

East Shore Unitarian Church

Meeting of the Board of Trustees,

June 2018

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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
June 19, 2018

ESUC Board of Trustees Meeting Agenda

June 19, 2018

Host: Marcy Langrock, Timekeeper: Dennis Fleck, Process Checker: David Baumgart

6:45 7:00 0:15 Social Gathering

7:00 7:05 0:05 Opening Words, Chalice Lighting Marcy

7:05 7:15 0:10 Check in, Introductions All

7:15 7:25 0:10 Approval of Consent Agenda All

7:25 7:35 0:10 Summer church operations All

7:35 7:50 0:15 Holly House Update Marcy

7:50 8:10 0:20 Policy Updates Disruptive Behavior Policy Tom

8:10 8:15 0:05 Operating Fund Drive Report Tom

8:15 8:25 0:10 Board Business, signups and liaisons Dave

8:25 9:00 0:35 Executive Session Developmental Minister Updates Board Retreat

Minutes of Last Board Meeting

ESUC Board of Trustees

May 15, 2018

Draft Minutes

Minutes, Leadership Reports, Consent Agenda:	Com. + Board Liaison Reports Consent Agenda:
May Board Agenda + Upcoming Events	P&G Charter Tracking Table – Ann Fletcher
Minutes of Last Board Meeting – April 17	Personnel Com BL Report – Jerry Bushnell
Board President's Report – Jack Slowriver Proposed policy Regarding Disruptive Behavior	HH Dev Task Force Update – David Baumgart
Finance – Treasurer's Report – Ryam Hill	Right Relations Committee Report–Mark Norelius
Interim Minister Report-Rev Elaine Peresluha & Membership + Communications Report ES Social Justice Ministry Teams March Report	Nominating Com Final Slate of Candidates- Connie Hirnle
Director, Finance & Operations – Jason Puracal Appendices A&B – Income Statement, BS FY17/18 Appendix C - Financial Analysis / Charts	Final Covenant for Annual Meeting from Right Relations Committee – Louise Wilkinson and Mary Anderson
Appendix E – Jason Puracal Resume Appendix F – Proposed Budget FY 18 / 19	
Director, Lifelong Learning – Aisha Hauser	

East Shore Unitarian Church

Board of Trustees Meeting Agenda – May 15, 2018

Board Host: Uzma

6:45 Social Gathering

7:00 Opening Words, Chalice Lighting Uzma

7:05 Check In/ Guest introductions All

7:15 Approval of Consent Agenda All

7:30 Items from Consent Agenda, pulled for Discussion All

8:40 ESUC covenant of Right Relations Mary

8:50 Disruptive Person policy All

9pm IDI assessments Elaine

9:15pm Adjourn to Executive Session Jack, Elaine

Upcoming Events for Your Calendar

- June Exec Council – June 5
- June Board Packet items due Thurs, June 14 by noon: email to Dick Jacke (Volunteer 1)
- July Beacon Board Buzz due Wed, June 13 by Marcy: email to Nicole Duff
- June Board Meeting June 19; Marcy is host.
- Sunday Svc Announcements 5/20 Marcy, 5/27 Tom, 6/3 Jack, 6/10 Tom, 6/17 Mark, 6/24 xxx

Opening Words – Uzma’s reflection

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

Visitors: Dennis Fleck, Sara Brannman, Mary Anderson, Carrie Bowman, Linda Freeburg, Ann Fletcher, Mike Radow, and Lynn Roesch.

Housekeeping items: upcoming hosts, announcers, etc.

We need a Board member to deliver Sunday Service Announcements June 24.

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. Several items were moved forward for discussion (see below)

Approval of Consent Agenda – All

Paul moved and Mark seconded that we approve the Consent Agenda. Motion passed.

Consent agenda major topics (see Appendix 1)

Treasurer’s Report

- Proposed Budget – Budget town hall, to be discussed (Exec Session?)
- Endowment charter – work in progress

Minister’s Report

- Final Report, Online evaluation is due by June 15
- Report on Right Relations and the work of Pam Orbach. (Also in Mark’s BL Report)
- Decision to go to 2 services.
- Not pay final dues, but donate to BLUU instead
- Current OFD update and Year Round Pledge update

DFO’s Report

- updated Reserve Data Analysis report... support the findings of the Financial Stewardship Committee: there is no ‘silver bullet’
- Forecast that OFD will break even in current fiscal year.
- Proposed Budget to be discussed – Board Packet and Appendix 3
- CAM request for sponsorship of 350 Eastside (request Board Approval).
- Bids for Admin Building HVAC exceed Fund a Need proceeds by about 40% or \$4285. Additional sources of funding have been identified to meet the total funding required.
- Request for Title and Job Description Change (Exec Session)

Board Liaison Reports

- Personnel (Jerry Bushnell) Sick Leave Policy - informational
- HHDTF (David Baumgart): The Task Force recommends board approval to add Linda Freeburg as a voting member. Linda would be bringing the total voting members to qty = 6.

Vote on HH property - proceed or delay? Marcy Langrock

[Please refer to David Baumgart's Report, (Appendix 2) for a complete list of reasons to delay the vote as well as the negative ramifications of delaying the vote.]

Marcy stated that the HHDTF (Holly House Development Task Force) recommends delaying the decision. We are dealing with a very aggressive timeline and still need to get a lot more information out to the membership. We are also continually questioned about various scenarios for the use of the money that would be possible – depending on the amount of the proceeds from the sale.

Jack pointed out that the 2017 Board End drove the date for the decision regarding the HH Property by our 2018 annual meeting.

David referred to his BL report. My question is – what is the liability for a capital gains tax?

Paul – this is the hottest housing market in the U.S. so delaying our sale may actually increase the proceeds we realize. I support the recommendation.

Ryam – once the property is sold, we can pay off our mortgage and our current budget would be realistic. Therefore, I would prefer that we not delay the vote. Question for Marcy – how much time will we need to wait before a vote?

Tom – We should not delay too long; perhaps until this fall. The sale of this property will be beneficial to both the short term and the long term financial plans for East Shore. I have also presented a vision of how we could use some of the proceeds to grow the membership by reversing our declines.

Mary Anderson – A year ago, we voted to develop the property. It seems to me that we should move forward as quickly as possible – sooner rather than later.

Linda Freeburg – As a professional liaison to the task force – and with 15 years of work in the Affordable Housing industry – I am saddened and pained by the degree of discord that seems to be rendering us apart. I would prefer that we vote soon, so as to minimize the fractious relationships. We need to provide effective information so that the membership is well informed in order to make this decision.

Lynn Roesch – I feel it is appropriate to postpone the decision. We should reframe the discussion – it is not all about money. Lynn referred to Christina and Jonipher's statements that we need to make a cultural paradigm shift – engage in transforming our church. It is less about the focus on money; and more about who are we? What are we really about? What are our UUA principles about? Justice, Equity, and Compassion. Consider that our region has the 3rd largest homeless population. If we are really committed to diversity and growing our membership, it would be a good idea to serve the diverse communities that are impacted by homelessness. The lack of land in Seattle and Bellevue is critical to this issue. *[Note: Lynn forwarded a complete statement which I included in my BL report on the HHDTF. Dave]*

Dennis Fleck – I want to thank the HHDTF for all their amazing work. I am in favor of the delay but not for too long. We do need to move forward. I believe there are a lot of misunderstandings out there in the congregation. I have felt that it is either a vote for or against affordable housing. In fact, the choices are to sell to an Affordable Housing developer vs selling to a Market Rate developer – and then use the proceeds to benefit Affordable Housing.

Ann – having the chance to understand the 5 year Financial Strategic Plan is important to everyone to better understand this decision. I also feel the need for more time. People can learn how the decision could fit with the financial plans.

Carrie – I've thought a lot about this. I am continually struck by how difficult it is for small groups to work together. I believe the church will find a way to solve the big problems. We should look at what is best for the community to help folks in need of housing.

Jack – I am concerned that this decision is activating a polarization of our community. This is very contentious. I believe we will be stronger, together, if we can break out of this polarization. We are actually sitting on almost 5

acres and we could leverage that land for bigger things to come. I believe it would be unethical to push for a vote on June 3 because it would further aggravate our community.

Jason: Capital Gains Tax – will not be incurred if we sell to a market rate developer because there is a history of not for profit usage. If we sell to an Affordable Housing developer – we need to attach a covenant that requires the buyer to maintain an AH mission. (ie, If we sell to Green Canopy – we would be liable for capital gains if their project did not follow thru on affordable housing.)

Marcy: We can use this as a better opportunity for healing our divisions. We should be able to disagree but in the long run, commit to the decision of the membership. Having some options (or scenarios) about how we might spend the money would be useful. We need to educate our membership about all these complex issues. I would like to have more than one legitimate market rate developer. The timeline would be 6 months or less.

HHDTF Motion Approved

David Baumgart moved that we delay the vote of whether to sell to a Market Rate developer or an Affordable Housing developer to a future congregational meeting within 6 months or less; Uzma seconded. Motion was passed – 9 votes in favor with one dissenting vote suggested via email.

Ryam, we have been waiting a long time and I hope we can move forward.

Paul – let's stay focused on right relations, treat each other right and get this done by this fall. Paul crafted an appropriate statement to be emailed to the membership that was forwarded to Nicole.

Mark – we have right relations in mind for going forward.

Marcy: the new HHDTF should make the recommendation to the board. The current task force will have completed their mission by June 3.

Jack recommended that the May 20 Town Hall should not have a debate structure as in the past town hall.

Representative from Right Relations – Mary Anderson and Mark Norelius

Mary passed out a hard copy draft covenant to the board. Mark reported that the Right Relations Task Force requested this covenant be on the June 3 agenda and would include the ceremony whereby all attending members would sign the covenant.

Mark also stated that the Right Relations Task force was petitioning the board to become a standing committee for the foreseeable future. The Board approved this request.

Marcy moved that we add this covenant to the June 3 annual meeting. Jerry seconded. A large poster will be available for all the members can sign the covenant poster. Motion Passed unanimously.

Paul moved that the **RRTF status be changed to a Board Standing Com.** Mark seconded. Jack made a friendly amendment that a new charter will be required. – Motion passed, unanimously.

FY 2018 / 19 Budget

Ryam and Jason described the overall process of gathering inputs and building a draft budget. They look at all the programs and review expected expenses and revenues. Most of the programs are fully funded by program revenues except the ESJCC which requests a small budget each year.

This budget is based on \$735K expected in annual pledge income. The pledges are now a year-round process and Ryam stated that we will need to monitor the pledge income very carefully. We will also need to monitor last year's pledge income to insure that our members don't forget their pledges for FY 17/18.

The budget was publicized and reviewed at two town halls, the Exec Committee, the Financial Stewardship & Endowment committees, and all of these groups recommended passage of the budget.

Jerry asked, if we need to change the budget because we find that the OFD is running short, what will be the process? I am concerned that Jason may not be able to cover any significant shortages.

Ryam: we will monitor the pledge incomes carefully while Jason will continue to monitor income and spending. Since this is the first year of the all year fund drive – there is an added layer of complexity.

Mark asked about what options we may be able to exercise in the event of a gap.

Ryam stated that one of our choices could be the use of reserve funds.

Jack – we may want to be pro-active and define what constitutes a crisis, ahead of time, that would warrant the use of Endowment funds.

Tom stated: “I will be voting against approval of this budget. I believe the goal of \$735K for pledge income is unrealistic. The latest forecast from Elaine is only \$635K. The latest forecast from Nicole is about \$615K – both of which are much closer to my projection when we were beginning the OFD pledge drive. I also stated my concerns about this unrealistic budget at the last two budget meetings.”

[discussion]

Tom suggested we may have to defer the staff salary increases until mid-year when we could assure ourselves that the pledge income would be adequate. He asked Jason if there could be any other revenue streams.

Jason did not speak about any other revenue streams.

Ryam stated: “We could use reserve funds. We could plan to utilize the endowment funds. I believe the staff salaries are appropriate – it is our staff that holds this place together – especially in the absence of a minister. We may be able to utilize proceeds from the sale of the HH property. There are many unknowns – such as when the Developmental Minister may start their service at East Shore.”

Jerry – what happens 6 or 7 months from now if we are projecting a deficit?

Jason – referred to Ryam’s list of options. He also pointed out that we usually have a “runway” of 2 to 3 months that we could utilize before we reach a deficit position. At that time, I would come back to the board and provide options for consideration. We may eventually face a contraction of programs which may lead to a decrease in membership.

Ryam: The proposed budget, based on \$735K in pledges is an aspirational goal.

Uzma: we are going forward in optimism.

Endowment charter is a work in progress and will be passed forward to next year’s treasurer (Marcy Langrock) and the Finance Stewardship Committee. Ryam shared some of the history and pointed out that it is available for financial crises. We are waiting on legal input to complete the details within the charter. Our lawyer reinforced that we need to follow the charter with regard to any vote for disbursements.

Jack stated the Endowment charter is more restrictive than the bylaws – suggesting that the bylaws will need to be revised, eventually.

Mark moved we pass the budget as presented. Jerry seconded. 8 votes in favor, 1 against. Motion passed.

Not paying final dues, but donate to BLUU (Black Lives of UU) – Rev Elaine

There is a call for congregations over a period of 5 years to donate to this program. There is a matching grant proposal for any donation of up to \$10 per member. For ESUC – that would be \$4520. We could make the pledge now to qualify for the matching grant. Partial payment in May, final payment later in the year. The UUA is making a concerted effort to “center from the margins.”

Jack – we are in the second year of a half payment of our dues – aligned with our commitment to UUA.

Elaine – if we make the pledge now, you will have a year to actually make the payment.

Paul moved, Mark seconded – motion passed 8 in favor, 1 opposed.

CAM Sponsorship 350 Eastside - Jason

The Sponsorship was requested by our Climate Action Ministry team, David Chapin chairperson. They have petitioned the board to allow the 350 Eastside group to utilize our facilities, rent free, for their monthly meetings. Jason drafted a sponsorship agreement which was passed out to the board during the May 15 meeting. Jerry moved we accept sponsorship – Ryam seconded – Motion passed, unanimously.

Disruptive Person policy - Jack

Jerry is concerned there is already appropriate policies in place, aligned with our bylaws.

Ann – the bylaws refer to restorative justice. PB&G does not believe there is a conflict. There is a need for a policy or process to fulfill and strengthen this bylaw. The policy would also cover a process whereby such a person could be barred from the campus.

Jack, this is also in the Board’s best interest before the departure of our interim minister. It supports our fiduciary responsibilities.

Paul – you should edit the new policy to state that this is our Restorative Justice process.

Jack – the Board needs a procedure manual. Ann agreed and stated that the PB&G is actually working on this procedure manual. The standard charter template should go in there, as well.

Jerry moved that we accept this policy as amended and Paul seconded. – Motion passed, unanimously.

IDI assessments - Elaine

We owe Elaine \$18 each. Elaine stated she will send a note explaining the high-level summary of where all the board members are. She has also done IDI assessments for Sara and Dennis

This concluded our regular business and public agenda.

Uzma, our hostess for this board meeting served a delicious dish of Chicken Biryani and a cake in celebration of the wonderful service to our East Shore community by our outgoing board members and officers, President Jack Slowriver and Treasurer Ryam Hill.

Our guests then exited the meeting.

At 9:15, we transitioned to Executive Session – chaired by Jack

Our board meeting ended about 10:20pm. Our next board meeting is June 19, 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 IS INCLUDED AS THE FINAL DOCUMENT IN THE BOARD PACKET AND ENCOMPASSES 9 DIFFERENT TIMELINES OF PROJECTS THAT ARE SPONSORED BY THE BOARD.

Appendix 1

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

Treasurer's Report

- Proposed Budget – Budget town hall, to be discussed (Exec Session?)
- Endowment charter – work in progress
- No news – Dev Minister

Minister's Report

- Final Report, Online evaluation is due by June 15
- Report on Right Relations and the work of Pam Orbach. (Also in Mark's BL Report)
- Decision to go to 2 services.
- Not pay final dues, but donate to BLUU instead
- Current OFD update and Year Round Pledge update

DFO's Report

- updated Reserve Data Analysis report... support the findings of the Financial Stewardship Committee: there is no 'silver bullet'
- Forecast that OFD will break even in current fiscal year.
- Proposed Budget to be discussed – Board Packet and Appendix 3
- CAM request for sponsorship of 350 Eastside (request Board Approval).
- Bids for Admin Building HVAC exceed Fund a Need proceeds by about 40% or \$4285. Additional sources of funding have been identified to meet the total funding required.
- Request for Title and Job Description Change (Exec Session)
- Personnel (Jerry Bushnell) Sick Leave Policy - informational
- HHDTF (David Baumgart): The Task Force recommends board approval to add Linda Freeburg as a voting member. Linda would be bringing the total voting members to qty = 6.
- Right Relations (Mark Norelius) – update on Pam Orbach's efforts.

Appendix 2 - Holly House Property Development Decision – Proceed or Delay?

The HHD Task Force monthly meeting started Friday evening, May 11 and finished Monday evening. After a robust conversation about the options for developing the property and then a discussion about the contentious emotions that we are hearing from the congregation; the task force is recommending to the board that it would be in the best interest of the membership to delay this vote.

Reasons to Delay the vote:

- We have recently developed new information about the complexities of Affordable Housing that we want to educate the membership about including:
 - Transitional Housing Model vs Ownership Housing Model
 - The importance of the Land Scarcity issue
- The significant unknown of our liability for a Capital Gains Tax if we sell to a "Market Rate" developer.
- The lack of information about the likely distribution of the proceeds of the sale of the property.
- The amount of mis-information that appears to be in circulation.
- The need to document and widely distribute Frequently Asked Questions (FAQS).
- Bottom Line: The congregation does not appear to be ready to make an informed decision.

Reasons to Proceed:

- We will lose some credibility with all bidders.
- Affordable housing developers potentially have access to grant funds that are time limited and potentially not available after this calendar year.
 - In fact, it is likely that one or more of our Affordable Housing developers would miss the current year’s funding cycle.
- We would need to form a new task force with a new charter.

Appendix 3 – Revised Budget as of May 16, 2018

A detailed budget will be available to the congregation prior to the June 3 annual meeting. It is also available at any time, upon request. The proposed detailed budget is found in the May Board packet.

East Shore Unitarian Church					
Proposed Budget					
July 2018- June 2019					
	Budgeted	YTD (4/30/18)			
Revenues	2017-18	2017-18	2018-19		Rationale
Total Income - Pledges	735,000	554,928	735,000		OFD Goal
Total Income - Other Donations	18,000	70,647	18,000		Estate Trusts, collection from previous FY
Total Income - LifeLong Learning Fee Pmts	6,005	17,815	8,700		Based on planned programming
Total Income - Fundraising Event Pmt	67,750	42,944	43,750		Auction, 5 shows from East Shore LIVE
Total Income - Facilities Rental Pmt	159,360	164,231	204,945		Increased parking lot, and outside renters
Total Income - Dept Activities Pmts	80,961	75,883	75,159		Based on Team budget activities
Total Income - Other	47,394	55,638	81,790		Endowment, Housing Designated Fund
Total Revenues	1,114,470	982,086	1,167,344		
Expenses	2017-18		2018-19		
Total Wages	537,553	437,731	558,233		Midpoints of Mid Size III Church
Total Payroll Taxes	40,579	32,997	41,810		
Total Payroll Benefits	106,240	91,946	123,967		Healthcare & Professional Exps. By Dept.
Total Program Expenses	99,317	45,107	114,113		Based on Team budget activities
Total Facilities Expense	110,626	60,480	93,715		Based on Reserve Data Analysis
Total Business Expense	56,519	52,644	78,272		Fees, Taxes, Insurance, Dues (100% of UUA & Regional)
Total Office Expense	28,570	21,393	26,620		Software, copier, reduced postage
Total Fundraising Expense	18,500	9,701	14,250		Auction, East Shore LIVE
Total Advertising & Marketing	2,920	908	2,720		Website, Outreach
Total Interest & Loan Expense	113,645	94,721	113,645		Reflects refinanced mortgage
Total Expenses	1,114,470	847,629	1,167,344		
			0		
Surplus/Shortfall	0	134,457	0		Balanced Budget

END OF MINUTES

President’s Report – Tom Doe

I’d like to start this report with a little reflection on both the past few weeks and the past year. What a lot has happened! Last Sunday we said farewell to our interim minister, Rev. Elaine Peresluha, an occasion of mixed sadness and celebration -- sadness for losing a really wonderful minister and celebration for all that has been accomplished with her in the past two years. I outlined some of this in my remarks last Sunday, including creating our mission and vision, taking big steps on our way to implementing policy based governance and right relations, improvements to our staff working conditions, to name only a few. Those of you who’ve been on the board this past year should pat yourselves on the back for having a role in those achievements, along with the five-year financial plan.

We also this past week announced the name of our developmental minister, Rev. Stephen Furrer, which has generated considerable and deserved excitement around the church. Kudos to our developmental ministry team, Ryam Hill, Milly Mullarky, Mary Anderson, Uzma Butte, Jerry Bushnell and Ann Fletcher!

Finally I wish to thank my predecessor, Jack Slowriver, for not leaving a “house on fire”, but also leaving a manageable number of challenges to keep this job interesting!

For this meeting I suggest that the board focus particularly on a couple of agenda items:

- The disruptive persons policy,
- The Holly house task force continuation,
- The OFD, and
- The next 2 to 3 months before Rev. Furrer arrives

The policy and governance committee is passing to us the disruptive persons policy having done everything they are going to do on it. This does not mean that we should rubberstamp it. They are suggesting that we consider whether our developmental minister should look at it before we finalize it and if we might consider having a legally astute member of our congregation take a look at it as well. I also was buttonholed by Jane Sisk at church last Sunday, who expressed her concerns that the definition of “disruptive person” might include anyone who has disagreements with the staff. She has submitted those comments to the policy and governance committee, so presumably they are taken into account, but I suggest we all take a final look at this and make sure that this is not how the policy reads.

Perhaps the biggest and most potentially contentious issue that we will face in the next six months is the Holy House decision and our commitment to have a vote six months from our May board meeting. I understand that the Holly house task force met on June 13, and that we will receive some recommendations as a board for how we should proceed.

The operating fund drive is currently about \$400k, but Nicole Duff is projecting about \$622k based on EFT’s and likely pledgers (this does not include unhappy people who have not resigned their membership). The operating fund team has purposely been holding back a little bit until the developmental minister announcement, recognizing that is much easier to ask for money when there is good news. We need to ramp up our completion of the 2018-19 operating fund drive over the summer.

Finally, the next two months will see only a single member of our SLT on campus (Jason Puracal), between Aisha Hauser’s sabbatical and Elaine Peresluha’s departure. Eric Laine Barnes will be responsible for worship along with the worship team. Lifelong learning is in good hands with Amanda Alice and the team. With respect to pastoral care, we may have a board responsibility to contract with a support minister. Jack has started that process, but this may require some board action. We also need to develop a working relationship with Rev. Furrer over the next two months that recognizes he is not yet our minister, but keeping him in the loop on decisions and actions that might affect the state of the church when he arrives. We need to be conscious that he is now an important stakeholder for what we do.

This is not an agenda item, but you have all received a copy of the email from Aisha Hauser regarding our June 23 event. None of us on the board had any hand in directing the nominating committee’s selections for this board, but we are unbalanced with respect to age and gender. There is nothing we can do at this point to change the makeup of the board, but I believe that we can function effectively by recognizing this issue, being conscious of our own potential biases, and making sure that nobody on this board feels left out or marginalized.

As a last note, I wish to thank everyone on the board from last year who is continuing, especially Dave Baumgart for providing an anchor of experience on our executive committee. And I’m very happy to welcome two new members, Sara Brannman and Dennis Fleck.

Sincerely,

Tom

Finance - Treasurer Report – Marcy Langrock

Items below in bold need Board review and approval. The rest are consent agenda items.

- **Financial Stewardship Standing Committee:**
 - There was no Financial Stewardship Committee meeting this month. We will resume next month, in July, for a BBQ with the entire team.
- **Finance Team:**
 - I met with the Finance Team and we discussed end of May reports.
 - Pastoral Care costs for summer – these will be based on a contract with a minister. Typically there is a flat cost monthly plus an hourly rate for services rendered
 - Ryam updated us on the contract costs for the new Developmental Minister. We are still waiting on a start date in order to calculate the full cost.
 - Meaningful movies, other roll over accounts – we will keep a few of those for the minister’s discretionary fund, and youth tips from the auction. For the most part, we would like to limit these as it creates extra work for the accounting staff.
 - End of Year preparations. Laura predicts that they will be finished by the middle of July.
 - Bookkeeper check-in – Lucy will be included in the first part of the Finance Team meeting.
 - We were able to set our next two meeting dates for the summer.
- **Endowment:**
 - I met with the Endowment Committee on June 8th. They were discussing the current Investment Policy. They plan to review more investment earnings with Greene Wealth Management before determining if they will make a recommendation for a change in the policy. If they do have a recommendation, they will forward it to the Financial Stewardship for review.
 - The next Endowment Meeting is scheduled for July 20th.
- **Miscellaneous Treasurer Information:**
 0. I am excited to learn the intricacies of the treasurer position. Ryam Hill and Jason Puracal have been instrumental in my education. I am grateful for their patience.
 1. Dave Baumgart and I are going next week to the bank to include me as an authorized check signer for the church’s account. **Dave has been asked to become an authorized check signer as well. Given the limited coverage from the SLT during the summer, it will be helpful to have another signer as backup.**

Interim Minister's Annual Report 2017 / 18 – Rev. Elaine Peresluha

JULY 2017- JUNE 2018

In July of 2017 I was returning from a month in India, practicing yoga. East Shore was moving into a new understanding of their extended relationship with me following the Board decision to suspend the search for a settled minister. The Ministerial Search Committee's work had revealed that East Shore had not yet fully integrated the work we had begun with governance or clarified and agreed upon their priorities or identity sufficiently to call a settled minister who would be an effective match. The Board and SLT identified the following priorities for the remainder of our interim.

- Clarification and communication of the institutional governance and administrative structure
- Establish long term sustainability in the financial structure
- Move ESUC towards becoming an anti racist anti oppression congregation as defined by Julica Hermann de la Fuente's rubric.
- Create and adopt a covenant of Right Relations
- Restore and further enhance the prevailing level of trust.

In July the staff and board retreats created plans to accomplish those goals with staff managing operations and the board continuing its oversight. The anticipated increase in pledges for the operating budget was discovered to be an error in data entry so managing a shortfall of \$80,00 instead was going to be a significant part of both oversight and operations. Throughout the year we included informal discussion with teams, committees and Standing Committees clarifying the roles of the staff, board and members in areas of ministry, oversight and operations to help build comfort with the organizational structure and governance model.

Significant resistance to the system began expressing itself early in the fall as members who disagreed with the policy based governance model and felt outside of the decision making and authority as defined by the organizational structure. There were also members who experienced my ministry as authoritarian and not collaborative. I understood their experience to be related to my direct communication, the adherence to the governance structure and consistent role clarification confirming how decisions are made within that governance model. The decision making process and distribution of authority of Policy based governance and the less formal and consistent decision making authority of a committee based structure remain in conflict. The size of East Shore, 452 members, makes it too large for effective governance through a committee based structure and not quite large enough for some of the programming and number of staff for managing operations efficiently that make policy based governance appreciated.

The conflict intensified requiring intervention from the Pacific Northwest Region. Rev. Christine Robinson and Jonipher Kwong consulted with ESUC members, staff and Board from late November through February 18, 2018. The result of their consultation was a recommendation to end the interim and apply for a developmental ministry. The conflict remains unresolved. It is simmering at a lower level of intensity. A covenant of right relations has been created and will be adopted at the annual meeting. An outside consultant, Pam Orbach, using non-violent communication to resolve the conflict has been hired. She is meeting with different individuals and groups to assess and hopefully resolve the conflict.

In my opinion East Shore has 3 interwoven issues that require the attention of a longer term transitional ministry to resolve. Each of these affects the other, making the resolution necessary for health a challenge.

1. There is a culture of mistrust which questions the decisions of staff, Board and members around programming, policy and governance. The mistrust presents itself as judgment, blame and vilifying those working on the changes necessary for institutional stability.
2. East Shore is ambivalent about growing in size. There is a nostalgia for a smaller size church with more intimate working relationships amongst members that feels to them like “ownership “of the church in a specific way. This sense of “smaller is better” makes acceptance and appreciation of Policy Based Governance difficult.
3. The nature of spiritual practice and spiritual maturity is not fully understood so people do not recognize or appreciate the spiritual foundation to direct, honest and respectful communications, of right relationships, or of social justice as a community value. That complicates the above characteristics of East Shore.

Each of these three, when taken together, affect communication, relationships and governance at East Shore.

As of this report one minister has submitted an application for the developmental ministry. The DMSC will interview the applicant and make their recommendation to the Board. The Board will have other options for hiring a contract minister if the applicant for Developmental Ministry does not meet the needs of the congregation at this time.

Other highlights of the year:

Hiring of Interim Music Director Eric Lane Barnes
Creation of a Developmental Ministry Search Committee
Establishment of Developmental Ministry goals
Submission of an Application for Developmental Ministry
Establishment of a Five Year financial plan
Adoption of a Disruptive Behavior Policy
Initiation of a year round operating fund development process

Respectfully submitted,

Rev Dr. Elaine Beth Peresluha

Minister's Report – Rev. Elaine Peresluha

From: Elaine Peresluha <eperesluha@gmail.com>

Sent: Saturday, June 16, 2018 4:14 PM

To: Board Exec Council

Cc: Milly Mullarky <milly@nwce.com>; Tall Fellow <elb@ericlanebarnes.com>; Nicole Denman <membership@esuc.org>; Grace Colton <grace.colton@gmail.com>; ANN E FLETCHER <fletcherAnn@msn.com>

Subject: Covering ministerial responsibilities until Steven arrives

This is my note to the Board explaining coverage of the minister's portfolio while you are waiting for Steven to arrive:

Worship: Eric Lane Barnes is the staff person supporting the Chris Struble and the worship team. Eric will meet with the Worship Team once a month, keep an eye on the worship calendar and be a resource for music planning and other worship questions. The Worship Team is responsible for filling worship leaders for each Sunday until Steve arrives. Eric will be doing one or more services. The Worship team will organize outside speakers and members for leading worship.

Pastoral Care: Milly Mullarky and the Lay Pastoral Ministry Team will be covering routine pastoral care until Steven arrives. The Board will need to decide if a part time On Call minister will be hired to cover for emergencies. I believe Jack Slowriver has interviewed the two ministers available and will make a recommendation

Social Justice: The ESJCC is overseeing all social justice ministry teams

Membership and OFD: Nicole will be the staffer person managing the Membership team and OFD as directed. She will email metrics to Jason . Jason will include the OFD and Membership metrics in his board report. The Board will need to decide whether on not to keep the OFD as a Board Task Force or to have it return to operations. Please let Nicole know what you decide so she will understood and fulfill her responsibilities.

Personnel Committee: Grace Colton will manage the PC. Jason will be a resource for Grace per her needs. There is an auto reply on my minister@esuc.org email and a message on my phone referring people to the desk.

Thank you all for the wonderful gifts and for a fine send off. The 10th was healing closure for all who were there, I think. The sanctuary felt like the East Shore of the future- and I hope it felt vibrant and inspiring to you. It was full with energy, all sizes, shapes, ages and colors of people. Whatever your vision of the future is- my best wishes for achieving it. Much metta, Elaine

Rev. Dr. Elaine Beth Peresluha (207)271-0204 cell

Interim Minister East Shore Unitarian Church Bellevue, WA

inthemiddleconsulting.com eperesluha@gmail.com

Social Justice Ministry Team Reports

East Shore Social Justice Ministry Teams – May 2018 Report

ANSWER Nepal Ministry Team Report

The Ministry team hosted the display board each Sunday of May and sponsored a presentation given by Jenny and Trevor Hall about their visit to Nepal and the ANSWER program there last October 2017. Only 19 people in addition to the speakers attended. It was a fabulous power point with music; we were sorry that it was completing with two other church functions that same time.

Certain current sponsors selected new students to sponsor. One chose to sponsor a second student, and the other sponsor's student graduated from "college" and so chose a new one!

We may assist the ANSWER founder, Earle Canfield, with a presentation later this summer, to be held in Seattle.

Submitted by Margaret Hall.

Beloved Racial Justice (BRJ)

In May, Beloved Racial Justice sponsored three Flash Stances, in Bellevue, Issaquah and Kirkland. We sponsored a Conversation About Race on May 13 that focused on how white cultural norms impact our church culture and our decision-making – without us realizing that there are different ways of approaching things. On May 20th, BRJ supported the final session on White Centering facilitated by Aisha Hauser and Jack Slowriver.

Submitted by Louise Wilkinson.

Climate Action (CAM):

- Steering Committee meeting on May 7.
- Hosted a meeting on May 19 "Moving Eastside Cities Toward Climate Action: What Can You Do?" This meeting was to organize efforts for pushing local municipalities to implement actions to reduce carbon emissions as part of the K4program. Approximately 50 people attended.

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.

Earth and Social Justice Coordinating Council (ESJCC)

The Earth and Social Justice Council has approved charters for 11 teams and is working with the final two teams to complete their charters. Council members worked with Nicole to create highlights for the annual report. They will collaborate with her and the teams again to write a report about the impact of East Shore's ESJ work.

Louise Wilkinson facilitated the Council's discussion and writing of its Covenant of Right Relations at its May meeting. Also at that meeting Council members assessed how well they had met their charter goals and began to plan for next year. They will continue to plan at a summer retreat.

Council members have hosted a table in the Church foyer after services to distribute ESJ information and make available health care and carbon tax initiative petitions. They plan to host a potluck and live streaming of the General Assembly Ware Lecture on June 27th.

The Meaningful Movies May screening was *An Inconvenient Sequel*, Al Gore's follow-up to his first film on global warming. 24 people attended. This was the last film until the Fall.

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

The KHMT held a Zoom call of nearly two hours on May 21. The five local members (Roger and Fran Corn, Barb Clagett, Mary Lou Lewis, and Doug Strombom) were on the video call locally, while Karen McManus joined us from their boat somewhere on the East coast! We have regular communication with our Khasi friends; in addition, Roger sent a copy of John Chmaj's April 8 "Homily" to our Unitarian minister friends there. We continue to prepare for August's Trinkets & Treasures sale to pay for five teachers' salaries at the Friendship School. Encouraging East Shore members to start collecting items from their homes for the sale is next step. Karen will schedule volunteers in late June into July to sort and price items "from afar" this year; she is unable to be at the actual sale this year so gave Barb (chair this year of the event) and the others extensive advice regarding the sale. At this point we have 8 pilgrims intending to travel mid September to the Khasi Hills for the annual celebration of the founding of Unitarianism there some 130 years ago. Our June meeting will also be via Zoom, due to travel plans for several on 4th Sundays, our regular meeting time.

Submitted by Barb Clagett.

P-Patch

The P-Patch Team held a successful plant start event on May 6, netting \$350 in donations. Many members will now be growing their own tomatoes, lettuce, cucumbers, squash, and even dahlias! Some

of the starts have been planted in the church P-Patch and will contribute to the summer produce tables. The P-Patch has held several work parties and will be used for summer RE. All proceeds from the plant starts and the produce table will go to a food justice non profit, to be determined by the group.

Submitted by Ann Fletcher.

Second Sunday Share the Plate

Contributions for the May Second Sunday/Share the Plate recipient, Compass Housing Alliance, totaled \$1,345. The topic for the June 10th collection will be climate change, with Climate Solutions the recipient, from suggestions from the Climate Action Team. The topic for July 8th will be gun violence, and Gun Responsibility Foundation will be the recipient. The topic for August will be racial justice, with the recipient based on suggestions from the Beloved Racial Justice Team.

Submitted by Jane Sisk.

Women Helping Women (WHW)

Our Lake Hills school project is going very well. We have 2nd grade tutors, Kindergarten art helpers and Library helpers. The VIBES program has lost funding from the Bellevue School District so we are unsure what that will mean for our volunteers for next year.

Our Sophia Way meals program is also going very well. We have an average of ten volunteers each month who either donate food, help cook or deliver the meals to the shelter. Women's Perspective may not be able to underwrite our program as they have for the past couple of years because they lost money this year. This project costs approximately \$100/month to provide around 60 meals. WHW put it in our budget submitted to the Finance Team for next year's Operating Budget.

Submitted by Laurie Wick.

Director of Finance & Operations – Jason Puracal

DFO Report to the Board of Trustees, East Shore Unitarian Church, June 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 attended the Endowment Subcommittee meeting. We discussed socially responsible investing, pending work regarding the Investment Policy Statement revision and new 5-year Strategic Plan. See Treasurer's report for further details.

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 attended two Holly House Development Task Force meetings. See the HHDTF Chair's and BOT Secretary's report for further details.
- I attended the Holly House Development Task Force Town Hall where the Board's decision to extend the timeline for congregational vote for 6 months was announced.
- I obtained legal consultation regarding the potential sale of the Holly House property and capital gains tax. According to Nathaniel Taylor of Ellis/Li/McKinstry, the sale of the property should not result in taxable capital gain to the church because it has not regularly carried on unrelated business on the property. A market rate sale is fine. A below-market sale is where we need to be careful: the delta between the market value and what the church receives is essentially a distribution of the church's assets. The church can only distribute assets in furtherance of its exempt purposes, that is, for other 501(c)(3) purposes related to the church's purpose. "Affordable Housing" could arguably fit within this, however ESUC needs to impose that restriction on the developer.
- I met with two staff from Compass Housing Alliance. They shared with me the model for sustainable impact they have been utilizing for almost 100 years.
- I met with Dennis Fleck to answer his questions regarding the Holly House property and provide my background regarding sustainable development.

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

- *A covenant of Right Relations*
 - *Stable staff (paid / unpaid) to appropriately meet the needs of the church*
 - *Sustainable Finances and preparation for an external audit*
 - *Policy-based governance is fully implemented and accepted*
 - *In the 2018/19 review of ends the Board will be able to define what it means to explore spirituality based on their experience of living our mission and vision statements.*
- I met with the Finance Team. We discussed the May month-end financial statements, unexpected budget costs for this fiscal year and next, as well as prepping for end of year closing.
 - The month-end reports created for May 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 May were on par compared to the 16-year average of pledges, and about \$5k 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 ~\$1k more than the 16-year average, just over \$8k higher than the 5-year average, and almost \$20k higher than what was brought in last year during May. Our monthly expenses dropped slightly to ~\$78k. East Shore had a deficit for May of approximately \$16,400, and year-to-date we are still at a surplus of ~\$118k, providing enough cash on hand to close out the fiscal year.
- With monthly EFT pledges at ~\$32k and the given surplus, we should have enough cash on-hand to at least breakeven for the fiscal year. I ran out budget projections on all other income and expense general ledger accounts. Based on the assumptions of the model, we should have a surplus of at least \$10k for the year, not including the Interim Minister severance package.
- Per the Board vote in April, I registered the pledge to Black Lives of Unitarian Universalists (BLUU) at \$10 per member for a total of \$4,520. **Given the projected surplus, I am recommending the Board vote to pay this amount in the current fiscal year rather than burden our next fiscal year budget.**
- Last year, the Board voted to provide bonuses in the amount of \$500 net to each Staff member from the surplus (25% flat rate tax covered by ESUC). **If the Board wishes to provide the same or similar bonus to Staff this year, I recommend the Board vote to accrue the funds from the current fiscal year rather than burden the next fiscal year budget, funds to be paid upon closing of the fiscal year in July and confirmation vote of the Board at that time.** The total amount would be \$5,312.50, assuming \$500 per full time employee, pro rated for part-time employees.
- In prepping for end of year closing of the books for fiscal year 2017/18, the Finance Team confirmed the three Projects that we are providing exceptions to the normal operating procedures, specifically in the balances rolling over into the next fiscal year. These include:
 - Minister's Discretionary Funds- because these funds were raised during December 2017, and no funds were budgeted in the next fiscal year
 - Youth- because these funds were raised as tips to the youth during the November 2017 Auction.
 - Meaningful Movies- because 100% of these funds belong to the outside group so shouldn't be grouped with the surplus and be available for the group next fiscal year. Regarding this group, the Finance Team recommends ESUC entering into a formal Sponsorship Agreement with Meaningful Movies for a term of 1 year with the understanding that the group will develop their own capacity to managing their accounting over the course of the year. I have advised ESJCC of this plan for moving forward.
- After receiving a letter from a law firm asking for East Shore to sign document confirming receipt of funds to our Endowment Fund from the estate of a past Member, we became aware that our previous accounting system, Shelby, is not allowing us to access our past accounting records. Through conversation with the law firm, I was able to find the deposit of the funds in the Endowment account on 6/1/2015 using the Schwab online banking system. We have reached out to Shelby to see if we can pay for one-time support to fix the system errors and gain access to our past accounting records. This is a work in progress.
- With the change of leadership both on the Board and in SLT, the authorized signatories to all ESUC bank accounts need to be updated. This is especially important for check signing given that I will be the only SLT member working during the summer and our checks require 2 signatures. I have provided the Secretary and Treasurer of the Board draft documents needed to complete this process for the Chase Checking account and Schwab Brokerage account. **I recommend the Board vote to remove the past President, Treasurer, and Interim Minister from these accounts, and add new President and new**

Treasurer and Secretary to the Chase Checking account, as well as new President and new Treasurer and new Bookkeeper with limited Power of Attorney to the Schwab Brokerage account.

- I met with Ann Fletcher to answer questions regarding the 5- Year Financial Strategic Plan. I pointed out to the Secretary of the Board that the Minutes from the April Board meeting note approval of the 5-Year Financial Strategic Plan with revisions, however the revisions are not noted in the minutes and the packet has the un-revised Plan, consequently erroneous information is being distributed.
- I drafted the contract with the Developmental Minister, and met with the Chair of the Developmental Minister Search Task Force, President, Secretary and Developmental Minister multiple times to revise as appropriate through the negotiation process. See Secretary's report for more details.
- I revised the final Amendment to the Interim Minister Agreement, and it has been fully executed.
- The contract with The Sofia Way for rental of the Holly House for fiscal year 2018/19 has been fully executed at \$1,600 per month, \$200 more per month than what was budgeted.
- I revised the financial slides for the Power Point at the Annual Congregational Meeting, as well as attended the meeting to provide support to the Treasurer in answering detailed questions about the proposed budget for next fiscal year.
- The Membership Development Manager and I attended the Pacific Western Region Administrator & Membership Retreat at the Olympia Unitarian Universalist Congregation. I presented on property tax issues, sharing the learnings of the Finance Team from the past two years of research with other WA based UU churches. I also learned new options for natural cleaning solutions for our facilities. The Membership Manager was able to network and learn from other churches about how they handle operational details of having two services on Sunday mornings.
- The Xerox count for May was higher than usual, with almost 1,000 color copies on the Board account. Our contract includes only 2k color copies per month, and we incur overage charges beyond that. May's overage charge will be approximately \$115. It is important to remember that even one line of color, such as a website url or email address, counts towards a color copy. I request the Board be sure to select black & white settings for copying needs unless absolutely necessary.

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 participated in a Conversations on Race workshop to answer questions regarding the Holly House in relation to this topic.
- I met with Tom Doe and Ryam Hill to discuss the budget concerns for the next fiscal year.
- I spent almost eight hours in Holly House Development Task Force meetings framed around Right Relations with one Task Force member who is out of Right Relations. See HHDTF Chair report for more details.
- I attended multiple good-bye parties for the Interim Minister including the all-church BBQ. I appreciate the intentional process of closure and saying good-bye that Elaine implemented.

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

- The Seabeck retreat was completed successfully. I attended to be available to answer questions regarding the proposed budget and Holly House. Current accounting shows a net revenue of ~\$6,300 with an additional ~\$4,700 in uncollected registration fees. This will allow us to pay the required \$5k deposit for next year's retreat.

- I am in communication with the Worship Team Chair to ensure there is programming throughout the summer until the Developmental Minister arrives. The Interim Music Director is assisting with this oversight and filling programming gaps.
- Social Media Metrics:
 - *Yelp for May*
 - 24 user views
 - 6 user leads
 - 1 direction and map views
 - 5 clicks to website
 - *Google My Business Report for May:*
 - 34,765 people found us on Google,
 - 9 people called
 - 453 asked for directions
 - 173 visited the website

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

- I attended and spoke at two Innocence Project Northwest events together raising over \$120k in funding for the organization.
- After two keynote speakers cancelled at the last minute, LeAnne Strubble asked me to speak at Noe Strubble's Baccalaureate event. I was happy to be able to accommodate.

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.

- The Facilities Team has not met since the last Board meeting.
- The Caretaker, Celil, was able to repair the pressure washer for East Shore saving us hundreds of dollars in replacement costs.
- The Caretakers were able to successfully complete the first trial bathroom painting project in the Administration Building. All other bathrooms on campus are scheduled for painting during the summer.
- The Facilities Manager has worked out a summer schedule for the Caretakers to open at 7:30am Monday through Friday to accommodate our renters. This schedule means there will only be one Caretaker working on the weekends, thus hours of operation will be limited between June 25th to September 3rd. Priority will be given to Sunday morning programming, and Saturday hours will flex depending on event programming. The Facilities Manager is working with the Membership Development Manager to communicate changes to the Congregation.

Discussion Agenda

None at this time.

Respectfully Submitted,
 Jason Puracal
 Director of Finance & Operations

Appendix A: FY 2017/18 May Summary Income Statement and Balance Sheet

East Shore Unitarian Church
Monthly Income Statement - Summary
May 2018

Date : 06/14/2018
Time : 2:06:14 PM

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	35,920	62,750	26,830	661,396	690,250	28,854	753,000	87.83 %
Income - Program Fee Pmts	452	500	48	18,267	5,505	(12,762)	6,005	304.20 %
Income - Fundraising Event Pmt	905	5,646	4,741	43,849	62,104	18,255	67,750	64.72 %
Income - Facilities Rental Pmt	12,344	13,280	936	176,575	146,080	(30,495)	159,360	110.80 %
Income - Dept Activities Pmts	12,298	6,747	(5,551)	88,181	74,214	(13,967)	80,961	108.92 %
Income - Other	35	3,950	3,914	55,673	43,444	(12,228)	47,394	117.47 %
Total Revenues	61,955	92,872	30,918	1,043,940	1,021,597	(22,343)	1,114,470	93.67 %
Expenses								
Payroll Expenses								
Wages	45,640	44,796	(844)	483,371	492,757	9,386	537,553	89.92 %
Payroll Taxes	2,644	3,382	737	35,642	37,197	1,556	40,579	87.83 %
Payroll Benefits	8,700	8,853	153	100,646	97,387	(3,260)	106,240	94.74 %
Total Payroll Expenses	56,985	57,031	46	619,660	627,341	7,682	684,372	90.54 %
Program Expenses								
Administrative Expenses	4,300	8,276	3,976	49,408	91,040	41,633	99,317	49.75 %
Facilities Expense	5,426	9,219	3,793	65,906	101,407	35,501	110,626	59.58 %
Business Expense	708	4,710	4,002	53,352	51,809	(1,543)	56,519	94.40 %
Office Expense	1,473	2,381	908	22,866	26,189	3,323	28,570	80.04 %
Fundraising Expense	0	1,542	1,542	9,701	16,958	7,257	18,500	52.44 %
Advertising & Marketing	0	243	243	908	2,677	1,768	2,920	31.11 %
Interest & Loan Expense	9,470	9,470	0	104,191	104,175	(16)	113,645	91.68 %
Total Administrative Expenses	17,077	27,565	10,488	256,925	303,216	46,291	330,781	77.67 %
Total Expenses	78,363	92,872	14,510	925,992	1,021,597	95,605	1,114,470	83.09 %
Net Total	(16,408)	0	16,408	117,948	0	(117,948)	0	0.00 %
Other Revenues								
Designated Revenues	13,538	0	(13,538)	100,884	0	(100,884)	0	0.00 %
Restricted Revenues	2,500	0	(2,500)	7,600	0	(7,600)	0	0.00 %
Revolving Revenues	0	0	0	0	0	0	0	0.00 %
Total Other Revenues	16,038	0	(16,038)	108,484	0	(108,484)	0	0.00 %
Other Expenses								
Designated Expenses	0	0	0	61,001	0	(61,001)	0	0.00 %
Restricted Expenses	1,471	0	(1,471)	5,385	0	(5,385)	0	0.00 %
Revolving Expenses	1,471	0	(1,471)	12,782	0	(12,782)	0	0.00 %
Total Other Expenses	1,471	0	(1,471)	79,169	0	(79,169)	0	0.00 %
Net Operating Total	(1,841)	0	1,841	147,264	0	(147,264)	0	0.00 %

Appendix B: FY 2017/18 May Balance Sheet

Date : 06/12/2018
Time : 10:32:40 AM

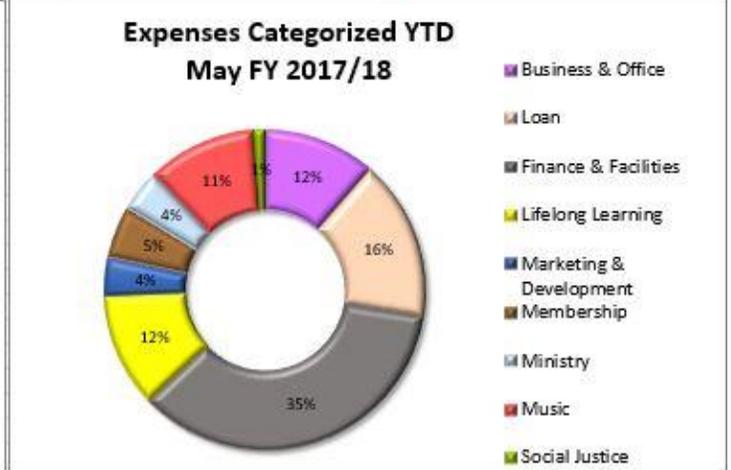
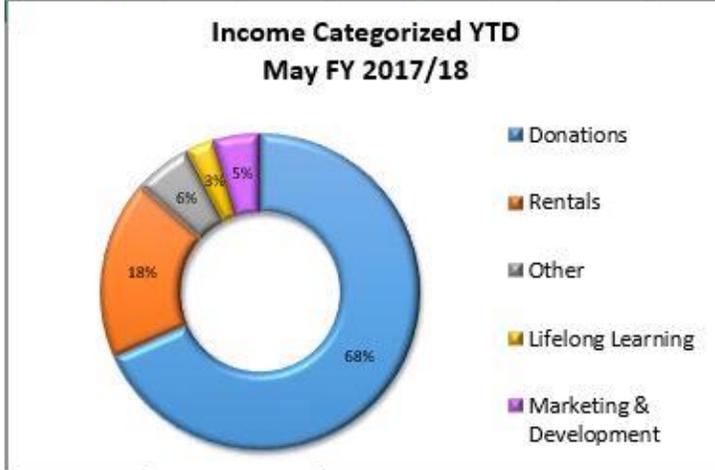
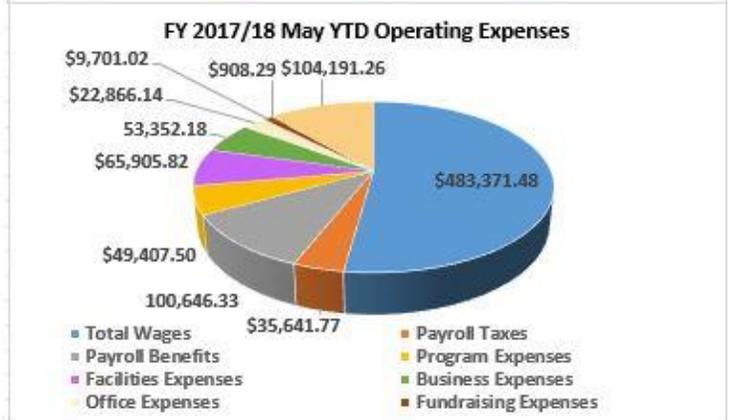
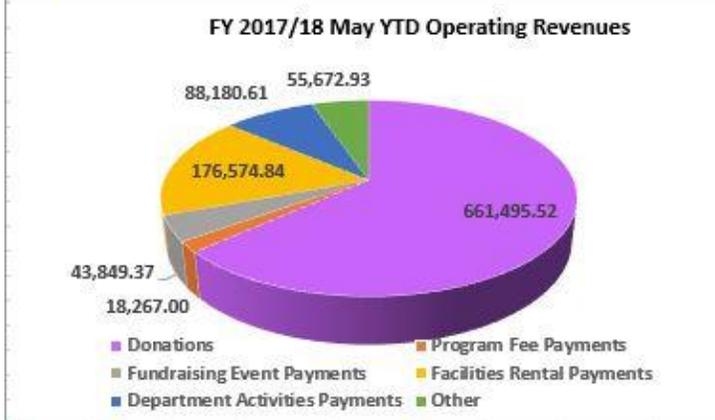
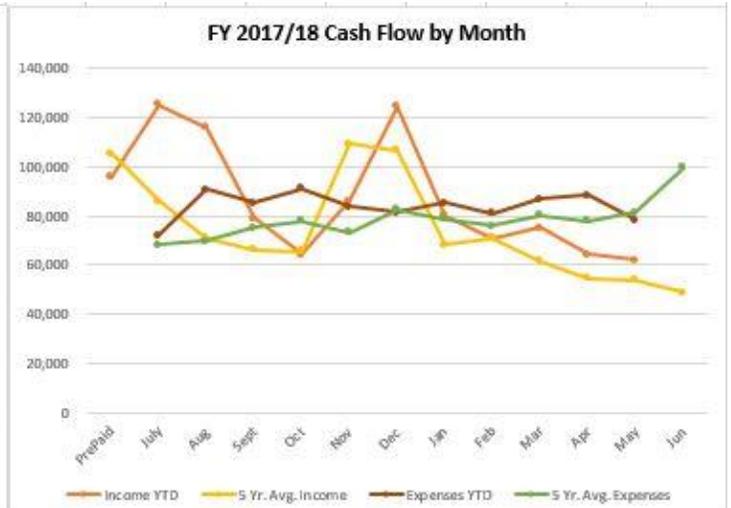
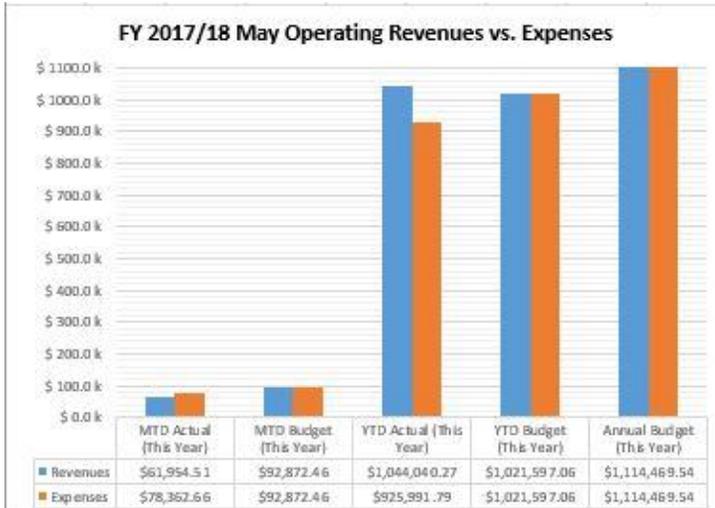
East Shore Unitarian Church
Balance Sheet
May 2018

Page : 1

Accounts

Assets		
Current Assets		
Cash & Investments		
1-1000 - Petty Cash	\$200.00	
1-1010 - Checking - Chase	\$117,789.48	
1-1030 - Brokerage - Schwab	\$46,391.60	
2-1010 - Checking - Chase	\$20,808.62	
3-1010 - Checking - Chase	\$143,184.63	
3-1040 - Endowment Money Funds - Schwab	\$28,523.34	
3-1070 - Endowment Investments - Schwab	\$1,312,034.57	
4-1010 - Checking - Chase	\$35,515.00	
Total Cash & Investments	\$1,704,447.24	
Other Assets		
1-1110 - Deposits	\$1,750.00	
Total Other Assets	\$1,750.00	
Total Current Assets		\$1,706,197.24
Contra Assets		
1-1600 - Building Loan Contra Account	\$809,765.48	
Total Contra Assets		\$809,765.48
Total Assets		\$2,515,962.72
Liabilities, Fund Balance, & Restricted Funds		
Liabilities		
Current Liabilities		
1-2110 - Wage Accruals Payable	\$16,274.89	
1-2120 - FIT Withholding	\$28.80	
1-2130 - FICA Withholding	\$32.82	
1-2160 - Other Payroll Deductions Payable	(\$818.91)	
1-2300 - Prepaid Pledges	\$28,065.00	
1-2500 - Building Loan - Current	\$76,200.00	
4-2020 - Other Collections Payable	\$11,850.00	
Total Current Liabilities		\$131,632.60
Long Term Liabilities		
1-2700 - Damage Deposits - LT Rentals	\$4,500.00	
1-2750 - Building Loan - Long Term	\$733,565.48	
4-2710 - Other Collections Payable - LT	\$11,450.00	
Total Long Term Liabilities		\$749,515.48
Total Liabilities		\$881,148.08
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	\$147,363.92	
Total Fund Balance and Excess Cash Received		\$1,634,814.64
Total Liabilities, Fund Balance, & Restricted Funds		\$2,515,962.72

Appendix C: FY 2017/18 May Financial Charts



DLL Report to the Board

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. 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 continue working with Pam Orbach. Pam has extensive experience in mediation and restorative justice. She has met with members of the congregation and has offered space for folks to offer their perspectives and experiences. The RRTF has concluded that one area where it would be extremely helpful to have Right Relations ideals embedded from the start is the continued discussion around the Holly House decision and with the next iteration of the Task Force. Pam will be working with and consulting with the HHTF when the new group is chosen by the Board in order to help support the group in having healthy difficult conversations. The goal is to coach the group to have healthy disagreements in a kind, respectful way. This is an opportunity to practice spiritual growth and strengthen the community. Maintaining relationships is an important goal with this work. No amount of money will save relationships that become fractured, seemingly beyond repair. East Shore can mend what is broken, when we take the time and make the commitment.

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

The members of the Lifespan Integration Team are very excited about the move to two services starting in the Fall in order to help meet this Board End. We have already begun recruiting and have teachers signed up for both the 9am and 11am program times. The below synopsis is what appeared in the annual report. There aren't RE numbers for May and June, because since May 20th we have had multigenerational programming and the children are not counted separately from the adults.

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 Registration 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

Sabbatical Plan July 1-October 1

Amanda Alice, the RE Programs Coordinator is ready to step in and be in charge for the time I will be away. If anyone has questions, please email coordinator@esuc.org to reach Amanda directly.

Summer Program-LeAnne Struble and Amanda Alice will oversee summer programming.

Preparation for Fall-Amanda, Walter and the rest of the Lifespan Integration Team have been busy recruiting volunteers for the fall programing. We have received enthusiastic feedback that we are returning to two services this fall. We have decided on two teacher training dates: August 25th Saturday 9:30-12pm and September 8th Saturday 9:30-12pm. I will assist with the teacher training planning.

Adult Programs-Ryam Hill will be the contact for any questions related to Adult Programming.

Respectfully submitted by,

Aisha Hauser, MSW

Draft Policy Regarding Disruptive Behavior

BOARD POLICY REGARDING DISRUPTIVE BEHAVIOR

While openness to a wide variety of individual perspectives and beliefs 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 for safely expressing beliefs and opinions. When someone threatens the physical or emotional well-being of an individual or the community as a whole, the source of this threat must be addressed firmly and promptly. Any consequences for disruptive behavior, including the extremely rare loss of membership and exclusion from the premises and church activities will follow the Bylaws and Board Policies.

Disruptive behavior explicitly does not include respectful criticism of the Board of Trustees or of the staff by ESUC members.

The following shall be the restorative justice procedures and processes of East Shore Unitarian Church (ESUC) in dealing with disruptive behavior as referenced in Bylaw Article V, Section E (5):

1. When identifying, evaluating, and responding to disruptive behavior, staff, lay leaders, restorative justice groups, and members will consider these points in a reasonable manner:
 - a. SAFETY – What is the actual or perceived threat to the safety of any adult or child?
 - b. DANGEROUSNESS – How much of a threat or perceived threat to persons or property is occurring or has occurred?
 - c. CAUSES -Why is the disruption occurring? Might there be a conflict between the individual and others in the church? Might it be due to personal issues or cultural misunderstandings?
 - d. FUNCTION – How is this behavior causing an impairment to church activities?
 - e. DISRUPTIVENESS - How much interference is occurring or has occurred to church functions?
 - f. HISTORY – What is the extent, if any, of disruption caused in the past? Is there a pattern of disruptive behavior?
 - g. INSTITUTIONAL INTEGRITY – How likely is it that this behavior will result in serious damage to the reputation of the church, congregation, and staff?
 - h. OFFENSIVENESS - How likely is it that prospective or existing members or staff will be driven away or take legal action?

- i. PROBABILITY OF CHANGE – How likely is it that the problem behavior will diminish in the future?
2. If an immediate response is required, this will be undertaken by a member of the Staff Leadership Team (SLT), if an SLT leader is not available, then a lay leader, such as a Board Member, Committee or Ministry Team Chair or other responsible member, will take action. This action may include asking the person or persons exhibiting disruptive behavior to leave the area or suspending the meeting or activity until such time that it may be resumed without disruption. If further assistance is required, the Police Department may be called. Anytime any of these actions is undertaken without the SLT, a member of the SLT must be notified; a follow-up letter detailing the disruption and the action taken should be distributed to the SLT, the Board President, and the appropriate restorative justice group,
3. Situations not requiring immediate response will be referred to the Board as per Bylaw Article V Section E (5), which will ask the people involved to engage in a restorative justice framework. The restorative justice group will respond in terms of their own judgment observing the following:
 - a. Use agreed upon church covenant as acceptable behavior.
 - b. Treat all people involved in a disruptive incident with respect, avoiding stereotypes and maintaining confidentiality.
 - c. Use a restorative justice model, or similar framework to evaluate and facilitate resolution of concerns. The goals are to preserve and restore relationships and to benefit the community as a whole.
 - d. Meet with people involved in the disruptive incident in order to collect necessary information, determine the LEVEL of RESPONSE, and decide to whom the case should be referred.
 - LEVEL ONE –Identify ways that the issue can be addressed and damage to relationships can be repaired and for the good of the community as a whole. Referrals might be made to the Minister, Pastoral Care Team, the Right Relations Facilitation Team, or similar resources.
 - LEVEL TWO regarding NON-MEMBERS: exclude the individual from specified church activities for a limited period of time. Provide them with reasons for exclusion and conditions of return.
 - LEVEL TWO regarding MEMBERS: Refer the issue to the Board,

recommending revocation of the membership so that the person may be excluded from specified church activities for a limited period of time. Provide the Board with reasons for exclusion and recommend conditions for return. Copy the individual prior to any Board hearing.

- LEVEL THREE regarding NON-MEMBERS: exclude the individual from the premises and all church activities permanently. Provide them with reasons for exclusion, the parameters of the exclusion, consequences for violation, and any recourse.
- LEVEL THREE regarding MEMBERS: Refer the issue to the Board, recommending revocation of membership, so that the person may be excluded from church premises and all church activities permanently. If the Board decides to accept the recommendation, the individual shall be informed of the exclusion, consequences of violation, their rights and any possible recourse. See Bylaw Article V Section E (5).
- LEVEL TWO and LEVEL THREE action taken may be appealed by a non-member to the Board by making a request in writing explaining why reinstatement is appropriate.

NOTE: This Policy will require that an additional section* be added to the Board Policies as follows:

1. Ends
2. Staff Leadership Team Limitations
3. Governing Process
4. Board-Staff Leadership Team Relationship
5. Member Responsibilities Toward Each Other and Staff*
6. Review of Policies and Governance Cycle

The Disruptive Behavior Policy would be 5.1. Other policies about Member relationships such as a Right Relations Covenant could be added over time to this section.

Liaison Reports

Policy and Governance Committee – Ann Fletcher

Charter Tracking (Updated May 31, 2018) **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 researched	
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, Revised, Approved	4-25-18
Lay Pastoral	Submitted, Needs Revision	
Earth and Social Justice Council	Submitted, Revised, Approved	2-20-18
ANSWER Nepal	Submitted, Revised, Approved	4-25-18
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, Revised, Approved	5-31-18
Crossroads Meals Ministry Team	Submitted, Revised, Approved	5-31-18
Food Bank Ministry Team	ESJCC assisting	

Good Start Back to School Ministry	Nancy Worsham writing	
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, Revised, Approved	4-25-18
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)		
CT Connection Teams (Minister)	Submitted, Being Revised	
East Shore Live (ED)	Submitted, Approved	11-21-17
Gallery-Art on Campus (Minister)	Submitted, Revised, Approved	3-30-18
Membership (Minister)	Submitted, Approved	3-30-18
Membership Enhancement (ED)	Submitted, Being Revised	
Seabeck (Minister)	Being drafted (Nicole)	
Women's Perspective (Minister)	Submitted, Revised, Approved	5-31-18
Outreach (ED)	Submitted, Revised, Approved	3-30-18
Auction (ED)	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	Nearly completed (Dianne)	
Ace Media Crew (Hardware)	Dianne checking on	
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)		
Adult Children of Aging Parents	Common Charter Revised and Approved	1-10-17
Collaboration Builders		
Covenant Circles		
Extended Families		
Helping Hands		
Men's Support		
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		
Men's Breakfast		
Military History		
Spirituality		
Women's Friendship		
4 th Wednesday Book Discussion		

Personnel Committee - Jerry Bushnell

Personnel Committee Board Report

6/1/2018

Submitted by Jerry Bushnell

For Consent Agenda: None

Informational:

1. The Personnel Committee received the job description for the Sunday Morning RE Childcare worker. The position had been an independent contractor position in the past and was determined by staff to meet the criteria of being an employee position. The total hours of the position will not be enough to be eligible for significant benefits.
2. The personnel committee will start the annual personnel file review within the next 6 weeks
3. In 2019, there will be a change in the Washington state FLA (Family Leave Act) rules, and our employees may have to pay into this fund. In general, the FLA is similar to and runs concurrently with the federal FMLA (Family and Medical Leave Act).

4. Grace Colton will talk with members of the Right Relations Committee about transitioning the current feedback process from the personnel committee to the Right Relations committee. Of note, there has been not a single use of this process since it was instituted a year ago.

Developmental Ministry Search Taskforce – David Baumgart on behalf of Ryam Hill

The Developmental Minister Task Force includes Ryam Hill (chair), Milly Mullarky, Uzma Butte, Jerry Bushnell, and Ann Fletcher. They have expended considerable time and effort in their coordination with the UUA (Keith Kron), and their search for an appropriate candidate for DM.

In mid-May, they were introduced to a potential candidate; and in short order – they reviewed his credentials and checked his references. This was followed by several phone call and zoom interviews. They then recommended to the Board, on May 15 in Executive Session – consideration of this candidate. During the following couple of weeks, the board met the candidate and agreed that Rev. Dr. Stephen H. Furrer had the requisite skills and experience to serve East Shore as a Developmental Minister.

During an “in-person” visit to Bellevue, the board and the candidate agreed to move forward with a contract negotiation, and as of this date, June 16, 2018, reached agreement in principle with all the major contract provisions. Rev Furrer has now notified his present Unitarian church located in Livermore, CA, that he is resigning his office to travel north to Bellevue, WA to serve as our minister. He is expected to assume his new position on or before Sunday, Sep 9.

The Board is grateful to Ryam Hill and her DMSTF for a Job Well Done. Thank you!

Holly House 2018/19 Taskforce – David Baumgart

Holly House Development Taskforce – Board Liaison Report, David Baumgart

Wednesday, June 13 – Marcy and I hosted a Holly House 2018/19 Taskforce Formation meeting. This is in follow-up to the Board action and request from the May 15 meeting.

On the agenda for June 13 was:

- Welcome to Right Relations Task Force – RR wishes to actively participate in future HHTF meetings,
- Welcome to volunteers who are applying for membership in the new task force (we requested they submit a member application form).
- Review of the Board’s Charge to this new task force.
- Discussion of “Next Steps” leading to the formation of the new task force.
- Review of a proposed charter for the new HH task force.

Our meeting was well attended, and we have received a good response from the membership of East Shore who are interested in serving on our new task force. I have already received a half dozen applications and I expect to receive at last two more prior to the board meeting.

Next Steps: Leading to formation of new task force

- Board reviews all of the member applications – creating the new task force.
- Board reviews the proposed charter for the new task force and collaborates with PBG, RR, and Financial Stewardship committees for the complete review process.
- Within the next 5 weeks, it is our hope that the proposed charter could be updated as needed and approved at the July Board Meeting.
- The members of the new task force meet and elect their chairperson. Linda Freeburg will be nominated for this position.

- The members would then chart a new set of action items to prepare the membership for an informed vote in the fall.

Reminder, that the Board requested that the delayed congregational vote occur before Thanksgiving, so there is minimal time to accomplish all the needed actions. We are hopeful that the charter review will occur on a timely basis.

Submitted, David Baumgart

Holly House 2018/19 Taskforce Proposed Charter – David Baumgart

Wednesday, June 13 – Marcy and I hosted a Holly House Taskforce Formation meeting. Working together with Bob Weiss, member of the 2017 / 18 Holly House Dev Task Force (HHDTF) we reviewed a proposed charter for the new taskforce. This charter is based on the previous taskforce charter and includes the provisions of the new “charge” received from the ESUC board following their May 15 meeting.

Please refer to David Baumgart’s Board Liaison report, above. This charter was reviewed by members of the previous Holly House task force including David Baumgart, Marcy Langrock, and Bob Weiss. A copy of this proposed charter was also emailed to Seth Hamilton and Linda Freeburg for their review, but they did not attend the June 13 formation meeting.

Name - What is the name of your group?

- Holly House Development Task Force

Purpose - What is the purpose of your group?

- In accordance with the 2017 Congregational vote regarding the future of the Holly House property, the purpose of the Holly House Development Task Force is to collect official proposals for development of the property to present to the Financial Stewardship Committee, the Board, and ultimately the Congregation for vote. **The task force has been extended with no expiration date except to work towards a congregational vote on or before November 15, 2018 by recommendation of the task force and approval by the board. After that decision, the TF will then engage in negotiations with the top bidders in that category, and then engage in a final review of the Purchase and Sale Agreement, recommending execution of the contract to the board.**

- How is your work related to one or more of our Seven Principles?
 - The work of the Task Force is most closely related to the 7th UU Principle of “Respect for the interdependent web of life of which we are a part”. And to the 5th UU Principle of “The right of conscience and the use of the democratic process within our congregations and in society at large”. The members of the Task Force are committed to insure a transparent process for collecting and weighting proposals for presentation to the Congregation for a democratic vote, understanding the larger impacts of the decision to East Shore’s mission, vision, and values.
- How does your group connect with East Shore’s Mission and Vision?
 - We practice love by recognizing and cherishing the experience, voice, and dedication of each member of the Task Force.
 - We explore spirituality by recognizing the ministry of each Task Force member through participation on the Task Force.
 - We build community through outreach to the Congregation during the process for input, during the decision matrix criteria and weighting, and by explicitly requesting each potential developer explain how their proposal would impact and ~~would~~ gain support from the neighbors.
 - We promote justice by ensuring that a wide cross-section of proposals are secured from a variety of developers, and that those developers are given the opportunity to submit their ideas for development of the Holly House property. The Task Force will also disclose East Shore’s mission and vision to each developer.

- What are your specific goals for the next year? How will you measure your goals?
 - Complete the Charter and timeline for the Task Force with Board approval
 - Provide copies of all received proposals to the Financial Stewardship Committee for independent evaluation using the 5-year Strategic Financial Plan
 - Present to the Board and Congregation at least three options that include, but not limited to, sale with restrictions, sale without restrictions, and ground lease. These options will contain accurate dollar amounts with the proper cost/benefit analysis.
 - Offer the congregation multiple meetings/town halls in conjunction with financial stewardship where all aspects of practical scenarios about how the proceeds of the sale may be spent.
 - Further explore all aspects of the need for affordable housing in Bellevue
 - Investigate the options for the use of the lower parking lot for a parking garage with affordable housing

Timeline: On or before Nov 15, 2018, we will collaborate with the Board to conduct a special congregational meeting (with a quorum of 25% of the membership required) to decide whether to sell the HH property to a Market Rate developer or an Affordable Housing developer..

- The TF will then engage in negotiations with the top bidders in that category, and then engage in a final review of the Purchase and Sale Agreement, recommending execution of the contract to the board.

Group Structure, Leadership & Decision-Making

- Where does your group fit into East Shore's organizational structure – as a Board Committee, Ministry Team or Core Team?
 - The group is a Board Task Force, commissioned temporarily at the request of the Board and reporting directly to the Board.
- What are the minimum and maximum number of participants?
 - The minimum number of recommended participants is five, maximum is ten. Currently, 1 Member has been approved by the Board: David Baumgart.
- What are the leadership roles and responsibilities within your group?
 - The Taskforce will have a Chair who will be selected by the newly constituted task force. The chair communicates with the Board and church members, facilitates the Task Force meetings, attends the Financial Stewardship Committee meetings if necessary, and works with others on the Task Force to prioritize and accomplish its goals. The Chair may delegate any of his duties to other members of the Taskforce.
- How are leaders determined, and what are their term limits?
 - The Chair is elected by the Taskforce members and has a term limit of the existence of the Taskforce.
- What, if any, are the term limits for your members?
 - Term limits for members match the existence of the Taskforce.
- How are decisions made in your group (consensus, majority vote, officers, quorum needed)?
 - The group makes decisions by consensus of those at the meetings and/or proxy vote. Votes can be made electronically. If consensus cannot be reached, the team will vote with majority ruling. A quorum of 50% is required.
- How are members recruited and oriented?
 - An application process was opened to the Congregation; the Board approved the members.
- What, if any, qualifications are required for membership or leadership?
 - Willingness to learn from others on the team or to share any relevant knowledge or skills they have. Skills sets in the following were taken into consideration:
 - Commercial real estate

- Project management
- Affordable housing knowledge
- Finance/banking
- Contract analysis
- Good communicators
- Anyone willing to learning about the development process
- How does your group communicate and collaborate with the larger East Shore community?
 - The Task Force communicates through all the avenues available at East Shore—eblast, campus posters, website articles, Beacon, direct surveys (printed and/or digital), word of mouth, etc.
- What position on your team is authorized to approve communications publicized by Staff?
 - The Chair. If the Chair delegates this responsibility, they will immediately inform the Membership Development Manager (currently Nicole Duff).
- What types of decisions is your group authorized to make?
 - As a Board Task Force, the group does not make decisions.
- What kinds of recommendations, if any, does your group make and to whom (Board, Minister, Staff, congregation)?

The Task Force makes recommendations to the Board including summarized information on additional research on topics listed above to present to the Congregation for vote.

- What is the expectation for longevity of the group and the plan, if any, for disbanding the group?
 - The Task Force is expected to continue until the and negotiations with the buyer are complete. The latest anticipated timeframe is until the annual meeting in June 2019.

Finances

- Will your group present a budget proposal to the Budget Team? No
- If the Operating Fund is unable to grant the full amount of your budget request, will the group reduce its expenses or do its own fundraising? N/A
- If your group plans to do fundraising, please describe how it will go about this. N/A
- What kind of decision process exists for how money is used? N/A
- Which position on your team is authorized to approve team expenses? N/A
- Does your group have the need for a Prudent Reserve (funds set aside to hedge against a contractual liability)? If so, how much and what for? N/A

Appendix 1 - Supplemental Guidance from Jack Slowriver, President of East Shore Board, received May 15:

- *Affordable housing is a complicated, multi-faceted issue. I don't believe that the majority of the congregation understands the spectrum of housing options represented in the proposals - ranging from 25 transitional units to approximately 17 mixed affordable/market rate units. There is nuance and important detail contained within each of the 5 options before us. I don't fully understand it all and I have been paying attention and actively trying to educate myself.*
- *We do not know if we will need to pay capital gains tax if we sell at market rate. We are unlikely to know this by the time that materials need to go out to the congregation.*
- *We do not have a plan for how we will spend the proceeds of either sale. Anyone who's ever had a relative die with money in the bank and no will, can appreciate how a whole other level of tension enters the scene when the question of how money will distributed is not clear.*
- *I believe that this decision, because people are largely uninformed, is positioning our congregation to make another divisive decision in a highly emotionally charged atmosphere. No matter which "side" "wins," I believe that it will result in a further fracturing of our community.*

Right Relations Board Liaison Report – Mark Norelius

— the RRTF gathered input from many sources to create Covenant of Right Relations. It was introduced and accepted at the annual meeting, June 3rd.

— the right relations facilitator training is nearing completion. Final session will be June 26. All 9 facilitators at that point will be available to coach church members who are finding themselves in conflict and want help.

—RRTF has been asked to be present in two situations needing help in dealing with conflict. One of those was in a group meeting format and the other was an individual who felt that they were the target of harmful conversation.

—RRTF met with Grace Colton from the Personnel Committee to discuss the relationship between Personnel and Right Relations. A primary discussion item was how Personnel might refer issues they are dealing with to the RRTF.

—Pam Orbach has been providing training to our task force on how to help with team building both within our task force and other groups at East Shore

—RRTF is proposing an amendment to the soon to be formed HHDTF task force charter. Changes reflect needs seen by the RRTF regarding the connection between RRTF and the HHDTF. The RRTF sees the need to have RRTF representation at all HHDTF meetings with the goal to support the HHDTF move toward a vote while maintaining relationships. Our recommendation to the board is that the charter for the soon to be formed HHDTF for the board is that the value of maintaining relationships has priority over getting to a vote.

Six Questions for the Board of Trustees:

As an advisor to the Right Relations Task Force, Pam Orbach has asked the following questions and the Right Relations Task Force submitted them last month with no response. The task force would like them addressed ASAP.

- What is the leadership function of the board?
- Does/Will this board have responsibility for setting the direction?
- Does it hold responsibility along with and aligned with the staff for leadership?
- How will the current make-up of the board, predominantly white males over 60, predominantly from one group in the community that have not engaged in racial justice go about increasing the pace of change?
- What does equity mean for the church, on the board, and in the community?
- Is the board wanting to engage with how it could be doing things differently?

Mark