

TVUUC Special Board ZOOM Meeting Agenda of June 4, 2021

<<https://us02web.zoom.us/j/87166384192>>

The meeting was called to order at 6:33 pm.

Present (in alphabetical order): Matthew Blondell, Chris Buice, Eddie Chin, Denise Coleman, Heather Kistner, Viren Lalka, Ryan McBee, Jeff Mellor, Claudia Pressley, Linda Randolph, Alice Woody.

1. Church Re-opening

The quorum having been established, Matthew reported to the Board that the staff and Executive Committee had proposed a re-opening of in-church worship services on August 15, based on current conditions and trends subject to change. This will be announced at the Congregational Meeting. Prior to this re-opening of services there will be the June vespers discussed at the previous Board meeting and 'viewing parties' in July for July services. He stated that the staff and Executive proposal is subject to Board approval. Discussion established that this date and proposal is in line with the position of the COVID Task Force. TVUUC had in fact met the conditions for re-opening we had set by May 27. The RE program will have its own separate schedule for re-opening because of the special circumstances involved. The RE program will send out their information as conditions warrant. For the worship services, special seating arrangements and other measures may be instituted.

Viren moved, Linda seconded approval of opening the doors of the church for services on August 15. Unanimous. [10:12]

2. Bylaws [11:12]

Because the Congregational Meeting will be virtual, the distribution of the bylaws changes will be done electronically as well. Email notification[s] of the Congregational Meeting will include links to the text of the bylaws currently in effect and the amended version. These will also be posted on Facebook, Twitter and other social media. Linda reported that in Article VII. LEADERSHIP TEAM, the Treasurer-Elect had been included as a member since the distribution of the text under discussion, which met with general assent. **Linda would provide a text for the congregation in which the amendments would be highlighted for easy reference.** Email addresses for the Newsletter amounting to nearly 1,800 recipients, as well as Facebook and Twitter addresses would be used to send out the Bylaws documents. Some items in the draft before the Board included issues now to be discussed and decided. [14:50]

In Article IV, Section 4, the requirement for a periodic audit of Church financial records was discussed. In view of current straitened financial circumstances and the fact that an audit for a non-

profit is \$10,000, **the requirement for a periodic audit was dropped, but wording ‘subject to a financial review’ was retained.** [15:19]

In Article VIII Committees, Section 3 Board Committees, sub-section a. Finance Committee, reference is made to the Finance Manual and its discussion of financial review. **Viren was asked to review this language with a view to possible strengthening of the policies surrounding financial review** to address possible concerns that the audit requirement is being dropped from the bylaws. [16:16] Viren agreed to do this in collaboration with Ryan and others as needed. Of special interest in this process was the matter of ‘external’ vs ‘internal’ financial review, and this matter will be included in Viren’s and Ryan’s discussions of the Finance Manual during this next year. [18:13]

To facilitate understanding of the bylaws changes, it was suggested that two documents be made available to the congregation: 1) a document containing JUST THE PROPOSED CHANGES, 2) the entire bylaws text to provide context for the relatively few changes under consideration. In addition to the matters to be reviewed by Viren and Ryan on the Finance Manual, Alice further proposed a clause in the bylaws explicitly stating that **the Board may order an audit at any time in its discretion, even though the Board has this power otherwise implicitly.** This clarifying language was accepted by general agreement. [20:49]

Matthew noted that the Board can revisit these provisions as needed in its August retreat. The role of Director of Administration was discussed as the focal point for managing and updating membership rolls and transmitting this information to the Board for inclusion in the minutes.

Denise moved, Alice seconded approval of the text of the bylaws as submitted, discussed and amended to be distributed to the congregation for final acceptance. Unanimous. [24:50]

Linda will forward the completed documents as revised to Claudia for further dissemination.

Matthew thanked her for her work, the Board concurring. Linda reminded the Board for review at the Board retreat that committee chairs need to provide Michael a current and updated list of committee members in the office. Matthew suggested that the Nominating Committee do this since they are in possession of such fuller details as previous service on the committee. Further discussion touched on the possibility of using Google Docs and Realm for this purpose as well or in place of action by committee chairs and/or the Nominating Committee. The need for refreshing the charge to the responsible parties to keep lists current and available in the office was noted. These details will be covered and refined during the August retreat. The need for Board members to access at least contact information on Realm was noted. Claudia thought that, like staff, Board members had the requisite permissions for this, but will check. This topic will be on the August retreat agenda, including a tutorial for using Realm, login procedures and permissions to access

certain data. [32:27]

3. Budget

Discussion of the budget began after Claudia forwarded to the Board the Excel Spread Sheet Viren had worked up with the proposed numbers for the upcoming fiscal year budget.

Viren summarized the budget as optimistic since he projected Total Giving to be \$650k. The average Total Giving for the past 5 years has been about \$535k. He projected Total Revenue at \$700k for the 2021-22 budget. Under Expenses, he modestly increased each of the numbers. For Salaries and Wages, he simply adopted the recommendations Susan Kovac had reported from the Personnel Committee to achieve parity with UUA Guidelines. This accounted for the number \$375k for Total Salaries and Wages. [34:18] To make this possible, he suggested, we can completely fund the Building and Grounds needs (essentially capital improvement expenditures that the SBA loan is intended to fund) for at least two fiscal years. This yields the number \$100k for Total Buildings and Grounds [34:51] If Buildings and Grounds expenditures are covered by the SBA loan, we can accept the Personnel Committee recommendations for wage and salary increases, but some reservations remain. In particular, this budget proposed an increase of expenditures amounting to \$120k over projected revenues, amounting to a large deficit. This presents a challenge for the fund raising committee in the near future. In view of this challenge, he suggested that the wage and salary increases be funded in a five year plan, not immediately. [36:15]

Matthew stated his recollection that previous years' budgets had included a line by line listing of the salaries and wages for each person. Ryan thought that line items were for all expenditures excluding salaries and wages, and that salaries and wages were listed merely as totals. Other points of discussion were 1) whether this budget was more of a wish list than an actual budget given the discrepancy of income and expenditures, 2) whether the wage and salary increases to be worked out by the Strategic Planning Committee to produce a timeline to achieve parity over three years or five years. Since some sort of revenue increase needs to be in the budget, Viren was asked if he could provide a breakdown in five year increments. If the Total Salaries and Wages is reduced by \$50k from \$375k, the resulting \$325k approximates the \$327k average for the last five years. Jeff texted his view that wages and salaries be increased by AT LEAST the amounts of the unfunded COLA raise of 1.6% of last year and the projected 1.2% of this year. Further discussion addressed the projected large increase in giving. Viren opined that emergence from the pandemic might produce a spike in generosity and an increased focus on getting more funding for the newly re-opened church. He also advocated, as in the past, that the recent good performance of the Endowment Fund be reported in the overall picture of the financial health of the church. Regrettably, recent good Endowment Fund performance cannot be used to augment the lingering

salary malaise for church staff and employees. Viren suggested a revised budget number of \$600k Total Giving, more closely in line with the past year. The question of how to approach desired parity end goal of \$375k salaries and wages from a salaries and wages line item of last year at \$327 remained open to a variety of proposals and points of view. [43:00] Viren explained how the SBA monies could figure in to the budget proposal he had put forward. The roof repairs amount to ca. \$50k and COVID-19 enhancements amount to another ca. \$25k. These are expenses legitimately assigned to the SBA loan. Thus, the Building and Grounds expenditures of ca. \$75k do not have to come from Total Fundraising. This amount could be applied to other non-capital expenses such as salaries. Ryan pointed out that using SBA capital monies essentially to cover operational expenses puts the church in an even bigger deficit position because the SBA funds disappear in two years. Viren noted in agreement that the current status of our budget puts us at 94% of budgeted revenues, a deficit of about \$40k for the current fiscal year. Referring to discussions with various persons in the Church, Viren reinforced the idea that meeting wage and salary parity to UUA Guidelines necessitates an increase of revenue. He urged the Board to confer on ways to increase overall revenues to prevent two things: 1) being in financial deficit, 2) inability to achieve compensation parity for our staff and employees. Increasing revenue is crucial and necessary. [46:08]

Discussion turned to the fact that line items have to be in the budget presented to the congregation and that the aggregate numbers under current discussion do not meet that requirement. The Board must vote on the line item version of the budget. The question of whether **auction and rummage sale revenues** and their status as part of overall revenues was raised. Claudia stated that these revenues had intentionally been excluded from the revenue side of the budget last year and that organizers of these events welcomed this reduced pressure to meet budgetary demands. [52:25] Linda recalled that in her experience overseeing these events this income had regularly been included as part of the operating budget. **Linda proposed that these numbers again be included in the budget.** In a ballpark estimate, the auction had been bringing in about \$20k and the rummage sale was about \$10k.

After reviewing last year's documents, Claudia indicated that line by line salary numbers had been provided to the Board, but that the amounts sent out to the congregation were summarized in aggregate salary totals. Individual church members were able to request the line by line version. [55:54] Chris noted that the Board must decide exactly what budget materials it needs for distribution prior to the congregational meeting and also that congregational meetings had been shifted in the past if we can't meet the required deadline.

Viren believed he could assemble the needed materials by Tuesday morning June 8, but would need some input from the Board beforehand. Claudia and Chris noted that the pledge income

frequently is unknown when the budget comes before the congregational meeting and that the question of salaries could be adjusted in the Fall when the pledge income has been definitively established. Promises to readjust this in the past had often gone unfulfilled, it was noted.

Speaking from the perspective of the Personnel Committee, Linda reaffirmed the idea that **we should have a minimum salary increase of 2.8% encompassing the previous unfunded COLA amount of 1.6% and the projected COLA of 1.2%. This met with general Board agreement.**

Chris suggested we might consider something like a “BACK IN THE BUILDING CELEBRATION DONATION” to address some of these revenue issues to cover needed salary increases. [63:15] Chris observed that a reasonable salary plan is crucial because every member of our staff is **a whole lot more marketable** now than at the beginning of the pandemic because they have developed a huge array of new skills, and that he has told them he would provide solid letters of recommendation if needed. He suggested that the Board be prepared to take “realistic risks” in crafting a new budget. Though the Endowment Fund is untouchable for operating purposes, its health and vigor is symbolic of a church that is healthy, vigorous and capable of supporting realistic risks. [64:11]

One number Linda and others felt would be extremely valuable in putting the budget together is a current Stewardship numbers. Considerable discussion touched on what would constitute a reasonable total budget number to consider. \$650k?, \$600k?, \$535k?. Factors included who had lost jobs or suffered reduced income, whose investments had done well enough to consider additional giving. **A line item budget with realistic numbers was agreed as essential to consider in the next meeting before putting it before the congregation.** [69:45]

The matter of the SBA loan and its impact on Buildings and Grounds was briefly revisited. The total SBA loan is approximately \$150k. The anticipated capital expenditures (roof and COVID updates) amount to ca. \$75k. That \$75k moves out of operating, but operating still must include lighting, heating, janitorial supplies, etc. and is not zero. Linda proposed dividing by five the amount needed to bring TVUUC employees up to parity to produce a realistic number for the budget to be considered.

Claudia reviewed the status of pledging units in the church. We now have 188 pledging units for over 400 members. This is a reduction of 55 from last year’s number of 243 pledging units. We currently have pledges of approx. \$442k for the upcoming year as against last year’s cumulative total of \$502k. As noted repeatedly, pledges continue to come in after the end of the stewardship campaign. [75:44]

Further discussion clarified that Rentals were included in the category Fund Raising as a component of Total Revenue and that Rental revenue could be expected to increase modestly with

the lifting of pandemic conditions. The categorization of SBA and PPP monies was also discussed. Strictly speaking, they are not Revenue, though they provide funds for use in capital improvements, they are loan obligations. In the budget document to be produced, Ryan requested that Viren clearly separate expenditures from PPP and SBA resources from operating expenses and income. [77:11] Several members expressed the importance of keeping the revenue projections more closely in line with recent budget history. **Using the format of last year's budget for this year's budget was put forward as a good way to address these issues. It was agreed that the Leadership Team review the budget that Viren will revise for Board consideration.** The actual date and time for the Leadership Team meeting, Tuesday June 8 or Wednesday June 9, was dependent on the ability of various persons, not present, to produce requisite numbers in advance of that meeting. Following the Leadership meeting, the budget will come before the Board for approval. [82:07] In the event that Congregational Meeting needed to be shifted, various conflicts were mentioned: 1) Father's Day June 20; 2) Concluding day of the General Assembly June 27. Further discussion clarified that the Congregational Meeting need not be on a Sunday, but can be on any day, such as a Saturday, before the beginning of the new fiscal year and that there is a requirement of eight days notice before meeting takes place. [84:02]

Viren asked for Board agreement that he provide a finalized line-item budget to the Board via email by the evening of Tuesday, June 8. The Board agreed to this.

This would require shifting the Congregational Meeting. June 20 was rejected because of the Father's Day conflict. Because the General Assembly concluding events are recorded, and can be reviewed non-synchronously, June 27 accepted by general consent to be an appropriate date for the Congregational Meeting. This date would allow for the eight day notice provision. Though an earlier tentative date for this meeting had been considered and was listed on the Calendar, no firm official date had been announced.

A survey of those present confirmed that they would be available for a Congregational Meeting on June 27 following the service. This date and time met with general consent. [87:00]

Claudia reminded the Board that the monthly financial reports provided listed all the categories in line item format and that she would resend these reports as needed and provide the latest month report for April, which had not yet been disseminated, as well.

The next scheduled Board meeting is June 15 to consider the budget Viren will supply by Tuesday, June 8, and this would allow for the eight day notice to the congregation prior to its meeting on June 27. The period between June 15 and June 27 also allowed for questions and/or alterations in the budget prior to its dissemination to the congregation. Viren said he would

welcome any queries and comments from Board members via email in the meantime.

Matthew mentioned and there was general agreement that the Program Council request for \$700 should be included in the budget.

Matthew noted that the June 15 meeting would have only two items on the agenda: 1) budget, 2) congregational meeting.

Viren thanked the Board for their input and guidance in establishing a budget for a non-profit organization and the Board thanked him for his work as well.

4. Adjournment

The meeting adjourned at 8:00 pm

Respectfully submitted,
Jeff Mellor, Secretary-Clerk