



Board of Trustees
First Unitarian Universalist Church of San Antonio
August 16, 2023

Present: Heather Hedquist, Deb Loya, Polly Noël, Betty Burgner, Mike Brand, Emmanuel Garrido; Rev. Nell

Absent: Rev. Mark, Carol Bertsch, 1 vacancy

A quorum was established, and Heather called the meeting to order at 6:30 p.m. Heather read opening words and lit the chalice. Heather read the Mission Statement, Mike read the Values and the Ends. Deb served as process observer and Emmanuel served as timekeeper.

Consent Agenda

The Consent Agenda was approved with the following updates.

- July 2023 Board Minutes (Carol)
- President's Report (Heather)
- V. President's Report (Polly)
- Treasurer's Report (Deb)
- Minister's Report (Rev. Mark) – Cindy has resigned, will remain as volunteer, Kathy will cover until new Sexton hired
- Coordinating Council Meeting (Rev. Mark)
- COSM Meeting (Rev. Mark and Heather)
- LDC Report (Emmanuel)
- Trust Fund for the Endowment Report (Carol)
- CREF Report (Mike)
- Stewardship Report (Betty)
- Financial Report (Deb)
- Capital Campaign Report (Polly)
- Digital Communications Manager Report (Mary via Heather)
- Attendance reports (Polly & Emmanuel) added to Attendance folder on Tuesday

OLD BUSINESS

Financial Health: Deb reported that The P&L Statement and the Balance Sheet were posted to the google drive yesterday (the 15th of the following month is when they are due from the accountants). Deb did get an article to Kathy to post in the What's Happening. We have another small deficit under \$5K so doesn't trigger any action.

Our Operating Account balance is currently \$103,251.90 and our Savings account balance is \$465,022.79. Looking at the past 2 years on that Operating Account: Last year at this time we had a balance of \$192,418.68. Mike previously asked how exactly it is that we weathered a \$114,000 deficit? This was due to cash on hand. Even in 2021, the year before, we were rocking' a \$156,581.84 balance. While \$103,000 is still well above what we are required to have as a balance – I'm still going to put this information in the "yellow" column (which I'll get to when I talk about pledges.)

The board does have access to the hard copies of all the historical bank statements in Kathy's Office, if you ever want to look at those.



Financial report needs from Breeze

Deb included a revision to the policy from last month and is confident that a quarterly report will suffice to keep the board informed. Deb also noted (both in the Treasurer's Report and the Stewardship Liaison Report that Stewardship doesn't have direct access to pledge payment information plus currently lack a charge to do anything more than "analyze data", versus gather and/or report on data.

Currently the information is accessible only by Kathy and Jim as Administrators but by next board meeting, Deb should also have that access to the pledge payments information and so the reports could come from her as well the Minister through the Admin staff in the future.

Kathy produced an excel sheet of pledges now entered into Breeze and from that data Polly was able to delete identifying names and present the dollar data in a way that will be helpful to the board. Deb proposed breaking the pledge reports into three groupings: Green (for go!), Yellow (for caution) and Red (for a big red flag in our financials).

In the "Green" group (you go Green Group!) the initial breakdown showed:
\$48,800 from 6 households who have completed or exceeded their pledge
\$28,208 from 33 households who are ahead of their pledge payments
\$25,224.66 from 63 households who are on-track with their payments

In the "Yellow" group (cautiously optimistic):

\$ 6,282 from 20 households who are a little behind or behind with payments – this is a group to watch.

Our "Red" group is what we really need to track (this is a red flag financially; especially since this group represents almost as large an amount as the Green Group) :

\$ 0 from 38 households who have not made any payments yet –some of these may be households who pay quarterly, semi-annually, or yearly. Their pledges range from \$35 to \$15,000 and total \$83,183.

Polly suggested confirming how many of the 23 individuals in this group who pledged more than \$1,000 and who have still not paid anything by the end of August (1st quarter) actually stated how they would be paying. This would mean follow-up by the minister and staff. (For example, the \$15,000 pledge may have indicated on their pledge form that they will pay at the end of the tax year - perfectly understandable and that kind of information will help us manage expectations.) Requesting specific follow-up and a report back by Rev Mark for any of the households pledging more than \$1,000 is a great way to reduce the number of individual contacts needed.

Total of \$108,514.66 of \$429,855 of pledges received thus far (25.3%) was reported in Breeze. However, while the excel sheet reports \$429,855 in pledges from 160 individuals, the total amount pledged per our approved budget is \$484,584 (regular pledges) and \$46,866 (pledge match). If the total listed in Breeze holds true then that would mean the list is missing \$101,595 in pledges.

It bears repeating – this is still being worked on – let's see where we are with what Breeze can report out in pledges at the end of the 1st quarter. Stay tuned.

It needs to be determined if the frequency of payments (for those who indicated on their pledge form) has been entered into Breeze. It would help to know who is responsible for following up with



congregant if there is a problem. In looking at file labeled budget - / line 448,000; possibly be due to people who did not make formal pledges (e.g., those on autopay).

Financial Audit/Checklist

Deb distributed 2 versions of a financial checklist prior to the meeting and asked the Board to select one to use for the pending financial audit. Deb indicated she prefers the Maryland checklist because it's more simplistic. If the group decides a deeper dive is needed and wants to go with the Omaha Nebraska checklist, we would need additional help contracted out. The board decided to use the Maryland checklist by consensus. Heather will work on with Deb during September and Deb will report back to the board on the results at the October meeting.

Financial Policies

After attending the recent Stewardship meeting, Deb revised the proposed financial policies (previously discussed in August) as follows. After presenting the policy and accepting two friendly amendments to the sections noted in red below, **Deb moved and Betty seconded that the financial policies approved. The motion passed unanimously: For: 5; Against: 0; Abstained: 0.**

Proactive Measures

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.

The Minister, through their staff, shall provide a quarterly report to the board on pledge payments, to include a review of the manner in which current year pledge payments are being tracked. 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.

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

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; 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 **electronically and shared by email**. 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 (to determine where the coming year vulnerabilities to the pledge campaign may lie),
- c) the Board President (some actions may require board vote), and
- d) the Finance Committee - chaired by the Treasurer

Healthy Income Discussion

Heather discussed the need to increase our rental income (with goal of raising up to 25% from outside the church and be more professional in what we charge & how we advertise to the community. **Heather moved and Polly seconded the following: The board charges the executive to begin the process to raise up to 25% of income for the church from outside the church. The motion passed - For: 5; Against: 0; Abstained: 0.**

Capital Campaign Update

Polly briefly summarized the proposed Charge to the Capital Campaign, the proposed Capital Improvement priorities, and the proposed Policy for the Administration of Capital Campaign Reserves that were discussed at the July meeting and included in the Board folder for August.

Polly moved and Mike seconded that the Capital Campaign Committee (CCC) continue its work through CY2023-CY2025 to raise funds from the congregation to support future capital improvements for the First UU Campus as guided by the updated charge. The overall scope of the campaign shall be to raise funds for the improvement of the First UU Church of San Antonio campus through repairs, upgrades, and remodeling of current facilities and grounds. It will not include new construction. **The motion passed - For: 5; Against: 0; Abstained: 0.**

Polly moved and Deb seconded that the Board of Trustees initially prioritize the following capital improvement projects for completion as soon as possible and request that assigned project leads submit requests to utilize Capital Campaign reserve funds for these priorities as soon as possible. Each request shall include a summary of bids obtained from qualified contractors and justification for recommended selection. Board will delegate to Facility Team Co-Chairs or the Ministers assigned as project leads the authority to enter into binding contracts no more than \$5,000 for the completion of each these priorities using Capital Campaign Reserve funds. The Board must explicitly approve expenditures and/or contracts that are more than \$5,000 consistent with financial contract policy. The Board may approve these through on-line votes between regularly scheduled Board meetings.

- Parking lot re-paving & striping
- Perimeter fence for playground or whole campus
- Campus Wi-Fi
- Schematic design for kitchen/lounge renovation in Fellowship Hall

The motion passed - For: 5; Against: 0; Abstained: 0.

Polly moved and Deb seconded that the Capital Campaign Committee (CCC) continue its work through CY2023-CY2025 to raise funds from the congregation to support future capital improvements for the First UU Campus as guided by the updated charge. The overall scope of the campaign shall be to raise funds for the improvement of the First UU Church of San Antonio campus through repairs, upgrades, and remodeling of current facilities and grounds. It will not include new construction. Polly accepted a



friendly amendment from Deb under “Additional Authorities” to require that annual budget requests be submitted to the Board in January of each Calendar Year. **The motion passed: For: 5; Against: 0; Abstained: 0.**

Board Goals

Due to lack of time, review of goals and assignment of champions was not discussed.

Unity Consulting

We are scheduled to meet via Zoom with Laura Park on Monday. Heather asked that we send suggestions for Facilitators and Shepherds needed for the AI sessions in October. Heather will divide up final list for members to call to confirm willingness to serve. Heather will also set up a spreadsheet and instructions in the board folder.

Board Education

The group discussed this month’s reading from In the Interim, including differences in interim ministry and developmental ministry and responsibilities for Committee on Ministry during these. Key to success is how well things are presented to congregation. Heather also reviewed differences in search committees (interim vs. called) in that interim is hired by the board. Interim search committee consists of board & additional members; the committee conducts the search and reports back to Board. Heather, Deb, and Polly also shared their thoughts from August 12th Southern District board training session. Heather assigned chapters on “Serving as a Lay Leader During Interim Ministry” and “Working with Staff” for September.

Monitoring Reports

The Board reviewed the following policies under Limitations

- 2.3 (Compensation & Benefits)
- 2.4 (Financial Condition and Activities)
- 2.5 (Asset Protection)
- 2.6 (Asset Utilization)
- 2.7 (Grants and Contracts)

Comments included that new financial policy, pending financial audit/review, and plan for temporary bookkeeper will assist in determining any additional actions needed regarding financial internal controls policy, especially regarding segregation of duties. Deb will review the gift policy recommendation (that was not acted on from last year) and report back to the board.

Status on Wi-Fi

Rev. Nell reported that she will be presenting a proposal at the September meeting. Bids have been received from several vendors. The tech team will be meeting to review and decide whether we want ongoing tech support with ongoing monthly fee or call as needed if problem. Current bids have baseline installation ranging from \$11,000-\$15,000. We also need to decide whether we want to purchase our own equipment or have providers install.



Closing

Deb commented that sometimes it was difficult to keep discussion at the macro level. Emmanuel reported that the did well with the time. The meeting was adjourned after Rev. Nell read closing words.

Upcoming Calendar Events:

- Monday, August 21 – What’s the Question (Unity) – 6:00 pm
- Thursday, September 14 - Executive Team Meeting
- Sunday, September 17 – Board Listening Session
- Wednesday, September 20 – Board Meeting
- Saturday, September 23 – Service Auction