



Board of Trustees
First Unitarian Universalist Church of San Antonio
February 21, 2024

Present: Heather Hedquist, Deb Loya, Polly Noël, Betty Burgner, Mike Brand, Ruth Bujanda-Moore, Carol Bertsch, Debu Dasgupta, Rev. Mark, Rev. Nell

A quorum was established and Heather called the meeting to order at 6:30 p.m. Mike delivered the opening words. Deb read the Covenant, Carol read the Values, Heather read the Mission and Carol read the Ends. Betty was appointed Process Observer and Ruth Timekeeper.

Board members checked in.

Consent Agenda

The following items were pulled from the Consent Agenda for discussion:

- Request by Ministers to remove last names from website.
Rev. Nell reported she attended a security conference with Mary and Bridget at which it was recommended that Board members' full names not be included on the website to protect information. Board members had no objection to the change.

- Question regarding statement in Stewardship Report – Betty clarified that referred to congregation's inability to pledge enough to meet the proposed budget.

The Consent Agenda was approved following the above clarifications.

- Previous Board Minutes (Carol)
- President's Report (Heather)
- V. President's Report (Polly)
- Treasurer's Report (Deb)
- Minister's Report (Rev. Mark)
- Coordinating Council Meeting (Rev. Mark)
- COSM Meeting (Rev. Mark and Heather) – no meeting in December
- LDC Report (Betty)
- Trust Fund for the Endowment Report (Ruth)



- CREF Report (Mike)
- Stewardship Report (Betty)
- Financial Report (Deb)
- Capital Campaign Report (Polly)
- Digital Communications Manager Report (Mary via Heather)
- Interim Search Committee (via Heather)
- Attendance reports (Polly)

BUSINESS

Financial Health:

Deb reported that the January P& L Statement and the Balance Sheet were received 2/19/24 and posted same day in the google site in “Financial Documents. She sent an article to post in the What’s Happening for February 21st.

At the end of January, we had a net positive of a whopping **\$55.07** for the month of January. As of the end of January, our Operating Account balance is **\$65,635.08** and our Savings Account balance is **\$607,606.05**.

At **66%** of the church year, we have approximately **67.38%** of our pledges in. But we have only **42.62%** of our non-pledge revenue in. The IRS has updated their website regarding the ERC and, due to misleading television ads in the Fall which increased the number of applications, the IRS is having to review each application individually. That has pushed response timelines from “90 days to 6 months” to “6 months to 12 months”. The ERC is not considered “Mission Critical” for the IRS which also contributed to the change in response times. Instead of an expectation of the funds this month we must now have an expectation of a response from February to July.

Financial Audit/Checklist

Deb reported that in January she completed all of the items from the Financial Checklist. The result is posted in the Google site. The purpose of this exercise was not to take over the work of the Executive but to have a better idea, as the Trustees, acting as Stewards of the church, how we are functioning financially. That being said, it is now time to turn the results of the review over to Rev Mark



for his use and as a Board to see if there are next policy actions or policy changes that we want to take in light of the review.

Initial Draft Budget From The Finance Committee

The Finance Committee met on February 6th with the Stewardship Committee to provide them a head's up on where the budget is landing. Revenue as a whole was reviewed at this meeting. The Finance Committee then had additional discussions via email and the end result was both posted on the google site and emailed directly to the group with the agenda. Bottom line: the pledge number needed to balance the budget is: **\$639, 258.**

The Stewardship Campaign begins March 1st. We as a board should have our pledges in prior to that start date. Any Board Listening Sessions in March will start with an overview of the proposed budget and a call for pledges.

Once the campaign ends and the Stewardship Committee turns over their final pledge number (and conservative projections), the Finance Committee will work with that number to prepare "The Finance Committee Budget," with recommendations, just as was done last year. The Board will then have the ability to approve or reject the Finance Committee Budget. If The Finance Committee Budget is rejected then it's up to the Board, as a whole, to come up with a budget that we vote to approve.

Deb reminded the board that she was asked to create a 3-year budget plan as part of the Board goals, and she did so. The budget she proposed is below and is noteworthy for being not far off from the current working budget: \$695,000 versus \$707,791 or a \$12,791 difference:



Proposed 2024-2025 Budget

Pledge Revenue	\$521,250 (75%)
Non-Pledge Revenue	<u>\$173,750 (25%)</u>
Total Income	\$695,000 (100%)

Overhead	\$. 34,750 (5%)
Personnel & Contracts	\$ 486,500 (70%)
Worship & Education	\$. 52,125 (7.5%)
Fellowship & Social Justice	\$. 52,125 (7.5%)
Facilities	<u>\$. 69,500 (10%)</u>
Total Expenses	\$ 695,000 (100%)

But the true difference in what Deb projected was needed is in **Non**-Pledge Revenue. Deb stated that, without that 25% of budget non-pledge revenue, we are essentially putting 90% of the budget on the backs of pledges. This is both unhealthy and, frankly, demoralizing for the Stewardship crew, Deb advised.

Deb pointed out that our Personnel and Contracts are at 74% of our budget. The situation is not helped by the \$18,000 of moving costs required for the hiring of an interim or the unknown health benefits necessary for a new Interim.

Our Overhead is at 7% when it should be at 5% of budget – Note that almost ½ of the overhead budget is made of the cost of insurance and ¼ is made of the general Reserve – both of which are required to be in place by our Governance policies.

Worship and Education are underfunded at 3% and Fellowship at 6%, when they should probably each be at 7.5% of budget. Facilities, which should be at 10% of our budget is at 8%.

Mike asked who is responsible for increasing non-pledge income. Rev. Mark advised that is a staff responsibility. Rev. Nell noted that she talked to a commercial realtor about finding long-term tenants for our space, but they must



be "shared-use" tenants who will share the space because we use all spaces on Sunday.

Recapture/Re-Alignment/Restoration of Funds

Recapture: The 75th Anniversary fund – Deb reminded the Board a motion was passed in April 2022 to use the 75th Anniversary Reserve funds to pay for 4 identified items: up to \$9,317 for a congregational banquet in September of 2022, \$3,000 for a celebratory event on May 15, 2022, \$1,400 for the completion of a recruitment video at some point in 2022 or 2023 and \$500 for Sheri's farewell celebration. Deb believed that any funds remaining could be recaptured, and they were actually identified for recapture to a new reserve line, which she neglected to ask to be created. There were approximately \$400 remaining in the 75th Anniversary Reserve. Meanwhile, the Senior Valentine's Lunch (held last week) was not funded in the 2023-2024 budget and was going to be a strain on the three committees' budgets that hosted it.

Deb moved and Polly seconded that the board ratify reimbursement of the just under \$400 cost for the Valentine's Lunch from the remaining 75th Anniversary Reserve funds. Motion carried. (This will nearly zero out this reserve.)

Re-Alignment: The Bookstore Reserve. Deb spoke with Carol Collins to be absolutely sure there wouldn't be any further invoices coming in. Carol said what she hoped to do was take over where Pam Kirk left off and use the funds to expand the care of the Mauk Library's holdings. Our policy states that we can recapture funds only after 2 years of non-use.

Restoration: and speaking of Pam Kirk...while meandering through Breeze Deb recently learned that we received a \$6,000 check for "the church" from Pam's estate which was incorrectly attributed to offertory, instead of going to the TFOE. The by-laws refer to the TFOE and state that their Trustees follow the Trust documents. The Trust Document states that funds bequeathed or devised to "the church" go to the TFOE. Deb intends to restore those funds to the TFOE and so wanted to inform the Board.



The reason Deb was meandering through Breeze was because she learned we inadvertently acted contrary to the Share the Plate plan that was voted on by the congregation and had both the Christmas Eve Service and a regular Sunday Service devoted to the minister's Discretionary Fund. She will restore \$575 to offertory (this is only the unspecified funds for 12/18 – funds specified for the MDF, whenever collected, would remain in the MDF, along with the 12/26 collection.)

Proposed DLRE Job Description

Rev. Nell reported that the proposed DLRE job description was taken from the current job description and updated, expanded, and reorganized to reflect what Bridget does now. **Polly moved that the Board accept the proposed DLRE job description. Ruth seconded and the motion carried.**

Stewardship Priorities

Heather reported the Stewardship priorities compiled from Board responses were:

1. Lead Minister
2. Facilities
3. DLRE

Polly explained Stewardship was looking for more of the “why” of these priorities to share with the congregation. Deb pointed out that increased costs regarding facilities were outside of Board control and reflected overall operational cost increases. Carol expressed approval of the statements Polly offered as examples (i.e., Rev. Mark is retiring in July and Bridget is leaving in August; moving expenses and insurance costs for the new Interim Minister and new DLRE have been budgeted to cover expected increases associated with these staffing transitions/Maintenance & Repair lines have been increased to help support routine maintenance needs as well as address deficits identified by Balcones Heights Fire Department during a recent campus inspection).



The Board discussed the need to bring home to the congregation the reality of our financial situation and the consequences of not giving.

Interim Ministry

Heather reported the Interim Search Committee has met. Deb and Polly volunteered to review the standard Interim contract. Church strengths and weaknesses were discussed to provide to the Committee

Church Strengths:

Solid core of long-term members.

Debt-free; mortgage is paid off.

Reasonably strong recent capital campaign.

Supportive of social justice.

Environmentally conscious and active.

Very strong child and youth programming.

After-service meal nearly every month facilitates connections between service attendees.

RE.

Social justice.

Robust music program.

Weaknesses:

Many regular visitors and new members find it difficult to gain entry into established friend-groups.

Low average financial contribution per member.

Very low non-donation income.

Nearly depleted cash reserves last fiscal year due to mismatch between budgeted expenses and actual income; not due to one-off external factors.

Current form of policy governance has resulted in a deficit in business administration of church operations.

Aging facilities.

Issues with money.

Occasional difficulties in managing diversity of opinions.

Concern congregation not as visible to community as it should be.

Problems in membership.

Problems in leadership development.



Qualities to look for in an Interim Minister:

Business skills

Some experience with a 350 member congregation

Working in majority minority community

Good people skills

Like San Antonio at least for a time

Values, Mission, Ends

Last meeting will be February 25. We will go over responses from sessions in March.

Facilities/Capital Campaign Update

Polly reported the Sanctuary 25-ton condensing Unit 1 air conditioner must be replaced.

Polly moved that the Board accept the bid from Jack Lawrence Corporation to replace the Sanctuary 25-ton Condensing Unit 1 at a cost of \$39,644.26. Betty seconded the motion.

During discussion, Polly suggested a way to pay for the expense. Deb offered a friendly amendment to cover the cost as follows:

\$2,000. Budget Line 810

\$2,600. Trust Fund of Endowments interest and dividends

\$3,000. Reserve for M&R Line 324

\$10,000. Reserve for Capital Reserve Line 307

With the remainder to be paid from the Capital Campaign Reserve Line 314 if a proposal is not able to be paid by a submission for payment of the corpus of the Trust Fund of Endowment at the Congregational Meeting and passage by vote. The friendly amendment was accepted and the motion with amendment carried unanimously.



Polly reported the unit in the Fellowship Hall is now working and does not need to be replaced at this time. Rev. Mark pointed out that it is over 30 years old. Regarding the Capital Campaign, the schematic design is complete and on the Board Drive.

FEMA Grant

Polly reported on the status of the FEMA grant. In accordance with the grant, no Board member may have certain criminal or civil convictions. The Board members confirmed compliance with the criteria. Additionally, the Board must approve a Resolution approving submission of the grant. **Polly moved and Deb seconded that the Board approve the First Unitarian Universalist Church of San Antonio Board of Trustees FEMA NSGP Resolution. Motion carried.**

Board Goals

Heather reviewed the Board Goals. Rev. Nell noted Mary is doing a very good job enhancing our web presence.

Charge to Stewardship Betty presented to proposed charge to the Stewardship Committee. Polly, Rev. Nell, and Rev. Mark suggested edits to the proposed language. **Betty moved to approve the Charge to the Stewardship Committee as edited; Ruth seconded the motion, which carried.** The updated charge is as follows:

The Stewardship Committee of First Unitarian Universalist Church of San Antonio is charged with building a culture of generosity and communicating progress with the congregation, the Board of Trustees, and the Ministers.

The Stewardship Committee is tasked with communicating to the congregation monthly, keeping them engaged, and informed, on Stewardship goals, activities, and continued reminders on reasons for giving. This is to include not only what the congregation is committing to with our



contributions, but also what we want to invest in if the necessary funds are raised.

The Stewardship Committee is responsible for planning, and executing, the annual Stewardship Drive.

Our congregation pay dues to the UUA and UUA membership comes with the access to various resources. The Stewardship Committee is to educate about, and encourage the use of, UUA resources to members of our congregation, especially those in leadership roles.

Charge to Trust Fund of Endowment Carol and Ruth presented the proposed charge to the Trust Fund of Endowment. Polly, Deb, and Heather suggested edits to the proposed language. **Ruth moved and Debu seconded that the edited draft of the charge to the TFE be approved. The motion carried.** The charge is as follows:

The Trust Fund for Endowment (“TFE”) of the First Unitarian Universalist Church of San Antonio is charged with raising and managing funds for the endowment and establishing procedures to recognize donors to the endowment.

The TFE shall communicate with the congregation as to the status of the fund to raise awareness of the Endowment and of ways to contribute to it.

The TFE will provide regular updates to the Congregation and Board regarding trust fund balances, interest, and dividends.



Board Education

Regarding this month's reading from *In The Interim*, Betty gave a shout out to Rev. Mark for helping us heal. She reported she had more questions than answers regarding the role of the assistant minister during the interim ministry.

Heather asked the ministers if more work needed to be done by the congregation regarding preparing for the interim. Rev. Nell replied that we need an Interim to say, "Why is this?" to help get ready for the next settled minister; we should continue the discernment we started with Core '24, continue loving each other, figure out who we are now, after the pandemic, and place fresh eyes on the system.

Closing

Carol delivered the closing words. Due to the lateness of the hour the meeting adjourned without reports from the Process Observer or Time Keeper. Meeting adjourned at 9:24 p.m.

Respectfully submitted
Carol Bertsch, Secretary

Upcoming Calendar Events:

- 2-25, Sunday – Mission, Values, Ends workshop
- 2-27, Tuesday – Board Listening session via Zoom (Carol leading)
- 3-3, Sunday – Stewardship kick off
- 3-14, Thursday 3:00 p.m. - Executive Team Meeting
- 3-20, Wednesday – Board Meeting