

East Shore Unitarian Church

Meeting of the Board of Trustees,

July 2018

Table of Contents

Table of Contents	1
Minutes of Last Board Meeting.....	3
President’s Report – <i>Tom Doe</i>	8
Finance - Treasurer Report – <i>Marcy Langrock</i>	9
Minister’s Report – <i>No Minister, No Report This Month</i>	10
Director of Finance & Operations – <i>Jason Puracal</i>	11
Appendix A: PRELIMINARY FY 2017/18 June Summary Income Statement.....	17
Appendix B: PRELIMINARY FY 2017/18 June Balance Sheet	18
Appendix C: PRELIMINARY FY 2017/18 June Financial Charts	19
Director of Lifelong Learning- <i>Submitted in Aisha’s Absence by Amanda Alice</i>	25
Liaison Reports	26
Policy and Governance – <i>Ann Fletcher (chair)</i>	26
Charter Tracking Table – <i>Ann Fletcher (chair)</i>	27
Personnel Committee - <i>Jerry Bushnell</i>	27
Right Relations Team – <i>Mark Norelius</i>	27
Beloved Racial Justice – <i>Mark Norelius</i>	28
Holly House Dev. Taskforce Board Liaison Report – <i>David Baumgart</i>	30
ESUC HHDTF Draft New Charter v2.1	31

Consent Agenda Items –

- **Policy and Governance Committee would like to add Trish Webb
- **FS - recommends that the treasurer be the primary signer on the Schwab endowment account.
- ** the church archives are not confidential (Marcy, Dave)
- **HHDTF (3 member applications Jim Shuman, Sue Yates, Trevor Hall)
- **Exec Dir recommending the Board vote to pay Black Lives of Unitarian Universalists (BLUU) \$4520 immediately rather than delay the payment.

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!).

ESUC Board of Trustees Meeting Agenda July 17, 2018

ESUC Board of Trustees Agenda, June 2018
17-Jul-18

Host: Jerry Bushnell
Timekeeper: Dennis Fleck
Process Check: Dave Baumgart

6:45	7:00	0:15	Social Gathering	
7:00	7:05	0:05	Opening Words, Chalice Lighting	Jerry
7:05	7:15	0:10	Check in, Introductions	All
7:15	7:30	0:15	El Centro de la Raza Presentation	Jeanne Lamont
7:30	7:45	0:15	Consent Agenda	All
7:45	7:55	0:10	Developmental Minister Updates	Tom, Jason
7:55	8:05	0:10	Holly House Updates	Dave
8:05	8:15	0:10	Board Retreat	Tom
8:15	8:25	0:10	OFD	Tom, Jason
8:25	8:30	0:05	Recording Secretary	Dave
8:30	9:00	0:30	Executive Session	

Minutes of Last Board Meeting

ESUC Board of Trustees

June 19, 2018

Draft Minutes

Minutes, Leadership Reports, Consent Agenda:	Com. + Board Liaison Reports Consent Agenda:
June Board Agenda + Upcoming Events	P&G Charter Tracking Table – Ann Fletcher
Minutes of Last Board Meeting – May 15	Personnel Com BL Report – Jerry Bushnell
Board President's Report – Tom Doe	Dev Ministry Search Taskforce – David Baumgart
Finance – Treasurer’s Report – Marcy Langrock	Right Relations Committee Report–Mark Norelius
Interim Min Annual Report-Rev Elaine Peresluha & Summer Plans awaiting arrival of DM ES Social Justice Ministry Teams May Report	HH Dev Task Force Update – David Baumgart HHDTF 2018/19 Proposed Charter
Director, Finance & Operations – Jason Puracal Appendices A&B – Income Statement, BS FY17/18 Appendix C - Financial Analysis / Charts	
Director, Lifelong Learning – Aisha Hauser Proposed policy Regarding Disruptive Behavior	

East Shore Unitarian Church

Board of Trustees Meeting Agenda – June 19, 2018

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

[Before Board Meeting, 5pm Orientation for new members, Dennis & Sara, was performed by Dave and Marcy.]

6:45 Social Gathering

- 7:00 7:05 (5 minutes) Opening Words, Chalice Lighting Marcy
- 7:05 7:15 (10) Check in, Introductions All
- 7:15 7:25 (10) Approval of Consent Agenda All
- 7:25 8:50 (85) Holly House Update Marcy
- 8:50 9:00 (10) Summer church operations All
- 9:00 9:10 (10) Policy Updates Disruptive Behavior Policy Tom
- 9:10 9:25 (15) Operating Fund Drive Report Tom
- 9:25 9:30 (5) Board Business, signups and liaisons Dave
- 9:30 9:45 (15) Executive Session - Developmental Minister Updates

Upcoming Events for Your Calendar

- July Exec Council – July 9
- July Board Packet items due Thurs, July 12 by noon: email to Dick Jacke (Volunteer 1)
- July Beacon Board Buzz due Wed, July 11 by xxx: email to Nicole Duff
- July Board Meeting July 17; Jerry is host.
- Sunday Svc Announcements 7/1 Sara, 7/8 Uzma, 7/15 Uzma, 7/22 Jerry, 7/29 Dave

Opening Words – Marcy’s reflection was a passage entitled “Go for the Gold!

Check-in - The board of Trustees includes David Baumgart (secretary), Sara Brannman, Paul Buehrens, Jerry Bushnell, (absent) Uzma Butte, Tom Doe (president), Lee Dorigan, Dennis Fleck (Vice President), Marcy Langrock (treasurer), and Mark Norelius. The Board also usually includes our minister, however, at the present time the ministerial position is not filled. (absent) Jason Puracal - Director of Finance & Operations, and (absent) Aisha Hauser - Director of Life Long Learning.

Visitors: from the Right Relations committee: Mary Anderson and Louise Wilkinson (chairperson)

Housekeeping items: upcoming hosts, announcers, etc.

We need Board members to deliver Sunday Service Announcements for August 12. We also need a host for the August meeting + author for the July Board Buzz and August Board Buzz.

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) - Tom asked if anyone requested to move items from the Consent Agenda to the Discussion Agenda.

The Current proposed version of the 2018 / 19 FY budget was retained in Consent Agenda with the following revision: *Dennis proposed that the \$4520 for BLUU plus the \$5312 for staff bonuses should not be paid until later in the year when we get a clearer picture of cash flow, pledge projections, and budget projections. Jason and Lucy are approved to accrue the funds for BLUU from any cash surplus within the 2017 / 18 FY. Several other members of the board including Tom, Marcy, and I agreed with this provision and it became evident that no member of the board disagreed.*

Approval of Consent Agenda – All

Dennis moved and both Mark and Lee seconded the motion to approve the consent agenda including the above amendment to the 2018 / 19 FY budget. Motion passed unanimously.

Consent agenda major topics (see Appendix 1)

Treasurer’s Report

- The Board Secretary, David Baumgart, has been requested to be a check signer, at least until the Dev Minister is in place at East Shore (no later than Sep 9, 2018).

Minister’s Report

- Summary of actions taken to allow East Shore to manage, during July, August and early September.
- Elaine requested that the Board take the time for a final evaluation of her service as Interim Minister.

DFO’s Report

- Recommendation that East Shore accrue \$4520 for Black Lives of Unitarian Universalists (BLUU) from reserve funds in the current fiscal year. Similarly, Jason recommended that we accrue \$5312 for staff bonuses to be paid in the following fiscal year, 2018 / 19. It was agreed that the board would first review pledge income and overall cash flow, before approving these expenditures.
- Forecast that OFD will break even in current fiscal year.
- Proposed Budget for FY 2018 / 19 was also submitted within the Board Packet.
- Jason recommended that with transition from the old board to the new board that the signature cards for both Chase Bank and Charles Schwab Finance be updated to reflect the new officers.

Board Liaison Reports (refer to each BL report for more information)

- Developmental Ministry Search Taskforce – David Baumgart) – we are pleased to learn that Rev Stephen Furrer has accepted our contract, in principle, and is planning to become our new minister in early Sep.
- HHDTF (David Baumgart): A formational meeting occurred on June 13. A tentative charter is included in the Board Packet, but remains a work in progress. David presented 6 member application forms for the Board’s review.
- Right Relations (Mark Norelius) – the Right Relations committee provided recommendations regarding the HHDTF. They also reminded the board that they are looking for the board to respond to a list of six questions / concerns that were originally presented to the board at the May board meeting.

* * * * *

Update on HHDTF - David Baumgart (secretary)

[Please refer to David’s BL Report, (Board Packet) for a complete list of next steps, other information, and a proposed taskforce charter.]

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

On the agenda for June 13 was:

- Welcome to Right Relations Task Force – RR wishes to actively participate in future taskforce 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. David has already received a half dozen applications.

HHDTF Right Relations Report – Mark Norelius, Mary Anderson, and Louise Wilkinson(chair)

The board entered into Executive session to review part of the Right Relations Report and receive two letters from Right Relations.

The board exited the Executive session to receive another part of the Right Relations guidance; that we should put more effort into having a broadened appeal to the ESUC membership, advertising for more applicants to join the task force as active, voting members. There would be several clear goals in this broader appeal:

- 1) To identify more voices and learn more about how a larger cross section of the membership feels about:
 - a. how to utilize the proceeds of the sale of the Holly House property, and
 - b. How to best serve the East Side community regarding the critical shortage of affordable housing.
- 2) To recruit a more diverse group of active voting members of the Holly House task force.

There was also discussion about whether or not to change the timeline that the Board had directed the HHDTF to follow, (at the May 15 board meeting), to avoid an inordinate delay of the congregational vote that had been scheduled for June 3 at the annual meeting. At the conclusion of this discussion, we did not change the timeline which remains within the board charge – that the vote should occur on or before mid-November. During this discussion, both Marcy and David spoke to the disadvantages of further delays beyond mid-November:

- Loss of credibility with all of the bidders for the property,
- Harmful impact to the community, with another year going by without optimal use of the property to benefit the East Side as well as the financial impact to ESUC, and
- Harmful impact to the Affordable Housing Developers, if they miss another annual funding cycle.

The Right Relations guidance from Mary and Louise was also to re-structure the approach for informing the membership about the options and model how to provide all this information while constructively dealing with the potential sources of conflict within the membership. They stated that the HHDTF has the potential to illustrate how to keep us all within the spirit of Right Relations while dealing with a potentially contentious discussion of the alternatives.

It was also noted that Louise Wilkinson had proposed additional revisions to the proposed taskforce charter, although these revisions had not been received in time to be included in the board packet – and therefore had not been available prior to this June Board meeting for board review.

HHDTF Motions Approved

Lee moved that we form a new Holly House Development Task Force for the 2018 / 19 fiscal year, while recognizing that the proposed task force charter remains a work in progress. Dennis seconded the motion. There was further discussion. Motion passed, unanimously.

During the discussion – it was noted that a smaller subset of the eventual taskforce could make significant progress in the formation of the taskforce, the writing of the charter, and the update of the timeline and planned action items. They could also formulate a more effective communication strategy. David provided the membership applications of 6 ESUC members for the board’s review, stating that he recommended consideration of all 6 applicants.

David moved that the Board approve the membership applications of the following East Shore members: Linda Freeburg, Laurie Adams, Callie Hills, and Carrie Bowman. Jerry seconded the motion. There was further discussion. During this discussion, David and the new taskforce was encouraged to reach out to the other members who had submitted applications or expressed an interest in joining the taskforce. The motion passed unanimously.

[Note: the first meeting of the new HHDTF took place on Monday, June 25, at which time, Linda Freeburg was elected as chairperson and Carrie Bowman was elected as secretary.]

Developmental Ministerial Search Task Force - David

[Please refer to David’s BL Report, (Board Packet) for more information. Ryam Hill continues to be the leader of this task force and has provided her updates via email.]

During an “in-person” visit to Bellevue, the board and the candidate agreed to move forward with a contract negotiation, and as of June 16, 2018, reached agreement in principle regarding 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.

[Note: as of June 29, Tom Doe received a request from Dr. Rev. Stephen Furrer to advance his start date as Developmental Minister of ESUC to August 1, 2018. As of this date, the board was considering his request.]

Summer Church Operations – Tom Doe (president)

It was reported that Milly Mullarky, the leader of our pastoral care team as well as a member of the DMSTF, had recommended that ESUC retain a local ministerial intern to be available to our membership for pastoral care. Tom reported that he had requested Milly to solicit a proposal from this person for consideration by the Board. Tom also recommended that Milly be invited to our July 22 board retreat.

Policy on Disruptive Behavior – Tom

The current version of this policy was included in the Board Packet for review and approval by the Board. After some discussion, it was recommended that we add an explicit statement to the start of the policy:

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

Tom moved and Sara and Lee seconded the motion to approve the policy: “Policy Regarding Disruptive Behavior” as revised. Discussion... Motion passed unanimously.

OFD Report - Tom

Tom reported that the latest information reported by Nicole Duff, membership manager, was that \$440,216 had been received in total pledges from 156 people (pledging units). He also reported that Nicole was projecting an additional amount of \$186,342 of pledges were likely based on an analysis of other non-pledged members of the church. Therefore, the current forecast of likely total pledges was \$626,558.

Tom also encourage the members of the board to respond to Nicole’s most recent request of the board for additional calling stewardardship activities. The latest group of names that had been sent to the board represented the “top ten” non-pledged members.

Executive Session - Tom

We completed the meeting with a discussion regarding the effort to complete the contract for the DM.

Our board meeting ended about 9:45pm. Our next board meeting is July 17, 2018.

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

Appendix 1

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

Treasurer’s Report

- The Board Secretary, David Baumgart, has been requested to be a check signer, at least until the Dev Minister is in place at East Shore (no later than Sep 9, 2018).

Minister’s Report

- See Elaine’s report for a summary of actions taken to allow East Shore to manage, during July, August and early September, while we await the Dev. Min., Rev Stephen Furrer to assume his responsibilities.
- Elaine also requested that the Board take the time for a final evaluation of her service as Interim Min.

DFO’s Report

- Recommendation that East Shore accrue \$4520 for Black Lives of Unitarian Universalists (BLUU) from reserve funds in the current fiscal year. Similarly, Jason recommended that we accrue \$5312 for staff bonuses to be paid in the following fiscal year, 2018 / 19. It was agreed that the board would first review pledge income and overall cash flow, before approving these expenditures.
- Forecast that OFD will break even in current fiscal year.
- Proposed Budget for FY 2018 / 19 was also submitted within the Board Packet.
- Jason recommended that with transition from the old board to the new board that the signature cards for both Chase Bank and Charles Schwab Finance be updated to reflect the new officers.

Board Liaison Reports (refer to each BL report for more information)

- Developmental Ministry Search Taskforce – David Baumgart) – Rev Stephen Furrer has accepted our contract, in principle, and is planning to become our new minister in early September.

- HHDTF (David Baumgart): formational meeting occurred June 13. A charter is included in the Board Packet, but remains a work in progress. Six member application forms were reviewed by the Board.
- Right Relations (Mark Norelius) – the Right Relations committee provided recommendations regarding the HHDTF. They also reminded the board that they are looking for the board to respond to a list of six questions / concerns that were originally presented to the board at the May board meeting.
-

East Shore Unitarian Church				
Proposed Budget				
July 2018- June 2019				
	Budgeted	YTD (4/30/18)		
	2017-18	2017-18	2018-19	Rationale
Revenues				
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

President's Report, July 2018

The main excitement of the coming month is welcoming our developmental minister, Rev. Stephen Furrer. Steve has been released from his commitments to his current church and will start officially August 1. Although this has some budget implications, having his earlier arrival is a great relief for many reasons including having a pastoral presence, planning for two services in the fall, and generally getting a good lay of the land before the start of our church year. Our OFD continues to advance, but having a ministerial presence will help that effort greatly.

Although Steve does not start until next month, he will be attending our board pre-retreat on July 22. Creating an agenda for the retreat has been a challenge – so much to do in an afternoon! I am proposing that we cover four topics with a short presentation and about a half hour of discussion. Here are some things we can focus on:

- What the board does and creating Ends: Jason will give us overview of the board's fiduciary responsibilities. I would like us to look at how we create Ends. In the past the board did this at the retreat, but we did not follow up with a strategy or approach to getting congregational buy in.

- Healing: what are the issues for our developmental minister period and what tools do we have at our disposal.
- Using our time effectively: Much our church's functions rely on volunteer time, but key committees are undermanned and a few people are shouldering a lot of the burden. How do we recruit volunteers, how do we use their time effectively, and how do we make volunteer work fulfilling.
- Funding our church: We will look at trends in our membership and giving. We will discuss how fulfilling our visions and mission will help us grow spiritually in and numbers.

As a matter of business for the consent agenda, the Policy and Governance Committee would like to add Trish Webb as a member. I ask that that full board approve this selection. Trish is past president of the church. She returned to ESUC a few years ago after living in Boston. Professionally she has a background as a professional archivist, whose skills could be very valuable to our efforts.

Finance - Treasurer Report – *Marcy Langrock*

June 2018 Treasurer's Report

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

- **Financial Stewardship Standing Committee:**
 - The FS Committee met on July 11th, 2018.
 - Financial Stewardship (FS) discussed the importance being involved in the newest Holly House Task Force information process. FS can update the five-year strategic plan based on the bids. Most scenarios of the five-year strategic plan have us paying off the mortgage with the proceeds of a sale. This will be an iterative process. One purpose of this tool is to educate the congregation that any decision will meet short term goals but not long-term goals. We would like to see more membership growth in order to accomplish the long-term sustainability.
 - We discussed the status of the OFD and strategies that team is working on to bring in the rest of the pledges.
 - The authorized church signers have been changed with Chase. Dave Baumgart, Tom Doe and Marcy Langrock were added. Ryam Hill and Jack Slowriver were taken off as signers.
 - **This committee (Financial Stewardship) recommends that the treasurer be the primary signer on the Schwab endowment account.**
- **Finance Team:**
 - The Finance Team met on July 12, 2018.
 - End of period reports were discussed.
 - The closing of our fiscal year was discussed. Laura R. would like to wait until the end of July to close out the fiscal year. Last year, she feels like we closed it too early and were forced to go back in and make corrections. Waiting until the end of July should give them plenty of time to finalize the year.

- UBIT (Unrelated Business Income Tax) – Jason is looking into whether or not we will owe this on the proceeds from our parking lot rental. The money has been accrued. He has read the tax information and is now waiting to hear from the tax lawyer.
 - We reviewed Aisha’s contract to determine how to allocate vacation after her sabbatical. In compliance with her contract, she will use up all of her accrued vacation to date for her vacation within the month of July 2018. Her contract states that she will receive four weeks of vacation each year of her contract. **Per her contract, she will begin accruing vacation at her 75% rate from the start date of her contract 7/1/2018 through 7/1/2019.**
 - Laura Rivendell is stepping back from her volunteer duties. She has done an outstanding job helping migrate to our new accounting system, develop procedures, train the new bookkeeper, and much more. We will need to fill that void. We are looking at contracting with a CPA who is an expert in non-profit accounting and tax code.
- **Endowment Committee:**
 - The Endowment Committee will meet on July 20th, 2018, after this report is due.
 - The distribution will happen in July this year. It much cleaner for accounting purposes for it to happen after the close of our fiscal year in June.
 - They are still working on their update to their Investment Strategy and their charter. These will need to be reviewed by Financial Stewardship before being submitted to the Board for approval.
- **Treasurer Notes:**
 - The new minister will starting August 1st. This is one month earlier than budgeted. His moving expenses also are above the budgeted amount. We will need to make up these two overages.
 - I would like to see the OFD go back under the direction of the staff. With the excitement of the new minister, this would be a good time for a shift.
 - In the future, we need to consult with accounting before executing employment contracts. They can help us identify and clarify any vague language in the contracts with respect to vacation accrual or other pay related information. I am not sure if this is standard practice already, but if not, we need to consider this.
 - I would like to point out that the church archives are not confidential. It is something to consider if are archiving meeting minutes which contain sensitive information. For instance, the Holly House Task Force meeting minutes. Our meeting minutes contained bidder information that we were trying to keep confidential while the bidding process was happening.

Minister’s Report – No Minister, No Report This Month

Please refer to the DFO’s report, Item 4, for his brief status on Worship Committee led by our Music Director, Eric

Director of Finance & Operations – Jason Puracal

Executive Director's Report to the Board of Trustees, East Shore Unitarian Church, July 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 contacted the Financial Advisor to the Endowment Fund and the Chair of the Endowment Committee to request the transfer of the Endowment distribution to East Shore's checking account within the month of July 2018. The Chair confirmed the amount and authorized the transfer. We are expecting the funds in the 3rd week of the month.

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 the Holly House Development Task Force meeting, and remotely provided input to the draft Charter. See the BOT Secretary's report for further details.
- I attended the Financial Stewardship Committee meeting, and provided input on next steps with the 5-Year Financial Strategic Plan, education to the congregation, and collaboration with the HHDTF. I also provided an update on the OFD.

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 preliminary June month-end financial statements, closing the fiscal year, accrued expenses, UBIT, Aisha's contract, and our process for semi-monthly payroll.
 - The preliminary month-end reports created for June 2018 have not been emailed to the normal distribution list as the year-end closing will not be complete until the end of July 2018. For the Board's review, I have included the preliminary Summary Income Statement (see Appendix A), and the preliminary Balance Sheet (see Appendix B). The preliminary 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. Once the 2017-18 books are closed, the finalized reports will be emailed to the designated recipients, and I will include them in my August 2018 report. In the interim, I offer the following analysis based upon the preliminary reports:
 - According to the preliminary reports, the total income from donations for June were ~\$6k lower compared to the 16-year average of pledges, and about \$1k lower 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 ~\$31,700 more than the 16-year average, just under \$41k higher than the 5-year average, and almost \$46k higher than

what was brought in last year during June. These large differences are attributed to the influx of funds from the General Reserve account to cover the Interim Minister's severance package, Seabeck income, and recouped parking lot fees that were delayed from May. Our monthly expenses were significantly higher than normal at \$182,707 due to the payment of the Interim Minister's severance package, the accruals approved by the Board in June (potential Staff bonuses and pledge to BLUU), Seabeck expenses, full payment of the balance to the UUA, accrual of UBIT, and the re-grading of the lower parking lot. East Shore had a deficit for June of approximately \$93k. Nevertheless, we are closing the fiscal year with a surplus estimated currently at \$20,160.53.

- The last two years we paid Unrelated Business Income Tax (UBIT) on the net revenues generated from renting our lower parking lot. We did so because:
 - I, as an employee of the church, was managing this activity
 - We considered the property debt-financed

For this past fiscal year, we have rented the property on which the parking lot sits to an unrelated parking company (Diamond Parking), and they operate the parking lot on restricted hours (M-F, 6am-6:30pm). My research leads me to believe, in this scenario, the revenue to the church is considered real estate rental income, not subject to UBIT. With regards to our mortgage, it is unclear if the property is considered debt financed. Nevertheless, the church should qualify for the substantially exempt use exception which states that at least 85% of the property must be used for exempt purposes (26,411 sq ft rented of 175,982 sq ft total parcel area = 15%). If both of these assumptions are true, East Shore would no longer be required to pay UBIT on the parking lot rental income. I am consulting with a tax attorney to verify. In the meantime, we did accrue the estimated UBIT payment of \$9,039.

- Per the Board vote in May, we accrued the full amount pledged to Black Lives of Unitarian Universalists (BLUU) at \$10 per member for a total of \$4,520. As East Shore has committed to pay these funds within a year of the pledge date (prior to May 31, 2019), accruing these funds rather than simply paying the expense does not significantly benefit East Shore. **I am once again recommending the Board vote to pay this amount immediately rather than delay the payment.**
- OFD update as of 7/10/2018
 - Total Pledged: 199
 - Confirmed: \$517,613.08
 - Likely: 59
 - Likely \$: \$101,446.54
 - All EFTs have been transferred over. All those we did not hear from were removed. There are another 29 people who are not likely, but need follow up this year. Priority moving forward is the 59 Likely. See OFD Task Force Chair report for further details.
- We have re-enabled our Shelby accounting system and are able to access past accounting records. We plan to make backups of the information both on an external hard drive and our cloud based system.
- I revised the final Amendment to the Interim Minister Agreement, and it has been fully executed.
- I finalized the Agreement with the Director of Lifelong Learning, and it has been fully executed. Accounting had questions about the intent of the contract related to vacation pay, however the Finance Team discussed and worked through the issues.
- I finalized the Agreement with the Contract Minister for pastoral care and rites of passage work for the month of July, and it has been fully executed.
- I finalized the Agreement with the Developmental Minister, 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 elaborated an Amendment to the Lease Agreement with Diamond Parking to extend the relationship for another 3 years. I am waiting on review and approval from Diamond Parking.
- I attended the Personnel Committee meeting, and provided an update on each employee of East Shore. Please see the PC Board Liaison report for more details.

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 had lunch with the new Board President to build a better working relationship and discuss the future work at East Shore. I found the time spent enjoyable and productive.
- I attended a birthday party of the Pastoral Care Coordinator, although my workload caused me to arrive late and leave early.
- I have shifted my schedule so that I am at the church on Sunday mornings before, during, and after worship service on Sundays to be more visible to the congregation, and allow easier, more convenient access to me for Members.

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

- I signed the contract for the Seabeck retreat for 2019, and we paid the \$5k deposit.
- The Interim Music Director is doing a wonderful job assisting with oversight and filling programming gaps for the Worship Team. We are in discussions with Staff, Worship Team, and other stakeholders about moving Salmon Bake Sunday from September 9th to September 16th so that the Developmental Minister can preach in the pulpit. A decision has not yet been made.
- East Shore LIVE had their best season to-date with a total of 342 tickets sold over the season and a net revenue contribution to East Shore of \$3,573.
- Worship Numbers:
 - 2017/18
 - June 3: 153
 - June 10: 213 (BBQ & Flower Communion)
 - June 17: 120
 - June 24: 120
 - July 1: 111
 - 2016/17
 - June 4: 316 (Bob Kechley's Farewell service)
 - June 11: 187 (BBQ & Flower Communion)
 - June 18: 109
 - June 25: 142
 - July 2: 104
- Membership Numbers:
 - Current Membership: 409
 - Visitors who have filled out forms in June: 3
 - 26 letters were sent to Members who hadn't pledged in 2+ years
 - As of July 10, only 6 cards were returned
 - 2 pledged
 - 1 asked for a pledge card
 - 1 asked for a waiver
 - 2 people resigned
 - 1 family (2 Members) moved and resigned
 - 2 had new addresses, so the letter was forwarded and time extended
 - 21 Members were removed in accordance with our Bylaws

- Social Media Metrics:
 - *Yelp for June*
 - 20 user views
 - 6 user leads
 - 2 direction and map views
 - 4 clicks to website
 - *Google My Business Report for May:*
 - 38,677 people found us on Google,
 - 8 people called
 - 618 asked for directions
 - 189 visited the website

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

- I participated in a Centering Class led by the Director of Lifelong Learning and the last Board President.
- I attended the Association of Unitarian Universalist Administrators (AUUA) Professional Days annual conference. The two primary agenda items were about emergency preparedness and racial justice work for Administrators. My biggest takeaways include:
 - The UUA has a Trauma Ministry that assists with any event that overwhelms emotional coping mechanisms. See more information at www.traumaministry.org
 - The UUA has disaster preparedness resources on their website
 - The UUA has launched uuainstitute.org with training classes for lay leaders and religious professionals
 - The housing allowance % for Minister's Salary&Housing split must be recorded in Board minutes
 - Julica Hermann de la Fuente worked with two other POC Religious Professionals to update the rubric to include more categories that are relevant for Administrators. See Appendix D for updated rubric.
 - The estimated increase to UUA Health Insurance for 2019 is 5%
 - The UUA Personnel Manual template is coming by September 2018
- As a result of the resources and personal experiences I shared with the group, I was asked to join the Board of the AUUA. I have declined for the time being due to bandwidth issues.

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

- My startup company submitted two grant proposals, and applied for one business competition:
 - EPA SBIR Phase II for \$300,000 to scale up our hemp-based bio-epoxy resin technology over 18 months.
 - NSF SBIR Phase I for \$225,000 to formulate bio-epoxy resin for floor coatings over 12 months.
 - Social Venture Partners Fast Pitch Competition to compete for grant funding, and potentially do a Seed Round with accredited investors in November 2018 as backup to raise the necessary funds for R&D if we are not awarded the grants listed above.
- I was invited by Senator Wyden to attend a hemp-roundtable discussion in Woodburn, OR. I was able to meet several hemp farmers in OR, showcase our snowboard prototype, and tour a hemp farm cultivating and processing for CBD.

- I was invited by Congressman Adam Smith to participate in his campaign video; filming to take place at the Renton Senior Center on Saturday, July 14th.
- After two keynote speakers cancelled at the last minute, LeAnne Strubble asked me to speak at Noe Stubble's Baccalaureate event. I was happy to be able to accommodate.
- I visited with Maybin Chisebuka at his farm located in the Lake Hills Greenbelt Park in Bellevue. Maybin was a recently guest speaker during a Sunday worship service. As we have been trying to increase urban food cultivation at East Shore, my intent was to gather ideas and explore possible forms of collaboration. I learned more about what he and his organization (Farmer Frog) have accomplished on the farm over the past three years, and their vision moving forward. I provided recommendations for more secure funding strategies. I hope to engage with Maybin again in the future as his passion for agriculture is intoxicating.

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 Manager and I met with John Murphy from the City of Bellevue Traffic Department. John informed us that there will be changes to the flow of traffic on the streets bordering East Shore's property. We asked to meet with John to better understand the reasoning behind the changes, potential impacts to East Shore, and also to inquire about excessive parking on 32nd St, limiting space for East Shore Members and guests. We learned that the City is aware of the commuter traffic heading southbound from Bellevue cutting through the Woodridge neighborhood, then dropping back down to Richard's Road via SE 32nd St, at the SE corner of East Shore's property. Consequently, the City will, starting mid-July, restrict left hand turns from 128th St SE to SE 32nd St between 4pm-7pm, Monday through Friday. Drivers may try to cut through East Shore's lower parking lot from 128th St SE over to SE 32nd St so they can continue eastbound to Richard's Road. As a preventative measure, we have now made the access point to our lower parking lot on 128th St SE an Exit Only. Arrows have been painted on the ground, signs have been ordered, and communication to both the congregation and Diamond Parking are underway. John is inquiring about whose jurisdiction is the parking in front of the park on SE 32nd St, and what options do we have to prevent T-Mobile employees and bus commuters leaving their vehicles there all day.
- The lower parking lot was re-graded. A fully re-grade was not required, thus we paid only \$4,440, about half what we have paid in the past and was budgeted for the year. Extra crushed rock was also delivered so our Caretakers can repair potholes throughout the year.
- Non-skid tread strips were installed on the stairs to the lower parking lot, next to the Administration building, and up to the playground. Yellow color was chosen for safety concerns. This decision was a result of collaboration between the Grounds Team, Facilities Team, and the Aesthetics Team of the Gallery.
- With the anticipated surplus, we purchased new computer equipment in the last fiscal year so as to not burden the new fiscal year with these expenditures. A new desktop computer was purchased for the Bookkeeper, the Director of Lifelong Learning, and the Developmental Minister. A new monitor was also purchased for the Minister, although those funds did come out of the new fiscal year budget, however through a 4th of July sale, the price was less than \$200. Two new laptops were also purchased for use by our Ministry Teams and renters. Much appreciation goes to the Co-Chair of ACE, Ralph Lutz, for setting up all the computers and installing all the required programming on each.
- The air conditioning for the Administration building finally received the proper permitting and work began on July 10th. Expected completion of the install is anticipated for July 17th.
- All HVACs in all four buildings were serviced per our contract with Loadstar.

- Cosco performed the annual fire system inspection. The report indicated several issues including exterior strobes not functioning. We are waiting for a proposal for suggested repairs.
- Joseph, our Caretaker, attended a three-day workshop for the Community Emergency Response Team (CERT) program in Bellevue. He received hands-on training for administrating aid to others, what to do in different emergency scenarios, and how to view our campus through a lens of safety and preparedness. Please look for more details in the article Joseph wrote about his experience taking the training in the next Beacon.

Discussion Agenda

None at this time.

Respectfully Submitted,

Jason Puracal Executive Director

Note from David Baumgart: On July 18, Lucy Rahman sent Preliminary financial reports as of June 30, 2018.

She enclosed this note:

From: Lucy Rahman <bookkeeper@esuc.org>

Sent: Tuesday, July 17, 2018 2:54 PM

To: doe.thomas@gmail.com; dennisfleck@ieee.org; David Baumgart <david_baumgart@hotmail.com>; marcy.langrock@comcast.net; claudiahirschey@comcast.net; Dianne Upton <facilities@esuc.org>; Nicole Duff <membership@esuc.org>; Aisha Hauser <dll@esuc.org>

Cc: Jason Puracal <exec@esuc.org>

Subject: RE: Reports To BOT & Staff, June

Quick clarification: these were the preliminary reports, as fiscal year hasn't been closed just yet and the final numbers might change. Thank you, Lucy

Dear Board of Directors and Staff,

I am sorry for the delay with emailing reports out this month; attached please find the following:

- Balance Sheet
- Income Statement, Detail
- Income Statement, Summary

Should you have any questions or concerns, please let me know.

Kind regards, Lucy

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



Lucy Rahman
Full Charge Bookkeeper
bookkeeper@esuc.org
(425) 747-3780 ext. 105

East Shore Unitarian Church
12700 SE 32nd Street, Bellevue, WA 98005
www.esuc.org

Appendix A: PRELIMINARY FY 2017/18 June Summary Income Statement

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	33,336	62,750	29,414	690,031	753,000	62,969	753,000	91.64 %
Income - Program Fee Pmts	846	500	(346)	19,113	6,005	(13,108)	6,005	318.28 %
Income - Fundraising Event Pmt	1,422	5,646	4,224	45,271	67,750	22,479	67,750	66.82 %
Income - Facilities Rental Pmt	22,466	13,280	(9,186)	199,041	159,360	(39,681)	159,360	124.90 %
Income - Dept Activities Pmts	7,595	6,747	(848)	95,776	80,961	(14,815)	80,961	118.30 %
Income - Other	23,955	3,950	(20,006)	81,128	47,394	(33,734)	47,394	171.18 %
Total Revenues	89,620	92,872	3,253	1,130,360	1,114,470	(15,890)	1,114,470	101.43 %
Expenses								
Payroll Expenses								
Wages	69,403	44,796	(24,607)	552,775	537,553	(15,222)	537,553	102.83 %
Payroll Taxes	4,754	3,382	(1,372)	40,396	40,579	183	40,579	99.55 %
Payroll Benefits	8,919	8,853	(66)	109,565	106,240	(3,325)	106,240	103.13 %
Total Payroll Expenses	83,076	57,031	(26,045)	702,736	684,372	(18,364)	684,372	102.68 %
Program Expenses								
Administrative Expenses	51,374	8,277	(43,098)	102,282	99,317	(2,965)	99,317	102.99 %
Facilities Expense	9,405	9,219	(186)	75,311	110,626	35,316	110,626	68.08 %
Business Expense	19,994	4,710	(15,284)	73,346	56,519	(16,827)	56,519	129.77 %
Office Expense	6,367	2,381	(3,987)	29,233	28,570	(663)	28,570	102.32 %
Fundraising Expense	3,021	1,542	(1,479)	12,722	18,500	5,778	18,500	68.77 %
Advertising & Marketing	0	243	243	908	2,920	2,012	2,920	31.11 %
Interest & Loan Expense	9,470	9,470	0	113,662	113,645	(16)	113,645	100.01 %
Total Administrative Expenses	48,257	27,565	(20,692)	305,182	330,781	25,599	330,781	92.26 %
Total Expenses	182,708	92,872	(89,835)	1,110,199	1,114,470	4,270	1,114,470	99.62 %
Net Total	(93,088)	0	93,088	20,161	0	(20,161)	0	0.00 %
Other Revenues								
Designated Revenues	(4,125)	0	4,125	96,759	0	(96,759)	0	0.00 %
Restricted Revenues	0	0	0	7,600	0	(7,600)	0	0.00 %
Revolving Revenues	3,182	0	(3,182)	3,182	0	(3,182)	0	0.00 %
Total Other Revenues	(943)	0	943	107,541	0	(107,541)	0	0.00 %
Other Expenses								
Designated Expenses	25,098	0	(25,098)	86,099	0	(86,099)	0	0.00 %
Restricted Expenses	0	0	0	5,385	0	(5,385)	0	0.00 %
Revolving Expenses	0	0	0	12,782	0	(12,782)	0	0.00 %
Total Other Expenses	25,098	0	(25,098)	104,267	0	(104,267)	0	0.00 %
Net Operating Total	(119,129)	0	119,129	23,435	0	(23,435)	0	0.00 %

Appendix B: PRELIMINARY FY 2017/18 June Balance Sheet

Date : 07/11/2018
Time : 5:02:17 PM

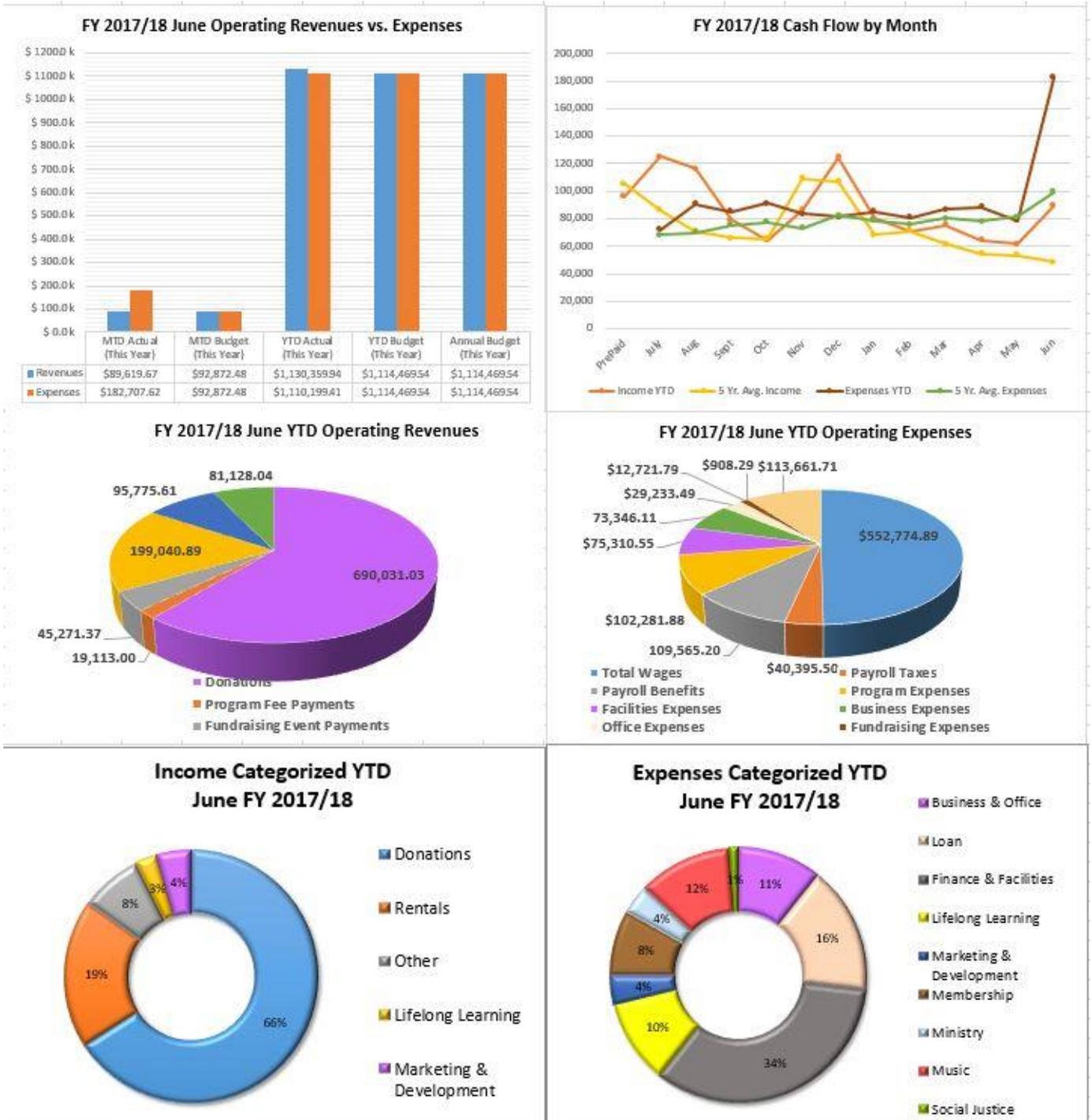
East Shore Unitarian Church
Balance Sheet
June 2018

Page : 1

Accounts

Assets		
Current Assets		
Cash & Investments		
1-1000 - Petty Cash	\$200.00	
1-1010 - Checking - Chase	\$75,128.35	
1-1030 - Brokerage - Schwab	\$46,397.71	
2-1010 - Checking - Chase	\$23,990.79	
3-1010 - Checking - Chase	\$118,088.63	
3-1040 - Endowment Money Funds - Schwab	\$35,140.88	
3-1070 - Endowment Investments - Schwab	\$1,301,291.99	
4-1010 - Checking - Chase	\$27,447.26	
Total Cash & Investments	\$1,627,681.61	
Other Assets		
1-1110 - Deposits	\$1,750.00	
Total Other Assets	\$1,750.00	
Total Current Assets		\$1,629,431.61
Contra Assets		
1-1600 - Building Loan Contra Account	\$803,209.74	
Total Contra Assets		\$803,209.74
Total Assets		\$2,432,641.35
Liabilities, Fund Balance, & Restricted Funds		
Liabilities		
Current Liabilities		
1-2000 - Accounts Payable	\$23,022.53	
1-2110 - Wage Accruals Payable	\$21,343.17	
1-2140 - L&I Payable	\$2,069.03	
1-2300 - Prepaid Pledges	\$36,040.80	
1-2350 - Prepaid Rentals	\$16,338.00	
1-2500 - Building Loan - Current	\$76,200.00	
4-2020 - Other Collections Payable	\$3,782.26	
Total Current Liabilities		\$178,795.79
Long Term Liabilities		
1-2700 - Damage Deposits - LT Rentals	\$4,500.00	
1-2750 - Building Loan - Long Term	\$727,009.74	
4-2710 - Other Collections Payable - LT	\$11,450.00	
Total Long Term Liabilities		\$742,959.74
Total Liabilities		\$921,755.53
Fund Balance		
2-3000 - Fund Balance - Ministry	\$3,675.22	
2-3010 - Fund Balance - Membership	\$7,640.89	
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	\$23,435.10	
Total Fund Balance and Excess Cash Received		\$1,510,885.82
Total Liabilities, Fund Balance, & Restricted Funds		\$2,432,641.35

Appendix C: PRELIMINARY FY 2017/18 June Financial Charts



Appendix D: Anti-Racism Rubric for UU Congregations

Racial Justice in UU Congregations

	Status Quo Congregation (white cultural hegemony)	Multiculturally Aware Congregation (passive ARAOMC)	Anti-Racist Congregation (active ARAOMC)
Public Witness and Prophetic Voice	The congregation is too consumed with internal affairs and strife to have a significant presence in the public square. Fear of offending other members in the congregation keeps discussion about social and political issues to a minimum.	Small groups, usually comprised of the same people, represent the church in public witness. The leaders of these small groups have “pet projects and issues” that they champion and invite others to participate with them. The majority of the congregation is not involved in social justice efforts.	The congregation is in agreement about their role in the public square. A large group of members regularly, boldly, and accountably uses its institutional capital to publicly proclaim its yearning for racial justice and equity as a natural outgrowth of its religious values. The congregation has a vital and healthy process that engages newcomers and invites them to contribute their perspective and energy to the collective project in the public square.
Mission & Purpose; Leadership	There is no mention of racial justice in the congregation’s mission or vision. The purpose of the congregation is to continue to provide services and programs for its current members. It behaves like a clique or small club. Leadership is coveted and tightly held by a few individuals.	The congregation includes racial justice in its mission, but does not reflect it consistently in its practices. The congregation is not yet practicing what it preaches. Leadership is more distributed, but an idolatry of the democratic process and making sure every voice is heard and included keeps the congregation mired in discussion and ineffective in its practices.	The congregation engages in critical self-assessment and seeks outside consultation to ensure that power structures and practices align with stated racial justice values and make space for diverse leadership and participation. Racial justice is explicitly mentioned in its mission/vision, and concrete practices are in place to support the continued relevance of the work. Leadership is actively shared and is seen as a behavior rather than a role; it is leveraged effectively in the service of the agreed-upon mission and vision.
Worship	Worship privileges and centers the White Protestant tradition, both in its format and with the music and rituals it observes.	Worship sometimes incorporates practices or music from other cultures. Can sometimes fall into cultural misappropriation – using these resources thoughtlessly or without proper contextualization.	The congregation regularly expresses its commitment to building a racially just and loving world through communal worship, embodied ritual, and practices of joy and gratitude. Multiple voices and cultures are carefully and thoughtfully incorporated in the service. Worship also occurs outside of the traditional Sunday morning format.

This rubric was created by Julica Hermann de la Fuente, Christina Rivera and Tania Márquez using materials (with permission) from Rev. Ashley Horan at MUUSJA, Rev. Leslie Takahashi, and the Dismantling Racism Resource Book. Please use with proper attribution.

Racial Justice in UU Congregations

	Status Quo Congregation (white cultural hegemony)	Multiculturally Aware Congregation (passive ARAOMC)	Anti-Racist Congregation (active ARAOMC)
Small group ministry & Pastoral care	No awareness of the impact of race/ethnicity and other social identities have on our daily experiences. Small group ministry does not address racial justice issues, or the impact of social justice work. Pastoral care providers have no training in supporting activists or people of color with the specific challenges they encounter.	Pastoral care providers have some awareness of the impact of race/ethnicity and other social identities have on our daily experiences. Success in addressing these issues is mixed, depending on the person providing the pastoral care. There is a budding awareness that the work of social justice and anti-racism in our many roles is taxing and requires support.	Multiculturally competent pastoral care acknowledges the various ways our social identities impact our daily lives. An understanding of power dynamics and the consequences of white supremacy is included in this understanding. All pastoral care providers have been trained and are supported in this awareness, and have tools and techniques that are effective in supporting those on the front lines of AR/AO work. The congregation prioritizes nurturing the spiritual and emotional health of its justice leaders, and equipping them with the competencies to be faithful and effective.
Religious education for adults	Issues of racial justice are not included in religious education. The congregation does not recognize the impact that anti-oppressive learning has on our many roles as parents, managers, teachers, service providers, etc.	Racial justice education is sometimes offered and is an option for interested members. The focus is primarily on helping white congregants become more “woke” regarding racism. The congregation offers some support for folks who want to apply their anti-racism skills in other areas of their lives (work, school, other volunteer organizations).	The congregation offers regular opportunities for members to learn about justice issues, gain concrete skills, and develop political analysis. The congregation expects its members to be engaged in their own education and development around racial justice issues, and it recognizes that it has an active role in supporting people as they apply what they are learning to other areas in their lives. The spiritual needs of members of color in the congregation are acknowledged and addressed through educational programming.
Religious education for children and youth	All education is targeted toward white children and youth. No discussion around racial justice issues is included.	Other cultures are sometimes incorporated into religious education. Sometimes racial justice issues are brought up, like when we study Dr. Martin Luther King Jr.	The different needs of white youth and youth of color are acknowledged and addressed in religious education. The teaching/learning occurs with a complex understanding of both social identity and faith development stages.

This rubric was created by Julica Hermann de la Fuente, Christina Rivera and Tania Márquez using materials (with permission) from Rev. Ashley Horan at MUUSJA, Rev. Leslie Takahashi, and the Dismantling Racism Resource Book. Please use with proper attribution.

Racial Justice in UU Congregations

	Status Quo Congregation (white cultural hegemony)	Multiculturally Aware Congregation (passive ARAOMC)	Anti-Racist Congregation (active ARAOMC)
Partnerships and Solidarity with community	The congregation exists in a bubble, with no partnerships in the community. In this type of congregation, the weekdays and the weekend are separate and independent spheres.	The congregation is building relationships with community members and organizations, and is getting involved in local issues. Some activist work is shared with others in the congregation, but the definition and scope of that work is not actively discussed or negotiated.	The congregation cultivates cultural and spiritual humility, and develops deep and mutually-fulfilling partnerships with other faith communities and coalitions working for racial justice. Congregants understand that they have opportunities to influence systems in their work life and the communities they live in; they leverage resources and support in their congregation to make this work more effective.
Theology	Individual expression and freedom of belief are the most important values. Theology is not public or shared.	The intersection between racial justice and theology is sometimes explored or shared, regarding individual members' theologies.	The congregation sees racial justice work as a natural expression their tradition's values and beliefs, can articulate a communal theology of racial justice, and is able to evaluate issues and actions through the lens of their faith.
Finances	A small group of decision makers manage and control budget decisions for the congregation. No money is allocated toward racial justice work. There is little to no awareness of socially responsible investing by the congregation or its members.	Racial justice work is on a shoestring budget. It is often one of the first things cut when money is tight. There is some awareness of socially responsible investing, but it is not discussed openly and honestly in the congregation. Money is still seen as a taboo topic for the most part.	Commitment to racial justice work is reflected in the budget on a consistent basis. The congregation is self-aware about its financial resources and networks, and is willing to leverage this power to channel money into movement building for racial justice beyond the congregation. The congregation also engages in socially responsible investing and its members' financial practices are in alignment with these principles.
Facilities	Facility rentals are viewed as revenue generating enterprises.	Staff have ability to issue rental waivers for community groups working on ARAOMC issues.	Facilities are actively offered to marginalized communities for organizing, childcare, etc. Facilities maintenance contracts are awarded based on assessment of vendors commitment to ARAOMC, extra consideration given to POC owned businesses.

This rubric was created by Julica Herrmann de la Fuente, Christina Rivera and Tania Márquez using materials (with permission) from Rev. Ashley Horan at MUUSJA, Rev. Leslie Takahashi, and the Dismantling Racism Resource Book. Please use with proper attribution.

Racial Justice in UU Congregations

	Status Quo Congregation (white cultural hegemony)	Multiculturally Aware Congregation (passive ARAOMC)	Anti-Racist Congregation (active ARAOMC)
Communication Style	White ways of speaking and negotiating ("polite and respectful;" privileging the written word) are "the way we do things around here," and we are unaware that there is a racial component in our communication style.	While we recognize various cultural ways of dealing with conflict and communicating, we default to and privilege white ways of speaking and negotiating ("polite and respectful;" privileging the written word.) We may once in a while do a workshop about cultural differences, but then we slide back to the "way things are done."	Direct communication and comfort with conflict and various cultural ways of negotiation. Awareness that culture and language influence communication styles, and resources are allocated to bridge these differences on an ongoing basis.
Membership & Welcoming	In order to participate in congregational life, and especially in leadership, membership is required and expected. Membership is seen as more valuable and important than volunteering or engagement in actual activities. Membership is tied to money and ability to give.	Asking PoC what their specific needs are for membership and to feel welcome. Membership and welcoming classes give lip service to the importance of multiculturalism, but do not follow through with resources, policies and attention to actual behaviors. When PoC visit the congregation, they are met with an overly enthusiastic and awkward reception (being pounced).	Anticipating PoC needs in membership by being in relationship. Welcoming and membership teams are trained in multiculturally aware ways to acknowledge the different lived experience of PoC. Conversations about identity and race are sophisticated and nuanced, understanding the different lived experience of various racial and ethnic groups, including those who identify as white Latinx. Membership and full participation in church life is not tied to pledging or financial support.
Human Resources	Compensation packages that privilege ministerial/credentialing status. Hiring is done without attention to racial/ethnic identity and often privileges white people - "the most qualified person gets the job."	Staff search materials that emphasize PoC lived experience vs credentialing. Hiring practices are color-blind and begin to make some accommodations to PoC and reach out to PoC-specific communities. If a PoC has the white qualifications, they are considered for the job.	Comp packages that privilege lived experience. Reviews are based on movement towards ARAOMC standards. Hiring practices include affirmative action and actively seek out PoC representation on staff. Extra Prof Dev time is allocated for staff of color, acknowledging that PoC do more emotional work.

This rubric was created by Julica Herrmann de la Fuente, Christina Rivera and Tania Márquez using materials (with permission) from Rev. Ashley Horan at MUUSJA, Rev. Leslie Takahashi, and the Dismantling Racism Resource Book. Please use with proper attribution.

Racial Justice in UU Congregations

	Status Quo Congregation (white cultural hegemony)	Multiculturally Aware Congregation (passive ARAOMC)	Anti-Racist Congregation (active ARAOMC)
Administration	Procedures are followed to the letter; procedures and policies are more important than people. People seeking assistance are processed through a procedural funnel.	The way we show commitment to equality is by treating everyone the same, "color blindness" (sic) in reception area.	Awareness of cultural differences inform procedures, which are modified accordingly. Administrators and receptionists are aware that different racial groups seek assistance and ask for help in different ways, and respond accordingly. Orders of Service reflect a multicultural aesthetic.
Purchasing	Purchases are made focusing on cost and savings, without recognizing who benefits from the purchases.	Weekly update features a local owned POC business. Fair trade coffee and tea are offered during social hour.	Supplies purchased from vendors who practice ARAOMC values, and/or are PoC owned.

This rubric was created by Julica Hermann de la Fuente, Christina Rivera and Tania Márquez using materials (with permission) from Rev. Ashley Horan at MIUSJA, Rev. Leslie Takahashi, and the Dismantling Racism Resource Book. Please use with proper attribution.

Director of Lifelong Learning- Submitted in Aisha's Absence by Amanda Alice

Board Report: Lifelong Learning Department

Respectfully submitted by Amanda Alice, Religious Education Programs Coordinator

June was the end of the RE year, seeing a close of our classroom programs and the start of our multi age summer RE programs. Noe Struble has been hired to work in the preschool room with children 5 and under. LeAnne Struble and Amanda Alice are working with older children and youth, both offering play-based experiences of learning. LeAnne is focused on team building through games and creativity, while Amanda focuses on sense-based learning through outdoor plant education.

Amanda has begun working more closely with rest of staff team to ensure that all of RE's efforts and programming are cooperating with the rest of the church community and campus needs. Continuing with the sabbatical plan as outline by Aisha Hauser, DLL.

Attendance for RE programs (numbers below are for all children & youth programming)

46-June 3-RE Appreciation day & bridging ceremony intergenerational service

38-June 10-Flower communion & annual BBQ

29-June 17-first day of summer RE

26-June 24-summer RE 2

35-July 1-summer RE 3

9-July 8-summer RE 4

Chalice Camp is slated for mid August 13-17. Amanda is working with Nicole to increase our outreach for the offering.

2018-2019 RE Teacher Recruitment

Teacher training dates August 25 & Sept. 8

Fire and earthquake drill education will be integrated into our teacher training.

Lifespan Integration Teams continues to table in the church foyer (starting May 2018) and to do pulpit announcements to reach more volunteers.

We need 4 more people for next year.

Planning for 9am & 11am service

Hiring a second congregant to support as preschool staff for 2018-2019 year.

Working with Family Covenant circle

Adult programs

Adult programs is still organizing and planning their next steps, including a how-to guide for people on how to start an adult class/program. Adult programs is working on their processes, for scheduling, publicity, and governance approval structure. There are only a couple adult classes in July, so efforts are being directed to August/Sept as far as a schedule to put on the web page and put up as a poster. We reviewed the member input from our survey to help guide our scheduling efforts for future classes. And we have a few folks on a list who want to offer classes in the fall.

Liaison Reports

Policy and Governance – *Ann Fletcher (chair)*

This month we reviewed a draft for a revised charter template based on the experiences of committee members this first year in assisting groups with their charters and based on direct feedback from some teams. Changes include better formatting, more detail on decision making, inclusion of intended impact in the goals, right relations progress, a listing of members and leaders, and more specific finance and communication information needed by staff. We decided to request input on the revisions from staff and group chairs in time for our August meeting. We hope to have a final draft to the Board at its August meeting so that we can roll out the charter to all the teams in early September.

The charter tracking has no changes from last month (see charter tracking document). We plan to work with the few teams that did not submit charters or whose charters still needed revision for approval at the end of this church year, but we will have them use the new charter template for 2018-19. Our aim is to have 100% of our groups complete revised charters this fall.

We discussed ways to document important board, staff and committee procedures, recommendations, and products. We want to make them digitally accessible to the appropriate staff, leaders, and members to increase effective communication and collaboration. We plan to research other church-based record methods. We'd like staff assistance to build a document with specific design requirements and objectives. Most important is how to ensure that the correct people have access to the right documents. We approved a draft letter for Ann to send to Board Committee chairs asking for a list of such documents before our next meeting. So far two chairs have responded.

Related to this, Nicole has created a folder on One Drive for each Board Committee Chair to add documents that they want accessible to the Board. Board members have been electronically notified and must accept in order to have access. This will increase Board access to their committee's documents but does not allow committee chairs to access each other's documents in order to collaborate, which is specifically encouraged in Board policies. It also does not provide a way for other ministry and core teams leaders or members at large to access documents that would be appropriate for them to see such as the charter template, approved charters, the process for revising Board policies, Governance 101 Power Point, the Five Year Strategic Financial Plan, and certain approved Endowment, Personnel, and task force documents. So we plan to continue work with staff and Board toward better governance information conduits.

We have identified two ways to improve communications with the congregation. Ann has updated the Governance 101 power point, which includes the church's organizational structure. P&G members are currently reviewing it, and it will be available to the Board in One Drive P&G folder. This fall P&G would like to work with the Board to offer sessions where the Power Point can be shown to and discussed by members. Additional Beacon articles will be written about P&G work and how members can participate in the process. P&G plans to Clarify the objectives, timeline, and responsibilities for this task at our August meeting.

The Disruptive Behavior Policy which the Board approved at its June meeting has been sent to Nicole to upload into the Board Policies on the Church Website. Once this is done all of the new policies the Board created this past year will have completed the new policy revision process that it approved last fall.

P&G requests that the Board approve Trish Webb as a new member of our Committee.

Charter Tracking Table – Ann Fletcher (chair)

There was no significant change from the June Charter Tracking Table. Please refer to the June Board Packet.

Personnel Committee - Jerry Bushnell

July 6, 2018

For consent agenda: Nothing this month

Informational:

Current projects of the personnel committee

- Getting all job descriptions into standard format
- Revise benefits section of Personnel Manual
- Review termination procedure written by Rev. Elaine
- Research Federal Overtime rules estimated to start Jan. 2019
- Research Washington Family Leave Act, starting Jan. 2019
- Plan Annual Personnel File review

Personnel committee also had a discussion in executive session about a staff-congregant issue, and a response was sent by Grace Colton, head of the personnel committee to Tom Doe, president of the board of directors.

Submitted by Jerry Bushnell

Right Relations Team – Mark Norelius

RRC June report submitted by Mark Norelius (Board Liaison to RRC)

It has been another active month for the RRC (Right Relations Committee).

Right Relations Facilitation Team—We finished our training which was lead by Marci McReynolds and Cheryl Cohen from the Bellevue Neighborhood Mediation Program. They provided 4 training sessions for our Facilitation team of coaches. Our training included everything from focused listening to actual coaching of individuals as they deal with conflict. This training is NOT MEDIATION TRAINING. The goal of the training was to learn how to coach an individual through the difficult challenges of dealing with a conflict that they have encountered within our church community. In the months to come the Facilitation Team of coaches will meet regularly to practice the skills recently learned and plan how requests for coaching will be processed. Future skill development may include process observation where trained team members can attend meetings within the church community to be supportive of improved functional communication.

Meet Rev Furrer RRC expects to meet with Rev Furrer when he is settled in and is available. The purpose will be to help him understand our current role and discuss how we can work with him in the future.

Revised Charter- work is still in progress in developing a revised charter for the RRC

HHDTF- The RRC along with Pam Orbach has met with Linda Freeburg to discuss how we can be supportive of their efforts.

Coaching East Shore Leadership- It has been suggested that the RRC develop a program that would lead to coaching of the lay leadership of our church community. There is consensus within the RRC that such a program would be very worthwhile. This will be a topic of discussion at future meetings.

Board Leadership with respect to anti-racism. Please provide time to discuss these questions at the June BOT meeting.

Questions from Pam Orbach: (Repeated from previous board packets)

Given the policy adoption of the antiracist statement which states East Shore will: [see BRJ 4-17-18 attachment](#)

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?

Beloved Racial Justice – *Mark Norelius*

Dear East Shore Board of Directors,

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

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

moral lapse. They have decided to honor the promise made in the 1960s to be an integral part of the struggle for justice. We ask that East Shore officially make that promise.

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

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

Each of these points calls for your leadership, for you to speak clearly about who East Shore is and how East Shore aligns with our faith. We believe that Board leadership in this area is critical to us moving forward. We know that this is not easy, but your leadership can bring a sense of clarity and purpose that may reduce confusion and

conflict in the church. We ask you to stand up and support racial justice in this community, knowing that you will not be alone. Members of BRJ and others will stand there with you. We hope this can be an on-going dialogue.

Signed,
The Beloved Racial Justice Ministry Team

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

<https://www.uua.org/uuagovernance/committees/commission-institutional-change/blog/commission->

[institutional-change-report](#)

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

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

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

Holly House Dev. Taskforce Board Liaison Report – David Baumgart

Monday, July 16 – Linda Freeburg (chair) hosted the monthly Holly House Development Task Force (HHDTF) meeting. This meeting included the 4 active team members – Carrie Bowman, Callie Hills (secretary), Laurie Adams, and myself. Jason Puracal (DFO) attended as our staff liaison, and Mark Norelius represented Right Relations.

Consent Agenda – New members of the HHDTF

Also attending were 3 potential team members: Jim Shuman, Sue Yates, and Trevor Hall – each of whom have submitted member applications to join the task force. The active members of the TF approved the 3 potential members and are recommending immediate approval by the Board of Trustees.

Other major topics for the July 16 meeting included:

- The use of our new Google Groups folder for storing documents and tracking communications. (Many thanks to Carrie Brown for establishing this folder.)
- Collaboration with the Board for uploading significant documents to the Board One Drive area.
- Review of our meeting calendar for the remainder of 2018.
- Review of the revised proposed charter that Linda distributed ahead of our meeting; including the key deliverables required of the task force.
- Review of the Board’s Charge to this new task force
- Discussion of “Next Steps” which will include preparation of a “voter’s pamphlet” as well as additional Town Halls.

Next Steps requested of the Board

- Board reviews the 3 new member applications - bringing the task force to a total of 8 active voting members. (The charter calls for a total of 10.)
- Board reviews the proposed charter for the new task force and sends their feedback to Linda Freeburg (please copy me). Once Linda finalizes the charter with Right Relations content and aligned with the charter template, we will ask the board to review and collaborates with PBG, RR, and Financial Stewardship committees as appropriate for the complete review process.

The task force is now beginning to plan their action items for informing the congregation about the choices in front of us. They will also begin a review of the Board’s suggested timeline for a congregational vote in the fall.

The task force is also looking forward to collaborating with Financial Stewardship regarding the documenting of various proposed spending scenarios of the proceeds.

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

[ESUC HHDTF Draft New Charter v2.1](#)

July 16, 2018

Our purpose on the Holly House Development Task Force (HHDTF) is to prepare the congregation to make an informed and responsible decision about selling the Holly House property, ideally while strengthening our church community through this process.

Context:

1. Our congregational values and UU principles, ESUC missions and pillars, and all our social justice imperatives
2. Prior HHDTF work and deliverables
3. Board direction and guidance
4. New Developmental Minister input
5. November deadline – need to review to see if it’s achievable after Charter is finalized and after meetings with Developmental Minister and Board
6. Prior HHDTF town halls --input and congregational requests
7. Big picture of whole campus plan (outside our specific scope, but relevant)
8. Holly House history, acquisition and use over time
9. Right Relations influence
10. Congregational history, recent conflicts, fragility and opportunity to enhance our community through this process/risk if we blow it.
11. Financial context - viewing this asset within the whole of our portfolio and evaluating the best and highest use of it considering our congregation’s financial strength and sustainability, and short term and long term objectives
12. Language of decision at Congregational meeting June 2017.

Objectives/ work product:

1. Create a set of materials to assist the congregation in making an informed choice about selling the Holly House property.
 - a. In collaboration with the Financial Stewardship Committee, create a presentation that shows HH in the context of all assets
 - b. a visual of campus
 - c. an Excel balance sheet
 - d. Options from received proposals
 - e. Possible “voters’ pamphlet” ?
 - f. Collated feedback on what we might do with the proceeds of the sale
2. Continue collecting bids and proposals; finish vetting those we have received

3. Enhance the method for reaching out to market rate developers
4. Learn the market value of the property - either through an appraisal or market valuation from one or more commercial brokers.
5. Clarify tax implications of any sale of the property
6. In collaboration with Financial Stewardship:
 - a. Structure a series of conversations and other methods for the congregation to begin thinking about how they would spend the proceeds of the sale (town halls)
 - b. Solicit info from Committee and Team leaders across all areas of ESUC about how they would want to invest proceeds of the sale for the betterment of ESUC and/or the community in which we live (survey monkey?)
7. Consider community outreach, media and public relations re: the sale
8. Design methods for this work mindful of Right Relations principles
9. After the congregational decision, oversee the sale or disposition of the property, including negotiating with the buyer, leadership of /representation of ESUC's role in the sale process, and if necessary, serving in a leadership or advisory role in any on-going relationship with the buyer, (i.e., in retained water rights, contract compliance, etc.)