

East Shore Unitarian Church

Meeting of the Board of Trustees,

April 2018

Chapter 1 **Table of Contents**

Chapter 1 Table of Contents	1
Preparation Notes and Agenda	2
Minutes of Last Board Meeting	3
President’s Report – <i>Jack Slowriver</i> April 2018.....	8
Letter to the Board from Beloved Racial Justice	8
Finance - Treasurer Report – <i>Ryam Hill</i>	10
East Shore Five Year Financial Strategic Plan	11
Minister’s Report – <i>Rev. Elaine Peresluha</i>	18
Social Justice Ministry Team Reports March 2018 Report.....	21
Director of Finance & Operations – <i>Jason Puracal</i>	24
Appendix A: FY 2017/18 March Summary Income Statement.....	28
Appendix B: FY 2017/18 March Balance Sheet	29
Appendix C: FY 2017/18 March Financial Charts	30
Director of Lifelong Learning – <i>Aisha Hauser</i>	31
Draft Policy Regarding Disruptive Behavior	32
Liaison Reports	35
Nominating Committee	35
Policy and Governance Committee – <i>Ann Fletcher</i>	36
Personnel Committee - <i>Jerry Bushnell</i>	39
Holly House Taskforce – <i>David Baumgart</i>	40
Appendix C – Strategic Financial Plan Spreadsheet	41
Multi-Timelines for ESUC Board Sponsored Projects	43

Preparation Notes and Agenda

Preparation Notes

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
April 17, 2018

Board Host: Dave

6:45 Social Gathering

7:00 Opening Words, Chalice Lighting Dave

7:05 Check In/ Guest introductions All

7:15 Approval of Consent Agenda All

7:30 Board Statement supporting Ends All

7:50 Budget discussion Ryam

8:10 Five Year Plan Claudia

8:25 Policy Regarding Disruptive Persons Jack

8:40 Adjourn to Executive Session

Minutes of Last Board Meeting

ESUC Board of Trustees

Draft Minutes

March 20, 2018

Minutes, Leadership Reports, Consent Agenda:	Com. + Board Liaison Reports Consent Agenda:
March Board Agenda + Upcoming Events	P&G Com Policy changes – Ann Fletcher
Minutes of Last Board Meeting – February 20	P&G Charter Tracking Table – Ann Fletcher
Acting Board President's Report – Uzma Butte	Personnel Com BL Report – Jerry Bushnell
Board President's Addendum – Jack Slowriver Ref: UUA report – Anti-Racism-Rubric	PC Review of State of WA Sick Leave Policy
Finance – Treasurer’s Report – Ryam Hill	HH Dev Task Force Update – David Baumgart
Interim Minister Report-Rev Elaine Peresluha & Membership + Communications Report ES Social Justice Ministry Teams Feb Report	Attached charters for Financial Stewardship and Developmental Minister Task Force
Director, Finance & Operations – Jason Puracal Appendices A&B – Income Statement, BS FY17/18 Appendix C - Financial Analysis / Charts, Appendix D – P-Patch Soil Analysis report	
Director, Lifelong Learning – Aisha Hauser	

East Shore Unitarian Church

Board of Trustees Meeting Agenda – March 20, 2018

Board Host: Tom

6:45 Social Gathering

7:00 Opening Words, Chalice Lighting Tom

7:05 Check In/ Guest introductions All

7:15 Representative from POC Affinity Group Rhonda Brown

8:15 Approval of Consent Agenda All

8:25 Discussion on various aspects of DM search Ryam

8:35 Update on OFD Tom

8:55 Update from Holly House Task Force Marcy, Dave

9:00 Right Relations Mark, Aisha

9:10 Executive Session: Adjourn to Executive session

Upcoming Events for Your Calendar

- April Exec Council – April 12 (*Note the schedule change*)
- April Board Packet items due Wed, April 11: email to Dick Jacke (Volunteer 1)
- April Beacon Board Buzz due Wed, April 11 by Paul: email to Nicole Duff
- April Board Meeting April 17; Dave is host.
- Sunday Svc Announcement 3/25 Jerry, 4/1 Lee, 4/8 Jerry, 4/15 Mark, 4/22 Jack, 4/29 Marcy

Opening Words – Tom’s reflection – A different kind of Tweet

Gentleness is powerful. When we use gentle and loving speech, we are able to transform anger, fear, resentment and suspicion in our communication. The whole intention of loving speech is to understand the other person and to be understood.

We can only understand another person when are able to truly listen to them. When we can listen to others we can understand their pain and difficulties. Listening deeply to another is a form of meditation.

Brushing our teeth, cooking our breakfast, walking to the meditation hall – everything we do, every step, every breath should bring joy and happiness to us. Life is already full of suffering; we don’t need to create more.

Thich Nhat Hahn

Check-in - The board of Trustees includes David Baumgart (secretary), Paul Buehrens, Jerry Bushnell, absent-Uzma Butte (Vice President), Tom Doe, Ryam Hill (treasurer), Marcy Langrock, Mark Norelius, and Jack Slowriver (president). The Board also includes our interim minister, Rev. Elaine Peresluha, absent-Jason Puracal - Director of Finance & Operations, and Aisha Hauser - Director of Life Long Learning.

Visitors: Louise Wilkinson, Rhonda Brown, Walter Andrews, and Mary Gleason.

Housekeeping items: upcoming hosts, announcers, etc.

We need a Board member to deliver Sunday Service Announcements May 6.

Representative from POC Affinity Group - Rhonda Brown

[Note: In her early days at East Shore, Rhonda was actively involved in beginning the Beloved Conversations ministry, working with Rev. Peter Luton. Working with Mark Hicks (UUA), Rhonda has travelled to other UUA congregations to facilitate initial Beloved Conversations efforts. POC Group, and Ministerial Search Com are two of her current activities.]

We are experiencing discomfort across the UUA at most congregations. I see significant changes in the demographics around Seattle. Things are different; everywhere.

The national government is also involved in significant changes.

The good news is that we have a foundational set of values to help us through all this change. Regardless of who stays or who leaves, things will continue to change. We cannot go to Google Maps to help us navigate to a safe place.

The more focused we are on discomfort – the easier our path will be. Uncertainty is a key driver of discomfort. People look for stories or leaders who will lead us into certainty – but this is usually a false path.

Racism – Rhonda’s son has experienced racism and discrimination while he is performing his work. Racism is alive and well in Seattle – it is the water we swim in.

Peter Luton and I had talked about getting enough people involved in Beloved Conversations and Racial Justice, so that we would reach a tipping point. However, today, it feels like we are even further from the tipping point. Seeing racism in our church is really hard.

What does East Shore stand for? Can we open up an aperture to accept another way of doing things? What role do you as leaders play in helping ESUC go along this path? She referred to what happened at Charlottesville.

As we bring in a Developmental Minister – we all need to address these questions. It feels like there is a lot of divisiveness now, and we all need to agree how to go down this path.

I also want to say how thankful I am for Elaine for her leadership and for giving us the space to be able to move down the path of discomfort. I am also grateful to Aisha who has been such a good friend.

Here is what I need – East Shore congregation needs to be authentic. I need to understand how we feel. If you want to address racial injustice – do it because this is how you feel – NOT to make the POC group feel better. After 7 years of effort and initiative, it is amazing how much pushback is still out there. You need to decide what you want and how to proceed.

[discussion]

Opening one's aperture can be very spiritual. [There was general agreement on this point.]

Rhonda asked: At your next retreat – what bold step are you willing to take? You can't just focus on trying to keep the water calm and comfortable.

Jack: I believe we need to draft a very clear message against racism and discrimination.

[Note: Jack's proposal to send a clear message was approved by the board as part of the consent agenda.]

Walter: – I have been out for most of three months because of illness and when I returned – I heard about the CB and was disappointed to discover they were not collaborating with anyone. Why are we tolerating this? Peter Luton would say that we will all change or we will all grow old together and the church will die. He was right. The white folks need to say this is not to be tolerated. If we left this up to the kids, we would be out on the streets and marching.

Louise – I have a proposal – we should do a restorative justice circle because of all the pain and hurt that we have been through. This community needs to be healed. The people who have done damage need to own the hurt and help us all move forward.

Rhonda – we need to focus on our own stuff – our own systems – before we reach out on external projects. Start with the leaders – make a bold statement, and then work with the congregation.

Mark – we should start with our leaders.

Marcy – we are creating the model – and that calls for a lot of courage and the space to make mistakes.

Rhonda – there is no way to be perfect in this effort – just try it and see what works. And then try again.

Paul: these times are historic – let's make history.

Louise will bring the board information about restorative justice.

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

Approval of Consent Agenda - All

There was discussion centered on Jack's proposal to issue a clear statement opposed to racism and discrimination.

Jerry moved and Marcy seconded that we approve the Consent Agenda. Motion passed.

Consent agenda major topics (see Appendix 1)

- Jack proposed: We will draft a statement in support of anti-racism at ESUC. (Ref: our End Statement)
- Ryam attached the Financial Stewardship and Dev Minister Task Force Charters for our approval.
- Ryam reported that March 24 is last date for teams to provide budget requests. Budget town halls are scheduled for March 25 and 26 – and attendees will review a current draft.
- Elaine reported: OFD Training in progress for Board Members + Church Leaders. To date, a minimal response, 25 out of 70.

- Elaine and Jason reported: Met with Rev James McEachran (St. Andrews Lutheran) who helped to found Imagine Housing. He has been invited to the April 7 first Saturday coffee to talk about Affordable Housing.
- Jason reported that an April town hall for the Holly House Developmental Task Force is now planned to provide current status of all proposals. Eventually, the congregation will vote to sell to an Affordable Housing bidder or a Market Rate bidder. [Note: the Town Hall is now scheduled on April 22.
- Jason also stated that the Board must decide if the current HH Dev Task Force should be responsible for negotiations with bidders.

Developmental Ministry Task Force – Ryam (chair)

Ryam provided an update – her task force is meeting weekly and preparing for the first DM candidate. Keith Kron (UUA) has led us to believe we could see the first candidate within a week or two. The Task Force has formulated their interview strategy and are fine tuning the list of interview questions. It is their objective to be able to act quickly to respond to the first candidate.

Ryam stated that the full DM Application will be posted and made available for the congregation to view.

Operating Fund Drive Annual Campaign – Tom (chair)

Tom stated that there will be a fund drive, but that many of the details still need to be worked out. The Membership team is working with Tom to plan the drive and include:

Chris Struble, Nicole Duff, and Rev. Elaine

Elaine pointed out that to date, we have had a poor response (25 out of 70) for requests to get people trained as Visiting Stewards / callers. She even raised the question if there should be a fund drive. After much discussion, the board reached consensus that yes, there should be a fund drive. There was some discussion about an ongoing year-round fund drive.

Elaine spoke about a Member Brunch that will be planned within the next 4 weeks, perhaps on April 15. She recommended that the Board should host and actively support this event. Several members spoke in support of participating in the calling, to enlist other leaders or members of the congregation.

Holly House Dev Task Force Marcy (chair)

Dave has filed a Board Liaison report and referred the Board to this report for an update – given that the hour was late. Marcy confirmed that we were now working towards an April 7 presentation at First Saturday Coffee, an April 22 Town Hall, and then prepare for the annual meeting. At the June 3 annual meeting, the congregation would be voting whether to go forward with an Affordable Housing proposal or a Market Rate proposal.

We raised the question of whether the HHDTF charter should be expanded to include negotiations with the bidder(s). The Board quickly reached a consensus that the Task Force should consider negotiations within scope.

Right Relations Board Norms – Mark and Aisha

Mark spoke about the effort to improve the capacity and capability for the East Shore Facilitator Team. Mark and Aisha requested that the board participate in Developing a Covenant of Right Relations, and passed out a survey sheet that should be returned to Mark or Aisha.

Executive Session – Jack Slowriver (President)

At 9:10pm, we adjourned to Executive Session. All of our visitors had exited the meeting, earlier.

Our board meeting ended about 10:10pm. Our next board meeting is April 17, 2018.

Respectfully submitted by David Baumgart, Secretary, ESUC Board of Trustees

OPEN ACTION ITEMS: DAVID BAUMGART HAS REPLACED THIS SECTION WITH A PLANNING DOCUMENT THAT IS AVAILABLE UPON REQUEST. THIS PLANNING DOCUMENT ENCOMPASSES 9 DIFFERENT TIMELINES THAT ARE THE RESPONSIBILITY OF THE BOARD.

Appendix 1

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

From President's Report

- We will draft a statement in support of anti-racism at ESUC. (Ref: our End Statement)

From Treasurer's report, page 8

- Ryam attached the Financial Stewardship and Dev Minister Task Force Charters for our approval.
- March 24 is last date for teams to provide budget requests. Budget town halls are scheduled for March 25 and 26 – and will review a current draft budget.

From Minister's Report

- OFD Training is in progress for Board Members + Church Leaders. To date, a minimal response, 25 out of 70.
- Met with Rev James McEachran (St. Andrews Lutheran) who helped to found Imagine Housing. He has been invited to the April 7 first Saturday coffee to talk about Affordable Housing.

From DFO's Report

- An April town hall for the Holly House Developmental Task Force is now planned to provide current status of all proposals. Eventually, the congregation will vote to sell to an Affordable Housing bidder or a Market Rate bidder. [Note: the Town Hall is now scheduled on April 22.
- The Board must decide if the current HH Dev Task Force should be responsible for negotiations with bidders.

CHARTER TRACKING TABLE

Henceforth, the Policy & Governance committee will be tracking the various updates of charters. Please refer to the Board Packet, pages 33 - 36

END OF MINUTES

President's Report – Jack Slowriver April 2018

I strongly encourage everyone to read the recent report on the Findings of the Commission on Institutional Change mentioned below. What is happening nationally is completely relevant to us.

As I approach the end of my term, I have never been more disillusioned and simultaneously hopeful. It is an interesting place to be.

I have also included a draft policy regarding disruptive behavior that I hope will help support ESUC's Right Relations work. We found that this was a gap in policy this year and it's my hope that staff, lay leaders and the congregation as a whole will benefit from having this policy in place. I've attached it as an addendum to this report.

Board Statement Proposal for Discussion:

The Commission on Institutional Change recently released their [Findings Related to the Southern Regional Lead Hiring Decision, Spring 2017](#)

(<https://www.uua.org/uuagovernance/committees/commission-institutional-change/blog/commission-institutional-change-report>) This group was appointed to "identify and propose redress issues of structural racism within the UUA." There are a number of important findings, but the one most relevant to ESUC is as follows:

"Anti-oppressive best practices should be the standard of practice for all leaders of the Association, paid and unpaid, especially those who are helping congregations navigate new ways of leadership such as regional staff and interim ministers. All such leaders should also understand the role of healthy conflict. These gate-keepers are essential to ensuring the conditions in which religious professionals of color and other professionals from marginalized groups can succeed in the UUA's white-centered culture."

Additionally, ESUC has adopted the Board ends the last two years that urge East Shore to be more inclusive and make efforts to be a be an anti-racist congregation. Specifically, in 2017/18, the Board stated that "we will make measureable 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."

The Board of Trustees at East Shore Unitarian Church recognizes that we have not made sufficient progress in becoming an anti-racist congregation and thereby wish to publicly state our commitment to a more courageous and urgent approach to anti-racism at ESUC.

Letter to the Board from Beloved Racial Justice

[Note: this letter was received from Louise Wilkinson (BRJ team) on April 17, just a few hours before the Board meeting. It was discussed and the Board affirmed the 4 recommended actions. Please refer to the Board Minutes for April 17, Appendix 2 for the Board's statement.]

Dear East Shore Board of Directors,

Those of us on the Beloved Racial Justice (BRJ) Ministry Team want to thank you for your strength and perseverance in a time of great difficulty. We have all been impressed by your tireless commitment to improving many aspects of the East Shore community. Most recently, we commend your invitation to Rhonda Brown to speak at the March Board meeting.

Because members of BRJ support the values of our faith tradition, we are asking you to lead the congregation by clearly stating that East Shore stands for racial justice. This work involves addressing the white supremacy inherent in our institutions, our community, our faith, and in each of us. We are at a time in the history of this country that requires us to step up to the promise we made 50 years ago. Most white churches, including Unitarian churches, have, since the Civil Rights Movement, retreated into a spiritual colorblindness that endorsed treating everyone the same despite their differences. Individual white members could feel good that they were not

discriminating even while systemic bias undid most of the gains achieved by the Civil Rights Movement and introduced new oppressions. Recent events, however, have spurred many churches and leaders in our faith to recognize the shortcomings of this moral lapse. They have decided to honor the promise made in the 1960s to be an integral part of the struggle for justice. We ask that East Shore officially make that promise.

As you evaluate how the Board and East Shore can most effectively support this position, as well as our principles, ends and mission, we invite you to consider the following points:

1. We urge you to explicitly support the Seventh Board End: “We will make measureable 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.”
2. We ask that you advertise that the future of East Shore depends on its authentic stance for justice and on its appeal to diverse members of the community. Clarity in these areas will enhance its vibrancy and position East Shore as a partner and haven in our diverse community, attracting those hungry for a congregation living these values.
3. We suggest that you highlight the importance of spiritual growth in our congregation, encouraging the membership to do the deep work of self-recognition, building emotional resilience, practicing compassion for others, and committing to that which is higher and larger than ourselves. This growth can be accomplished with compassion and trust using Right Relations and Restorative Justice to lovingly acknowledge truth, embrace challenge, and address conflict, creating a vital unity that serves the real values of this church.
4. We ask that you leverage our principles to support our commitment to address the original race-based sins of this nation. The future of our faith and our country depend on people like us having the courage to no longer live quietly complicit with systems of privilege and oppression that benefit white people at the expense of people of color, and to act to dismantle those systems.

Each of these points calls for your leadership, for you to speak clearly about who East Shore is and how East Shore aligns with our faith. We believe that Board leadership in this area is critical to us moving forward. We know that this is not easy, but your leadership can bring a sense of clarity and purpose that may reduce confusion and conflict in the church. We ask you to stand up and support racial justice in this community, knowing that you will not be alone. Members of BRJ and others will stand there with you. We hope this can be an on-going dialogue.

Signed,

The Beloved Racial Justice Ministry Team

Carrie Bowman, Manuel Brown, Rhonda Brown, Emily Dietrich, Maury Edwards, Jose Garcia, Mary Gleason, Jenny Hall, Seth Hamilton, Dick Jacke, Jeanne Lamont, Marilyn Mayers, Li Lu-Porter, Lynn Roesch, Clare Sherley, Louise Wilkinson

Finance - Treasurer Report – Ryam Hill

April 2018 Finance – Treasurer Report – Ryam Hill

For Board Approval:

Five Year Financial Plan presented by Financial Stewardship Chair, Claudia Hirschey.

Consent Agenda items:

- **Financial Stewardship Committee:**
 - The FS Committee met on 4/10/18.
 - The committee reviewed a right relations covenant, HHD task force update, and the Five Year Financial Strategic Plan presentations.
 - Tom Doe presented an update on the OFD.
 - I reported that Jason and I had met with Craig, chair of Endowment, to clarify the changes needed to the Endowment Charter. Jason also contacted a lawyer to answer some questions prior to us finalizing the Endowment Charter. We will wait until we receive the lawyer input before creating the final revisions for approval.
 - I brought up the need for confidentiality about draft numbers and particularly the draft budget scenarios, as a Budget Team member had shared this information and it had created more anxiety and rumors in the membership. There was no resolution to this issue at this meeting.
- **Endowment Committee:**
 - The next meeting will be April 19 at 9:30.
- **Finance Team:**
 - This month's finance meeting is scheduled for later in April, after this month's Board meeting.
- **Budget Team:**
 - The budget team met March 27th and reviewed another more updated draft of the budget scenarios. There were still many more numbers needing updating, which is in progress. We also discussed possible alternate income sources.
 - Jason and I reviewed input from the two Town Halls that we offered this month. We will have another Town Hall May 6th after service, so we can share a more detailed closer to final budget with the members.
 - The Budget team *tentative* timeline will be
 - Budget Team meetings:
 - April 24
 - May 22 (if necessary)
 - Town Halls:
 - May 6th will be another and final Town Hall to explain the hopefully final budget.
 - Final meetings/approvals from FS, FT and BoT in May on 8, 10, 15 respectively.
 - Deadline for mail out of budget in voting packet: May 18 (last week day prior to 2 weeks)
 - Annual meeting and presentation/vote: June 3.

- **Other**
 - The **5-Year Strategic Financial Plan** was presented at the Coffee Conversation in April by Claudia Hirschey, Financial Stewardship Chair. **She will also present the final version to the Board at the April meeting for approval.** See Plan in this Board Report.
- **Developmental Minister Task Force**
 - The Task Force continues to meet as needed after preparing all the interview and process paperwork to be ready for applicants.
 - I contact Keith Kron once weekly as the contact person for the Task Force and receive updates on progress. As soon as we have applicants, we will proceed with interviewing and reporting any progress to the Board.
- **Treasurer Position:** I informed Connie, chair of the Nominating Committee, that I would be ending my Treasurer position at the end of this year, not next. This is the normal duration of the Treasurer position, but I had originally extended to try to help with the transition of a new minister and new Board president. However, due to the ongoing stresses of dealing with members, I finally felt I no longer wanted to continue.

In working with Jason Puracal, DFO, since our former minister left, I feel we have completely updated and corrected so much in the finances of the church. It has been my great pleasure to work with him, as well as other supportive staff: Dianne and Nicole. I also very much respect the work and amazing contributions of my executive team members for the past years, President Jack Slowriver and Secretary Dave Baumgart. Finally, I have been inspired and learned so much from my minister Elaine Peresluha. Heart-felt thanks to them all and to the rest of the Board.

East Shore Five Year Financial Strategic Plan

East Shore Unitarian Church Five Year Financial Strategic Plan 2017-2022 Financial Stewardship Committee Final Draft 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. Church finance metrics that measure the strength of the East Shore’s Financial position are presented in Appendix B. Integral to this Five-Year Plan is how the various financial outcomes resulting from a future decision on the Holly House property. Appendix C 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.

1. **Board End:** By December 1, 2017, ESUC will have an initial 5 to 10 year Financial Strategic Plan, including how best to utilize the Endowment for maintaining capital assets of the ESUC campus and a plan for development of the Holly House Property with proceeds to ESUC of at least \$1 million dollars.
2. **Board End:** East Shore will be prepared for a Settled Minister by the fall of 2019.
3. **Board End:** Enhance the level of trust at East Shore; which includes transparency in finances.
4. **Board End:** By 2019 achieve membership growth
5. **Board End:** Move the church from a multi-culturally aware congregation to anti-racist.
6. **Board End:** Measure outcomes of social and earth justice activism each fiscal year.
7. **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

Six months of operating cash expenses plus current liabilities (i.e. 50% of annual budget, minus mortgage). This is considered a strong financial position.

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 determine 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. Appendix B presents church financial metrics.

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 into 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.

1. 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).
2. 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.
3. 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 C (pages 41 + 42, below) 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 \$234,187. There is currently \$80,000 in reserves. \$38,547 over five years achieves a \$200,000 reserve.
- Sustainable membership growth is defined as 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 include 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]

Appendix B – Church Financial Metrics

Source: *Church Finance*, Chapter 6 Managing Liquidity and Financial Position.

- Operating Cash Reserves: (General Reserve Account- Designated Fund): Six months of operating cash expenses plus current liabilities (i.e. 50% of annual budget, minus mortgage). This is considered a strong financial position.
- Capital Reserves (Endowment Accounts- Designated Fund). 100% funded model based upon Reserve Data Analysis. This is considered a strong financial position.
- Debt Service Reserves: Six months of debt service costs (principal and interest payments). This is considered the minimal/baseline financial position.
- Debt Level: Total liabilities are less than 2 times the church's unrestricted net assets. This is considered a strong financial position; *ESUC has already achieved this goal.*
- Loan-to-value Ratio: Debt is less than 65% of the current market values of the collateral property. This is considered a strong financial position; *ESUC has already achieved this goal.*
- Debt Service: Annual debt service payments do not exceed 10% of the church's annual cash operating expenses. This is considered a strong financial position; *ESUC has already achieved this goal.*
- Average age of accounts payable invoices: The average age of accounts payable invoices is not more than 15 days. This is considered a strong financial position; *ESUC has already achieved this goal.*

Return on Assets (Economic Value): This metric to be developed. This measure could be a qualitative or relative measure of the ability of the church to achieve the mission of the church relative to East Shore's value in assets.

The Five-Year Financial Scenario spreadsheet is presented in Appendix C (pages 40 + 41, below).

INTERIM MINISTER'S REPORT

APRIL 2018

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.)

Claudia Hirschey will be reporting to the board and offering the final draft for adoption at this month's meeting. Wee Jason's report for more details.

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***

The covenant will be a natural outcome of the Right Relationship Task Forces work with our Restorative Justice consultant Pam Orbach. Through the collection of input from ministry teams and core teams the RRTF will create a covenant of right relations to be adopted by the membership at this year's annual meeting. The covenant will need to be reinforced by a Disruptive Behavior policy created and adopted by the Board. This will give members awareness that there will be a process for holding members accountable when they are out of covenant.

- ***Stable staff (paid / unpaid) to appropriately meet the needs of the church***

ESUC continues to be understaffed for the expectations for support requested by members, teams and committees. Currently we have vacancies on several teams and committees and a low number of members responding to volunteer requests for programming other than RE. With a lack of member volunteers, the load on staff increases. Also, most staff are managing tasks and responsibilities that are not commensurate with their experience and competencies. Nicole and Dianne are affected the most by this tendency. Nicole and Dianne's availability to manage website, member programming development and rentals, is affected by their need to tend to administrative tasks that could be handled by office volunteers or additional hours for an office assistant. Likewise, Nicole and or Lucy need to come in early to open doors for yoga or other programs that begin before their hours begin because there is insufficient money in the budget for an additional caretaker.

The goals have been to have staff compensated equitably at the same mid-level for a Midsized congregation. We have not achieved that yet and probably will not with this year's operating budget. East Shore is very close to becoming a large congregational (50 members) which will raise the bar higher for those compensation levels. So appropriate staffing levels and maximizing time and talents of staff is directly proportional to the health of the operating budget. We are functioning, and there is need for improvement.

- ***Sustainable Finances and preparation for an external audit***

(See Jason's report)

- ***Policy-based governance is fully implemented and accepted***

The Board and membership require continuous reinforcement of the role clarification between oversight and operations. By laws and policies need creation and adoption to fully implement the structures of policy based governance. The P&G team is doing a remarkable job of reviewing and implementing charters which will help affinity groups, core teams, ministry team, core teams and board committees understand and operate with in their spheres of oversight or operations. Only with the alignment of policies, and by laws will those roles be adequately clarified and enforced. This will be an important goal of the developmental ministry. It will take time and discipline. Each time the board makes a decision on operations it weakens the governance model. Each time the staff makes a decision not adequately supported by the board or by policy the understanding and use policy based governance is weakened. Over time, with adequate clarification and reinforcement the different roles within the governance structure become easier to recognize and fulfil, making decision making, communications and policy adherence much easier and efficient. Staff and member roles in leadership will become easier and more fulfilling. That is the goal of policy based governance. People get to do more of what inspires them and they are passionate about.

- *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.*

We have not had direct conversations about spirituality in any of our initiatives but it has been an indirect outcome of the right relations work, worship, membership and music initiatives. I believe that those engaged in the programming, choir and worship are indirectly being affected and inspired by the foundational role of spirituality in all that we do in operations.

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.

Communications & Membership Metrics

***We are requesting that the Board designate Del Lawrence as a life member. Please note that in accepting the consent agenda Del will become a life member of East Shore Unitarian Church.**

Worship attendance and visitors are down which is expected in a level 4-5 conflict. We are intentionally not offering membership classes and decreasing some our normal outreach based on the principle that it is important not to try to increase visibility so as not to attract visitors and members during a time of conflict. This has been noted to increase the numbers of people attracted to conflict and less than healthy communication styles.

My goals are to have as smooth a transition as possible with my interim ministry and the beginning of the developmental ministry that emphasizes the accomplishments of ESUC during the interim and lays out the goals for the developmental ministry to continue what has begun.

I believe that an essential component of a healthy transition is appreciation for the conflict and the responsibility of all within that conflict. I will speak with as many people as possible to acknowledge my role in the conflict and I think our consultant will also invite conversation, learning and closure with that conflict so that there is a sense of well done associated with my departure.

Worship Numbers:

2017/18

March 4: 167

March 11: 136

March 18: 120

March 25: 103

April 1: 175 (Easter)

April 8: 115 (Khasi Hills Service)

2016/17

March 5: 174

March 12: 172

March 19: 120

March 26: 156

April 2: 154

April 9: 246 (Bob's last Music Sunday)

Operating Fund Drive (as of 4/11/18)

Pledgers: 28

EFTs: 13

Total: \$105,456

Membership Numbers:

Current Membership: 447

- Visitors who have filled out forms in February: 3
- Next membership class: April 22

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.

Because of the heightened anxiety and conflict in response to our program initiatives i inviting member participation, reflection and learning about white privilege, white supremacy and our white centered culture we have decreased out effort for raising consciousness about white centered culture. The recent report from the Commission on Institutional Change calls all U.U.'s to continue engaging in this work. The commission's report states: *Anti oppressive practices should be the standard of practice for all leaders of the Association, paid and unpaid, especially those who are helping congregations navigate new ways of leadership such as regional staff and interim ministers. All such leaders should understand the role of healthy conflict. These gate keepers are essential in ensuring the conditions in which religious professionals of color and other professionals from marginalized groups can succeed in the UUA's white centered culture.*" I hope that the Board will feel empowered and validated by this call s and continue to emphasize this end as a priority for the vision and mission of ESUC.

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.

(This continues to be an ongoing priority of facilities management and ESJCC. See Jason's Report)

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.

Social Justice Ministry Team Reports March 2018 Report

ANSWER Nepal Ministry Team Report

- An article about the success of one of the ANSWER students through an interview of sponsors Laurie Wick and Suzanne Tessaro appeared on the ESUC website.
- We hosted the display board about our activities on March 11th and 18th.
- The ANSWER Nepal Ministry leadership team also met March 18. We approved our Ministry Charter and discussed the Right Relations Guidelines and whether to make a budget request. We also planned the Sponsor Presentation set for May 20 in the Sanctuary after church service with Jenni and Trevor Hall. Submitted by Margaret Hall.

Beloved Racial Justice (BRJ)

On March 4, BRJ sponsored a panel of Indigenous women who spoke about issues of sex trafficking and missing and murdered women, issues that daily impact their lives and families. The session was well-attended by the larger community. The Van Jones Ware Lecture was screened on Friday, March 9, a collaboration between BRJ and CAM. On March 11, the Conversation About Race featured the last episode of the PBS documentary series, "Race – The Power of An Illusion." This episode, "The House We Live In," focused on how the federal housing policies combined with real estate practices resulted in red-lining, federal subsidies of white suburban home ownership, white flight and resultant neighborhood segregation, and destruction of black neighborhoods and black hopes of building wealth through home equity as well as of good education and job opportunities. On March 18, BRJ collaborated with Women's Perspective to host the Seattle Book Club, an African American book club that has been meeting and reading African American literature for over twenty years. This group of women decided to write their own book of short stories called "Life Matters." Eight members of the book club joined East Shore members to share about how their book was birthed, and about their own individual stories. It was a wonderful, warm and lively session. The action team held Flash Stances in Bellevue, Issaquah and Kirkland, with a particularly meaningful conversation with a passer-by in Issaquah. On March 31, the BRJ team co-sponsored a Friendship Dinner with the Muslim Association of Puget Sound. It was very well-attended, and featured numerous speakers including Jason Puracel, Rev. Elaine Peresluha, and Rev. Karen Taliesin. Submitted by Louise Wilkinson.

Climate Action (CAM)

- CAM had a steering committee meeting on March 5.
- On March 18, CAM conducted its second breakfast discussion based on the book Drawdown, this one on the topic of buildings and cities. About 20 people attended.
- On March 24, CAM sponsored the Eastside Environmental and Climate Action Forum, which had 35-40 attendees. The forum brought together five different environmental and climate action groups on the Eastside to build collaboration and community among one another to help make our efforts more effective

Submitted by David Chapin.

Congregations for the Homeless (CFH)

Congregations for the Homeless has completed the majority of its work at East Shore for this year. Its only activity will be to attend the monthly Congregations for the Homeless meeting. In June or July, the Ministry Team will begin to organize for the following October. Submitted by Dean Dubofsky.

Crossroads Meals

Crossroads Meals continues to provide up to 60 destitute people at the Salvation Army on the first Monday each month. There is a rotating group of approximately 15 volunteers. Submitted by Pam Monger. Submitted by Pam Monger.

Earth and Social Justice Coordinating Council (ESJCC)

The Earth and Social Justice Council sponsored a very successful Friendship Dinner held at Muslim Association of Puget Sound (MAPS) in Redmond on March 31. Marilyn Mayers provided liaison and collaboration for the event. East Shore contributed child care activities and desserts. East Shore's Rev. Elaine Peresluha and Rev. Karen Taliesan spoke along with several Muslim imams, and Jason Puracal shared the story of his unjust imprisonment in Nicaragua, as part of the theme of courage and compassion. About 15 East Shore members attended and acted as table conversation facilitators to further explore this theme in our own lives.

The Council sponsored a screening of Van Jones GA Ware Lecture with follow up discussion on March 9. They plan to offer another Ware Lecture by Winona LaDuke on April 13.

The March Meaningful Movie was 30 Seconds to Midnight, which explored some of the ways that humanity is on the brink of extinction: nuclear power is not safe and there is no way to get rid of nuclear waste, America is recklessly provoking nuclear-armed countries, and the dangers of human-induced climate change. Eighteen people attended.

On April 22, The Council will sponsor the dinner and discussion of Fostering Interfaith Relations on the Eastside (FIRE) here at East Shore. It is potluck and church members are welcome to attend.

On April 29, two Council members, Lynn Roesch and Ann Fletcher, will facilitate a book discussion on *The Third Reconstruction* by Rev. Dr. William Barber. Copies are available in the church library. Rev. Barber is inspiring a Poor People's Movement in May to honor and complete the work of Rev. Martin Luther King, Jr. The Council will make the congregation aware of several opportunities to participate in local events relate to this.

The Council will make available the Washington State Health Care Initiative at their table in the church foyer this spring and summer, along with information about other nearby Earth and Social Justice events. Submitted by Ann Fletcher

Food Bank

The Food Bank team collected food donated by East Shore members during the month and delivered it to the Hope Link Food Bank. Submitted by Ann Fletcher.

Good Start Back to School

The Good Start Ministry Team only operates in the summer, so there is no report to submit for this month. Submitted by Jenny Hall.

Holiday Giving Tree

In January, the Giving Tree held its last meeting until September 2018. There is nothing to report this month. Submitted by Janet Fleck and Kathie Moritis (co-chairs).

Partner Churches/Khasi Hills

Our planned retreat on March 11 was postponed due to personal circumstances for two people on the committee; the retreat will be rescheduled. Four of us were on a Zoom call to work on the content of the April 8 Partner Church service, called “Transformational Connections in a Fragmented World.” Our regular monthly meeting was cancelled, as two members were singing in the choir at Westside. We are communicating via email ongoingly regarding the service. Once that has taken place, we will work on our Charter and Right Relations projects, as well as plan this summer’s Trinkets and Treasures garage sale in more detail. Submitted by Barb Clagett.

P-Patch

Amanda Alice and Lucy Rahman have been preparing the garden for spring planting and encourage participation of congregants. Amanda wrote an upbeat Beacon article. Weeding parties are scheduled for March 31, April 8, and April 22. Everyone is welcome to help with these events, even if they don’t want to make a long-term commitment to the garden.

Amanda is purchasing seeds for RE students to plant and tend this summer during RE. The group also plans to build some structures to protect vulnerable plants from squirrels and other critters.

On May 6 the P-Patch will be offering plants starts to the congregation before and after services. During the summer they will occasionally have table with produce from both church and home gardens for congregants to enjoy. Donations from all the plant and produce events will be given to a food justice non-profit. Last year P-Patch Team gave \$600 to Farmer Frog at the Bellevue City Farm, which does education and outreach with teachers and children about organic farming. The recipient for this year’s donations has yet to be determined. Submitted by Ann Fletcher.

Second Sunday Share the Plate

Contributions for the March Second Sunday/Share the Plate recipient, Kids4Peace, totaled \$908. Kids4Peace has worked with East Shore, and Aisha had suggested it as a recipient. The Team confirmed that housing will be the topic for the May 13th collection. Climate change will be the topic for the June 10th collection, and the Team has contacted the Climate Action Team for suggestions. Submitted by Jane Sisk.

Women Helping Women (WHW)

WHW continues to support Sophia Way each month, creating meals for around 60 women, with about ten volunteers. WHW also is very active with the Lake Hills School tutoring project, with about 15 volunteers. On March 31, WHW, along with the BRJ Team and the ESJCC, co-sponsored a Friendship Dinner with the Muslim Association of Puget Sound. With coordination by Marilyn Mayers, a number of ES members attended. Featured speakers included Jason Puracal, Rev. Elaine Peresluha, and Rev. Karen Taliesin. Submitted by Laurie Wick.

Director of Finance & Operations – Jason Puracal

DFO Report to the Board of Trustees, East Shore Unitarian Church, April 2018

Consent Agenda

BOT END 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.

- I reached out to a non-profit tax attorney to gain more clarity about the Endowment Fund, and how its historical context related to the legal and GAAP definitions of Endowments. The Endowment has traditionally been considered a Board Designated unrestricted fund, governed by the institution's own restrictions as outlined in the Charter. We are seeking legal confirmation of this definition of East Shore's Endowment.
- I attended a meeting with the Treasurer and the Chair of the Policy & Governance Committee to learn about some of the historical context of the Endowment Fund, and the issues related to contradictions in the Charter compared to the Bylaws.
- I attended a meeting with the Treasurer and Chair of Endowment Subcommittee. We discussed the details of the Endowment Charter and how we can finalize the document in alignment with the recommendations from the Policy & Governance Committee.
- In addition to the review and detailed update for 2018 projected capital expenses provided by the Facilities Team, I have been corresponding with the Reserve Data Analysis company to customize the new report to align with East Shore 5- Year Financial Strategic Plan, and provide scenarios of a cash influx from the sale of the Holly House property in the amounts of \$1M, \$1.5M, and \$3M. This information, once completed, will be shared with the Endowment and Financial Stewardship Committees.

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.

- I met with the Chair and Board Liaison to the Holly House Development Task Force to review the meeting minutes from the last meeting, the updated timeline, and next steps moving forward.
- I drafted an email update for all Holly House bidders and am waiting for approval from the Chair to send out (permission received April 16). See the HHDTF Chair's and BOT Secretary's report for further details.

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.*

- The month-end reports created for March 2018 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 March were ~\$7,500 above the 16-year average of pledges, and about \$14,800 higher 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 ~\$20k more than the 16-year average, almost \$14k higher than the 5-year average, and 80% more than what was brought in last year during March. Our monthly expenses held steady at ~\$86k. East Shore had a deficit for March of approximately \$11k, and year-to-date we are still at a surplus of ~\$158k, providing just under a 2-month runway of operating expenses.
 - Due to the low balance of the checking account for operating funds (~1 month of cash flow), I recommend transferring \$50k from the Schwab operating account to the Chase checking account. This should balance cash flow for the rest of the fiscal year. I am awaiting confirmation from the Finance Team on the transfer prior to executing.
- I created and assisted in leading two Budget Town Halls. There were approximately 15 people in attendance after worship service on a Sunday, and 4 people in attendance on the following Monday evening. As input is still lacking from various Committees, Teams, and the Board, and the Operating Fund Drive had not yet started, we used this opportunity to seek input on methodology of sharing financial information.
- I attended the Budget Team meeting. We discussed the feedback from the Budget Town Halls, discussed in detail the latest budget scenario, and the input received from different Teams. We decided to host another Town Hall with more detailed information about next year's proposed budget in May. See Treasurer's report for more details.
- I attended a meeting with the President and Secretary to provide a financial model for assistance in negotiating the Interim Minister contract conclusion dependent upon the Developmental Minister potential. **Per the request of the Interim Minister Contract Negotiation Task Force, I am requesting the Board to vote to accrue the projected expenses for severance of the Interim Minister in the amount of \$21,217. This amount includes two months of salary & housing, retirement contributions, insurance premiums, and payroll taxes. The funds will come out of this year's fiscal budget and be held in 1-2110 Wages Accrual Payable until execution of the severance package. This will result in a deficit for the current fiscal year and will require a distribution of the Board Designated Fund General Reserve account. I recommend waiting until June 2018 before the Board votes on the exact amount to disburse from the General Reserve.**
- I drafted the contract with the Development Minister and received feedback from the SLT. I have sent the revised contract draft to the Personnel Committee and Financial Stewardship Committee with request to provide feedback directly to the Treasurer as Chair of the Developmental Minister Search Task Force.
- I completed an application for pro bono legal services from Way Find. I have not yet submitted the application, as it requires an application fee of \$100. Prior to paying this fee, I would like to have a conversation with someone from the organization about the potential for their attorneys to address the specific questions the Finance Team has. This phone call is pending.

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 attended an ESUC People of Color meeting to offer support
- I attended the Finding Our Way Home retreat for Religious Professionals of Color.
- As I was absent from the March Board meeting, I visited Rhonda and Manny Brown to hear about Rhonda's visit to the Board meeting last month and share my takeaways from the Finding Our Way Home Retreat.

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

- I attended the leadership meeting of the Seabeck Team and assisted with developing a budget tool to track when they hit breakeven.
- Social Media Metrics:
 - *Yelp for February:*
 - 26 user views
 - 5 user leads
 - 3 direction and map views
 - 2 clicks to website
 - *Google My Business Report for January:*
 - 33,771 people found us on Google
 - 17 people called
 - 540 asked for directions
 - 205 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.

- My startup company successfully completed creation of the world's first snowboard made with a hemp-based bio-epoxy resin, meeting and surpassing most specs during testing. This proof of concept marks completion of the EPA SBIR Phase I grant we were awarded.
- I attended and spoke at the MAPS/ESUC Friendship Dinner, hosted at MAPS in Redmond, WA. My presentation on how love and compassion influence courage was well received.
- I was asked by Northwest Green Chemistry to join their Board of Directors. They believe that I would serve the organization well with my experiences related to community organizing, sustainability, and strategies for NGC to become a more diverse, equitable, and inclusive organization. As I have limited bandwidth and another 18 months of Board service for IPNW, I will talk with NGC about timing of service in the future.

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 where we discussed the updating of the Reserve Data Analysis report, the planned A/C install for the Admin building, the security camera project, campus lighting, ongoing painting projects, Grounds update, and lower parking lot regarding.
- The Facilities Team is planning to review all projected expenses for the next three years as benchmarked in the Reserve Data Analysis. This work is expected to be completed by next year's budget cycle.

- All security cameras are now up and running with the exception of one camera that was damaged during the installation process.
- Colors have now been chosen for the bathrooms by the new Aesthetics Team (Gallery). The Caretakers will continue with repainting all 7 bathrooms on ESUC campus.
- The Grounds Team has installed most of the plants for the SE corner of the property and has installed some bricks for soil retention. About 60 more bricks are needed to complete this work, and the Grounds Team has reached out to the ESUC community for support in labor and materials.
- A bid was received to repair the lighting in the lower parking. The Facilities Team is reviewing the costs now.
- Timers for all exterior lighting have been adjusted to accommodate the longer day length hours.
- Two additions were made to the Memorial Garden. The Chair of the Memorial Garden handled all logistics apart from me signing a Waiver document for one bequest made to ESUC.
- I am now in touch with ESUC Member, Carla Hellekson, who just completed the Bellevue CERT program. Carla has agreed to work with me on moving forward with Emergency Response planning for ESUC.

Discussion Agenda

None at this time.

Respectfully Submitted,
Jason Puracal
Director of Finance & Operations

Appendix A: FY 2017/18 March Summary Income Statement

East Shore Unitarian Church
Monthly Income Statement - Summary
July 2017 to March 2018

Date : 04/11/2018
Time : 11:58:09 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	48,753	62,750	13,997	585,457	564,750	(20,707)	753,000	77.75 %
Income - Program Fee Pmts	640	500	(140)	16,935	4,504	(12,431)	6,005	282.01 %
Income - Fundraising Event Pmt	2,645	5,646	3,001	42,658	50,812	8,154	67,750	62.96 %
Income - Facilities Rental Pmt	14,637	13,280	(1,357)	145,019	119,520	(25,499)	159,360	91.00 %
Income - Dept Activities Pmts	8,564	6,747	(1,817)	73,389	60,720	(12,668)	80,961	90.65 %
Income - Other	9	3,950	3,940	54,426	35,546	(18,881)	47,394	114.84 %
Total Revenues	75,248	92,872	17,625	917,884	835,852	(82,032)	1,114,470	82.36 %
Expenses								
Payroll Expenses								
Wages	44,700	44,796	96	392,976	403,165	10,189	537,553	73.10 %
Payroll Taxes	2,615	3,382	766	28,530	30,434	1,904	40,579	70.31 %
Payroll Benefits	7,409	8,853	1,445	81,747	79,680	(2,068)	106,240	76.95 %
Total Payroll Expenses	54,725	57,031	2,306	503,253	513,279	10,026	684,372	73.54 %
Program Expenses	10,582	8,276	(2,306)	41,892	74,488	32,596	99,317	42.18 %
Administrative Expenses								
Facilities Expense	6,153	9,219	3,066	53,805	82,970	29,164	110,626	48.64 %
Business Expense	2,485	4,710	2,225	46,144	42,369	(3,755)	56,519	81.64 %
Office Expense	2,159	2,381	222	19,277	21,428	2,150	28,570	67.47 %
Fundraising Expense	1,101	1,542	440	8,756	13,875	5,119	18,500	47.33 %
Advertising & Marketing	0	243	243	908	2,190	1,282	2,920	31.11 %
Interest & Loan Expense	9,470	9,470	0	85,250	85,234	(16)	113,645	75.01 %
Total Administrative Expenses	21,369	27,565	6,196	214,141	248,085	33,944	330,781	64.74 %
Total Expenses	86,676	92,872	6,197	759,286	835,852	76,566	1,114,470	68.13 %
Net Total	(11,428)	0	11,428	158,598	0	(158,598)	0	0.00 %
Other Revenues								
Designated Revenues	(6,400)	0	6,400	86,471	0	(86,471)	0	0.00 %
Restricted Revenues	0	0	0	5,100	0	(5,100)	0	0.00 %
Revolving Revenues	0	0	0	0	0	0	0	0.00 %
Total Other Revenues	(6,400)	0	6,400	91,571	0	(91,571)	0	0.00 %
Other Expenses								
Designated Expenses	0	0	0	59,278	0	(59,278)	0	0.00 %
Restricted Expenses	0	0	0	5,385	0	(5,385)	0	0.00 %
Revolving Expenses	0	0	0	11,311	0	(11,311)	0	0.00 %
Total Other Expenses	0	0	0	75,974	0	(75,974)	0	0.00 %
Net Operating Total	(17,828)	0	17,828	174,195	0	(174,195)	0	0.00 %

Appendix B: FY 2017/18 March Balance Sheet

Date : 04/09/2018
Time : 3:46:13 PM

East Shore Unitarian Church
Balance Sheet
March 2018

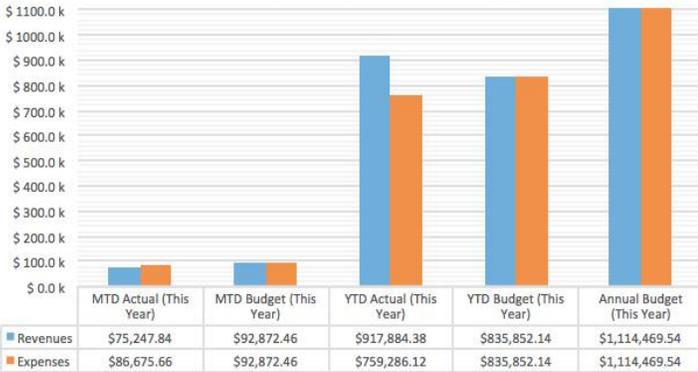
Page : 1

Accounts

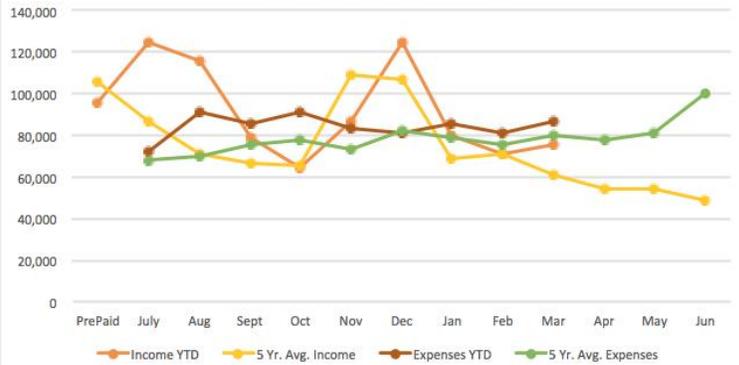
Assets		
Current Assets		
Cash & Investments		
1-1000 - Petty Cash	\$200.00	
1-1010 - Checking - Chase	\$90,880.31	
1-1030 - Brokerage - Schwab	\$96,369.95	
2-1010 - Checking - Chase	\$22,279.67	
3-1010 - Checking - Chase	\$142,953.02	
3-1040 - Endowment Money Funds - Schwab	\$28,538.94	
3-1070 - Endowment Investments - Schwab	\$1,299,560.67	
4-1010 - Checking - Chase	\$33,015.00	
Total Cash & Investments	\$1,713,797.56	
Other Assets		
1-1100 - Accounts Receivable	\$123.00	
1-1110 - Deposits	\$1,750.00	
Total Other Assets	\$1,873.00	
Total Current Assets		\$1,715,670.56
Contra Assets		
1-1600 - Building Loan Contra Account	\$822,900.63	
Total Contra Assets		\$822,900.63
Total Assets		\$2,538,571.19
Liabilities, Fund Balance, & Restricted Funds		
Liabilities		
Current Liabilities		
1-2110 - Wage Accruals Payable	\$14,225.00	
1-2300 - Prepaid Pledges	\$12,000.00	
1-2500 - Building Loan - Current	\$76,200.00	
4-2020 - Other Collections Payable	\$11,850.00	
Total Current Liabilities		\$114,275.00
Long Term Liabilities		
1-2700 - Damage Deposits - LT Rentals	\$4,500.00	
1-2750 - Building Loan - Long Term	\$746,700.63	
4-2710 - Other Collections Payable - LT	\$11,450.00	
Total Long Term Liabilities		\$762,650.63
Total Liabilities		\$876,925.63
Fund Balance		
2-3000 - Fund Balance - Ministry	\$3,675.22	
2-3010 - Fund Balance - Membership	\$7,640.69	
2-3020 - Fund Balance - Social Justice	\$7,784.50	
2-3030 - Fund Balance - Lifelong Learning	\$8,797.09	
2-3040 - Fund Balance - Finance & Facilities	\$3,365.26	
2-3050 - Fund Balance - Market & Dev	\$2,328.27	
3-3000 - Fund Balance - East Shore Housing	\$42,818.02	
3-3020 - Fund Balance - Endowment	\$1,288,182.02	
3-3040 - Fund Balance - Facilities Reserve	\$18,627.49	
3-3050 - Fund Balance - General Reserve	\$90,143.37	
3-3060 - Fund Balance - Memorial Garden	\$4,088.79	
4-3000 - Fund Balance - Grounds	\$2,000.00	
4-3010 - Fund Balance - Gallery	\$8,000.00	
Excess Cash Received	\$174,194.84	
Total Fund Balance and Excess Cash Received		\$1,661,645.56
Total Liabilities, Fund Balance, & Restricted Funds		\$2,538,571.19

Appendix C: FY 2017/18 March Financial Charts

FY 2017/18 Mar Operating Revenues vs. Expenses



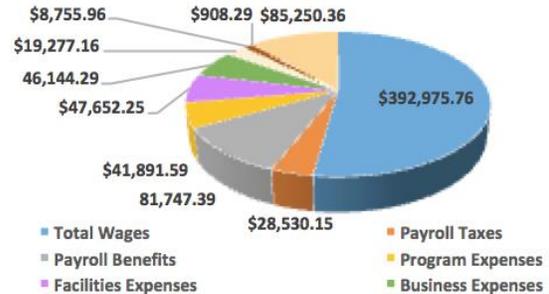
FY 2017/18 Cash Flow by Month



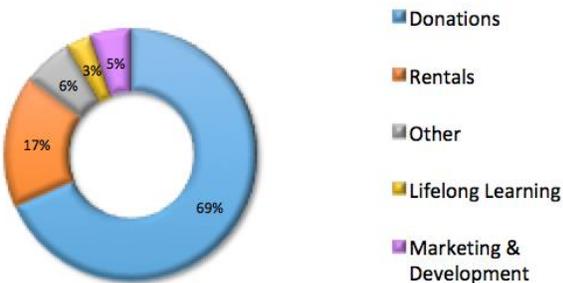
FY 2017/18 Mar YTD Operating Revenues



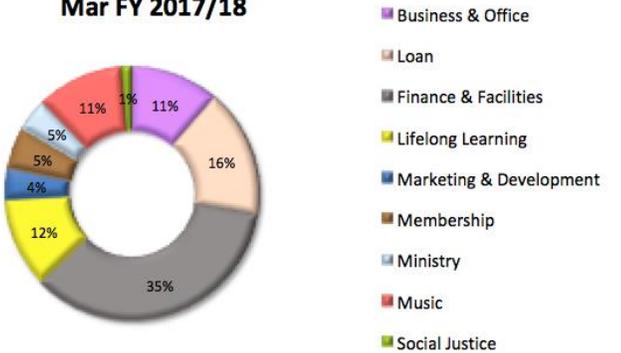
FY 2017/18 Mar YTD Operating Expenses



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



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



Director of Lifelong Learning – Aisha Hauser

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 Task Force along with the Right Relations Facilitation Team have been working hard toward this Board End. A significant amount of my time during the past month has been spent in up to four meetings in one week alone (along with at least two meetings the other weeks) about the Right Relations implementation effort. This is soul work at its most challenging and potentially the most rewarding. Learning to work through conflicts and disagreements in a way that maintains the health of the community is one way to live out our values, specifically affirming the inherent worth and dignity of people while also understanding that we are interconnected.

The Task Force asked for and received approval from the Board to hire a professional mediator. Pam Orbach has extensive experience in mediation and restorative justice. Pam has been meeting with members of the congregation and offering space for folks to offer their perspectives and experiences. After initial meetings, she will be away for one month and meet with the RRTF to discuss next steps.

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

The Lifespan Integration Team, chaired by Walter Andrews has suggested a proposal in order to assist the Board in fulfilling the Board End, above. Discussions are underway now to discuss the proposal.

Below are the most current statistics from the Religious Education Program.

OWL Programs Teachers

K-1-3 teachers

7-9-4 teachers

High School-5 teachers

Parent OWL Class-2 teachers

Total- 14 OWL Teachers

Coming of Age

Total- 2 Teachers

Mentors-9

Elementary Age RE

Total-12 teachers

High School

1 Paid and parent helpers

Total Teachers--38

RE Attendance Numbers 2017-2018

K-1 RE: 13
2-3 RE: 10
4-5 RE: 10
6-8 RE: 15
9-12 RE: 13

K-1 OWL: 8
7-9 OWL: 17
10-12 OWL: 11
CoA: 8
Summer RE: 14
Total: 119

Respectfully submitted by,
Aisha Hauser, MSW

Draft Policy Regarding Disruptive Behavior

****DRAFT - POLICY REGARDING DISRUPTIVE BEHAVIOR**

*[**Note that this proposed policy has been referred to the Right Relations Task Force as well as the Policy & Governance committee for their review. We are requesting they provide feedback and comment in time for the May 15 Board Meeting. Dave]*

While openness to a wide variety of individuals is one of the prime values held by our congregation and expressed in our denomination's purposes and principles, we affirm the belief that our congregation must maintain a secure atmosphere where such openness can exist. When any person's physical and/or emotional well-being or freedom to safely express his or her beliefs or opinions is threatened, the source of this threat must be addressed firmly and promptly, even if this ultimately requires the expulsion of the offending person or persons.

Disruptive behavior can be any one or more of the following:

1. Perceived threats to the safety of any adult or child;
2. The disruption of church activities;

3. Diminishing appeal of the congregation to its potential and existing membership.

The following shall be the policy of East Shore Unitarian Church (ESUC) in dealing with these issues:

1. If an immediate response is required, this will be undertaken by the Minister, the Director of Lifelong Learning, or the Director of Finance and Operations (these three leaders and hereafter referred to as the Staff Leadership Team or SLT). If one of these leaders is not available, then a lay leader should take action. This action may include asking the offending person or persons to leave, OR suspending the meeting or activity until such time that it may be resumed. If further assistance is required the Police Department may be called. Anytime any of these actions are undertaken without the SLT, a member of the SLT must be notified; a follow-up letter detailing the offense and the action taken because of the offense, should be written and distributed to the Minister, the Board President, and the Right Relations Task Force.
2. Situations not requiring immediate response will be referred to the Right Relations Task Force (RRTF). This group will respond in terms of their own judgment observing the following:
 - a. The RRTF will respond to problems as they arise. There will be no attempt to define "acceptable" behavior in advance.
 - b. Persons identified as disruptive will be dealt with as individuals. Stereotypes will be avoided.
 - c. The RRTF will collect all necessary information.
 - d. A restorative justice model or similar framework will be used to evaluate and address concerns.
 - e. To aid in evaluating the problem, these points will be considered:
 - DANGEROUSNESS - Is the individual the source of a threat or perceived threat to persons or property?
 - DISRUPTIVENESS - How much interference with church functions is going on?
 - OFFENSIVENESS - How likely is it that prospective or existing members will be driven away?
 - f. To determine the necessary response, these points will be considered:
 - CAUSES - Why is the disruption occurring? Is it a conflict between the

individual and others in the church? Is it due to a professionally diagnosed condition of mental illness?

- HISTORY - What is the extent, if any, of disruption cause in the past?
- PROBABILITY OF CHANGE - How likely is it that the problem behavior will diminish in the future?

g. The RRTF will decide on the necessary response on a case by case basis.

However, three levels of action/response are recommended:

- LEVEL ONE - The RRTF shall inform the SLT and the Board President of the problem and either a member of the SLT or members of the RRTF shall meet with the offending person or persons to communicate the concern and work together to identify ways that damage to relationships might be repaired.
- LEVEL TWO- The offending individual(s) is excluded from specific church activities for a limited period of time, with reasons and conditions of return written and made clear (with a copy going to the offender and one going into congregational files)
- LEVEL ONE or LEVEL TWO action taken may be appealed to the Executive Committee of the Board.
- LEVEL THREE - The offending individual is permanently excluded from church premises and all church activities. Before this is carried out, the RRTF will consult with the Board and the SLT. If it is agreed that the expulsion take place, a letter will be written and sent by the Minister to the individual outlining the expulsion, the individual's rights, and any possible recourse.

East Shore Unitarian Church strives to be an inclusive community, affirming our differences in beliefs, opinions and life experiences. However, concern for the safety and well-being of the congregation as a whole must be given priority over the privileges and inclusion of the individual. To the degree the disruptive behavior compromises the health of this congregation, our actions as people of faith must reflect this emphasis on security.

Liaison Reports

Nominating Committee

2018-19 Slate of Candidates

The East Shore Nominating Com has completed the slate of candidates for next year's Board of Trustees and Nominating Com. positions. This slate will be voted on at the June 3rd Congregational Meeting.

The positions in bold print are up for election. The others are informational, to provide a complete list of members who will serve during the next church year.

Board of Trustees

President	Tom Doe	1st year of 2 year term
Vice-President	Dennis Fleck	1 year term
Treasurer	Ryam Hill	4th yearly term of four max
Secretary	Dave Baumgart	4th yearly term of four max
Trustee-at-Large	Lee Dorigan	3rd year of 3 year term
Trustee-at-Large	Jerry Bushnell	2nd year of 3 year term
Trustee-at-Large	Paul Buehrens	2nd year of 3 year term
Trustee-at-Large	Marcy Langrock	3rd year of 3 year term
Trustee-at-Large	Uzma Butte	1st year of 3 year term
Trustee-at-Large	Mark Norelius	1st year of 3 year term

Nominating Committee

Chair (Board-Appointed)	Connie Hirnle	2nd yearly term of 2 max
Member	Kirstie Lewis	2nd year of 2 year term
Member	Manny Brown	2nd year of 2 year term
Member	Katie Edwards	1st full year of 2 year term
Member	Martin Cox	1st year of 2 year term

In addition to the slate of candidates from the Nominating Committee, our church by-laws allow Nominations by Petition. Members in good standing may nominate themselves or others for any position up for election. To do so, signatures of at least fifteen members of the congregation must be presented to the church office at least 21 days in advance of the Annual Congregational Business Meeting along with a signed statement from each prospective nominee of willingness to serve if elected. The deadline this year is May 13, 2018. No additional nominations will be received after the stated period.

Questions about the election process may be directed to the current members of the 16-17 Nominating Committee: Connie Hirnle, Manny Brown, Kirstie Lewis, Katie Edwards, and Bill Austin.

Please join us in thanking all our candidates and current Board and Committee members for their dedication to our church! Submitted by Connie Hirnle, April 2, 2018

Policy and Governance Committee – Ann Fletcher

-Charter Tracking (Updated April 8, 2017) **Current Focus of P&G**

Board Committees	Notes in P&G	Date Board Approval
Policy & Governance Standing Committee	Submitted, Approved	9-19-17
Nominating Standing Committee	Submitted, Approved	9-19-17
Personnel Standing Committee	Submitted, Approved	10-17-17
Financial Stewardship Standing Committee	Submitted, Approved	3-20-18
Endowment Sub-Committee	Submitted, Being revised	
Holly House Development Task Force	Submitted, Approved	11-21-17
Right Relations Task Force	Submitted, Revised, Approved	12-19-17
Developmental Minister Task Force	Submitted, Revised, Approved	3-20-18
Core Teams-Minister		Date of Staff Approval
Archives	Submitted, Revised, Approved	3-30-18
Worship/Earth Based Celebrations	Submitted, Being Revised	
Lay Pastoral	Submitted, Needs Revision	
Earth and Social Justice Council	Submitted, Revised, Approved	2-20-18
ANSWER Nepal	Submitted, Ready	
Beloved Racial Justice Ministry Team	Submitted, Revised, Approved	3-30-18
Climate Action Ministry Team	Submitted, Revised, Approved	3-30-18
Congregations For the Homeless M. T.	Submitted, Needs minor Revision	
Crossroads Meals Ministry Team	Submitted, Needs minor Revision	
Food Bank Ministry Team	ESJCC will assist	
Good Start Back to School Ministry	ESJCC will assist	
Holiday Giving Tree Ministry Team	Submitted, Revised, Approved	3-30-18
Meaningful Movies	Submitted, Revised, Approved	3-30-18
Partner Church Khasi Hills Ministry Team	Submitted, Needs Minor Revision	
P-Patch Ministry Team	Submitted, Revised, Approved	3-30-18
Second Sunday Sh. Plate Ministry Team	Submitted, Revised, Approved	3-30-18
Women Helping Women Ministry Team	Submitted, Revised, Approved	3-30-18

Core Teams-Commun. and Membership Dev. Manager (Nicole reports to)	(Ann working with Nicole)	
CT Connection Teams (Minister)	Submitted, Being Revised	
East Shore Live (DFO)	Submitted, Approved	11-21-17
Gallery-Art on Campus (DFO)	Submitted, Revised, Approved	3-30-18
Membership (Minister)	Submitted, Approved	3-30-18
Membership Enhancement (DFO)	Submitted, Being Revised	
Seabeck (Minister)	Being drafted (Nicole)	
Women's Perspective (Minister)	Ann working with WP Chair	
Outreach (DFO)	Submitted, Revised, Approved	3-30-18
Auction (DFO)	Submitted, Revised, Approved	3-30-18
Core Teams-Facilities Manager Dianne Upton and DFO	Notes	Date of Staff Approval
Facilities	Submitted, Approved	1-10-17
Grounds	Submitted, Approved	11-21-17
Memorial Garden	Submitted, Approved	11-21-17
P-Patch	Submitted, Revised, Approved	3-30-17
Flower	Check with Dianne (Ann)	
Ace Media Crew (Hardware)	Clarify this w/other charter	
Core Teams-Director of Lifelong Learning		
Adult Programs--Will be part of new Lifespan Integration Team. Aisha will submit charter after first meeting in March.	Preliminary charter submitted with revision feedback provided by P&G	
Chalice Players	No longer a team per Aisha	NA
Children and Youth—Same as Adult Prog.	Same as Adult Programs	NA
RE Teachers—Same as Adult Programs	Same as Adult Programs	NA
Core Teams-Music Director		
Choir	Eric Lane Barnes working on	
Ace Media Crew (Production)	Submitted, Needs Revision	

Caring Community Groups-Minister and Caring Coordinator (Milly Mullarky)	Common Charter Revised and Approved	1-10-17
Adult Children of Aging Parents		
Collaboration Builders		
Covenant Circles Men's Support		
Extended Families		
Helping Hands		
Parents of Trans Youth		
Parkinson's Disease Support		
Widows Flying Solo		
Affinity Groups (Social/Topic) Minister and Membership Manager (Nicole)	Common Charter Revised and Approved	1-10-17
Informal Bridge		
Changes (Evolution of Grief Group)		
Coffee Klatch Parents of Teens		
Guitar Jam		
Library	Elaine confirming	
Men's Breakfast		
Military History		
Spirituality		
Women's Friendship		
4 th Wednesday Book Discussion		

Personnel Committee - *Jerry Bushnell*

April 5, 2018

Personnel Committee Report to Board of Trustees

Jerry Bushnell

For consent agenda:

1. Policy for health insurance coverage for employees on Medicare (see below)

Informational:

1. The personnel committee is working with staff and Laura Rivendell to update our sick leave policy to be in compliance with current state law. The final policy recommendation is still being reviewed. See below for a summary of changes being recommended by the personnel committee
2. The personnel committee views the personnel manual as very similar to the board Policy Manual, in that changes will be made by the board. The personnel manual can be viewed using the google docs link sent out by Dave Baumgart on 4/5/2018 at 8:47 AM

Proposed new Medicare policy for addition to the personnel manual, III B

Employees who transition to Medicare will receive an 80% contribution towards their Medicare premiums. The maximum dollar amount will be 80% of the premium of the currently offered employee health plan.

Medicare plans included in this benefit are: Part B, Part D, and the medigap policies of the employees choosing. The employee needs to provide appropriate documentation of their Medicare premiums for reimbursement.

Recommendations for sick leave policy revisions, draft only.

- a) The committee recommends that sick leave be accrued at 4.5 hours per month for the first six months
- b) The committee recommends that a maximum of 12 weeks of sick leave be carried over to the following year.
- c) The committee recommends that sick leave sharing be added to the policy.
- d) The committee questioned why exempt staff's sick leave could only be taken in one day increments, rather than in quarters of an hour.
- e) A draft of the policy will be sent to the finance committee and Jason for review before it is sent to the board

Holly House Taskforce – David Baumgart

Holly House Development Task Force – Board Liaison Report, David Baumgart

April 12, 2018

The HHDTF not met as a team in the past three weeks. On April 7, a task force presentation was delivered by David Baumgart and Bob Weiss to the First Saturday Coffee and Conversation for East Shore leaders. During this presentation, we highlighted the pro's and con's of selling the property to our best market rate bidder, versus our best affordable housing bidder. Our presentation was well received and we enjoyed a vigorous conversation with about two dozen church leaders and half the East Shore Board.

Our presentation followed a summary of our East Shore 5 year strategic financial plan delivered by Claudia Hirschey, chair of Financial Stewardship, with comments from Ryam Hill, our treasurer. FS has partnered with our task force to help our members understand the possibilities of what our congregation may choose to do with the proceeds of the sale of the Holly House property. First on the list in this discussion was a pay off of our primary mortgage – which is possible regardless of which of our bidder's proposals would be selected. Claudia pointed out that we may not want to pay off the mortgage given that we have a very low interest rate.

Financial Stewardship, led by Claudia Hirschey, has agreed to partner with the task force at the next HHDTF Town Hall, April 22. We plan joint presentations about the status of our best proposals – from the task force perspective, and how the proceeds of any sale might be utilized – from the perspective of the 5 year Strategic Plan. Bob and Dave plan to repeat their debate as a useful tool for illustrating the pro's and con's of the choices that we have.

Timeline: March thru June, 2018

- In progress – Efforts to receive additional market rate proposals.
To date, we have only received two proposals, both of which received last December.
- Done - April 7 – Task Force / Financial Stewardship joint presentation at First Saturday Coffee.
- Done – April 13 – Bob and Dave meet with Rev McEachran – St. Andrews Lutheran Church.
- April 22 – Town Hall to provide update on all proposals, results of the survey, and next steps.
- May – Possible presentation on the need for Affordable Housing on the East Side from Rev McEachran – St. Andrews Lutheran Church and founder of Imagine Housing.
- May – Preparations in collaboration with Financial Stewardship and the Board for June 3 Congregational Meeting vote on proposals.
- June 3 – Annual Meeting – likely vote to reduce the offers to a short list.
- June 11 – the goal for informing our bidders of the decision made at our annual meeting.

Members of the Task Force

Our task force is grateful to Jason Puracal, DFO, for his significant and timely effort to keep our RFP process on track, aligned with the schedule of milestones that were included in our board presentations in October and November. We continue to proceed “on track” to reach our goal of being in a position for the annual congregation meeting in June to review the “final” proposals.

Our **members** currently include: Dave Baumgart, Seth Hamilton, Marcy Langrock (chairperson), Benji Langrock (recording secretary), Jason Puracal, and Bob Weiss.

Our **professional liaisons** include: Abbie Birmingham, Janet Garrow, Craig Nelsen, and Lee Winstrom.

Please let me know if you have any questions, suggestions, or concerns.

David Baumgart – Board Liaison for HH Development Task Force

Appendix C – Strategic Financial Plan Spreadsheet

Five Year Strategic Financial Plan Financial Forecasting Framework Tool

Updated Jan 22, 2018

Operating Budget

	Budget 2017-2018	Escalation Factor (1)	Year Two 2018-2019	Year Three 2019-2020	Year Four 2020-2021	Year Five 2021-2022
OFD Pledges	\$657,854	1.01	\$664,433	\$671,077	\$677,788	\$684,566
Other donations, last fiscal year pledges	\$19,530	1.01	\$19,725	\$19,923	\$20,122	\$20,323
New Membership (will ramp up with new minister)			\$24,000	\$48,000	\$72,000	\$96,000
Facilities Rental	\$159,360	1.03	\$163,981	\$168,737	\$173,630	\$178,666
Programs, Events, Activities payments	\$154,715	1.03	\$159,202	\$163,819	\$168,569	\$173,458
Endowment	\$40,000	1	\$40,000			
Other	\$7,394	1.03	\$7,608	\$7,829	\$8,056	\$8,290
Total Income	\$1,038,853		\$1,078,949	\$1,079,384	\$1,120,165	\$1,161,302
Total Wages	\$537,553	1.03	\$553,142	\$569,183	\$585,689	\$602,674
Total Payroll Taxes	\$40,579	1.03	\$41,756	\$42,967	\$44,213	\$45,495
Total Payroll Benefits (\$106,240 less Health Care)	\$76,240	1.03	\$78,451	\$80,726	\$83,067	\$85,476
Health Care	\$30,000	1.18	\$35,400	\$41,772	\$49,291	\$58,163
Employee Health Savings Account	\$5,000	\$1,000 per person	\$6,000	\$7,000	\$7,000	\$7,000
Total Program Expenses	\$99,067	1.03	\$101,940	\$104,896	\$107,938	\$111,068
Total Facilities Expense	\$110,876	1.03	\$114,091	\$117,400	\$120,805	\$124,308
Total Business Expense	\$56,519	1.03	\$58,158	\$59,845	\$61,580	\$63,366
Total Office Expense	\$28,570	1.03	\$29,399	\$30,251	\$31,128	\$32,031
Total Fundraising Expense	\$18,500	1.03	\$19,037	\$19,589	\$20,157	\$20,741
Total Advertising & Marketing	\$2,920	1.03	\$3,005	\$3,092	\$3,181	\$3,274
Total Operating Expenses	\$1,005,824		\$1,040,378	\$1,076,720	\$1,114,050	\$1,153,597
Total Interest & Loan Expense	\$113,645	1.00	\$113,645	\$0	\$0	\$0
Professional Development		1.00		\$12,000	\$12,000	\$12,000
Additional Facilities Insurance+Umbrella Policy		1.00	\$2,700	\$2,700	\$2,700	\$2,700
Total Expenses	\$1,119,469		\$1,156,723	\$1,091,420	\$1,128,750	\$1,168,297
Five-year Strategic Plan Forecast Balance	\$0		-\$77,773	-\$12,036	-\$8,585	-\$6,995
Operating Budget Reserve Potential (Goal: 20% of budget)	\$80,000 \$232,260		\$0	\$0	\$0	\$0 \$80,000

Footnotes: (1) Inflation factor = 10-year treasury rate of 1.029

Five Year Strategic Financial Plan
Financial Forecasting Framework Tool
WORKING DRAFT, Updated April 5, 2018

	Adopted 2017-2018	Escalation Factor	Year Two 2018-2019	Year Three 2019-2020	Year Four 2020-2021	Year Five 2021-2022
Pledges, Donations	\$657,854	1.01	\$664,433	\$671,077	\$677,788	\$684,566
Other donations, last fiscal year pledges	\$19,530	1.01	\$19,725	\$19,923	\$20,122	\$20,323
Facilities Rental	\$159,360	1.03	\$164,141	\$169,065	\$174,137	\$179,361
New Membership (will ramp up with new minister)			\$24,000	\$48,000	\$72,000	\$96,000
Programs, Events, Activities payments	\$154,715	1.03	\$159,356	\$164,137	\$169,061	\$174,133
Endowment	\$40,000	1.00	\$40,000	\$0	\$0	\$0
Other	\$7,394	1.03	\$7,616	\$7,844	\$8,080	\$8,322
Holly House Annual Income (TBD)						
Total Income (without Holly House options)	\$1,038,853		\$1,079,271	\$1,080,046	\$1,121,187	\$1,162,705
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Total Wages	\$537,553	1.03	\$553,680	\$570,290	\$587,399	\$605,021
Total Payroll Taxes	\$40,579	1.03	\$41,796	\$43,050	\$44,342	\$45,672
Total Payroll Benefits (\$106,240 less Health Care)	\$76,240	1.03	\$78,527	\$80,883	\$83,310	\$85,809
Health Care & HAS	\$30,000	1.18	\$35,400	\$41,772	\$49,291	\$58,163
Employee Health Savings Account	\$5,000	\$1,000 per person	\$6,000	\$7,000	\$7,000	\$7,000
Total Program Expenses	\$99,067	1.03	\$102,039	\$105,100	\$108,253	\$111,501
Total Facilities Expense	\$110,876	1.03	\$114,202	\$117,628	\$121,157	\$124,792
Total Business Expense	\$56,519	1.03	\$58,215	\$59,961	\$61,760	\$63,613
Total Office Expense	\$28,570	1.03	\$29,427	\$30,310	\$31,219	\$32,156
Total Fundraising Expense	\$18,500	1.03	\$19,055	\$19,627	\$20,215	\$20,822
Total Advertising & Marketing	\$2,920	1.03	\$3,008	\$3,098	\$3,191	\$3,286
Total Operating Expenses	\$1,005,824		\$1,041,349	\$1,078,719	\$1,117,137	\$1,157,834
Total Interest & Loan Expense	\$113,645	1.00	\$113,645	\$0	\$0	\$0
Additional Staff (receptionist/office mngr)		1.03		\$35,000	\$36,050	\$37,131.50
Professional Development		1.00		\$12,000	\$12,000	\$12,000
Employee Health Savings Account		1.00	\$3,000	\$3,000	\$3,000	\$3,000
Additional Facilities Insurance+Umbrella Policy		1.00	\$2,700	\$2,700	\$2,700	\$2,700
Total Expenses (without Holly House options)	\$1,119,469		\$1,160,694	\$1,131,419	\$1,170,887	\$1,212,666
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Revenue Need for Five-Year Strategies			-\$81,423	-\$51,373	-\$49,699	-\$49,961
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Holly House Property Revenue <i>Example Scenarios</i>						
Scenario 1. Sell to Affordable Housing Agency		Principal	\$0	\$631,711	\$631,711	\$631,711
\$1,500,000 one-time revenue from housing agency - pay off \$868,289 loan						
		Earnings	\$0	\$0	\$25,268	\$25,268
					\$25,268	\$25,268
Scenario 1. Five-year financial forecast with revenue			-\$81,423	-\$51,373	-\$24,431	-\$24,693
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Scenario 2. Sell at Market rate with \$3.4 million of revenue				\$1,531,711	\$1,531,711	\$1,531,711
Pay off \$868,289 loan						
Contribute \$1,000,000 to affordable housing agency						
			\$0	\$0	\$61,268	\$61,268
					\$61,268	\$61,268
Scenario 2. Five-year financial forecast with revenue			-\$81,423	-\$51,373	\$11,569	\$11,307

Multi-Timelines for ESUC Board Sponsored Projects

(Page 1 of 2) Updated April 17, 2018 by David Baumgart, Secretary ESUC Board

These timelines are reviewed from time to time by members of the Board. Please see comments, below, on page 3.

	Church Calendar	OFD	Budget	Dev Minister Search	HHDTF
April 1	4/3 Exec	Bring pledges to church	\$735K Goal for OFD 2018/19 budget: \$70 to \$100K increase		April 7 First Sat Briefing
April 8		Commence contacting un-pledged members.			
April 15	4/17 Board Meeting	4/15 members potluck!			April 19 HHDTF mtg
April 22		Visiting Steward continue calls / visits		Potential for first candidate from KK	April 22 Town Hall
April 29	5/1 Exec	5/1 Wrap-up the pledge drive.	5/1 Final budget – may require Endowment \$\$		
May 6	Official Notification Annual Mtg				Prep for Annual Mtg Rev McEachran speaks on affordable housing.
May 13	5/15 Board Meeting				Brief Board w/Fin Stew
May 20					Interim Negotiations
May 27					
June 3	6/3 - Annual Mtg 6/5 - Exec				Congregational Vote – Final Two??
June 10	6/10 – Elaine’s last Service and starts 2 week leave				Begin Final Negotiations
June 17	Elaine on Leave				
June 24	Elaine may begin Severance Board Retreat?				Sign Purchase + Sale Agreement
July	Elaine may be on Severance Board Retreat? Aisha on leave				Bidder completes Contingencies
August	Elaine may be on Severance Aisha on leave			Earliest arrival date DM	
Sep				Likely arrival date DM	
Oct					Earliest Closure

Multi-Timelines for ESUC Board Sponsored Projects (Page 2 of 2)

These timelines were reviewed with Exec Committee.

	Church Calendar	5 Year Financial Plan	PBG	RR	Other Items
March 11		Fin Steward reviews Holly House Proposals	Charter standardization going very slow and should be prioritized.	Finalize Facilitation team, affiliate with professional mediators.	
March 18	3/20 Board Meeting			What is the next step?	LOI - Aisha
March 25				When will RR teams be really ready?	
April 1	4/3 Exec	Claudia presented draft at first Saturday		Tom: Is board legally liable for actions?	
April 8		Plan included in Packet		Pam, RR Consultant	
April 15	4/17 Board Meeting	FS, Claudia H-meets with Board: how \$\$ to be used	Charter Tracking: 27 approved, 9 being revised, 12 other	...begins engagement	
April 22			48 total charters		Draft contract - Aisha
April 29	5/1 Exec				
May 6		Prepare for Annual Mtg			
May 13	5/15 Board Meeting	Brief Board	Plan for PBG education in the new year.		Aisha's contract to be finalized
May 20					
May 27					
June 3	6/3 - Annual Mtg 6/5 - Exec	Presentation how \$\$ will be used			
June 10	6/10 – Elaine's last Service and starts 2 week leave				
June 17	Elaine on Leave				
June 24	Elaine may begin Severance Board Retreat?				
July	Elaine may be on Severance Board Retreat? Aisha on leave				
August	Elaine may be on Severance Aisha on leave				