



East Shore Unitarian Church

Member of the Unitarian Universalist Association

Board of Trustees

Jack Slowriver, President	Marilyn Mayers, Trustee
Connie Hirnle, Vice President	Reed Cundiff, Trustee
Dave Baumgart, Secretary	Tom Doe, Trustee
Ryam Hill, Treasurer	Marcy Langrock, Trustee
	Catherine Ramsey, Trustee
	Lee Dorigan, Trustee

Annual Congregational Meeting June 4, 2017

Draft Minutes

This annual meeting is scheduled for the first Sunday in June, held in our Sanctuary immediately following the church service. On this date, the church service was a musical celebration in honor of Bob Kechley, who has served for 20+ years as our Music Director. Bob had previously announced that he would retire from East Shore in August, 2017.

A meeting packet was mailed to all members, prior to our meeting, which included:

- The Agenda with accompanying notes
- 2017–2018 Board Officers, Board Nominees & Nominating Committee Nominees
- Search Committee Nominees
- Operating Budget Summary
- Proposed Bylaw Revisions
- Proposed Vision Statement
- Holly House information sheet

East Shore Unitarian Church 2017 Annual Congregational Meeting Agenda 11:15 am, June 4, 2017

- Call to Order, Establishment of a Quorum (25% of membership, 130 members)
- Adoption of Robert's Rules of Order, Appoint a Parliamentarian
- Acceptance of 2016 Annual Meeting Minutes
- Election of 2017–2018 Officers and Board of Trustees
- Election of 2017-2018 Nominating Committee Members
- Approval of 2017-2018 Operating Budget
- Recognition of Operating Fund Drive Committee
- Approval of Bylaw Revisions
- Approval of Vision Statement
- Vote on Holly House
- President's Report and Congregational Response
- Installation of new and continuing officers and Board
- Closing Words, Adjourn

The meeting was **called to order** by Jack Slowriver, Board President, and we counted 132 members present, **establishing a quorum of 25%**, sufficient for voting on the disposition of the Holly House property. Also in attendance, in addition to Jack, other officers of the Board:

- Connie Hirnle – out-going Vice-President,
- Doug Strombom – nominated Vice-President

- Ryam Hill – Treasurer,
- David Baumgart – Secretary,
- Board members at large: Marcy Langroc, Catherine Ramsey, Tom Doe, and Lee Dorigan, and
- Nominated board member at large: Jerry Bushnell, Paul Buehrens, and Ozma Butte.

Also in attendance were members of our Staff Leadership Team:

- Jason Puracal, Dir Finance & Operations,
- Aisha Hauser, Dir Religious Education, and
- Nicole Duff, Manager of Membership and Marketing Development.

Interim minister, Rev. Elaine Peresluha, was out of the country, on sabbatical.

Craig Nelson was appointed as parliamentarian. (Robert’s Rules of Orders)

Acceptance of 2016 Annual Meeting Minutes. (printed copies were available in the back of the room). An electronic copy was posted online, several months, previous.

Election of 2017–2018 Officers and Board of Trustees 2017-18 Slate of Candidates

The East Shore Nominating Committee has completed the slate of candidates for next year’s Board of Trustees and Nominating Committee positions. **The positions in bold print are up for election.** The others are informational, to provide a complete list of members who will serve during the next church year.

Board of Trustees

President	Jack Slowriver	2nd yearly term of 2 max
Vice-President	Doug Strombom	1 year term
Treasurer	Ryam Hill	3rd yearly term of four max
Secretary	Dave Baumgart	3rd yearly term of four max
Trustee-at-Large	Lee Dorigan	Appointed in 16-17; fulfilling 2nd year of 3 year term
Trustee-at-Large	Jerry Bushnell	1st year of 3 year term
Trustee-at-Large	Paul Buehrens	1st year of 3 year term
Trustee-at-Large	Uzma Butte	Fulfilling 3rd year of 3 year term
Trustee-at-Large	Marcy Langrock	2nd year of 3 year term
Trustee-at-Large	Tom Doe	3rd year of 3 year term

Nominating Committee

Chair (Board-Appointed)	Connie Hirnle	1st yearly term of 2 max
Member	Kirstie Lewis	1st year of 2 year term
Member	Manny Brown	Appointed in 16-17; fulfilling 2nd year of 2 year term
Member	Bill Austin	2nd year of 2 year term
Member	Cindy Snyder	2nd year of 2 year term

The Nominating Com, (Jenny Hall chairperson), moved to accept these nominated officers and board members; Milly Mullarky seconded. Motion approved, (2 opposed).

Election of 2017-2018 Nominating Committee Members

Barb Clagett moved to accept this new slate of members for the Nominating Com; Nancy Worsham seconded. Motion approved.

Approval of 2017-2018 Operating Budget

Ryam Hill, Treasurer, and Jason Puracal, Director of Finance & Operations, presented the highlights of the proposed operating budget.

Ryam noted that this has been a year of re-building. We have consolidated multiple subsidiary accounts into a single operating account in order to more effectively track all the income and expense transactions that comprise our church operations. It was noted that this consolidation also allows the bookkeeping activity to occur more efficiently. We are also preparing to conduct an external audit prior to the arrival of a new settled minister in 2019. Our preparations for this audit have been facilitated by guidance from the UUA, and by a local CPA firm that has experience in church audits. (Peterson, Sullivan, LLP was engaged by University Unitarian to assist them with their external audit.

Current Status of Operating Fund

Jason noted: as of end of April, East Shore had realized actual operating income / expense:

FY 16-17 Year to Date	Budget	Actual (April 30, 2017)
Income	\$997,152	\$895,549
Expense	\$997,152	\$772,506
Over (Under)	\$0	\$123,043

Based on this information, we are forecasting that East Shore will break even in their operating results by June 30, 2017, completing the current fiscal year. This will include the interim minister’s contract renewal as well as budgeted Healthcare expense for our church staff.

Ryam noted that the Budget Team included Jack, Ryam, Jason, Claudia Hirschey (chair of Finance Com), Lee Dorigan (former chair of Finance Com), and Rev Elaine Pereshula. They have been working on the proposed budget for FY 17 / 18 starting in late December.

The proposed budget is based on the “middle option,” which was approved by the Finance Team and Financial Stewardship Board Standing Com. which includes: Claudia, Lee, Marcy Langrock, Ned Kurabi, and Tom Doe. The proposed budget was then reviewed by the Board during the April and May Board meetings. During the past several months, the budget team requested inputs from the chairs of all the ministry teams and incorporated their feedback into the process.

Jason and Ryam also noted these highlights from the work of the Budget team and Financial Stewardship committee:

- New integrated software with better reporting capacity
- Increased accuracy of accounting methods and tax compliance (relationship established with CPA Firm)
- Began transition to year round pledging process
- Reserve Data Analysis for more accurate future planning related to facilities capital expenses
- 5-year sustainable financial plan begun by Financial Stewardship
- Endowment is exploring a new model of support for Capital Expenses

\$1,114,469.54 is the proposed budgeted income and budgeted expense (option B presented in the town halls). The board moved that we accept this proposed budget; Jerry Worsham seconded. The discussion of this motion is as follows:

Peggy Phillips – requested an explanation of the income line-item: Department Activities & Payments

Jason provided the explanation... \$80,960 included the – Women’s Perspective and Seabeck activities. These are essentially holding accounts, and are paired with corresponding expense accounts.

An explanation was requested regarding the Parking Lot rental gross and net income.

Jason explained the total amount of Parking Lot income less the associated expense will net East Shore **approximately \$23,000** in the proposed budget.

Jeanne MacAuley – requested information about office and facilities staff, as well as the Membership, Marketing & Development Manager.

Jason: Diane Upton is the Facilities Mgr, working full time; the custodial staff will report to Diane in the new fiscal year. The Membership, Marketing & Development Mgr is Nicole Duff, also working full time; and the part time office assistant will report to Nicole.

An explanation was requested about East Shore’s audit history.

Jason: No one can remember the last time an external audit was performed. The Finance Com sponsored an internal audit, 3 years ago, that was led by the chair of the Finance Com. Jason noted that the UUA recommends a regularly scheduled external audit. It was also considered a “Best Practice” to conduct an external audit in conjunction with the start of a new settled minister.

David Hutchinson requested information about the Mortgage expense line-item. He also asked how this would be impacted by the Holly House decision.

Jason: Total interest and Loan expense line-item is \$113,645.40. This annual amount is reduced from last year by about \$12,000 because we were able to refinance the loan at BECU at a favorable interest rate. Jason stated that we are planning to pay the mortgage as budgeted in the current fiscal year regardless of the decision that the congregation makes regarding the Holly House options. The congregation showed their appreciation for Jason’s leadership in this effort with a round of applause.

Bill Culverwell – asked how much was used during the search, earlier this year?

Jason: Approximately \$3,500 was spent and all those expenditures were covered by the operating fund. So when the next search is commenced the new Search Com will have the full allocation of funds that were originally planned.

Trish Hunter - \$735k is the proposed pledge goal. According to the handout, our current OFD has only raised \$718k – shouldn’t we lower our budget amount because of this shortfall?

Jason: stated that the pledges we had received to date were a 5% increase from last year for those particular pledging units. In the past couple weeks, we have received several thousand dollars more in pledges, so the shortfall continues to shrink. Based on an analysis of historical data for families who have not yet pledged, we expect to meet or exceed the \$735k goal.

Judy Bailey – Requested an explanation as to why Membership Expense had grown from \$3200, to \$62,000.

Jason: This is the expense side of the Department Activities & Payments income line-item that Peggy had asked about, earlier. We have now consolidated the different accounting processes for major activities such as Seabeck - pulling all the cash income and cash expense into the operating expense. Same is true of Women's Perspective. They receive a lot of cash income and then it passes thru and is paid out as Membership Expense.

We then voted on the motion to approve the budget as proposed. The congregation approved the proposed motion with only 3 members opposed.

Recognition of Operating Fund Drive Committee

Jack then requested all the members of the OFD Com come forward and be recognized for a job well done. Amanda Strombom and Chris Edwards were co-chairs, joined by Nicole Duff and Rev Elaine Peresluha. The congregation showed their appreciation with a round of applause.

Approval of Bylaw Revisions

Ryam stated that a bylaw revision was needed, as follows:

- Section XI, 4b currently reads: The Treasurer shall be Board liaison to the Finance Committee.
- Proposed change: The Treasurer shall be Board liaison to the Financial Stewardship Committee.

The Board moved and Mary Anderson seconded the motion.

Jerry Worsham – raised the question why we need to make this change?

Jack explained that Financial Stewardship is now the correct name of the com.

Ruth Edwards – raised the question if this is a team or a committee?

Ryam: With the change of the charter and the board re-organization last fall, it is a committee. The motion was approved, with 1 member opposed.

Approval of Vision Statement Presented by Trevor Hall, John Chmaj and Louise Wilkinson
Trevor requested that all members of the Vision Statement team come forward; including: Barb Claggett, John Chmaj (editor) Louise Wilkinson (editor), Laurie Wick, Bert Velasco, and Elaine Cox. Applause...

Trevor summarized the process of developing the Vision Statement including 50 pages of notes from all the town halls and meetings. The Vision Statement includes all the paths for us to reach the goals of our Mission Statement which was approved back on March 5 at our last Congregational Meeting.

The Board moved that we adopt the enclosed Vision Statement (Attachment 2) and Sunshine Glynn seconded. During the period of discussion, Trevor provided more information about how the proposed Vision Statement evolved out of all the charts, notes, and alternative vision statements. He stated, this is our Vision Statement deriving from our comments and feelings about who we are, and what is important to the East Shore community. Please refer to the handout for more information about the process of creating the Vision Statement. Discussion:

Marcia Sill – is there something in the statement about outreach? ...Arts?

Trevor: yes – our use of the words “Larger Community” includes the world. There are also references to the importance of arts and music.

Jim Shuman – In the section about Building Community, why was racism explicitly mentioned? Isn't that more of a Social Justice issue? Perhaps it should be moved into that section, instead. John Chmaj and Louise Wilkinson responded: There were many conversations about this question. It was generally felt that we are developing a competency about dealing with oppression – as part of building community. This is a pre-cursor to be able to promote social justice.

Tom Ball moved and Sunshine seconded the motion to call the question. Motion passed. About 25 opposed. We then voted on the proposed Vision Statement – Motion passed – about 15 opposed.

Vote on Holly House - Presented by Bob Weiss and Lee Dorigan

Other members of the task force included Bruce Sillers, Abbie Birmingham, Jason Puracal, Jane Sisk, and Lee Winstrom. Vic Bloomfield and David Baumgart were members of the task force during the first year of deliberations.

Bob stated that the HHTF successfully completed our task as described in the charter. A new committee will carry forward with more detailed analysis of the remaining options.

During the deliberations, the task force hosted 4 town halls, distributed multiple communications, published multiple Beacon articles, disseminated information through email blasts, and conducted a straw poll. There were several times that they met with the Board to provide status and seek confirmation on their direction and next steps. They contacted multiple external organizations as they considered a variety of alternative proposals. In Summary, Bob stated that “We followed an open transparent, process, we received over 20 proposed options, and we listened to all who participated in the process.” For purposes of today's vote, the task force has listed 2 voting choices:

- A. Retain Holly House Property
- B. Develop Holly House Property (sell or lease options)

If we vote to develop the property, there will be more thorough analysis when we receive more detailed proposals from developers. The Board moved that the congregation should vote on which choice we should pursue – Option A or Option B. Kerri Lauman seconded the motion. It was noted that the option to develop the property could include sell or lease options.

Bill Austin moved that we change the wording of the first option to Retain HH Property “As Is.”

Tom Ball seconded the motion to change the wording. The secretary then read the motion:

Voting Choices:

- A. Retain Holly House Property “as is”
- B. Develop Holly House Property (sell or lease options)

This Friendly amendment passed. Further discussion

Trish Hunter moved that the wording of Option B should include what we will do with the money (e.g. benefit social justice, pay off the mortgage, etc.). There was no second.

Jack: The board had considered whether or not to include information or guidance about what East Shore might do with the proceeds of a sale or a lease, and declined to do so at this time. At

some point in the future the various options about how East Shore might utilize the money would be considered.

Jerry Worsham – seems like the largest vote at the April Town Hall was to sell the property.

Bob: The straw vote indicated that sell with no restrictions, and sell for affordable housing were the largest vote getters. This was an informal, non-binding vote.

Jerry: we have been discussing the options for over 18 months and it seems like we should be ready to vote. There was discussion about the need for more thorough analysis that would lead to a more informed choice of options.

David Chapin requested what the arguments were for each option.

Bob responded providing the rationale for each of the offers to sell to Connor Homes or sell to Habitat for Humanity to develop affordable housing, or a lease option.

Wenda Collins – If we retain “as is” – what would we do with that?

Jason described the current rental income from Sophia Way (1400/month) which has just been extended for another year. This is based on a capital renewal reserve data analysis report received from Reserve Data Analysis, Inc. We have also received a thorough, 54 page inspection report from Ray Foster, LLC.

Catherine Fugitt – if we approve option B – what happens next – will there be another vote?

Jack: yes

Walter Andrews – if we vote for A, we can always develop later. If we vote for Option B, we risk alienating a large chunk of our community. And other remarks.

Alan Carter – Do we have a map showing the shape of the property –

Bob: Yes – it is L shaped and includes the undeveloped woods, the shed, and the current Pea Patch. Bob noted that the Pea Patch can actually be moved to a better location.

Mary Anderson – spoke to developing the property – it will enable us to live out our mission and vision into the community. We can serve the most people. (Mary continued with additional remarks.)

Jean Sillers – we are not in a crisis. Over the years the HH has been an elephant. The proceedings of the HHTF have been refreshing and the time is right to move forward. (Jean continued with additional remarks.)

Bill Austin – I am in favor of Option B – I also want to speak to the excellent work of the task force and the transparency of the process. We need developers to come and provide detailed proposals; then we can have an informed and a competitive bidding process. (Bill continued with additional remarks.)

After considerable discussion, Jack moved that we call the question. David Baumgart Seconded. Motion to call the question passed. At this point, we re-counted the attendees to insure we still had a quorum. 134 members were present – quorum achieved.

33 voted in favor of Option A
100 voted in favor of Option B -
Option B: Develop Holly House Property (sell or lease options) – Passed

President’s Report and Congregational Response

Jack referred us to the handout in the Member packet for his annual report.

Installation of new and continuing officers and Board

The congregation and board entered into the covenant of the service of the board and of the board officers. Responsive Reading for the Congregation and the Board.

Closing words, by Jack. Meeting adjourned at 1pm.

Please consider this as a discussion draft and forward additions or corrections as appropriate to: david_baumgart@hotmail.com

Respectfully,

David Baumgart, Secretary, East Shore Board of Trustees

Attachment 1 – High Level proposed budget

East Shore Unitarian Church		PROPOSED		Rationale for any change	
Proposed Budget for Congregational Approval		2017-18			
July 2017- June 2018		2016-17			
		BUDGETED			
Revenues		2016-17		2017-18	
Total Income - Pledges	718,339.00	735,000.00	OFD Goal		
Total Income - Other Donations	22,500.00	18,000.00	Estate Trusts, collection from previous FY		
Total Income - LifeLong Learning Fee Pmts	12,000.00	6,005.00	Reduced fees to Members as benefit		
Total Income - Fundraising Event Pmt	68,500.00	67,750.00	Auction, 5 shows from East Shore LIVE		
Total Income - Facilities Rental Pmt	137,360.00	159,360.00	Increased parking lot rental from P&R		
Total Income - Dept Activities Pmts	-	80,960.54	All Teams activities through Operating Fund		
Total Income - Other	38,453.00	47,394.00	Endowment, Misc. (unused Search funds 16/17, no grants)		
Total Revenues	\$ 997,152.00	\$ 1,114,469.54			
		2016-17		Rationale for any change	
Expenses	2016-17	2017-18			
Total Wages	512,470.00	537,553.30	Midpoints of Mid Sized III Church		
Total Payroll Taxes	39,437.00	40,578.80			
Total Payroll Benefits	64,037.00	106,239.84	Added Healthcare & Professional Expenses by Dept.		
Total Program Expenses	33,340.00	99,067.00	All Teams activities through Operating Fund		
Total Facilities Expense	86,703.00	110,876.12	Increased parking lot expenses		
Total Business Expense	77,272.00	56,519.00	Fees, Taxes, Insurance, Dues (50% of UUA & PNWD)		
Total Office Expense	25,363.00	28,570.09	New integrated software, insurance and copier increases		
Total Fundraising Expense	30,400.00	18,500.00	Auction (Fund-A-Need moved to Designated Fund), ESL		
Total Advertising & Marketing	3,000.00	2,920.00			
Total Interest & Loan Expense	125,130.00	113,645.40	Reflects Mortgage Refinancing		
Total Expenses	\$ 997,152.00	\$ 1,114,469.54			
Surplus/Shortfall		0.00	0.00	Balanced Budget	
<p>**Any Voting Member of East Shore may request a printed or emailed copy of the detailed, itemized budget proposal. Please contact Jason Puracal at dfo@esuc.org (425-747-3780 ext. 110) or pick-up at Admin Building</p>					

Attachment 2 - East Shore Mission

We practice love, explore spirituality, build community, and promote justice.

East Shore Vision

Practice Love

Offer a loving, welcoming environment for children and adults, inspired by appreciation and acceptance of all people.

Practice and expand our capacity to love, nourish, and inspire as we encourage each other to explore and grow through worship, group activities, education, and deep conversation.

Heal and connect as we share life's transitions, celebrating our joys and mourning our losses, embracing the rhythms of life and of the Earth we have mutually inherited.

Explore Spirituality

Explore spirituality through worship, classes, and activities that integrate diverse spiritual traditions and build connection to something larger than one's self, grounding the free expression of our values and faith in the outer world.

Inspire spiritual depth through worship services that incorporate thought-provoking messages of hope from the pulpit, music and other arts, and diverse sources of creative inspiration.

Dedicate space, time, and energy to providing spiritual sanctuary – places and events that offer opportunities for reflection, centering, emotional nurturing, and shared experience.

Build Community

Provide opportunities to grow our capacity for loving community through connection with each other, including covenant circles, topical/interest groups, connections teams, church governance and committee work, and through the covenanted practice of spiritual and loving ways of addressing our conflicts and differences.

Engage congregation-wide participation in exploration of personal, societal, and institutional expressions of racism and oppression through deep listening, compassionate communication, and understanding of systems of oppression, promoting multicultural, anti-racist, and anti-oppressive competencies that expand our communal culture and leadership.

Collaborate to extend our compassion and love into the larger community by providing sanctuary and support for those in need.

Promote Justice

Listen to the voices of those in our communities who are in need, in distress, or in other challenging circumstances, and engage in active outreach to partner with and empower them, visibly demonstrating that 'service is our prayer'.

Partner with earth and social justice-related organizations to promote racial, economic and environmental justice through education, direct action, and advocacy.

Voice and live our UU values through sponsorship of educational and artistic earth and social justice events at East Shore for the larger community, serving as a beacon of moral awareness and action.