

East Shore Unitarian Church

Meeting of the Board of Trustees,

September 2017

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Preparation Notes and Agenda

Review all items of the consent agenda, be prepared to vote to approve all, or move a piece to the regular agenda if discussion is needed (Please alert Jack in advance!).

East Shore Unitarian Church
Board of Trustees Meeting Agenda
September 19, 2017

Board Host: Jack

6:45 Social Gathering

7:00 Opening Words, Chalice Lighting Jack

7:05 Check In/ Guest introductions All

7:15 Approval of Consent Agenda All

7:25 Fund-A-Need All

7:35 Holly House Task Force 2 membership Jason

7:45 Timetable for Search Nominating Committee All

7:55 Board Ends – discussion of metrics All

8:15 Policy vs. Operating Procedures Elaine

8:30 Executive Session

8:58 Closing Words and Adjourn Jack

ESUC Board of Trustees

Minutes - Draft

August 15, 2017

Minutes, Leadership Reports, Consent Agenda:	Com. + Board Liaison Reports Consent Agenda:
August Board Agenda + Upcoming Events	
Minutes of Last Board Meeting – July 18 and Open Action Items	
Board President's Report – Jack Slowriver, Board Covenant 2016 & Draft End Statements	
Finance – Treasurer's Report – Ryam Hill	
Interim Minister Report-Rev Elaine Peresluha & Membership + Communications Report	
Director, Finance & Operations–Jason Puracal App A&B – Sum Income Statement, BS FY17 Appendix C, D, E Jessie Zhao, Balance Sheet & Financial Analysis / Charts, Appendix F – Coho Kids, Appendix G – Gallery Tax Considerations, Appendix H Staff Bonus Checks	Discussion Agenda: Staff Bonus Checks – from DFO report, New Board End Statements & Board Covenants – from President's report

East Shore Unitarian Church
Board of Trustees Meeting Agenda
August 15, 2017

Board Host: Marcy

6:45	Social Gathering	
7:00	Opening Words, Chalice Lighting	Marcy
7:05	Check In/ Guest introductions	All
7:15	Approval of Consent Agenda	All
7:25	Staff bonuses	All
7:35	Salmon Bake plans (Sept 10)	All
7:45	Community Fair (Sept 24)	All
7:55	Board Ends	All
8:40	Board Covenant discussion	All
8:55	Closing Words and Adjourn	Marcy

Upcoming Events for Your Calendar

- September Exec Council – Sep 5
- September Board Packet items due Wednesday, September 13: email to Ryam Hill
- October Beacon Board Buzz due Wednesday, September 13 by Jack: email to Nicole Duff
- September Board Meeting Sep 19; Jack is host.
- Sunday Service Announcement 8/20 Paul, 8/27 Lee, 9/3 Tom, 9/10 Mary Anderson, 9/17 + 9/24 Uzma

Opening Words – Marcy read a passage from Alex Baldwin for the opening reflection. Marcy hosted the meeting providing delicious snacks and a birthday cake for Doug Strombom.

Check-in – The Board of Trustees includes David Baumgart (secretary), Paul Buehrens, Jerry Bushnell, Uzma Butte, Tom Doe, Lee Dorigan, Ryam Hill (treasurer), Marcy Langrock, Jack Slowriver (president), and (absent) Doug Strombom (VP). The Board also includes our interim minister, Rev. Elaine Peresluha, Jason Puracal – Director of Finance & Operations, and Aisha Hauser – Director of Life Long Learning. Elaine joined us via Skype from her daughter’s home in Colorado. We enjoyed a quick peek at Penelope – Elaine’s brand new granddaughter.

- David, Jerry, and Paul all indicated they would be absent for the September Board Meeting.
- Visitors – none.

Review of Board Agenda + Consent Agenda - (*see content of Board Packet – all Board members are expected to review the entire Board Packet prior to the Board Meeting*) – Jack asked if anyone requested to move items from the Consent Agenda to the Discussion Agenda – no items were moved to discussion (see list of topics, below).

Marcy moved and Lee seconded to approve the consent agenda. Motion passed. This included tonight’s board agenda, the revised July 18 Board minutes, and the board liaison reports. Items for the Discussion Agenda are required by the cutoff date for the board packet. It is better to have such items for the Executive Council.

Consent agenda major topics (see Appendix 1)

- [Treasurer’s Report] Clarification of Bylaw Article V, A, 2 – Removing inactive members from membership roll,
- [Treasurer’s Report] Discussion of Grace Colton’s Personnel proposal (3 bullets) relating to health insurance,
- [Treasurer’s Report] Aligning the Fiscal Year with the Calendar Year; it is noted this will require a congregational meeting before the end of the year.
- [DFO Report] Coho Kids Pro-Forma.
- [Personnel Com] Down to just 3 members: Grace Colton, Marc Wanless, and Ralph Lutz.

Effective Board Meetings → on schedule, on task) (Dave)

Dave served as our Process Checker and appointed Marcy as our Time Keeper for the meeting.

- Process Checker – insures that the board meetings stay on task in terms of the regular format of our board meetings as guided by the agenda with the current list of agenda items.
- Time Keeper – insures that presentations + discussions are conducted within the agenda time schedule.

Housekeeping items: upcoming hosts, announcers, etc. (Dave)

We need a Board member to deliver the Sunday Service Announcements on Sep 24.

Staff Bonuses - (ref DFO report) co-Presented by Ryam and Jason

Jack: I am very supportive of the staff bonuses – they have all contributed to excellent performance reflective in the efficient operation of the church and positive budget surpluses for the past two years.

Paul moved and Marcy seconded the motion to pay out these staff bonuses as proposed by Jason. Dave asked if these bonuses were intended as “one-time” or as an annual bonus. Jason stated it was a “one-time” bonus. Motion was approved, unanimously.

It is noted that following the discussion of the Staff Bonuses, that Jack needed to leave the meeting, early. Ryam assumed the role of meeting facilitator and discussion leader for the remainder of the Board meeting.

Salmon Bake Planning (Sept 10)

Martin Cox covenant circle – Family Covenant Circle has stepped up to actively support this event. Ryam requested if anyone on the board would be willing to lead this event and also cook the salmon. Paul Buhrens volunteered to lead this event. Uzma is willing to assist Paul.

Reed and Kelly Cundiff did this last year and are willing to help out, again. Nicole will also be assisting. We will also need volunteers for serving and for dish washing.

Community Fair (Sept 17) Social Justice Fair (Sept 24)

We believe that the various ministry teams will do most of the effort.

It was suggested that a table be offered to the Nominating Com. (Connie Hirnle) as well as the HHTF v2 (Lee, and Marcy).

Board End Statements *[ref: President's report on Page 10]*

What about Metrics? They will be developed by the staff. Elaine stated that the staff has not yet discussed who "owns" each particular End.

Discussion about metrics and possible re-wording of one or two of the End Statements. The Board adopted Tom Doe's wording for the end relating to membership growth and diversity. Jerry moved and Lee seconded the Board End Statements as modified. Please see Appendix 3.

Board Covenant 2017 *[ref: President's report on Page 9]*

There was a brief discussion about renewing the Board Covenants 2015 & 16, as documented in the President's Report. Ryam moved and Paul seconded that we renew these covenants in the current year. Approved unanimously.

Miscellaneous Items

Update on ByLaws and Board Policies

Discussion about Ryam and Dave's effort to establish the current state of the ByLaws and the Board Policies. The policies also reflect the fiduciary responsibility and accountability to East Shore.

Holly House Task Force (HHTF) v2 – Ryam, Marcy, Dave, Jason continue their effort to recruit a new task force.

Closing Words and Adjourn

Closing Words by Audrey Lord and Adjourn Marcy

Our board meeting ended at 8:45pm. Our next board meeting is September 19, 2017. Please review these draft minutes and send corrections or additions to Dave as appropriate.

Respectfully submitted by David Baumgart
Secretary, ESUC Board of Trustees

OPEN ACTION ITEMS: (REVISED AUGUST 15)

What	Who	When / Notes
Salmon Bake – Sep 10	Paul, Uzma	Paul will lead with support from Uzma, Reed & Kelly Cundiff, Nicole Duff, and the Martin Cox Family Covenant Circle
Refresh and publish all Policies to the Board and Congregation.	Ryam, Dave, Policy Committee	In Progress - Due by August Board Meeting
Recruit Members to HHTF 2.0 and launch their first meeting.	Jack, Lee, Marcy + Dave	In Progress - Membership Appl. Form due by July 18. Due by August Board Meeting
Revised team charters – first drafts are due Sep 30	Board, Elaine, Jason, Aisha	The Board and each SLT leader will be responsible for their respective teams (Appendix 2).
Plan Congregational Meeting to approve change in Fiscal Year	Exec Com, SLT	Nov or Dec

CLOSED ACTION ITEMS:	Who	When / Notes
Board Support for new tax policies	Jack, et al	Due by August Board Meeting
Document our process for creating, reviewing, and publishing the Board minutes and monthly packet.	Dave, Amanda	Work in progress – due by our next exec committee meeting on August 1.

Appendix 1

The Board adopted or supported the following decisions, below, as part of the Consent Agenda Approval:

Consent Agenda from Treasurer Report

- Clarification of Bylaw Article V, A, 2 – **Removing inactive members from membership roll**, [Ref: Pages 11 + 12, Board Packet] “made a financial contribution of record to the operating or capital fund for the current or previous fiscal year;”

The question has been whether a member is removed from the rolls if they do not pledge or otherwise communicate their intent to continue being a member to staff or BoT for 2 or 3 consecutive years. Both the Finance Team and Executive Committee read the current Bylaw to mean 2 years.

In addition, Article V, E, 2, states

“A person may also be removed from the membership roll if he or she does not respond within thirty days to a written request, mailed to the person’s last known address, to clarify membership status.”

The concern has been that we have some former members who have not pledged for the last 2 years, and also do not reply to communications asking them to clarify their status. The church continues to pay membership dues to the UUA for these folks and there is no need to do this if they are no longer members. Membership status can be restored if there is a change and members can also appeal the loss of membership.

- Discussion of Grace Colton's Personnel proposal (3 bullets) relating to health insurance,

[Ref: Page 11, Board Packet] The FS committee recommended **that the BoT begin by requesting the Personnel Committee do the following:**

- Provide an annual review of changes in the current health insurance, as well as checking for any other new options that may come up.
- Establish a relationship with a health insurance broker to use for guidance in health care options
- Review price increases in November, during the signup month for health insurance renewal and report to the Board.

- Aligning the Fiscal Year with the Calendar Year,

[Ref: Page 11, Board Packet] From recent Finance Team discussions, I presented the following to FS, regarding Fiscal Year changes that would require an update of the Bylaws:

- The plan is to move forward with the intention to switch from fiscal year July-June to fiscal year January-December no earlier than January 2019.
- The Team and staff will do analysis as to how this will impact all systems of the church, and if the accounting work can be accomplished in this timeline. From analysis, so far, it seems feasible.
- One major change would involve the budget process. This would need to shift dates and for the transition year ((2018/2019) would need to have a 6-month budget from July-Dec 2018 and then another 12 month one for Jan-Dec 2019.
- **I request Board approval to proceed with analysis and planning.** If the Board approves, the Team will report on planning being done to allow for this membership vote and specifics for the accounting transition.

Consent Agenda from DFO Report

- [Ref: Page 17, Board Packet] Coho Kids Pro-Forma is available upon request.

Aisha and I met again with the preschool/kindergarten program (named COHO Kids) that we are bringing under the Lifelong Learning umbrella to finalize tuition rates, minimum enrollment levels, and contingency plans. We invited Congregant, Board Member, and owner of a long-standing preschool, Uzma Butte to join us for the meeting to gain her expertise in the review of the program. The pro forma was also shared with the Financial Stewardship Committee, as this is a new program outside what was budgeted for the year. No comments on the pro forma were received; a request to see a Charter for the program was made. **The Charter is in process. Registration will begin immediately. I have provided the pro forma for the Board's review and approval (see Appendix F).**

Personnel Com (Jerry Bushnell)

- The Personnel Committee will be down to 3 members after our July meeting: Grace Colton, Marc Wanless, and Ralph Lutz. Erin Horner has resigned. A notice that we have three vacancies has been put in the church e-blast for three weeks and the church community is being approached individually.

APPENDIX 2 – CHARTER TRACKING TABLE

First draft of revised charters due Sep 30

Board Standing Committees	Minister Core Teams – Elaine	DFO Core Teams- Jason	DLL Core Teams-
Financial Stewardship	<i>Membership Dev Mgr</i> Communications Seabeck Women’s Perspective	<i>Membership Dev Mgr</i> Outreach – Gallery Outreach – Website OFD Auction East Shore Live	Children & Youth Chalice Players
Endowment	Connections Teams	<i>Facilities Mgr</i> Facilities Grounds Memorial Garden P-Patch Flower	Adult Programs
Nominating	Ace Media Crew - Production	Ace Media Crew - Hardware	RE Teachers
Personnel	Archives / Library		
Policy & Governance	Covenant Circles		
HHTF v2.0	Earth Based Celebrations		
Ministerial Search TF	Extended Families		
Right Relations TF	Lay Pastoral		
	Worship		
ESJCC - Elaine	ESJCC - Elaine	Caring Community - Elaine	Affinity Groups - Elaine
ANSWER Nepal	Partner Church Khasi Hills	Grief Support Group	Coffee Klatch
Beloved Racial Justice	Partner Church Transylvania	Adult Children of Aging Parents	Women’s Friendship Group
Climate Action	Community Relationships	Men’s Support Group	4 th Saturday Bridge Group
CFH	Second Sunday	Parents of Trans Youth	Men’s Breakfast Group
Crossroads Meals	Women Helping Women	PD Support Group	
Food Bank		Widows Flying Solo	
Good Start Back to School		Affordable Housing Support Group	
Holiday Giving Tree		Parents of Teens	
		Helping Hands	

APPENDIX 3 – MODIFIED BOARD END STATEMENTS – APPROVED AUGUST 15

It was noted, during the Board discussion, that these End Statements will continue to evolve over time. The church staff now has the action item, under the leadership of the SLT, to develop appropriate measures for each of the Board End Statements.

Ends

1. By December 1, 2017, ESUC will have an initial 5 to 10 Year Financial Strategic Plan, developed by the Leaders of the Financial Stewardship Team in collaboration with the DFO, ESUC Board, and other ESUC leaders with the understanding that this plan will be reviewed and updated on an annual basis. (It is noted that this effort is well underway, led by the Financial Stewardship Team.)
 - 1.1 By December 1, 2017, East Shore will determine and document how best to utilize its Endowment for maintaining capital assets of the church's campus.
 - 1.2 By the Annual Congregational Meeting in June, 2018, ESUC will have a plan reviewed and approved by the Congregation for the development of the Holly House property that will result in proceeds to ESUC of at least \$1M.
2. ESUC will be prepared for a Settled Minister by the fall of 2019. The following actions will be complete prior to preparing the information packet for the new ministerial candidates, including:
 - A covenant of Right Relations
 - Stable staff (paid / unpaid) to appropriately meet the needs of the church
 - Sustainable Finances and preparation for an external audit
 - Policy-based governance is fully implemented and accepted
 - In the 2018/19 review of ends the Board will be able to define what it means to explore spirituality based on their experience of living our mission and vision statements.
3. During the period of 2017-2019, will further enhance the prevailing level of trust through the further development of skills in right relationship, and growth opportunities offered in classes, workshops, trainings, worship, and ongoing support.

We will document the processes for transparency, right relationships, anti-racism, and religious tolerance in a behavioral covenant that is supported by all staff and a majority of voting members.
4. By 2019, we will achieve membership growth (new members and retention) to sustain the church through increased generational and cultural diversity.
5. We will make measurable progress moving our congregation from a multi-culturally aware congregation to anti-racist as defined by Julica Hermann de la Fuente, with specific attention to lifelong Learning, pastoral care, and theology.
6. East Shore social and earth justice activism provides an opportunity to publicly live out our UU principles. In fidelity to these principles, we will measure outcomes each fiscal year to ensure the resources of our community are being leveraged most effectively.
7. By 2019, we will develop a plan to reduce the environmental impact of our facilities and membership activities. We will also have plans for Emergency Preparedness.

END OF MINUTES

President's Report – *Jack Slowriver*

President's Report – September 2017

Dave will be out of town for this meeting, so we'll need someone who is willing to take minutes during the meeting. We also will need a process checker to help ensure that we stay on topic and on schedule throughout our time together.

Background for discussion items:

Historically, the Board has taken suggestions for what the fund-a-need auction item is each year. Typically, there is a direct suggestion from the Auction Team. This year, the Auction Team wanted to solicit ideas from the congregation and for the Board to manage suggestions. So far, the Facilities Team has put forth the only suggestion; they recommended that the Fund-a-Need item be the installation of air conditioning for the Administration Building. With record heat this summer, working conditions were nearly unbearable, particularly in rooms without windows. This will be an agenda item in case there are other suggestions that come forth for consideration during our meeting.

The formation of a Search Nominating Committee is a requirement of our by-laws. The purpose of the group is to survey the entire congregation, learn who is trusted and to ultimately select members of a Search Committee. When we called our Search Committee last time, it was around this time in 2015 that we began to form the Search Nominating Committee. I served on this Committee to help get it launched. It took a while for the group to find a process that was agreeable to everyone and then to execute the congregational survey process. This was during a time when people were really eager to work on this. We need to decide tonight when we think we should aim to have a Search Nominating Committee formed so that we can be sure to have a Search Committee slate to vote on in the 2018 June Annual Meeting.

Item for consent agenda: Approval of the Nominating Committee Charter

Nominating Committee Charter

Last updated 9-9-17

Name

The name of the group is the Nominating Committee.

Purpose

What is the purpose of your group?

The purpose of the Nominating Committee is to select the best qualified and the most well balanced group of candidates for open Board of Trustees and Nominating Committee positions, and to help fill other leadership positions to meet the current and future needs of the church.

To that end, the Nominating Committee shall provide a slate of nominees for vacant Officer, Trustee-at-Large, and Nominating Committee positions to be voted upon at the Annual Congregational Business Meeting in accordance with the Church Bylaws Article X. Sections A and C. (1).

This slate shall be publicized, together with the scheduled date of the Annual Congregational Business Meeting and the deadline for receipt of nominations by petition, five weeks before the Annual Congregational Business Meeting in accordance with the Church Bylaws Article XII. Section A. (2).

In addition, the Nominating Committee will provide names of potential candidates with needed qualifications to Board committees at their request and will provide help with orientation or mentoring of new Board members, if requested by the Board of Trustees. Both of these duties fit the Committee's purpose of helping to fill other leadership positions in the church and are in accordance with the Church Bylaws Article XII. Section A. (2) where the last sentence states, "Additional responsibilities may be set out in the Nominating Committee charter which shall be approved by the Board of Trustees."

How is your work related to one or more of our Seven Principles?

How does your group connect with East Shore's Mission and Vision?

The Nominating Committee helps the Board to govern the church in a manner consistent with our seven Unitarian Universalist Principles, by trying to exemplify those principles in its work and by providing candidates for church leadership who have the needed qualities to assist the Board and the Congregation to reach the church's Mission and Vision.

What are your specific goals for the next year? How will you measure your goals?

Adopt and use a group covenant that includes Right Relations and emphasizes confidentiality. *This goal will be measured by a copy of the covenant in use by the end of November.*

Complete the recruiting process as laid out in the next section of Nominating Committee charter. *This goal will be measured by:*

A record of document review and dates of meetings/interviews with the Board of Trustees and Minister(s) to learn about duties of the open position and the needs of the church and the Board;

A list of criteria for open positions and how it was shared;

Publicity to inform and solicit participation by the congregation through as many means as possible;

The dates of meetings/interviews with appropriate staff (removed references to specific staff per Connie's request) to locate potential candidates;

Date of Board meeting where a list of potential candidates that will be considered was presented for comment in an Executive Session.

The dates of interviews and a list of information provided to candidates;

A record of the slate and dates of Board meeting and Annual Congregational meeting where it was presented.

If requested, provide Board Committees with the names of potential candidates who have skills sets they need and help provide orientation or mentoring to new Board members. *This goal will be measured by a record of help provide to the Board of Trustees or its Committees (if any).*

Group Structure, Leadership & Decision-Making

Where does your group fit into East Shore's organizational structure – as a Board Committee, Ministry Team or Core Team?

The Nominating Committee shall operate as a Standing Committee of the Board which approves its charter in accordance with the Church By-laws Article XII, Section A (2). However, the Nominating Committee is elected by the Congregation and is also responsible to the Congregation to fulfill its purpose.

What are the minimum and maximum number of participants? To ensure community representation, no fewer than five members is recommended.

In accordance with the Bylaws Article XII. Section A. (1), the Nominating Committee shall consist of five members. Should a Nominating Committee member at large (non chair) resign or otherwise leave the group, the Committee shall appoint a new member in a timely manner using criteria and process similar to the original selection for that position. Should the chair resign or otherwise leave the Committee, the Board will fill the vacancy. They may select a person currently on the Nominating Committee or another person to step into that position for the remainder of the term. All appointees will serve until the next annual meeting election.

What are the leadership roles and responsibilities within your group?

The chair is responsible to call, arrange for, and facilitate the Committee's meetings and to guide the group in carrying out its purpose and duties as outlined in the Bylaws, this charter, and the Committee's goals. The chair may delegate certain responsibilities to other Committee members. The chair shall ensure that the Committee develops and adheres to its covenant and to confidentiality. The past chair will mentor and orient the new chair.

How are leaders determined, and what are their term limits?

The chair of the Nominating Committee is the Board-appointed, alternate year, past vice president of the Board of Trustees. The chair's term limit is two years according to the Church Bylaws Article XII. Section A. (1).

What, if any, are the term limits for your members?

In accordance with the Bylaws Article XII. Section A. (1), four members shall be elected by the congregation to two-year terms with two elected each year. The fifth member shall be appointed to a one-year term by the Board of Trustees. Elected members who have served a full two-year term are not eligible for reelection until one year has elapsed following the completion of their terms.

How are decisions made in your group (consensus, majority vote, officers, quorum needed)?

The group will strive to make decisions by consensus. When consensus is not possible a vote of all five members (even if they are not in attendance at a particular meeting) will be taken, with majority rule.

How are members recruited and oriented?

Committee members will recruit potential candidates for open positions on both the Nominating Committee and the Board of Trustees by:

Becoming familiar with the needs of the church, the duties of the open positions, and the skills needed to provide a well-rounded functional board, to include reviewing the Nominating Committee Charter, relevant By-laws, Board Policies, and job descriptions and consulting with the Board of Trustees and the Minister(s) by the fifth month in advance of the Annual Congregational Meeting;

Developing annual criteria for candidate selection (such as past experience in church leadership or committee work, participation in learning opportunities about church governance, constructive communication skills, and progressive multi-cultural awareness, or other relevant experiences, abilities, or qualities) and sharing it with the Board, staff, and congregation;

Educating the congregation about the Nominating Committee's role in the church and actively soliciting its participation in the search for candidates through as many publicity mediums as possible including email blurb, website notation, order of service reminder, worship service announcement, newsletter article, word of mouth, letter, etc. ;

Consulting with appropriate staff members to locate potential candidates to consider;

Doing initial exploratory conversations with possible candidates to create a list of viable potential candidates for further consideration;

Presenting a list of potential candidates to the Board for their feedback at least three months before the annual meeting.

Interviewing potential candidates based on the criteria and providing them with enough information about duties and the commitment to all meeting and retreat schedules, inviting their questions and/or referring them to talk with members who currently hold or have recently held a similar position (person specific details and proposed slate to be kept confidential by candidates and others until the slate is announced), so that they can make well informed decisions about accepting the call;

Presenting their slate of candidates to the Board (as informational only) before it is published to the congregation and at least two months before the month of the annual meeting.

Second year Committee members will provide an orientation to newly elected first year members by mentoring them. And Nominating Committee members will help orient new Board members, if requested by the Board of Trustees.

What, if any, qualifications are required for membership or leadership?

Nominating Committee candidates shall be selected who represent a broad range of interests within the church. They should be strongly committed to the church, active in its affairs, aware of the needs of the church and known well enough to be able to solicit the advice and opinions of the congregation. Currently serving members of the Board may not serve on the Nominating Committee.

How does your group communicate and collaborate with the larger East Shore community?

The Nominating Committee communicates and collaborates with the Larger East Shore community as outlined in the process for recruiting candidates and in accordance with the Bylaws.

What position on your team is authorized to approve communications publicized by Staff?

The chair

What types of decisions is your group authorized to make?

The Nominating Committee is authorized through the church Bylaws to present a slate of candidates for open positions of the Board and the Nominating Committee at the annual congregational meeting. It is also authorized to fill at-large (non-chair) positions on the Nominating Committee that become vacant before the term is over.

What kinds of recommendations, if any, does your group make and to whom (Board, Minister, Staff, congregation)?

The Nominating Committee recommends its slate of candidates to the Board and to the congregation. It also recommends candidates with needed skill sets to Board Committees, upon request.

What is the expectation for longevity of the group and the plan, if any, for disbanding the group?

The Nominating Committee is expected to serve continuously as a Standing Committee of the Board until the Bylaws no longer call for it.

Finances

Will your group present a budget proposal to the Budget Team?

No. The Nominating Committee has no expected needs for church funds. The Committee will submit requests for budget through the annual budget process if it identifies anything that might require church funds (such as recruitment strategy consultation).

If the Operating Fund is unable to grant the full amount of your budget request, will the group reduce its expenses or do its own fundraising?

NA

If your group plans to do fundraising, please describe how it will go about this?

NA

What kind of decision process exists for how money is used?

If the need should arise, the Committee would use the same process previously described for making decisions

Which position on your team is authorized to approve team expenses?

If the need should arise, the chair would be authorized to approve or may delegate to another member of the Committee.

Does your group have the need for a Prudent Reserve (funds set aside to hedge against a contractual liability)? If so, how much and what for?

NA

Confidentiality

Meetings shall be held as required to carry out the Committee's responsibilities, rather than on a fixed schedule, and shall be closed in accordance with the Bylaws Article V. Section C. (3) (b). Discussions shall be confidential.

Minutes shall not be kept permanently but shall serve only to expedite and track the work of the committee during its current year. At the end of each year, the Chair shall summarize the work of the committee, including data to measure goal attainment (delete--, and shall include) and a list of members of the Congregation whom they have identified as good candidates for, or who have expressed interest in serving as, Officers, Trustees-at-Large or members of the Nominating Committee in future years. That summary, together with the current Nominating Committee Charter and relevant Bylaws shall be maintained in a confidential Nominating Committee Notebook and passed to the incoming Nominating Committee Chair. All other minutes and notes for that year shall be destroyed in a manner that preserves confidentiality.

Revision History:

Date Initially Approved by Board of Trustees: No Record

Date of first Revision: November 21, 1995

Date of second revision: Sept. 17, 2004

Date of third revision:

Finance - Treasurer Report – Ryam Hill

- **Financial Stewardship Committee:**
 - The FS Committee met 9/12. The committee did not have a quorum as 3 members did not attend. The Endowment Committee will next meet on Oct 27. Its last meeting was in June.
 - We discussed more updates and refinements to the Financial Stewardship and Endowment charters.
 - We also reviewed the latest version of the Five-Year Strategic Plan and talked about possible metrics to include. An updated copy is attached after my report and should be reviewed by Board members for any questions or additions.
 - The committee discussed ongoing member and leadership needs for Financial committees. I will be talking to potential members at the Community Fair this upcoming Sunday.
- **Finance Team**
 - I attended the Finance Team meeting on 9/14 to discuss operational aspects of the church finances. See DFO report for details.

- **Other Activities**

- Doug Strombom will be removed as a check signer due to his resignation from the Board.
- I completed the revision of the Bylaws and Policies for posting on the website and for use by the Board.
- Action on Bylaw Article V, A, 2. From the August Meeting
Members who had not pledged or otherwise indicated their status were contacted for a final time. The membership numbers will reflect their removal or updates on their status if they responded.
- I attended the 9/2 Coffee Conversation Leadership meeting and was able to again share some about the past couple year's work on updating our accounting systems and coming into compliance on accounting and legal requirements. This process has required a lot of work by staff and has been difficult for some groups at the church to accommodate, but the intent is to protect the financial integrity of the church.
- For the 9/10 Salmon Bake, I did the planning and preparation with Nicole and Dianne. Also, organized volunteer sign up and then, set up and clean up the day of the event. Am utilizing volunteer input on the event to improve the event report which will help guide next year's event. Paul Buehrens led the salmon cooking team. Thanks for the Board members and many other volunteers who did all the work it takes to have an event like this annually.
- I will recruit for Finance and other standing committees at the Community Fair on Sunday, 9/17. Both Financial Stewardship and Endowment need members.
- After November 2017, I will no longer be requesting and organizing the various reports to create the monthly Board packet, as Dick Jack has agreed to take on this task. He will send out his email and directions to all Board members in November, so be alert to notices about this changing process.

East Shore Unitarian Church Five-Year Financial Strategic Plan

2017-2022

Financial Stewardship Committee DRAFT #2 to BOT

This Five-Year Strategic Plan presents strategic actions that will achieve East Shore's financial goal and provide a financial plan to achieve the Board of Trustees Board Ends, listed below. Following the strategic actions, Appendix A includes documentation of the financial factors that result from the strategic actions and were used in the five-year financial scenario. These factors may be updated or adjusted through time through future updates of the Five-Year Financial Plan. Integral to this Five-Year Plan is how the various financial outcomes resulting from a future decision on the Holly House property. Appendix B presents a five-year financial analysis reflecting the strategies presented in this plan. Financial planning, generating revenue and managing expenses will always be a lot of work, but with this plan, the Financial Stewardship Committee and the Board of Trustees hopes to instill a sense of calm and confidence in East Shore's financial future.

Goal

The Five-Year Strategic Plan is intended to fulfill the Board Ends, adopted August 15, 2017. Over the long term, East Shore Unitarian Church (ESUC or "East Shore") will achieve sustainable financial resources and a regular investment strategy in the churches assets and infrastructure. The Board Ends are abbreviated and summarized below.

Board End: By December 1, 2017, ESUC will have an initial 5-10 year Financial Strategic Plan, including how best to utilize the Endowment for maintaining capital assets of the ESUC campus and a plan for the development of the Holly House Property with proceeds to ESUC of at least \$1 million dollars.

Board End: East Shore will be prepared for a Settled Minister by the fall of 2019.

Board End: Enhance the level of trust at East Shore; which includes transparency in finances.

Board End: By 2019 achieve membership growth

Board End: Move the church from a multi-culturally aware congregation to anti-racist.

Board End: Measure outcomes of social and earth justice activism each fiscal year.

Board End: Develop a plan to reduce the environmental impact of East Shore's facilities and develop a plan for emergency preparedness.

Strategic Actions – Build Reserve Funds

Fully fund general operating reserves

The UUA guideline for operating fund reserve is 20%. East Shore will achieve operating reserves of 20% of the Year 5 estimated budget by adding \$38,547 to reserves each year for five years beginning in year two of this plan.

Fully fund the Endowment as capital reserve within 10 years

A well-funded capital reserve will reduce the need for special purpose capital campaigns and provide a more stable source of revenue for infrastructure and assets maintenance.

The Reserve Study (November, 2016) states that the church is expected to incur over \$6 million dollars in capital expenses over the next 30 years to maintain and replace existing infrastructure on the campus. The Reserve Study creates a model to fund these financial needs by calculating the amount of funds required to meet 100% of the expected expenses, and an annual contribution amount to the reserve to maintain the 100% funded level given the expenses incurred year after year. The Study reports the need of \$1,362,012 in reserves for assets and infrastructure replacement and maintenance starting 2017 for the fully funded model.

The Endowment Fund, currently at \$1,251,856 (March 31, 2017), will become East Shore's capital reserves, and set up a sustainable funding model to ensure the legacy of East Shore's campus can continue in the future. Endowment will develop a 5 to 10 year financial plan for reaching a level that provides sustainable resources for the capital assets on East Shore's campus.

Endowment will create a new Charter to define its role in facilities capital expenses, work with the Facilities Team in creating procedures to minimize costs and maximize efficiencies, and set a floor so the principle cannot be spent down.

Endowment will establish an updated Investment Policy Statement (IPS) to maximize return over the long run (target is above 7%), while still covering the short term (3-5 year) liabilities. Near term liability will be determined prior to December 1, 2017. Endowment will create a low-risk investment fund for placement of near-term liability funds.

Endowment will continue to make a regular contribution to the church operating fund over the next two years while in transition to this new model.

Develop measurements of financial sustainability

The purpose of financial sustainability is to provide our members the resources to achieve our desired social justice programs and ministry teams. ESUC will develop meters to quantify our progress towards achieving the Board Ends. Ministry Teams and Social Justice Committees will develop metrics to track their progress relative to the team or committee's charter and goals, as well as the contribution to achieving Board Ends.

Financial measurements include, but are not limited to; operating cash reserves, debt level, debt service, debt service reserves, loan to value ratio, average age of accounts payable, and return on assets (economic value). Economic value at ESUC will be measured in terms such as members served, the services provided by members, and member services relative to our investment in East Shore.

Our church is its membership. Metrics will be developed to monitor membership, average pledge; percent pledge increase, electronic fund transfers, and operating fund drive activity. The operating fund drive will transition to a year-round model over the next three years.

Strategic Actions – Operations Budget

Structure the Operating Fund Drive to reflect healthy giving and provide stability

The operating fund drive (OFD) will transition to a year-round drive, providing for pledges and automatic payments to be continuous. Membership will be provided educational materials on healthy giving levels. The Board of Trustees and Senior Minister will work to develop a giving structure reflecting a stable giving structure.

Bring all church financial activities in to the budgeting process

All church operations will transition to the operating budget in compliance with legal and tax regulations. The transition period will be one to two years. Through this process, East Shore will maintain current funding levels, allowing for inflation, for ministry teams, religious education, General Assembly Conference, lay ministry, etc.

Maintain mid-point Unitarian Universalist Association (UUA) salaries.

Mid-point is consistent with UUA guidelines for a church of our size. As the congregation grows, the minister and other positions may need to be increased above the mid-point. Above mid-point also provides for the higher cost of living in the Bellevue area. Long term staff could also be above mid-point based on experience and skills.

Achieve UUA recommended guidelines for employee health benefits.

The Unitarian Universalists Ministers Association (UUMA) expects a church commitment to offering health care to all church staff. For five-year financial planning purposes, East Shore will budget for health insurance at 80% of for employees and 50% for dependents. East Shore will develop an employee benefits policy and investigate options to refine the future costs of employee benefits.

Fully fund UUA membership

Increase to recommended level in year two of the five year plan, which is \$86 per member for both national and district dues. East Shore will participate in discussions of potential new UUA guidelines.

Structure staffing positions to support church teams and structure for growth

The annual budgeting process will respond to staffing recommendations from the Personnel Committee and Senior Leadership Team. Select staff positions will be structure as part time with flexibility in responsibility across staff positions. For example, a receptionist/office support position may be funded initially at ten hours per week. A Social Justice Coordinator may be funded by adding hours to a part time position and transitioning to more hours or a new position as funding becomes available.

Develop options for additional ministry

Various options are begin explored to provide additional ministry, such as part time Affiliated Ministers. Additional staff ministry options will be explored by year three along with growth in membership.

Strategic Actions – ESUC Assets

Manage Church Assets to protect East Shore's future and consistent with church values

East Shore will maintain the ability to use church assets consistent with our Mission, Vision, and Core Values. East Shore will manage church assets with a commitment to the long term financial health of the church, as our

faith transcends over time. Fully funding capital reserves is a critical component of protecting East Shore's future.

Develop a master plan for church assets that optimizes rents and church activities

The five year financial scenario includes a modest increase in asset revenues through parking space lease, additional rental efficiencies of Spring Hall, and additional events. Efforts to increase revenue from assets will be balanced with the desire provide our facilities to our membership and ministry teams. A return on asset analysis will be prepared reflecting both rental income and church needs.

Protect East Shore's Water Right on the Holly House property

East Shore has a valuable asset with the water right on the Holly House property for the existing well. East Shore will confirm this water right claim and protect the right with the Holly House decision. Over the next five years, East Shore will investigate the cost of refurbishing the well, the potential savings with use of well water for grounds watering, document the environmental benefits consistent with Board Ends, and determine adequacy for other uses, such as emergencies.

Generate revenue from Holly House property

For the purposes of framing a five-year financial picture the basic financial assumptions for Holly House options are described below. A task force will be established to develop and evaluate Holly House options and the estimated revenue. The minimum return established by the board is \$1.0 million dollars.

Retain and co-develop. East Shore retains the land and completes a ground lease with a non-profit. Potential revenue to be determined with input from housing agencies (04-08-2017).

Sell with restrictions. Holly House to a non-profit providing low-income housing. Estimated value with this restriction is 30% to 50% discount off market value. The value could equal approximately the same value as the mortgage.

Sell Holly House without Restrictions. Sell Holly House in 2017-2018. Receive over \$1.0 million dollars in year two of the five year plan. Pay off the mortgage and invest remaining amount assuming 4% per year return.

Five Year Financial Scenario

A Five-Year Financial Scenario is presented in Appendix B and shows the church's ability to implement these strategic actions. As a first time five-year financial analysis, it is expected that this forecast will be updated.

The Five-Year Financial Scenario shows how the rate of inflation, applied to expenses, will exceed the expected increases in pledges and other sources of revenue. The current 5-year plan assumes that there is no mortgage payment beginning in Year 4 with payment of the mortgage by the Holly House investment decision. Even without the mortgage payment a modest plan for increasing expenses still exceed revenue. Early analysis indicates an average of approximately \$120,000 is needed annually, to maintain the adopted 2017-2018 budget over five years.

It is recommended that Holly House options determine investment scenarios that generate income to achieve East Shore's Five-Year Financial Scenario. This means that after paying the mortgage principal the remainder must achieve a return of investment of approximately \$120,000 per year. The Holly House investment will achieve a revenue framework for East Shore that is less reliant on pledges by leveraging our assets, and thus achieve a sustainable financial future.

Appendix A – Financial Forecasting Factors

Build Reserve Funds

- Based on an annual operating budget of \$\$1,170,934 (round number) the reserve would be \$234187. There is currently \$80,000 in reserves. \$38,547 over five years achieves a \$200,000 reserve.
- Sustainable membership growth is defined a 1% per year growth in the Operating Fund Drive (OFD) revenues. One percent of \$700,000 is 7,000, or 14 new members contributing 14 new pledging units at\$500 each. (The current average contribution is \$2,422). These assumptions provide for modest growth and a more economically diverse new membership.
- Endowment contributes \$40,000 per year to the operating fund in the first two years and then transitions to the capital reserve fund in years three through five.

Operating Budget

- The average inflation rate for all expenses is 3% per year. Salaries, health care, heat, labor for repairs, etc., may vary.
 - Professional staff budgets are increased by 10% in year two to fund professional development, consistent with UUA Guidelines, \$24,000 per year.
 - Provide health insurance at 80% of premium for employees, 50% of premiums for dependents. Health benefits includes a \$1,000 per employee payment to their Health Savings Account (HAS). (\$5,000) Health Care costs, and premiums, are expected to increase by 18% to 20% per year.
 - New UUA membership guidelines could be modified as 7% of the church operating budget. This would be a large increase to East Shore where the operating budget supports a large campus.
 - Current membership is at 502 (March 31, 2017). An increase of 14 new members per year (basis of forecasted increase in operating funds) would mean 570 members by year five. UUA guideline for a full time second minister is at 800 members.
 - A half-time receptionist is budgeted at \$35,000 per year to allow for overhead costs, beginning in year two of this plan. [Claudia to update consistent with Budget Task Force]
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INTERIM MINISTER BOARD REPORT

September 2017

By December 1, 2017, ESUC will have an initial 5 to 10 Year Financial Strategic Plan, developed by the Leaders of the Financial Stewardship Team in collaboration with the DFO, ESUC Board, and other ESUC leaders with the understanding that this plan will be reviewed and updated on an annual basis.

See Jason's report.

ESUC will be prepared for a Settled Minister by the fall of 2019.

The Board will have a table at the community fair after the service on 9/17 to solicit interest in the Ministerial Search Committee Selection Team. At this month's Board meeting we will discuss and decide the process to be used by that team to select a MSC by the spring of 2018.

The other items related to preparedness for a new settled minister noted in this Board End are addressed in other areas of my report.

During the period of 2017-2019, will further enhance the prevailing level of trust through the further development of skills in right relationship, and growth opportunities offered in classes, workshops, trainings, worship, and ongoing support. We will document the processes for transparency, right relationships, anti-racism, and religious tolerance in a behavioral covenant that is supported by all staff and a majority of voting members.

The Right Relations team is responding to some right relationship needs in the congregation as well as preparing for the workshop with Lee Mun Wah October 14. There will be a second, not sequential workshop on conflict resolution Nov. 4th. People are being encouraged to attend both. At last count we had 62 members registered for October 14th. The RRT is promoting the Lee Mun Wah workshop on the Pacific North West U.U. Congregations list serve.

The Beloved Conversations Core team has met to discuss classes and ongoing educational opportunities on anti racism. We are aware of ongoing resistance as well as enthusiasm for anti racism work. WE agree that at this point in our interim it will be very important to be strategic about a holistic approach to both meet the board ends on becoming an anti racist congregation and our right relationship goals. We will be holding part II of the White Supremacy Teach in during worship on October 22nd. I will be getting certified to administer the Intercultural Development Inventory at a training November 1-3 in Portland OR which will enable us to better assess the level of intercultural awareness of the congregation and better prepare appropriate educational tools.

Two September worship services will address inclusive/exclusive behaviors in our community norms as well as right relationship principles in preparation for our Season of Invitation and to encourage people to attend the workshops. I will be training Ushers and Greeters on multicultural ways of assuring that we are inclusive and welcoming in our materials, programming and behaviors.

Eric Lane Barnes will be inviting more participation in the choir and expanding the cultural context of our music offerings during worship.

By 2019, we will achieve membership growth (new members and retention) to sustain the church through increased generational and cultural diversity.

There is a slight dip in worship attendance and in membership numbers which is not unusual for an interim ministry. ESUC numbers are slightly higher than normal trends for attendance and membership during interim ministries.

Communications & Membership Metrics

Worship Numbers:

2017/18

August 6: 117 (Seafair weekend)

August 13: 120

August 20: 98

August 27: 111

September 3: 141 (Labor day weekend)

September 10: 289 (Salmon Bake)

2016/17

August 7: 141

August 14: 131

August 21: 148

August 28: 129

September 4: 163 (Labor day weekend)

September 11: NO DATA (Salmon Bake)

Membership Numbers:

Current Membership: 471

- 29 Letters were sent mid-August to those who haven't pledged and only 2 have come back asking to stay on.
- One person has resigned

Visitors who have filled out forms in August: 8

We will make measurable progress moving our congregation from a multi-culturally aware congregation to anti-racist as defined by Julica Hermann de la Fuente, with specific attention to lifelong Learning, pastoral care, and theology.

In SLT we have not discussed changes in programming to specifically address the rubric other than what I have already discussed in my report. Our current focus is on assessing ESUC membership and programming on the rubric in anticipation of planning specific educational opportunities, worship and training for teams and staff. I will be training Lay Pastoral Ministers Nov 5th introducing the concepts on the rubric as well as other pastoral care principles. We used the rubric in the staff retreat in August as well.

East Shore social and earth justice activism provides an opportunity to publicly live out our UU principles. In fidelity to these principles, we will measure outcomes each fiscal year to ensure the resources of our community are being leveraged most effectively.

I am seeing a noticeable expansion of the ESJCC's focus on coordinating the ministry teams. They are getting charters completed, the ESJ fair organized and liaisons are working effectively with their teams. Much of this is directly related to Ann Fletcher assuming a more intentional leadership/chair role in facilitating the council and having Lynn Roesch work directly with me and Nicole to assure effective communication.

By 2019, we will develop a plan to reduce the environmental impact of our facilities and membership activities. We will also have plans for Emergency Preparedness.

(See Jason's Report)

We continue to staff lean, utilizing non-paid staff to fill staff hours, in order to stay within the operating budget. I am aware of staff showing signs of fatigue. I estimate that we are short, approximately, the equivalent of one full time position for operations. The office assistant could utilize 10 more hours. We could use 20 more hours for caretaking and Dianne is unable to take accrued time off because of the requirements of her position. I estimate approximately 20 hours could be utilized for ministry, which I am able to manage with non paid staff hours in social justice and pastoral care. Jason, Dianne and Amanda Alice all either work over their hourly capacity or leave work uncompleted to stay within their allotted hours. It is difficult to encourage self care, and use of accrued vacation and holiday time when it requires that essential work not be completed. We will review staffing positions, compensation, and hours during the next budget cycle.

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Director of Finance and Operations --Jason Puracal --

DFO Report to the Board of Trustees, East Shore Unitarian Church, September 2017

Consent Agenda

BOT END 1. By December 1, 2017, ESUC will have an initial 5 to 10 Year Financial Strategic Plan, developed by the Leaders of the Financial Stewardship Team in collaboration with the DFO, ESUC Board, and other ESUC leaders with the understanding that this plan will be reviewed and updated on an annual basis. (It is noted that this effort is well underway, led by the Financial Stewardship Team.)

- At the Financial Stewardship (FS) Committee meeting, we discussed the draft FS Charter and the 5-year Strategic Financial Plan. See Treasurer's report for more details.

1.1 By December 1, 2017, East Shore will determine and document how best to utilize its Endowment for maintaining capital assets of the church's campus.

- At the Financial Stewardship Committee meeting, we discussed the draft Endowment Charter.
- We received a check in the mail as a donation to East Shore. The letter attached did not describe any purpose of the donation other than an unrestricted gift. It was later determined to be a bequest from a recently deceased Member paid through an annuity fund. The check was deposited to the Endowment

Fund account. The Financial Stewardship discussed how to improve record keeping of Endowment contributions and bequests.

- The Facilities Team is reviewing the items listed in the Reserve Data Analysis that are scheduled for repair/replacement in 2018 to better assess what capital expenses will actually be incurred during 2018/19.

1.2. By the Annual Congregational Meeting in June, 2018, ESUC will have a plan reviewed and approved by the Congregation for the development of the Holly House property that will result in proceeds to ESUC of at least \$1M.

- We have had several people interested in serving on the Holly House Development Task Force, and several who agreed to provide support by answering specific questions related to their expertise via email. **We ask that the following Members be approved for the Holly House Development Task Force: David Baumgart, Marcy Langrock, Benjamin Langrock, Seth Hamilton, and Jason Puracal as DFO.**

2. ESUC will be prepared for a Settled Minister by the fall of 2019. The following actions will be complete prior to preparing the information packet for the new ministerial candidates, including:

- *A covenant of Right Relations*
 - *Stable staff (paid / unpaid) to appropriately meet the needs of the church*
 - *Sustainable Finances and preparation for an external audit*
 - *Policy-based governance is fully implemented and accepted*
 - *In the 2018/19 review of ends the Board will be able to define what it means to explore spirituality based on their experience of living our mission and vision statements.*
-
- I met with the Finance Team. We discussed the August month-end statements, the possibility for church sponsorship of external non-profits aligned with our purpose for building use without jeopardizing property tax exempt status, non-profit sales on East Shore's campus, credit card processing, the annual review of the Accounting Specialist, next steps in transitioning all Team financial activity to the Operating Fund, comparison of other churches' activities related to property tax, salmon bake and auction accounting procedures.
 - The month-end reports created for August 2017 have been emailed to the Treasurer, Financial Stewardship Committee, Finance Team, and other designated recipients. The reports include the Summary Income Statement (see Appendix A), the Detailed Income Statement, and the Balance Sheet (see Appendix B). The Income Statements by Department are presented visually as part of the financial charts (Appendix C), although for more transparency, some of the Departments have been broken down into categories. If any Board Member, or Congregant, would like to see the Detailed Income Statement, or the Summary Income Statements by Department, they can be made available upon request.
 - According to the reports, the total income from donations for August were approximately \$51k above the 16-year average of pledges, and ~\$42,500 more than what was contributed last year during this period. Please note the new account structure groups non-pledge donations with pledges for total income from donations. Our total income was ~\$61k more than the 16-year average, ~\$45k higher than the 5-year average, and 170% of what was brought in last year during July. Our monthly expenses were significantly higher than normal at ~\$91k; the increase is attributed to the Staff bonuses, HSA contributions, and the previous Music Director's final paycheck with vacation accrued. We ran an approximate \$25k surplus for Aug., maintaining our 2-month runway of operating expenses.
 - The income from the parking lot rental with Diamond Parking is not reflected in the Aug. Income Statement. There were some billing issues between Diamond Parking and their two corporate clients (Facebook and Slalom), which are actively being resolved. In Sept., we received a

payment for the month of August, and are in communication with Diamond to for half of June and July that are still owed. We anticipate a normalized routine for collection of monthly income moving forward.

- The income to the Designated Fund- East Shore Housing for the Holly House rent was \$1200, \$200 lower than the new contract specified for August as well as July. The Sofia Way has paid the difference for both months, however the deposit was made in September. For the September end of period statements, the contractual amount will be reflected, and all the income from the current fiscal year will be reclassified into the Operating Fund per the Board vote in August.
- The Finance Team is still waiting for email responses to questions regarding property taxes from the WA Dept. of Revenue. We did determine that sales of goods of other non-profits on East Shore's campus would count as one of the limited business activity days we are permitted.
- With the Gallery leadership resignation, the Finance Team is suspending our investigation of credit card processing equipment for our new merchant service provider. Dependent on other priorities, we hope to address the issue in the spring of 2018.
- To continue the transition of the financial accounting system so all Team activity occurs in the Operating Fund, the Finance Team recommends:
 - Ministry & Core Team Revolving Fund balances under \$1,000 as of 07/17 must be spent by the end of the current fiscal year (06/30/18), unless they are needed for the team's Prudent Reserve.
 - Ministry & Core Team Revolving Fund balances equal to or exceeding \$1,000 as of 07/17 must be spent by 12/31/18, unless they are needed for the team's Prudent Reserve.
 - Excess team funds will remain in the department (no change to GL account number) but will be commingled with other funds of the department and will no longer "belong" to the teams.
- With the help of Lee Dorigan, the Finance Team learned that other churches in the area that have been referenced at different times by Congregants are paying property taxes for business activity occurring on their property tax exempt campuses. Some operate the business at a loss, some donate 100% of the profits to other non-profits. Using King County Parcel Viewer, anyone can see the property taxes paid for any parcel in the County, however the details of the business activity of the church that triggered the taxable land are not provided.
- I was able to successfully make the contribution to the HSA accounts for four participating Staff during the month of August. Staff have confirmed receipt and access to the funds. One Staff Member's contribution was rejected due to an issue related to her name change. She has resolved the issue, and the contribution was made in September as will be reflected in the September month-end financial statements.
- I completed the annual review for the Accounting Specialist. I am still working on making sure all the employee files are up-to-date with the correct paperwork per the Personnel Committee Employee File Check List.
- We completed payment of the Staff bonuses per the Board vote in August. The Staff extends a heartfelt thank you to the Board for recognizing their dedication, hard work, and efficiencies during last fiscal year.
- With the resignation of the Vice President of the Board, I recommended to and drafted for the Executive Committee a statement of minutes reflecting the vote to remove signatory authority of the former VP for the ESUC Chase checking account. The Treasurer plans to execute the document at Chase bank. See her report for more details.
- I attended the Coffee and Conversation discussion on the first Saturday of September to answer questions related to taxes, building use, accounting, Charters, and general finances.
- I have begun detailed training on the ACS systems. I was given a brief overview of how to add a new employee In the Cost Center, how to add/edit/delete Project codes, and an overview of the security

settings for the different modules. I learned how to give permissions for Access On Demand, Access ACS, Financial Suite, and People modules. The Facilities Scheduler is still pending.

- As there are numerous security options within each module, and each Staff will need access to different parts of the system, it will take some time to go through each Staff member's profile and determine the correct level of access. I will do this in collaborate with each Staff person, also with the intent of building redundancy into our Staff capacities (i.e. there is a backup for everyone's critical functions within ACS to cover vacations, sick days, emergencies, etc.).
- I was able to give access to the RE Assistant so that she could see the online registration payments for RE classes, and edit RE events on the calendar. This will take some of the workload off of the Facilities Manager's plate as she has been doing all the RE and Adult Programs registrations.

3. During the period of 2017-2019, will further enhance the prevailing level of trust through the further development of skills in right relationship, and growth opportunities offered in classes, workshops, trainings, worship, and ongoing support.

We will document the processes for transparency, right relationships, anti-racism, and religious tolerance in a behavioral covenant that is supported by all staff and a majority of voting members.

- I have been reviewing various Charters as different Teams and Committees submit their drafts. One area recommended for addition to the Charter template would be related to required documentation of decisions for the churches records. For example, Board Standing Committees/Task Forces are required to submit monthly meeting minutes to Archives. Core Teams would be required to submit major decisions to SLT for Board reports. Ministry Teams would be required to submit an annual report. Through consistent information flow and storage, transparency and inclusiveness will increase.

4. By 2019, we will achieve membership growth (new members and retention) to sustain the church through increased generational and cultural diversity.

- Social Media Metrics:
 - *Yelp for August:*
 - 23 User views
 - 6 people clicked through to the website
 - 4 people asked for directions
 - *Google My Business Report for August:*
 - 32, 515 people found us on Google
 - 6 people called
 - 625 asked for directions
 - 133 visited the website

6. East Shore social and earth justice activism provides an opportunity to publicly live out our UU principles. In fidelity to these principles, we will measure outcomes each fiscal year to ensure the resources of our community are being leveraged most effectively.

- I reviewed two contracts for the screening of *The Promise Land*, and the appearance of the producers for a panel discussion following. A Congregant erroneously signed both contracts at the beginning of the summer. I have discussed errors or areas of concern for both contracts with the Interim Minister, who is now taking the lead on the event. She will have the contracts revised, and sign the new versions on behalf of East Shore to ensure the event still is able to occur.

- I was able to secure a team of engineering students at Gonzaga University to run a school year-long project investigating the waste material from the hops industry (the hops bine) as a potential for natural fiber-based building material. The Faculty Advisor is Dr. Lauren Heine, Executive Director of Northwest Green Chemistry. If determined viable, this would add economic value to rural agricultural communities in WA (who grows ~70% of the nation's hops), it would potentially drive down the construction costs of green housing, and could potentially be used by the developer on the Holly House project which would create a great marketing opportunity for the church.

7. By 2019, we will develop a plan to reduce the environmental impact of our facilities and membership activities. We will also have plans for Emergency Preparedness.

- I attended the Facilities Team meeting. We discussed the various projects underway at East Shore including security cameras, irrigation lines, Reserve Data Analysis, LAN, lighting, and fire drills.
- One of the security cameras for the lower parking lot was damaged during the install, so has been sent in for repair. Also, there were some issues with connectivity to the further camera out because of the heat gun used to make the connections between the wires. ACE is troubleshooting and repairing.
- The electrical to the SE corner was completed and both our new corner sign and banner are lit at night, however the permit is still open from the City of Bellevue. We are scheduling the inspection so we can have the permit officially closed, then will fill the trench.
- According to Bellevue Plumbing, and not seeing any related open permits on the City permit website, the irrigation line from the east side of the Sanctuary building to the SE corner of the property does not require any further permits. The caretakers will cover the trench, and the line is functional with the shut off valve located in the Flower Room.
- The irrigation line from the west side of the Administration building to the P-Patch was still heavily leaking. Dave from Grounds was able to repair it by borrowing a valve from an unused spigot on the Multi-purpose building. The P-Patch line is now fully functional, and a new valve has been ordered to replace the borrowed one.
- We received the revised project proposal for the local area network (LAN) project, however it was recommended to also run a wire from the Archives loft to the ACE sound booth. Advocate Telecom sent us a revised bid including this additional work. The Facilities Team will vote on the project proposal during its next meeting.
- We received a bid to improve the lighting situation for the Choir in the Sanctuary, however it was not complete. Facilities Team is researching the missing pieces.
- We had started to switch out interior lights in the Sanctuary to LEDs, however we had a congregant give us feedback about the variance in light color. Facilities Team discussed the issue, and agrees it is important for the worship experience to be conscious of lighting color when making our procurement decisions. Prior to making any more lighting changes, we are researching more options.
- The volunteers who installed and painted the posts for the new signs had left over paint, so also volunteered to paint the posts at the front of the Education building. The project has been completed. Thank you to Craig Nelsen and his team.
- The garbage disposal in the North Room kitchen stopped functioning again. We were able to have 3 Wire come out to review. There was a loose wire connection within the machine, which was repaired. We have not yet received a bill for the work, however believe it should be covered under the warranty. The garbage disposal is functioning now.
- We discovered an open permit from the City of Bellevue related to our fire system, however have not yet been able to determine what specifically it is related to. We believed it was for the kitchen hood exhaust system, however we have double checked with Cosco Fire to make sure the inspection report was submitted. They confirmed twice. We are attempting to learn more directly from the City.

- Due to the demands of my position, especially the training on ACS and the work related to the Holly House Development Task Force that will occur over the next 4-6 months, I have decided to postpone my participation in the CERT class offered by City of Bellevue Office of Emergency Management. In the meantime, Facilities Team will look at what immediate actions can be taken on our own.
- The Facilities Team reviewed fire drill procedures from other Congregations and what exists in the Emergency Management Plan for East Shore. We will be updating this document, and plan to hold practice fire drills with the RE students and the entire Congregation in the near future.

Discussion Agenda

None at this time.

Respectfully Submitted,
Jason Puracal
Director of Finance & Operations

Appendix A: FY 2017/18 Aug Summary Income Statement

Page : 1

East Shore Unitarian Church Monthly Income Statement - Summary August 2017

Date : 09/12/2017
Time : 11:43:22 AM

Accounts	MTD Actual (This Year)	MTD Budget (This Year)	MTD Budget Remaining (This Year)	YTD Actual (This Year)	YTD Budget (This Year)	YTD Budget Remaining (This Year)	Annual Budget (This Year)	% of Annual Budget Used (This Year)
Revenues								
Income - Donations	92,256	62,750	(29,506)	237,153	125,500	(111,653)	753,000	31.49 %
Income - Program Fee Pmts	2,435	500	(1,935)	2,998	1,001	(1,997)	6,005	49.93 %
Income - Fundraising Event Pmt	45	5,646	5,601	45	11,292	11,247	67,750	0.07 %
Income - Facilities Rental Pmt	16,309	13,280	(3,029)	32,759	26,560	(6,199)	159,360	20.56 %
Income - Dept Activities Pmts	4,960	6,747	1,786	22,204	13,493	(8,710)	80,361	27.43 %
Income - Other	128	3,950	3,822	41,907	7,899	(37,008)	47,394	88.42 %
Total Revenues	116,133	92,872	(23,261)	337,066	185,745	(151,321)	1,114,470	30.24 %
Expenses								
Payroll Expenses								
Wages	45,077	44,796	(281)	90,247	89,592	(655)	537,553	16.79 %
Payroll Taxes	3,261	3,382	121	6,095	6,763	668	40,579	15.02 %
Payroll Benefits	10,787	8,853	(1,933)	19,005	17,707	(1,298)	106,240	17.89 %
Total Payroll Expenses	59,125	57,031	(2,094)	115,347	114,062	(1,285)	684,372	16.85 %
Program Expenses	4,430	8,276	3,846	6,316	16,553	10,237	99,317	6.36 %
Administrative Expenses								
Facilities Expense	6,431	9,219	2,788	8,811	18,438	9,626	110,626	7.96 %
Business Expense	9,243	4,710	(4,533)	10,909	9,420	(1,489)	56,519	19.30 %
Office Expense	1,902	2,381	479	2,982	4,762	1,779	28,570	10.44 %
Fundraising Expense	198	1,542	1,343	1,193	3,083	1,890	18,500	6.45 %
Advertising & Marketing	0	243	243	0	487	487	2,920	0.00 %
Interest & Loan Expense	9,470	9,470	0	18,941	18,941	0	113,645	16.67 %
Total Administrative Expenses	27,244	27,565	321	42,837	55,130	12,293	330,781	12.95 %
Total Expenses	90,799	92,872	2,073	164,499	185,745	21,246	1,114,470	14.76 %
Net Total	25,334	0	(25,334)	172,567	0	(172,567)	0	0.00 %
Other Revenues								
Designated Revenues	7,129	0	(7,129)	29,262	0	(29,262)	0	0.00 %
Restricted Revenues	0	0	0	0	0	0	0	0.00 %
Revolving Revenues	0	0	0	0	0	0	0	0.00 %
Total Other Revenues	7,129	0	(7,129)	29,262	0	(29,262)	0	0.00 %
Other Expenses								
Designated Expenses	1,055	0	(1,055)	46,116	0	(46,116)	0	0.00 %
Restricted Expenses	0	0	0	0	0	0	0	0.00 %
Revolving Expenses	0	0	0	10,161	0	(10,161)	0	0.00 %
Total Other Expenses	1,055	0	(1,055)	56,278	0	(56,278)	0	0.00 %
Net Operating Total	31,408	0	(31,408)	145,551	0	(145,551)	0	0.00 %

Appendix B: FY 2017/18 Aug Balance SheetDate : 09/12/2017
Time : 11:39:09 AM**East Shore Unitarian Church
Balance Sheet Analysis
August 2017**

Page : 1

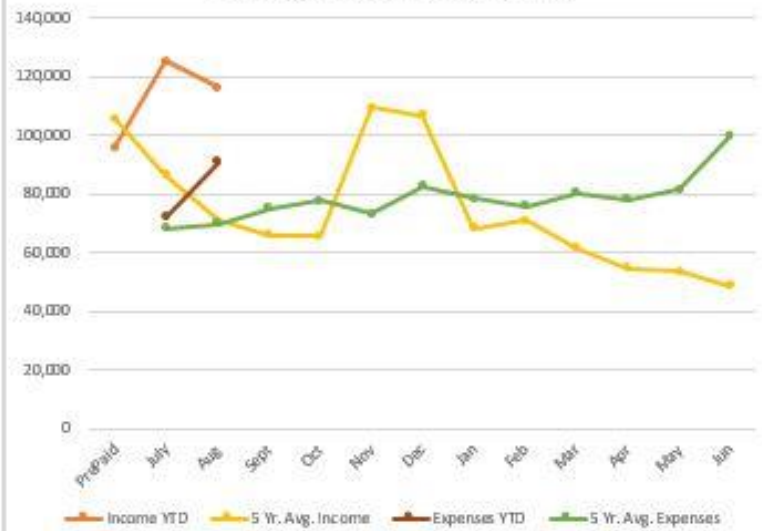
Accounts	Current Balance (Last Year)	Current Balance (This Year)	
Assets			
Current Assets			
Cash & Investments			
1-1000 - Petty Cash	\$0.00	\$300.00	
1-1010 - Checking - Chase	\$0.00	\$124,387.15	
1-1030 - Brokerage - Schwab	\$0.00	\$69,052.71	
2-1010 - Checking - Chase	\$0.00	\$23,429.67	
3-1010 - Checking - Chase	\$0.00	\$155,025.15	
3-1040 - Endowment Money Funds - Schwab	\$0.00	\$20,525.48	
3-1070 - Endowment Investments - Schwab	\$0.00	\$1,251,455.23	
4-1010 - Checking - Chase	\$0.00	\$21,450.00	
Total Cash & Investments	\$0.00	\$1,665,625.39	
Other Assets			
1-1100 - Accounts Receivable	\$0.00	\$1,737.45	
1-1120 - Prepaid Expenses	\$0.00	\$1,435.00	
Total Other Assets	\$0.00	\$3,172.45	
Total Current Assets		\$0.00	\$1,668,797.84
Contra Assets			
1-1600 - Building Loan Contra Account	\$0.00	\$868,289.33	
Total Contra Assets		\$0.00	\$868,289.33
Total Assets		\$0.00	\$2,537,087.17
Liabilities, Fund Balance, & Restricted Funds			
Liabilities			
Current Liabilities			
1-2010 - Second Sunday Collection Payable	\$0.00	\$1,118.00	
1-2110 - Wage Accruals Payable	\$0.00	\$16,332.98	
1-2210 - Sales Tax Payable	\$0.00	\$2,394.70	
1-2500 - Building Loan - Current	\$0.00	\$868,289.33	
Total Current Liabilities		\$0.00	\$888,135.01
Long Term Liabilities			
1-2700 - Damage Deposits - LT Rentals	\$0.00	\$4,500.00	
4-2710 - Other Collections Payable - LT	\$0.00	\$11,450.00	
Total Long Term Liabilities		\$0.00	\$15,950.00
Total Liabilities		\$0.00	\$904,085.01
Fund Balance			
2-3000 - Fund Balance - Ministry	\$0.00	\$3,675.22	
2-3010 - Fund Balance - Membership	\$0.00	\$7,640.69	
2-3020 - Fund Balance - Social Justice	\$0.00	\$7,784.50	
2-3030 - Fund Balance - Lifelong Learning	\$0.00	\$8,797.09	
2-3040 - Fund Balance - Finance & Facilities	\$0.00	\$3,365.26	
2-3050 - Fund Balance - Market & Dev	\$0.00	\$2,328.27	
3-3000 - Fund Balance - East Shore Housing	\$0.00	\$42,818.02	
3-3020 - Fund Balance - Endowment	\$0.00	\$1,288,182.02	
3-3040 - Fund Balance - Facilities Reserve	\$0.00	\$18,627.49	
3-3050 - Fund Balance - General Reserve	\$0.00	\$90,143.37	
3-3060 - Fund Balance - Memorial Garden	\$0.00	\$4,088.79	
4-3000 - Fund Balance - Grounds	\$0.00	\$2,000.00	
4-3010 - Fund Balance - Gallery	\$0.00	\$8,000.00	
Excess Cash Received	\$0.00	\$145,551.44	
Total Fund Balance and Excess Cash Received		\$0.00	\$1,633,002.16
Total Liabilities, Fund Balance, & Restricted Funds		\$0.00	\$2,537,087.17

Appendix C: FY 2017/18 Aug Financial Charts

FY 2017/18 Aug Operating Revenues vs. Expenses



FY 2016/17 Cash Flow by Month



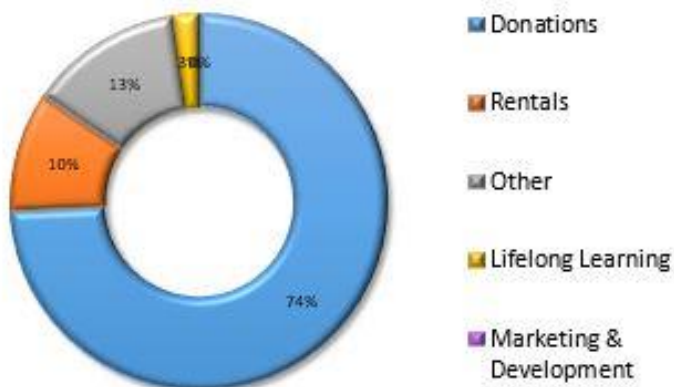
FY 2017/18 Aug YTD Operating Revenues



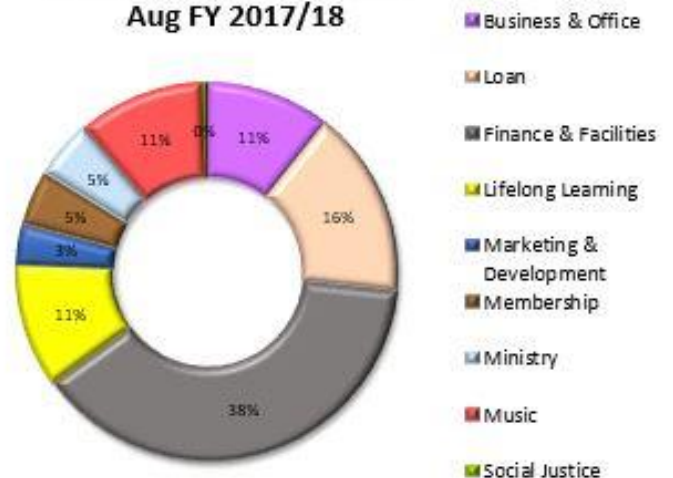
FY 2017/18 Aug YTD Operating Expenses



**Income Catagorized YTD
Aug FY 2017/18**



**Expenses Catagorized YTD
Aug FY 2017/18**



Director of Lifelong Learning –Aisha Hauser

Board End-During the period of 2017-2019, will further enhance the prevailing level of trust through the further development of skills in right relationship, and growth opportunities offered in classes, workshops, trainings, worship, and ongoing support.

We will document the processes for transparency, right relationships, anti-racism, and religious tolerance in a behavioral covenant that is supported by all staff and a majority of voting members.

The Right Relations Team has been working hard spreading the word to ESUC members along with area congregations about the October 14 all-day event, led by Lee Mun Wah from Stir Fry Seminars. We are hopeful to have a large turnout for the event. Louise Wilkinson, Mary Anderson, Lee Dorigan and I have been meeting and working through not only the plans for this event, but also the entire year. Registration for the continuing workshop on November 4th is also open. While that workshop will not be led by Lee Mun Wah, it will be worthwhile as it will build on the communication skills learned on October 14th. The topic will be conflict resolution. It is important to note that members of the Right Relations Team reached out to the gallery before they posted their note on social media letting folks know about their decision not to run shows anymore. One member of the Gallery did speak with one of the RR Team members and seemed to indicate a willingness to talk through the grief and feelings of upset before posting any communication to the congregation. However, this did not happen and the letter was shared on the closed ESUCConnections page.

It is my hope that as the congregation learns and develops skills in Right Relationship practices that difficult conversations can be had with compassion and empathy so that we can grow and move forward in kindness. Even when there is sadness with change.

Board End-By 2019, we will achieve membership growth (new members and retention) to sustain the church through increased generational and cultural diversity.

The preschool and kindergarten sponsored by East Shore, Coho Kids, began on Wednesday, September 6th. So far, this pilot project is off to a great start. I am overseeing the school through the coordinator, Carrie Coello. The families enrolled have two options for payment, monthly electronic transfers or a onetime payment. Carrie created invoices for families to submit their preference. We already have one family planning to join the congregation as a direct result of Coho Kids. It is my hope that as more families get to know the congregation they join as well. I met with the families for their information night and invited them to all church events, including Salmon Bake.

One of our more successful programs is the Our Whole Lives sexuality program. We will be offering three OWL levels this year, junior high, high school and K-1st grade. We already have almost full classes for junior and high school levels. The OWL programs are a draw to our congregation and in my tenure here at East Shore, I've seen families join specifically to be a part of this program. I have just returned from a five-day training to become a Trainer of Trainers for all levels of OWL programming. This means that I will be able to offer OWL trainings with Milly Mullarky, who is also trained to lead trainings for all levels. This is a huge opportunity for our congregation to offer even more programs in OWL for adults, young adults and for older adults (a new OWL for older adults will be published in 2018).

Board End-We will make measurable progress moving our congregation from a multi-culturally aware congregation to anti-racist as defined by Julica Hermann de la Fuente, with specific attention to lifelong Learning, pastoral care, and theology.

As Elaine indicated in her report, the Beloved Conversations Core Team met and her synopsis captures our discussion. Also, East Shore will be taking part in the second round of the UU White Supremacy Teach In on October 22nd.

Update on Lifelong Learning

I am working to create opportunities for folks to engage in spirituality in programs. We will be offering a free yoga and meditation class, led by Matt Strombom on Tuesday evenings and once a month on Saturday mornings.

I am also working on offering a more spiritually focused program on Sunday mornings after worship.

The Beloved Racial Justice Education Team is continuing to offer classes on race that include the monthly discussions and a book group.

On September 30, we will be hosting Tom DeWolf, author and descendant of the family featured in the film, "Traces of the Trade." We will show the film and Mr. De Wolf will host a discussion afterward. This will be from 1pm-4pm, the event is free and open to all.

Respectfully submitted,

Aisha Hauser

Personnel Liaison Report –Jerry Bushnell

8/31/2017

Report to Board from Personnel Committee (PC) meeting of 8/30/2017

For Board Consent agenda:

1. Approve Sheridan Botts as a member of the Personnel Committee

Information for board:

1. Committee membership
 - The Personnel Committee has endorsed Sheridan Botts for membership in the personnel committee, and the committee requests board approval
 - A new prospective member visited the meeting
 - Sheridan will attend ES Community Fair to recruit for personnel committee
 - Goal is to have 5-7 members
2. Future proposed Personnel Committee policy statement for board approval
 - The personnel committee is working on a formal policy proposal regarding guidelines for staff compensation (benefits and salary)
 - When finished, PC will submit for board approval.
 - The policy will recommend striving for compensation at the mid-level of the UUA fair compensation standards
3. Personnel Committee charter
 - Draft nearly done, will forward to Board when final edits done
 - Proposing 3 year member term
 - One year Chairperson term, renewable
4. Staff job descriptions
 - Director of Lifelong learning and RE coordinator have been submitted to the PC
 - Director of financial operations: draft is done, Jason's duties do not easily fit into any pre-existing UUA job category

- Sunday childcare worker will be classified as employee, instead of contract worker, job description to be done
- All job descriptions will be edited by the personnel committee so they are in a standardized format

5. Personnel committee coordination with other teams

- Many personnel committee topics involve money and overlap with finance committees
- Suggestion from personnel committee is to include in charters of the finance team, financial stewardship committee, and personnel committee a method or plan for communicating with each other

6. Process for congregant feedback to staff (Grievance Process)

- Grace Colton will prepare an educational email for new board members, so if we are approached by a congregant with specific staff feedback, we can correctly direct them to the on line form.
- The personnel committee, and right relations team anticipate that this process will be taken over by the Right Relations Committee, when and if one is formed.

Jerry Bushnell
Personnel Committee Liaison

Right Relations Task Force Update –Lee Dorigan

The Right Relations Task Force is staffing a table after every service for the following:

Right Relations Sermon Sunday, September 24, 10:00 a.m.

In preparation for our upcoming workshop on Right Relationships we will dive into the many aspects of relationship, communication, respect, and care for self and others. One of life's great opportunities for purpose and meaning comes with being able to be in right relationship with our selves and others.

Building Trust and Understanding Saturday, October 14, 9:00 a.m. to 4:00 p.m.

This session features an internationally-known expert, Lee Mun Wah of Stirfry Seminars and Consulting, in developing healthy ways of communicating across all types of disagreements and differences – and we have many in our congregation! Lee Mun Wah specializes in breaking down barriers between people, and in introducing and practicing skills to build trusting and understanding relationships.

Conflict Resolution Saturday, November 4, 9:00 a.m. to 4:00 p.m.

This session features a local conflict resolution organization known for developing experts across the County.

It is important to attend BOTH sessions, but if you cannot, attend what you can.

Please register online or in the lobby after church on September 10, 17, 24, and October 1, 8. ESUC Members and friends – \$10; UU members of another congregation-\$20; Non-UU folks-\$30

Please ask the board to plan to attend!

There are already over 40 paid attendees and dozens are registered. We are getting the information out to the wider community this week.

Policy and Governance Committee Charter

(Draft 9/7/2017)

Name

The name of this committee is the Policy and Governance Committee. It is a standing committee of the Board of Trustees (BOT).

Purpose

What is the purpose of your group?

The Board of Trustees (BOT) of ESUC exercises its authority through the principles of Policy-Based Governance (PBG). Policy Based Governance uses policies to direct the activities of the church's ministers and staff as well as the church's member committees. The policies set goals and limitations leaving the specific implementation methods to the staff and member committees. These goals include the church's defined "Ends". Policies also define the roles of the minister, staff, and membership to achieve our common religious goals. Policies must not contradict the church's bylaws. Unlike bylaws, which require congregational vote for changes, policies may be changed at any time by vote of the ESUC BOT.

The primary purposes of the Policy and Governance Committee will be to support the BOT by

- Assuring the policies are effective and consistent with church bylaws.
- Taking or delegating responsibility for drafting policy documents and bylaw revisions as required
- Reviewing and making recommendations on proposals for policy and bylaw changes that arise from membership and staff.
- Communicating and soliciting comment on policy from the congregation and staff
- Reviewing and recommending policies for board adoption and bylaw changes for inclusion in the BOT's recommendations for congregational vote.
- Providing oversight to the maintenance of the official policy book, exercising version control, and providing up-to-date versions of policies (electronic and paper) to the BOT and the ESUC website.

How is your work related to one or more of our Seven Principles?

How does your group connect with East Shore's Mission and Vision?

The Policy and Governance Committee supports the organizational structure that enables East Shore Unitarian Church to pursue the Unitarian Seven Principles and East Shore's Mission and Vision.

What are your specific goals for the next year? How will you measure your goals?

The Policy and Governance Committee has the following goals for the 2017/2018 church year:

- Assist the Board in performing its annual review as directed.
- Conduct periodic reviews of committee and team charters.
- Review proposals for new policies or changes in policies and make recommendations to the board in a timely manner.
- Prepare or delegate preparation of draft policy documents as required in a timely manner.
- Within the first three months, develop written processes for policy initiation, review, and revision. These processes may become part of ESUC policy.

Group Structure, Leadership & Decision-Making

Where does your group fit into East Shore's organizational structure – as a Board Committee, Ministry Team or Core Team?

The Policy and Governance Committee is a Board Committee created by Board of Trustees vote in April 2017.

What are the minimum and maximum number of participants? To ensure community representation, no fewer than five members is recommended.

The Policy and Governance Committee will be a standing board committee with minimum of five and maximum of seven members appointed by the BOT.

What are the leadership roles and responsibilities within your group?

The Committee will have a chair who will set meeting times and prepare the agenda. The chair will also appoint a member to prepare minutes of each meeting.

How are leaders determined, and what are their term limits?

The BOT will appoint the chair who will have a term of two years.

What, if any, are the term limits for your members?

Committee membership will be for a two year term. Inaugural members may be appointed for terms of 1 or 3 years to allow staggered periods of service that assure continuity of experienced membership.

How are decisions made in your group (consensus, majority vote, officers, quorum needed)?

The Committee will decide its recommendations to the BOT by majority vote, however, recommendations may contain minority opinions, as these may provide useful perspectives for BOT deliberations. The Committee is not required to speak with one voice to the BOT when making recommendations, but will speak with one voice with the BOT when the BOT makes decisions.

Recommendations will be in writing. Meetings will be held no less than quarterly, with a required meeting prior to the May meeting of the BOT to prepare the annual review of policies and to propose those policy recommendations that may require bylaw changes for approval at the Congregational Meeting in June.

Half the committee constitutes a quorum. Members who are not present at meetings may participate in votes by email to the entire committee prior to meetings.

How are members recruited and oriented?

Members are appointed by the Board of Trustees.

What, if any, qualifications are required for membership or leadership?

As a Board Committee, committee members must be members in good standing of the church. Members must agree to have familiarity with the principles of policy-based governance. While not a requirement, the Chair ideally should be a past officer of the Board of Trustees, or someone with a strong familiarity with church policy and their effective implementation.

How does your group communicate and collaborate with the larger East Shore community?

The Policy and Governance Committee reports to the BOT. Its primary method of communication to the BOT will be through written recommendations that are either part of the monthly Board Packet or stand-alone recommendations. As part of developing recommendations, the Committee will reach out to appropriate stakeholders among the staff and member groups when proposed policy changes have specific impacts on their work and ministry.

The Policy and Governance Committee will promote understanding of our policy based governance system to the congregation as well as engage membership through processes that communicate proposed policy changes and seek appropriate "buy in". The Committee will consider multiple communication venues including the

Beacon, email blasts, the church website, and town hall type meetings. The Committee will assist the BOT in preparing policy and bylaw relevant materials for congregational meetings.

The Committee may delegate the preparation of proposed policies to members, member groups, or staff within ESUC. The Committee will also review staff policy proposals and unsolicited policy proposals from membership. However, proposals and recommendations for board action will come only through the Committee.

What position on your team is authorized to approve communications publicized by Staff?

Communication with the membership will pass through the Membership and Communications Director. The chair may designate a Committee member to handle communications and will inform the Membership and Communications Director of that designation.

What types of decisions are your group authorized to make?

The Policy and Governance Committee has a sole purpose of making policy recommendations to the BOT. The Committee makes decisions regarding delegation and consultation with members regarding policy development. That said, development of policy will be transparent and open to participation from all members as appropriate.

What kinds of recommendations, if any, do your group make and to whom (Board, Minister, Staff, congregation)?

The Policy and Governance Committee reports to the BOT. Its primary method of communication to the BOT will be through written recommendations that are either part of the monthly Board Packet or stand-alone recommendations. As part of developing recommendations, the Committee will reach out to appropriate stakeholders among the staff and member groups when proposed policy changes have specific impacts on their work and ministry.

The Policy and Governance Committee will:

- Assist the Board in performing its annual review as directed.
- Conduct periodic reviews of committee and team charters.
- Review proposals for new policies or changes in policies and make recommendations to the board in a timely manner.
- Prepare or delegate preparation of draft policy documents as required in a timely manner.
- Within the first three months, develop written processes for policy initiation, review, and revision. These processes may become part of ESUC policy.
- Prepare a contribution for the ESUC Annual Report. At the BOT's discretion, the BOT may perform an annual review of the committee and make recommendations for how the Committee does its work or to make changes to this charter

What is the expectation for longevity of the group and the plan, if any, for disbanding the group?

The Policy and Governance Committee will be a standing committee of the BOT and will serve indefinitely until the BOT decides to disband it.

Finances

Will your group present a budget proposal to the Budget Team?

No. The Policy and Governance Committee has no expected needs for church funds except for the annual Committee retreat in Hawaii. The Committee will submit requests for budget through the annual budget process if it identifies anything that might use church money (for example an outside governance consultant).

Financial actions by the committee will pass from the chair through the Director of Finances and Operations (DFO). The chair may designate a Committee member to handle Committee finances and will inform the DFO of that designation.

If the Operating Fund is unable to grant the full amount of your budget request, will the group reduce its expenses or do its own fundraising?

N/A

If your group plans to do fundraising, please describe how it will go about this.

N/A

What kind of decision process exists for how money is used?

N/A

Which position on your team is authorized to approve team expenses?

N/A

Does your group have the need for a Prudent Reserve (funds set aside to hedge against a contractual liability)? If so, how much and what for?

N/A

Policy and Governance Committee Work Plan Progress Chart (Last Revised 9-8-17)

Project Name	Background Info on Need	Steps and Dates Completed	Board Approval
Charter template	Board directs all groups to have a consistent charter to demonstrate placement in the governance structure, adherence to Church Bylaws and Board Policies, and elements to reflect best organization and leadership practices (e.g. purpose, goals, term limits, decision process, finance, etc.)	Discuss needs and format of template 4-10-17 Staff input about elements to include 4-30-17 First Draft review and revisions 5-4-17 Revised Draft sent to Board 5-10-17	5-16-17
Nominating Committee Charter	Board President requests that the N.C. Charter be revised to reflect both the Bylaws and the current Policy Based Governance standards, to clarify communications between the N.C., Staff, and Board, and to outline task guidelines as specified in the Bylaws.	P & G Discussion about need for N.C. charter update—5-4-17 P & G Review revision input from N.C. Chair—5-4-17 Meeting with new N.C. chair, minister, P & G chair, and Board president to determine needed revisions—7-26-17 First Draft review and revisions by P & G Committee—8-3-17 Second Draft Review by N.C Chair and N.C.—8-17	

		<p>N.C. Chair and Board President meet about Board approval of slate—9-?-17</p> <p>P & G address issue of Board approval of slate--9-7-17</p> <p>Final review by Nominating Committee--Pending</p>	
Updated Version of Board Policies to reflect revisions since 2014		<p>Board Secretary and Treasurer Review minutes 2014-2017 and reflect new policies in the Board Policy Document—6-17 through 9-17</p> <p>Dick Jacke from P & G repeat the process to ensure accuracy--Pending</p> <p>Updated Policies on Church Website--Pending</p>	NA
Process to Initiate or Revise Board Policy	The Board-approved P & G charter directs the P & G Committee to develop a process for initiating and revising Board Policy. This could become an introduction to the policy section of the Board	<p>First Draft Review by P and G—7-12-17</p> <p>Final Revision to Board President 7-13-17</p> <p>Editing by P & G—8-3-17</p> <p>Clarify placement in Board Policy or in P & G Procedures—Pending</p>	7-19-17
Board Policy Recommendation Form	The Process for Initiating and Revising Board Policy calls for a form that church groups or members can use to propose new policies to the Board.	<p>First Draft Review by P & G—7-25-17</p> <p>Editing by P & G—8-3-17</p> <p>Clarify has the Board approved this? Does it need to?</p>	
Policy and Governance Charter Revision	The original Policy and Governance Charter needs to be transferred into the new charter template and have new sections addressed	<p>First Draft Review 8-3-17 tabled due to time</p> <p>First Draft Review and revisions made 9-7-17</p> <p>Second Draft Ready for September Board Packet 9-8-17</p>	
Personnel Committee Charter Revision	Personnel Committee Charter is already being revised to update and clarify P.C. role. Now it also needs to be put into the new template and address any additional areas needed	<p>P & G and P. C. Chairs—phone consultation about major issues 8-16-17</p> <p>P & G Chair reviews draft P.C. charter and provides input--8-17</p> <p>P.C. reviews revised charter draft—8-29-17</p> <p>P & G Chair answers e-mail questions from P.C. Chair 8-30-17</p>	

		P.C. Chair attend P & G Meeting to discuss distinguishing policies/procedures and P.C. relationship/functioning with Board/SLT 9-7-17	
Personnel Committee Salary Policy Proposal	P. C. Chair emailed P & G chair about a policy related to compensation they may want to propose to the Board 9-1-17	P & G Chair sends Board Policy Recommendation Form to P.C. Chair—9-4-17 P.C. Chair meets with P & G to discuss Compensation Policy Proposal and related documents and they develop proposed policy 2.6 revision for Board consideration —9-7-17	
Relationship Between Staff and the Core/Ministry Teams they partner with	Earth and Social Justice Council recommended a policy to the Board in December of 2016 to provide guidelines on collaborative work between the staff and the teams they work with. The current Board Policies do not address this. Examples of the need for this policy were shared.	Put proposed policy into the new Board Policy Recommendation Form —Pending for review in October	
Communication with Membership	Board already has some policies that address this. A Board End this year to Build Trust has communication as a major component. The Board may wish to revise some of its policy in this area to better meet that end.	Request/wait for Board Direction—	