and we support one another in finding our own spiritual path.

- Our youth group is struggling with low attendance at the moment. Sadie and the advisors are talking with youth and trying to figure out how to make youth group more appealing.
- Three youth and three adults will be attending a UU Youth Revival in Maryland at the beginning of March.
- Sadie and I are going to be helping to lead Young Adult Group moving forward, starting this Sunday.
- Current Adult Faith Formation programs include: UU History Video & Discussion series; Book Discussion series on *Honest, Direct, Respectful*; Monthly Poetry Writing and Yoga night, monthly Racial Justice Discussion Group, several Covenant Groups, Starting Point, and the three support groups listed below.

- *Joining in fellowship with other members and friends.*

Interpretation: We value connection and community. We understand relationship as one of things that helps us grow both personally and spiritually. We provide opportunities for members and friends to connect with one another and build relationships. As a result, both members and friends feel a part of the community.

- Our Fellowship & Fun Team had their first official event on January 27<sup>th</sup>, a Bowling outing at Leda Lanes. About 30 people showed up to bowl and had a great time together.
- Ellen Fisher organized a Paint Party on Feb. 2, where she brought in a teacher to help 9 people learn how to paint a winter scene. The paintings will be on display in the Fellowship Gallery all month.

- This Saturday we are hosting a Contra Dance, which was very popular the last time we did one a few years ago.

## 2. AMONG

*The Unitarian Universalist Church of Nashua is a welcoming religious community for all ages where we live our mission by:*

Interpretation: Being a welcoming community means opening our doors and hearts to new people and new ideas. People of diverse backgrounds, identities and experiences feel welcome in our congregation. Being a religious community means that we are a part of something larger than ourselves. Our community is based in our Unitarian Universalist beliefs and values. Being a community for all ages means that people at every age and stage of life are welcomed in our church, and people of all ages feel that this is their religious home.

- *Creating a beloved community where we minister to one another;*

Interpretation: We care for each other during difficult times, offering emotional and spiritual support and sustenance. Pastoral Care is not just the work of the minister, it is the work of the congregation. Members and friends feel cared for by the congregation and feel empowered to care for others.

- We have 6 Pastoral Care Associates this year, who are serving as ongoing buddies for 11 individuals or couples in the church. We had 7 official contacts logged for this month and many unofficial ones.
- We have three support groups running this year: a Grief Group, Caring for Aging Loved Ones, and a Parenting Group.
- Joan Connacher organized several people to put on a reception for Carol Lasselle's memorial service, which was greatly appreciated by Carol's family.

- *Supporting and respecting one another in our daily lives and our religious journeys;*

Interpretation: Each of us has our own life experiences and spiritual journeys. We respect one another's differences and offer one another support as continue to explore and grow. We share our stories with one another, knowing that this is a community in which those stories will be respected and held.

- Our Covenant Groups continue to thrive. We have 7 groups with 39 participants.
- On February 17, CB Beal, a congregational consultant, will be leading worship and a congregational workshop in the afternoon, both on the topic of inclusion, welcome, covenant and trust. Sadie and I are heavily promoting the workshop and hope to get a large number of folks in the congregation to attend.

- *Generously giving of our time, talents, and money;*

Interpretation: Everyone in the congregation is a part of doing the work of the congregation and supporting the congregation both financially and with time and skills. Members and friends are inspired to give generously out of a sense of gratitude for this community and all it has given them. We nurture a spirit of abundance and generosity.

- We kicked off our Stewardship Campaign this Sunday, and so far have hosted 3 Grateful Gatherings. We have received 11 pledge increases so far, ranging from 8-14%, for a total of \$2200 in increases.

- So far our new way of doing Fellowship Hour Hosts and Greeters is going well. The volunteers seem to be having fun, only one person has failed to show up for their assignment, and we are already noticing a positive shift in energy in both areas.
- *Being good stewards of our church resources in pursuit of our mission.*

Interpretation: As we allocate time, money and space, we are mindful of how our allocations do or do not further our mission. We align our spending, our staff time, and the use of our space with the values, mission and ends set by the Board of Trustees.

- We have hired an intern for next year! I will be sending out an official announcement in the next couple of weeks and they will be coming for a visit on Feb. 24. The intern will work 20 hours a week from Aug. 15, 2019 – June 15, 2021.
- A subcommittee of the Property Team has finished a draft of the 20 year maintenance plan. They will be discussing it with the full Property Team next week and then share it with me. I believe they would like to present the plan to the Board at an upcoming meeting.
- As you know, the boiler in the Faith Formation wing is being replaced during February vacation week. After two mornings of coming in to surprise cold in the last couple weeks, the preschool has decided to move into the Parish House until the boiler is replaced.
- Sandy Martinage is away for 6 weeks due to knee surgery. She is using vacation and sick time to cover this absence. Ben “Jordan” Pugh is subbing for her.

### 3. BEYOND

*The Unitarian Universalist Church of Nashua is a beacon of liberal religious thought and action, making a positive impact in our neighborhood and in the world by: Promoting our values and programs so that others will hear our voice and have the opportunity to join us; Welcoming people who are seeking a spiritual home and personal transformation; Partnering with other congregations and institutions in advocating for and promoting social justice; Actively participating in regional (Northern New England District) and national (Unitarian Universalist Association) Unitarian Universalist programs and activities.*

- We have about 50 people who we are talking to about membership right now. Molly and I will hold an Exploring Membership session on March 10.
- The Social Justice Leadership Team sponsored a talk about Death Penalty Repeal in NH on January 27. It was very well attended.
- The Racial Justice Working Group met on February 4. We currently have four sub-groups working on specific areas: Bail Fund, Immigration, History (including Campbell Family project), and Worship/Faith Formation.
- I participated in the following community, denominational and justice events this past month:
  - attended an NAIC Exec Board meeting and the monthly NAIC meeting
  - attended an in-person Northern New England District Board Meeting
  - attended a New Hampshire Council of Churches Board meeting
  - attended 2 Immigrant Solidarity Vigils
  - spoke at a rally against the ban on trans people in the military
  - attended 2 community MLK events
  - attended 2 GSOP meetings on affordable housing
  - participated in one morning of Nashua courthouse observation with GSOP
  - attended a GSOP clergy lunch

- We had 8 regular weekly outside groups use our building in January: 4 Narcotics Anonymous Groups, Alcoholics Anonymous, Sex Addicts Anonymous, a yoga class and a Spiral Scouts troop. We also have a monthly Catholic LGBTQ group, Dignity USA, who began holding services in our chapel this fall.

#### **4. CHILDREN’S WINTER GARDEN WITH WHITE WING SCHOOL**

- Most of the preschool is meeting in the Parish House for February because of the boiler. The 2-year-olds are staying in the Faith Formation wing for as long as they are able.
- There is one family who has not paid any tuition yet this year. The Board is working to follow up with them and hopefully create a payment plan.
- Registration is open for next year and there are already over 50 kids enrolled. Chris and the Board decided to eliminate the 3-day 2-year-old class and add another 3-year-old class because they were already on a waiting list for that age.
- Budget numbers are looking good. Currently, the school is projected to have a small surplus again at the end of the year.

#### **5. Schedule**

- I will be present every Sunday in February. On February 17, a guest, CB Beal, will lead the service.

#### **6. Policy E: Financial Planning and Budgeting**

*With respect to planning fiscal events, the Executive Director may not jeopardize either the programmatic or fiscal integrity of the Church. Accordingly, the Executive Director shall not allow the Church to:*

- 1. Operate without the guidance of an annual operating budget, derived from a multiyear plan, that conforms to the Board's Ends and has been reviewed and approved in accordance with the By-Laws;*

Interpretation: There will be an annual operating budget, approved by both the Board and the Congregation to guide spending. The budget will fund programs that advance our Ends. Money spent for worship, faith formation for all ages, music, pastoral care, community building, and social justice will be assumed to be money that advances the ends since they are the key programs of the church. Money spent for the building and grounds to maintain it will also be assumed to be money that advances the ends since our building is the primary physical resource for our program. Money spent for administrative support and fundraising are also essential for the advancement of the ends, because without those investments the rest of our ministries would falter.

QUESTION: What was the intention of a “multiyear plan”? What is the Board hoping for from this?

Data: We have an operating budget for FY2019, approved by both the Board and Congregation, which funds the programs and resources listed above. We do not have a multiyear plan from which the budget was derived.

Statement of Compliance: I report non-compliance.

- 2. Cause or allow financial planning or budgeting for any fiscal year or remaining part of a fiscal year that:*
  - a. Contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions,*
  - b. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period, absent legitimate articulated reasons, or*

- c. *Does not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over \$5,000 each;*

Interpretation: I'd like to talk more about this section before I offer an interpretation.

3. *Operate without a liquid operating reserve of two months of operating expenses to cover unanticipated expenses, unless otherwise approved by the Board;*

Interpretation: Two months operating expenses will be calculated as 1/6 of the annual budgeted expenses.

Data: 1/6 of this year's annual budget is \$96,000. We currently have about \$108,000 in operating reserves in our checking account.

Statement of Compliance: I report compliance.

4. *Deviate from the following strictures on operating reserve when preparing the annual budget:*
  - a. *If the operating reserve at the end of the current fiscal year is projected to be less than 2 months of operating expenses (1/6 annual budget), the following year's budget must be balanced;*
  - b. *If the operating reserve at the end of the current fiscal year is projected to be less than 1 month of operating expenses (1/12 annual budget), the following year's budget must provide for a replenishment of operating reserves by at least 1 week of operating expenses (1/52 annual budget);*

Interpretation: This policy is specific enough to not need interpretation.

Data: When last year's budget was created, we had \$180,000 in operating reserves, so we did not need to follow a or b.

Statement of Compliance: I report compliance.

5. *Operate without a 20-year facilities maintenance/replacement plan and restricted replacement reserve fund;*

Interpretation: There will be a plan that details the facilities upgrades/maintenance needed over the next 20 years and the predicted costs. This plan will be updated every 5 years. We will budget money each year to go into a Building Maintenance Fund, which will be used as specified in Policy IV.F.14. Ideally, the money budgeted each year for that fund will be 1/20<sup>th</sup> of the total projected costs in the 20-year plan.

Data: The Property Team has completed a draft of a 20-year maintenance plan and will be sharing it with me in the next month. We do have a Building Maintenance Fund and have been putting money into it for the past two years. Money from that fund has only been used as specified in Policy IV.F.14.

Statement of Compliance: We are working towards compliance.

6. *Fail to budget for the Church's requested Annual Program Fund contribution to the Unitarian Universalist Association and the local District (previously know as our "Fair Share").*

Interpretation: This policy is specific enough to not need interpretation.

Data: The FY2019 budget includes our full Fair Share Contribution, \$24,593.

Statement of Compliance: I report compliance.