



**First Unitarian Universalist Church of San Antonio
Board of Trustees Meeting
July 19, 2023**

MINUTES

Heather Hedquist called the meeting to order at 6:31 p.m. The Board met by Zoom.

Present: Heather Hedquist, Polly Noël, Betty Burgner, Mike Brand, Carol Bertsch, Deb Loya, Emmanuel Garrido, Rev. Mark Skrabacz

A quorum was established. Betty delivered the opening words and lit the chalice. Polly read the Mission, Carol read the Covenant, Emmanuel read the Values and Mike the Ends. Emmanuel was appointed Process Observer and Polly was appointed Timekeeper.

Consent Agenda:

The Consent Agenda was approved as presented. Included in the Consent Agenda:

- June 2023 Board Minutes
- June 2023 Retreat Minutes
- President's Report
- V. President's Report
- Treasurer's Report
- Minister's Report
- COSM Meeting
- LDC Report
- Trust Fund for the Endowment Report
- CREF Report
- Stewardship Report
- Financial Report
- Capital Campaign Report
- Digital Communications Manager Report
- Attendance reports

Deb noted that the financial statements have been added to the financial documents folder; she did not have them at the time of her report.

Old Business

- *Discussion of 2022-2023 fiscal year deficit*

Deb explained to the Board that our 2022-2023 fiscal year ended with a deficit of \$114,324.62 as against the adopted budget. We were able to cover this deficit because we started out the fiscal year with approximately \$170,000.00 of cash in our operating account in 2022 and because savings was used in place of operating funds in several situations during the year. Polly asked whether money deposited into our operating account, but not intended for operating expenses, remains in the operating account. Deb advised that while almost every deposit goes into the operating account, funds intended for reserve accounts are transferred over to the savings account. Deb confirmed that we have sufficient money in savings to cover all the reserve line items.

- *Financial Health*

The recommendation for a “healthy church” is that personnel expenses be in a range of 40-60% of the budget. To get to that recommended percentage we either have to reduce expenses or increase income. Heather inquired if we are okay financially for this month. Deb said that we are but cautioned that is because we are at the beginning of the fiscal year. Mike commented that he is concerned about following the path recommended by the UUA of having two ministers given our financial situation.

- *Financial Policy Discussion*

Heather introduced the topic of financial policies intended to deal with deficit situations and observed that during last year’s board meetings she did not connect the dots that money was not coming in. The proposed policy is intended to prevent last year’s events from happening again.

Deb made and Polly seconded a motion that the following financial policies be adopted:

- Proactive Measures

- 1) The Minister (as employee supervisor) shall oversee/monitor the quarterly pledge statements to congregants to ensure they are a complete, understandable and timely work product.
- 2) The Stewardship Liaison from the Board shall provide a monthly report the board to include a review of the manner in which current year pledge payments are being tracked.
- 3) Based on the quartile giving information, those pledges being made by congregants 85 years and older should be identified as “at risk” and that

amount should be added to the “uncollected pledges” budget line each year in addition to the general formula for uncollected pledges. In addition:

4) Each year the uncollected pledge percentage formula will be adjusted to more accurately reflect out of area moves by congregants, resignations and deaths.

5) After receipt of the mid-year financial statement in November of each year the Board shall make an intentional decision on whether a budget adjustment is needed for the second half of the year will be made; particularly if membership resignations have occurred or if anomalous expenses have arisen which threaten the budget.

▪ Reactive Measures:

If at any time a deficit of more than 5% of the budget occurs, as reported on the Profit & Loss Statement, the Treasurer will call a special meeting of the Minister, Board President, Stewardship Chair and Finance Committee members, who will be notified of the following, “A deficit of 5% or more has been reported on the Profit and Loss statement. The congregation has received that detailed information published in the What’s Happening. The statement is attached here as well. A meeting is being called for tomorrow ___(date)_____ at 7 pm via zoom to discuss the deficit and identify appropriate actions to be taken.”

- This trigger, of an immediate special meeting, should cause the following individuals to recognize the imperative nature of the issue:
 - a) the Minister (charged in the Governance Limitations with not allowing a deficit budget),
 - b) Stewardship Chair (should have the details on where we are at with individual pledges - who has fulfilled their pledge, not fulfilled their pledge and where the vulnerabilities may lie),
 - c) the Board President (some actions may require board vote), and
 - d) the Finance Committee - chaired by the Treasurer

Discussion on the motion Betty commented that, as to Proactive measure number 2, the Stewardship Chair, Kam, thought he would get only quarterly reports until Breeze is implemented. Polly noted that, although Kathy enters *payment* data in Breeze, the *pledge* data is in another system. Board members discussed various issues with Breeze. Deb offered to change her motion to require only quarterly reports from the Stewardship liaison to the Board, but the consensus was monthly reports would be best.

Vote on the motion. Motion carried with 0 nays and 0 abstentions.

• Capital Campaign Update

Polly reviewed with the Board her preparation of a capital improvements draft priority list with gross estimates of costs. It appears that approximately \$400,000

in pledge and non-pledge payments have been received so far for the capital campaign with an estimated \$600,000 in pledge payments pending from currently existing commitments. Polly prepared a new draft charge for capital improvements, but emphasized that the Board will need to be more actively involved in how Capital Campaign Reserve funds should be used and the prioritized. Capital Campaign Committee needs to be re-vitalized given that it has lost all but two of its original members.

Heather asked Board members to look at the priority list and come prepared to discuss and recommend top three priorities at next month's meeting.

- *Board Goals*

Board members reviewed the goals articulated at the last meeting and more fully expressed in the 2023-2024 Board Goals document on the Google Drive. Board members agreed that we have an ongoing issue of knowing the state of our finances.

Mike moved and Emmanuel seconded that the board accept as the goals for church year 2023-2024, the Board Goals presented at this meeting which are found in the Board google folder for this year.

The motion carried with 0 nays and 0 abstentions. Champions will be added to actions next month.

- *Board Education*

Regarding the *Transitional Ministry Handbook*, Betty noted that the timelines are very tight and we need to be sure people are not going to be on vacation during the process. Deb recommended having only three persons on the committee, not five, for this reason. Heather will talk more with Rev. Nell about the process. Meanwhile, Board members should read through page 36 of *In the Interim*.

- *Environmental Questionnaire*

Polly has completed the questionnaire requested by the cell tower lessee.

- *Limitations, Linkage, and Governance*

Heather stated she will send these out earlier so Board members have a chance to think about the policies and as others if we are meeting them.

New Business

- *Unity Consulting Contract*

Carol moved and Polly seconded that the Board approve signing a contract with Unity Consulting for Appreciative Inquiry services relating to development of values, mission, and ends statements. The total cost of \$7,500 to be funded \$4000 donated from the Senior Minister's professional development line item of the budget and \$3,500 from the general reserve line item (#339).

Discussion Heather stated we need to do this for our next step in congregational life. Unity Consulting suggested we get started in August. We will identify our mission and vision; why we exist and what we want to do in the world. Ministers want congregations who know who they are and what they want. Mike commented that it seems a good value to spend 1% of the budget on professional guidance.

Vote on the motion: Motion carried 0 nays, 0 abstentions

- *Leading Large training*
Heather described the training for large churches and noted it is \$200. Several board members are not able to attend. Heather might attend.
- *Social Justice Committee Request*
Heather presented the Social Justice Committee's request to spend \$250 out of a reserve fund to buy an ad in an NAACP publication. **Mike moved to authorize the expenditure and Polly seconded.** Discussion was favorable but concerns were expressed about nickel and diming ourselves out of reserve accounts. Motion carried, 0 nays, 0 abstentions.
- *Member Directory Security*
Mike brought to the Board's attention the need for an audit of who has access to what accounts electronically and what security is in place to protect the accounts. He will take the lead on this.
- *Secretary for next meeting*
Polly kindly agreed to serve as secretary in Carol's absence.

Closing

Emmanuel delivered very positive process observations, including that the members were able to stay on task and everyone contributed without dominating. He suggested calling out time more often. Polly noted that the time estimates are just that and we did reasonably well.

Mike delivered the closing words and the meeting adjourned at 9:07 p.m.

Upcoming events

- Thursday, August 10 - Executive Team Meeting
- Wednesday, August 16 – Board Meeting

[Minutes prepared by Carol Bertsch, Board Secretary]