

East Shore Unitarian Church

Meeting of the Board of Trustees

November 2018 Board Packet

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Note on November Board Packet Contents

The minutes of the October meeting appear in the appendices (Appendix E). Also, appendices to all reports are collected at the end of the packet and lettered sequentially as shown in the table of contents

Agenda

ESUC Board of Trustees				
November 20, 2018 Agenda				
Host	Tom			
Start	End	Duration	Topic	Lead
6:45	7:00	0:15	Social Gathering	
7:00	7:05	0:05	Opening Words, Chalice Lighting	
7:05	7:15	0:10	Check In	All
7:15	7:30	0:15	Consent Agenda	All
7:30	7:50	0:20	Holly House Dev Task Force	Dave, Linda F
7:50	8:25	0:35	Right Relations	Steve
8:25	8:45	0:20	Board Goals	Tom
8:45	8:55	0:10	Executive Session	All
8:55	9:00	0:05	Closing	Tom

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 Tom in advance!).

November 2018 Consent Agenda Voting Items

- Payout of Staff bonuses from FY 2017-18 from liability account.
- Approve Sheridan Botts as chair of the Personnel Committee
- Approve job description for Executive Director Position, attached
- Approval of Endowment Policy Subcommittee Charter
- Added by Dave: Are we approving the language regarding Board Goals in the President’s report?

Dave’s action items – my fair share of Canvass Calls from Nicole.

Implement Sign-up Genius for Sunday Service Announcements

Recruit a Recording Secretary

Respond to the Board Goals as well as Pam Orbach’s challenges.

Donate gift cards for Sophia Way via WHW and the Holiday Gift Tree.

Begin Jason’s annual review in collaboration with Marcy.

Board Reports

Developmental Minister's Report – Rev. Stephen Furrer

I have been busy meeting with ESUC committees and ministry teams, mapping out the coming year's strategy and directions:

Lifespan Learning – winter course offerings are being worked out. Likely classes include “Moral Values in a Pluralistic Society,” “Parents as Spiritual Guides,” and “UU Theology 101.”

Lay Pastoral Ministry – organized efforts to make sure all ESUC members and friends are regularly and kindly checked in on and supported.

HHDTF – Most of my work has focused on being a resource to the Task Force and pastor to its members.

Archives – Gearing up for ESUC's 69th birthday this January; the ESUC Timeline that was made in 2017 will be in the Sanctuary in January with room for additions.

ESJCC – Meeting and supporting all ESJCC groups and seeking ways to make participation in these justice-making groups to be equally spiritual.

Covenant Circles – Reorganization of this longstanding ESUC program with an aim of revitalization is now in the initial stages. A Lay Coordinator has stepped forward: Anne Kerlee, who will help in the process.

Worship – I have just completed leading ten Sunday services in a row, the last nine of which have been double services. The Worship Committee is organizing (?) services for 11/25 and 12/30. An Usher Training module is scheduled for Sat., Dec. 8 at 9:00am. Xmas Eve Candlelight: 4:00 & 7:00 pm.

Personnel Committee – Supervisory Reviews going forward, including efforts to complete earlier annual reviews for SLT. In dialogue with Jerry Bushnell, Board Liaison. Q-1 Review (w/ Jason) of Nicole Duff and also of Eric Lane Barns have been completed.

Re-Canvass – Response exceeds \$40K so far. Thank you letters have been mailed to all contributors. We're asking Board members to divvy up follow-up phone calls.

The *Eastside Interfaith Social Concerns Council*, started with help from Dick Jacke, wishes to honor him; I'm working with their leadership and Linda Jacke. *Justice WA*, also started with major help from Dick, honored him on at their Oct. 20 Summit.

Respectfully submitted,

Stephen Furrer

President's Report – Tom Doe

Right Relations Focus

As I've mentioned in previous board meetings, I would like to have fewer things on the agenda and focus on one major issue. Rev. Furrer met with the Right Relations committee, and they have requested board time this month, so I have put in 40 minutes for an update on their activities and for their proposals on proceeding with this important task.

Nominating Committee and Leadership Development

Connie Hirnle, our Nominating Committee chair has requested time at the December board meeting to review with us the timeline for the nominating process. This is a very important topic and I would like to make both the nominating committee's work and the general topic of our leadership development a focus for next month's meeting. I have not put on this month's agenda the specific issue of filling the vacancy left by Uzma Butte's departure, but I would like to get a sense of the board regarding whether anyone would be willing to volunteer to propose a person to fill that vacancy, or whether you would like me to pursue that over the next month.

2018-2019 Goals

My sincere thanks to everyone who participated in last month's Board retreat. One of the major accomplishments of the annual retreat is creating our Goals (formerly Ends), which are listed at the end of this report. We could put the Goals in the Consent Agenda, but I have given some agenda time to discussing any changes that board members or meeting attendees may wish to raise.

Developmental Ministry Start up Meeting

I have been in contact with Rev. Tandi Rogers, who is our denominational contact. She will be providing me with potential dates for the postponed Developmental Ministry Start up Meeting, which will likely occur in January 2019. I don't have her list of dates as of writing this report, but I hope to have them at the meeting on November 20.

Fundraising

Nicole Duff has been in contact with us regarding board member outreach to our remaining likely pledgers for the current church fiscal year. Please make sure that you have put in your list of people you are interested in contacting prior to the board meeting.

2018-2019 Board Goals

1 Financial strategy

ESUC has a five-year financial strategy. This will be reviewed on an annual basis.

- By 12/2019 we will review the implementation of the endowment charter
- By 6/2019 we will have a congregational vote on disposition of the Holly House property
- By 6/2020 we will prepare the congregation for a vote on use of the proceeds of the Holly House disposition

2 Developmental Ministry Goals

During the tenure of the Developmental Minister, we will:

- Inspire a healthier culture at East Shore
- Continue to implement policy-based governance
- Establish a leadership and volunteer development program
- Grow membership

3. Beloved Community

We will nurture a sustainable Beloved Community by making measurable progress moving our congregation from multi-culturally aware to anti-racist with specific attention to lifelong learning, pastoral care, and theology.

4. Strategic Campus Plan:

By the 2020 Congregational Meeting, we will have a Preliminary Master Campus Plan that leverages the value of our infrastructure resources for the purposes of:

- Becoming a hub of earth and social justice ministry teams and affiliated outside organizations
- Serving as an emergency preparedness and response center
- Reducing the environmental impact of our facilities and membership activities
- Measuring impact of our earth and social justice activism to ensure the resources of our community are being used most effectively.

November 2018 Finance – Treasurer Report – Marcy Langrock

Items below in bold should be added to the list of consent agenda items.

- **Operating Fund Drive:**
 1. The BOT has been asked to make calls to those members who are deemed “likely to pledge.” Nicole sent out the list and some have volunteered to contact certain members we have personal relationships with. The remaining names need to be divided up at November’s board meeting.
 2. Nicole is sending an update to me every Friday. I will forward it to the entire BOT. The following is how the report will look. Please let me know if you would like to see more or different information.

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Nicole’s OFD Update (As of 10/10/18)

Confirmed Pledges: 214 (out of a potential 350 households on our rolls)

- 214 Yes
- 7 Waiver
- 41 Nos (includes 22 people removed for non-pledge)
- 13 Life (members who are not required to pledge)
- 7 Pledging Friends who have now been changed to friends after not pledging for 2 years

Confirmed \$: \$547,629.08

OFD since Recanvas on 10/14 (as of 11/2/18)

- Total income \$35,114
- NEW pledges: 11
- Increased pledges: 17
- Plus, one that I can’t read the handwriting, so I’m waiting to hear what the new total is. That is not included in any of the totals.

=====

- **Endowment Subcommittee (ES):**
 1. The ES met on October 19th.
 2. The ES charter has been updated to reflect the changes requested during October’s board meeting. Policy and Governance has reviewed the charter and it was submitted to the congregation for input.
 3. If there are no further comments or edits, I would like to approve the Endowment Subcommittee Charter. Ann Fletcher submitted it from Policy and Governance with other charters for approval. Thank you to everyone who made the changes and reviewed this charter in such a timely manner.

4. The Investment Policy Statement has been updated and is under review with the Financial Stewardship Committee.
 5. Craig Nelson and the ES are working on updating the Endowment Brochure. It will include information on setting up bequests and purchasing annuities where East Shore Unitarian Church is the beneficiary.
- **Financial Stewardship Standing Committee (FSSC):**
 1. The FSSC met on 11/13/18.
 2. Claudia Hirschev, chair, will lead the discussions on the financial health and sustainability of the church for the Holly House Dream Big meetings on Monday, November 26th, 7:00 - 9:00PM and Sunday, December 9th, 12:15 - 2:15PM. Jason and I will be attending these meetings as well and will serve as backup for Claudia.
 3. Thank you to Claudia for attending last month's board meeting and showing us the Five-Year Strategic Plan and the Five-Year Strategic Plan Tool.
 - **Finance Team:**
 1. The Finance Team met on 11/13/18.
 2. The audit/ review with Clark Nuber has been scheduled. They have given the accounting department a list of reports they will need to complete the review. Lucy and Jason are working to gather the information. (As a reminder, we have agreed to the following conditions. They have agreed to complete the review and give feedback on the following areas: bank accounts, disbursements, contribution revenue, payroll, excise and payroll taxes. This will be conducted for the fiscal year ended June 30, 2018. This review will be conducted for \$5,000 maximum. The Finance Teams recommends we move forward with the review.)
 3. Jason updated us on the tax seminar he attended. The seminar focused on the changes for churches under the new tax laws just enacted.
 4. We have officially approved to pay the overage amount for Steve's move. The money has been moved from the designated fund of East Shore Housing into the general fund.
 - **Treasurer Position:**
 1. I am encouraged by the number of visitors that have been attending each Sunday. They have been engaged and asked many questions about the church.
 2. I have been considering Pam Orbach's questions to the BOT delivered by Right Relations.
 - a. One question is "Is the board wanting to engage with how it could be doing things differently?" My answer to this question is "absolutely, yes." In order to lead by example, I advocate for additional training for the BOT in non-violent communication. Nonviolent Communication (NVC) is based on the principles of nonviolence-- the natural state of compassion when no violence is present in the heart. NVC begins by assuming that we are all compassionate by nature and that violent strategies—whether verbal or physical—are learned behaviors taught and supported by the prevailing culture. NVC also assumes that we all share the same, basic human needs, and that each of our actions are a strategy to meet one or more of these needs. People who practice NVC have found greater authenticity in their communication, increased understanding, deepening connection and conflict resolution.

- b. The other question I have been considering is “How will the current makeup of the board, predominately white males over 60, predominately from one group in the community that have not engaged in racial justice go about increasing the pace of change?” Before I can answer this question, I want to take a step back and explore the reasons why the majority of our volunteers for the BOT came from this specific group. What is it about our culture, the expectations or perceived responsibility that make it prohibitive to the larger community? Are we inclusive? Do we make people feel like they belong or that their perspectives are important? Inclusion forces people to find commonality in our differences and sometimes face uncomfortable truths. I believe this will be the strength in our growth. But we need to be honest about where we are as a community.

Now, in answering this question, we recognize that we lack diversity on the BOT. (I also want to be clear that I appreciate those members who have stepped up and honor their commitment to our church. I do not want to minimize any of our hard work.) However, we need to do a better job of seeking input from members with different life experiences. Diversity is good but not the end goal. Becoming inclusive is. I believe we keep hoping members with diverse experiences show up and assimilate into our organization. Why not work on becoming an organization or community that can be flexible enough to invite in and welcome many voices?

Personally speaking, I know I need to do a better job of truly listening to different perspectives, not taking them personally or becoming defensive. When I make it all about me, it should be become very clear that I have not understood or listened to a new viewpoint. I know there are many other ways we can improve. I encourage the members to think about this and bring us ideas about ways to move forward.

Respectfully submitted, Marcy Langrock, Treasurer

Executive Director' Report – Jason Puracal

Topics requiring Board Vote

- **Payout of Staff bonuses from FY 2017-18 from liability account.**

Consent Agenda

BOT Goal 1: Financial Strategy. ESUC has a five-year financial strategy. This will be reviewed on an annual basis.

- *By 12/2018 we will review the implementation of the endowment charter*
- *By 6/2019 we will have a congregational vote on disposition of the Holly House property*
- *By 6/2020 we will prepare the congregation for a vote on use of the proceeds from the Holly House disposition*

- I attended the Endowment Subcommittee meeting where the Endowment Charter was discussed, along with the Q3 reports, Investment Policy Statement and Endowment brochure. I provided edits to the draft Charter prior to publication to the Congregation for input. Please see the Treasurer's report for more details.

- I attended the Financial Stewardship meeting where the Endowment Charter, 5-Year Strategic Plan, Investment Policy Statement, and FS oversight role were discussed. In addition, we discussed the upcoming townhalls presenting the 5-Year Financial Strategic Plan to the congregation. Please see the Treasurer's report for more details.
- I spoke via telephone with HHDTF Member, Roger Greene, to discuss previous communications to past developers and bidders.

BOT Goal 2: Developmental Ministry Goals. During the tenure of the Developmental Minister, we will:

- *Inspire a healthier culture at East Shore*
- *Continue to implement policy-based governance*
- *Establish a leadership and volunteer development program*
- *Grow membership*

- I participated in two restorative circles with Pam Orbach, the first with resolution, the second without.
- I participated in a restorative circle prep virtual call with Rev. Paul Langston-Daley from the UUA.
- I attended the Board Retreat and led an informative session about Board fiduciary responsibilities.
- I attended, along with my family, the East Shore LIVE Songs from the Dark Side event.
- I attended the Auction to serve as greeter, bartender, and assist with cleanup.
- I completed two Service Agreements on behalf of East Shore LIVE for performers scheduled in this fiscal year.
- The Facilities Manager and I completed a Service Agreement with Puget Soundworks for a concert fundraiser for ESUC on December 2, 2018.
- Social Media Metrics:
 - *Yelp for October*
 - 30 user views
 - 6 user leads
 - 2 Directions
 - 4 clicks to website
 - 1 Yelp Bookmarks
 - *Google My Business Report for October:*
 - 30,992 people found us on Google
 - 5 people called
 - 745 asked for directions
 - 212 visited the website
 - *ESUC.org Analytics Oct 10-Nov 8*
 - 1252 users
 - 940 New Users
 - 1,909 Sessions
 - 4,831 Page views
 - 2:45 average session
 - 477 or 38.94% used mobile devices
 - Facebook: 718 Followers
 - Instagram: 115 Followers
 - Twitter: 46 Followers

BOT Goal 3: Beloved Community. We will nurture a sustainable Beloved Community by making measurable progress moving our congregation from multi-culturally aware to anti-racist, with specific attention to lifelong learning, pastoral care, and theology.

- I participated in serving dinner to the Congregations for Homeless with other POC.

BOT Goal 4: Strategic Campus Plan. By the 2020 Annual Congregational Meeting, we will have a Preliminary Master Campus Plan that leverages the value of our infrastructure resources for the purposes of:

- *Becoming a hub of earth and social justice ministry teams and affiliated outside organizations*
 - *Serving as an emergency preparedness and response center*
 - *Reducing the environmental impact of our facilities and membership activities*
 - *Measuring impact of our earth and social justice activism to ensure the resources of our community are being used most effectively*
- In response to the Facilities Team, and in collaboration with the Chair of the Climate Action Ministry Team, we have reached out to two solar panel providers to obtain proposals for installation at East Shore. Initial information has been exchanged. We are awaiting proposals before deciding next steps.
 - In continuing the transition initiated at the beginning of FY2017/18 for all operations to run through the Operating Fund, those Teams with remaining balances in their Revolving Fund accounts above any set Prudent Reserve were sent a reminder notification to spend down the balance before 12/31/2018, otherwise the funds will be transferred to the Revolving Fund for the Department.
 - The Grounds Team enlisted the assistance of a forester from the Parks Department who came out to assess the health of all trees on ESUC campus. I discussed the results of the assessment with the Chair of Grounds as we walked around the campus and marked the appropriate trees that Grounds could take care of versus those that would require professional services. The Grounds Team is planning to obtain several proposals to better understand the financial impacts of the recommended work. Please see Appendix A for further details.
 - I completed the 8-week class, final drill, and obtained my Certificate of Recognition from the City of Bellevue for the Community Emergency Response Team (CERT) training. The Facilities Manager and both Caretakers have also completed the CERT light program. My predecessor, Rebecca Chatfield, is currently teaching a three-part series class on disaster preparedness at East Shore through Adult Programs. The Director of the CERT program for the City of Bellevue joined East Shore as a guest for one Sunday service, and I have invited her back to tour the campus for future activity planning.
 - It was brought to my attention that Women Helping Women was planning to solicit donations for The Sophia Way in the form of gift cards. The Finance Team reviewed the activity and, because the IRS considers gift cards the same as a cash donation, came to the following conclusions:
 - If the donor wants tax credit for the gift card, ESUC can provide a receipt (similar to an in-kind donation) where the donor fills in the amount they gave.
 - The Bookkeeper will create a form that donors can write down the amount of their gift card when they turn them into the church.
 - A liability account can be used to track the lumpsum of the gift cards through our accounting system.
 - The Membership Development Manager has been instructed how to help with the appropriate language for all communications soliciting gift cards.
 - Per Board Policy 2.11.8, Board approval is required for the solicitation.

Women Helping Women did not include this activity in their congregational approved budget and did not want to wait until the Board meeting for approval, so changed their strategy for solicitations this year. The Holiday Giving Tree is also collecting gift cards, and this information has been passed along to them, however they did have this activity in their budget and the Board already approved in August 2018.

- The Auction Fund-A-Need was successful in raising \$9,300 for equipping E201 as the Collaboration Space. I participated in a conference call with congregant, Tom Ball, and preferred manufacturer, Polycom. We narrowed down the scope of the project, discussed best equipment to meet ESUC's needs, and options for

expansion. I also met with a Polycom vendor, Advocate Telecom, to show them the space and begin the conversation of pricing.

Additional Finance Activities

- I met with the Finance Team. We discussed the October 2018 month-end financial reports, OFD status, point of sale credit card processing options, potential ACS upgrade, the pending audit, UUA healthcare changes, changes to tax law, gift card donations, procedures for receipts, and unbudgeted expenses related to the new Minister.
- The month-end reports created for October 2018 have been emailed to the normal distribution list. For the Board's review, I have included the Oct. 2018 Summary Income Statement (see Appendix B), and the Oct. 2018 Balance Sheet (see Appendix C). The Oct. 2018 Income Statements by Department are presented visually as part of the financial charts (Appendix D), although for more transparency, some of the Departments have been broken down into categories.
 - According to the October 2018 reports, the total income from donations for Oct were ~\$19k higher compared to the 17-year average of pledges, and about \$27k 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 ~\$65k more than the 17-year average, approximately \$67k higher than the 5-year average, and approximately \$67,700 higher than what was brought in last year during Oct. This is attributed to the re-canvass efforts and the ~\$32k transferred from the Designated Fund East Shore Housing account per the congregational approved budget. Our monthly expenses were significantly higher than normal at ~\$97,500 due to large facilities related expenses and owed retirement contributions to the Developmental Minister and Interim Music Director (both accounts now paid to date). East Shore had a surplus for Oct of approximately \$34,600. Year-to-date East Shore is running a surplus of ~\$136,500 providing a runway of one and a half months of operating expenses. This is typical of our cash flow at this time of the year.
- OFD update as of 11/09/2018
 - Total Pledged: 214 (of 350 households on our rolls)
 - 214 Yes
 - 7 Waiver
 - 41 No's (includes 22 people removed for non-pledge)
 - 13 Life (members who are not required to pledge)
 - 7 Pledging Friends who have now been changed to friends after not pledging for 2 years)
 - Confirmed: \$547,529.08
 - Confirmed EFT: 96
 - Likely: 48
 - Likely \$: \$75,146.54
 - Total Confirmed + Likely: \$621,675.62
 - Re-canvass
 - Re-canvass add: \$37,574
 - Increased: 19
 - New 12
 - The signup went out to the Board for those still considered "likely" along with a script.
 - See Developmental Minister's report for more details on the re-canvass.
- The total amount of unbudgeted expenses related to the hiring of the Developmental Minister is \$17,049.86. Per the Board vote in October 2018, this amount has been transferred from the Designated Fund General Reserve account to the Operating Fund, which will be reflected in the November reports. See Appendix E for a detailed accounting of these expenses (note: confidential donation contributions by individual BOT Members to offset the June visit are summed).
- I have run out budget projections based on information thus collected in the fiscal year, as well as numerous assumptions from the congregational approved budget. The model indicates a deficit of

\$32,023 for the fiscal year. The reduction in the deficit amount is due to the re-canvass efforts thus far, increased rental projections, better than expected Auction revenues, and the Board vote to cover the unbudgeted expenses related to the Developmental Minister from the General Reserve account. The “mop up” of the re-canvass will be the critical factor to determining if we end the fiscal year with a balanced budget.

- **As we have demonstrated a positive response to greatly reducing the deficit we started the fiscal year with, it is at this time that I recommend the Board release the funds it voted to accrue in June 2018 for bonuses to Staff who were employed with ESUC at the end of last fiscal year. As a reminder, the amount of the bonus was \$500 net to each Staff member (25% flat rate tax covered by ESUC), pro-rated for part-time employees, totaling \$5,312.50. These funds were accrued from the surplus from last fiscal year and do not affect the current fiscal year budget.**
- In response to three missing receipts, the Finance Team discussed a procedure that does not require receipts for under \$50 in expenses for church credit card use, as long as the spender can justify how the money was used for coding purposes. This procedure is in alignment with how the UUA reimburses expenses. The CPA firm conducting the audit will verify if this level of documentation is sufficient.
- I completed the contract with Clark Nuber, the CPA firm to perform the audit with ESUC. We had a conference call to discuss the list of documents they will require for the audit, and they provided a secure portal to upload said documents. The audit is scheduled for November 29, 2018. The Bookkeeper and I are responsible for uploading the documents prior to this date.
- November is open enrollment for the UUA Health Plan and dental. The UUA Health Plan will not increase its base rate again for the second year in a row. There will be minor increases to individual premiums based upon age averaging ~2.5%. The plan also expanded to include IVF coverage, naturopaths will be covered as primary care providers, and nurse practitioners will be billed as primary care providers not specialists. This information was passed along to the Financial Stewardship Committee to update the 5-Year Financial Strategic Plan scenarios spreadsheet tool.
- I attended a workshop at East Shore led by congregant Laurie Adams and a CPA discussing how the changes in tax law affect charitable giving. My biggest takeaways include:
 - Most people will not itemize their deductions, so no explicit tax benefit for charitable donations. Other options include:
 - Bunching donations into one year
 - Setting up donor advised funds
 - For people over the age of 70.5, who have a required monetary distribution (RMD) from their IRA account, can use Qualified Charitable Distribution to avoid taxes
- I joined as a member The Church Network, formerly known as the National Association of Church Business Administrators. I also joined the local Pacific NW Chapter.
- I attended a workshop hosted by the PNW Chapter of The Church Network regarding the new WA State Paid Family and Medical Leave Act. You may recall the state changed paid sick leave requirements starting in 2018, and the Personnel Committee reviewed ESUC payroll policies to ensure compliance. This new law is different, and is an insurance program by WA State with a contribution rate of 0.4% of the employee’s salary. The contribution is split 67% employee/ 33% employer. Employers with less than 50 employees do not have to contribute, however are required to withhold from employees starting January 1, 2019. This withholding is paid quarterly, does apply to pastors and their housing allowance, and more information can be found at www.secureaccess.wa.gov.
- It was confirmed at The Church Network event and by the UUA Office of Compensation, that, beginning January 2018, moving expenses paid by the church on behalf of the Minister are considered taxable income to the Minister. The Bookkeeper is investigating how we make this happen in our accounting system.
- The Facilities Manager and I met with the Co-Chairs of the ACE Media Crew. They expressed concern about being called in to provide A/V support to internal groups using the Sanctuary space without compensation for ACE as they receive with external groups. As there is considerable expense to

maintaining the A/V equipment, we came to the conclusion that it was fair for ACE to request a reduced fee of \$100-\$150 per event (depending on the time required and equipment used) if the internal group is raising funds during the event.

Additional HR Activities

- I completed background checks on all Volunteer RE Teachers except one, a total of 25.
- I completed Q1 check-ins with my three direct reports: the Facilities Manager, the Membership Development Manager, and the Bookkeeper. Topics discussed were a review of progress made on annual goals and improving communication.
- I spoke with David Roberts of the Finance Committee of Unitarian Universalist Church of Berkeley (UUCB) in California. UUCB is interested in hiring an Executive Director and are interviewing churches around the country who have similar positions. UUCB is approximately the same size church as East Shore in membership, campus, endowment, and annual operating budget. Nevertheless, they are about 3 years behind East Shore in development. I was able to share the progress East Shore has made in governance, organizational structure, staffing, payroll & benefits, roles and responsibilities, integrated IT systems, and potential development of part of the campus.

Additional Facilities Activities

- I signed the contract with Cosco Fire Alarm for the continued fire alarm monitoring service at the same rate as last year, \$440.
- It was brought to our attention that the two gas meters at East Shore are old models from a utility company previous to PSE. PSE is not inspecting these older models, which is a liability for East Shore. The Facilities Manager is reaching out to PSE to see if they will change out the gas meters to ones they will service.
- Our largest summer renter, Destination Science, has requested we resolve the heat issues in the upstairs classrooms of the Education building in order for them to rent from us again next year. This represents more than \$18,000 in rental revenue. Our initial investigation found window A/C units for less than \$700 each. The Facilities Manager is reaching out to our HVAC maintenance vendor, Loadstar, to see what they recommend. The Facilities Team is investigating electrical power needs to the building. The Facilities Manager will also reach out to the Aesthetics Team (currently operating as the Gallery) for their input on potential solutions that would be visible. There are other groups, internal and external, who have also complained about the heat in this building during the summer, so the investment would benefit multiple stakeholders. This is an on-going project.
- The Dental Van, who visited East Shore to service the Congregations for the Homeless staying at ESUC, accidentally caught their van on the security camera wires in the lower parking lot just in front of the stairs. This pulled the wires down and caused pole 2 to lean considerably towards the stairs. The Caretakers and ACE were able to temporarily pin the wires up off the ground. About a week later, the tension from the leaning pole caused poles 3 and 4 to snap off at the base. Luckily no cars were damaged as it happened on a Saturday morning. The Facilities Manager, Caretaker and I moved the broken poles and wires to the side so that all parking spots are still accessible. Unfortunately, the security cameras and new LED lights were damaged. The Facilities Manager is collecting the insurance information from the Dental Van, and we will submit a claim to Church Mutual to replace the poles and broken equipment. Advocate Telecom visited the campus to assess the damage and is preparing a written proposal.

Discussion Agenda

- None at this time.

Respectfully Submitted,
Jason Puracal, Executive Director

Director of Lifelong Learning's Report – Aisha Hauser

BOT Goal: Beloved Community. We will nurture a sustainable Beloved Community by making measurable progress moving our congregation from multi-culturally aware to anti-racist, with specific attention to lifelong learning, pastoral care, and theology.

Right Relations

The Right Relations Team, Jose Garcia, Louise Wilkinson, Mary Anderson, Mark Norelius and I have been meeting consistently with Pam Orbach in an ongoing effort to support this Board goal. The Team members are planning on being present at the November Board meeting to update everyone in person and propose steps moving forward. Learning how to make space for each other is a crucial part spiritual growth and in many ways it is the most difficult when we are making space for people who are not, and may not have ever been part of our demographic. The promise of our Unitarian Universalist faith is that our theology calls us to work through difficulty in a healthy way to affirm the inherent worth and dignity of all of us.

Workshops and Programs

I will be facilitating a workshop on November 17th at East Shore and on November 18th at the Mount Baker Community Club in Seattle on the topic of talking with children about race. This is an important opportunity for families to learn tools and resources on how best to equip themselves for this difficult and important issue. When promoting the Our Whole Lives program, we tell parents/caregivers that if they don't share their values about sexuality with their children someone else will. This is true about race and anti-oppression issues as well. Studies show that by age three, children know that it is better to be white in this society. Parents/caregivers who care about a more just society need to become better equipped at honest dialogue at home in order to disrupt this continuing paradigm.

This winter I will be offering a workshop at East Shore on the book *Salsa, Soul and Spirit: Leadership for a Multicultural Age* by Juana Bordas. The dates will be January 23rd, 30th and February 6th from 6:30pm-8:30pm. In addition, I will offer a once a month class on Race and Identity on the third Sunday of January, February, March and April at 9am.

LREDA Fall Conference

Every year I attend the Liberal Religious Educators fall conference and this year I attended with Amanda Uluhan, the RE Programs Coordinator. Amanda spent her time taking the Ministry to and with Youth Renaissance Module (a 15 hour training program). I presented two workshops and gave a summary speech at the end of the conference where I talked about being "holy disrupters." I encouraged my colleagues to take opportunities when they present themselves to resist oppression and racism. "Learning to have Difficult Conversations" and "Ministering to Families of Color," were the two workshops that I led.

Our Whole Lives Training (OWL)

I co-facilitated a Young Adult/Adult OWL training at Pilgrim Firs Camp and Conference Center in Port Orchard. I was invited last spring to be a part of this training that was sponsored by the United Church of Christ. A combination of UU and UCC and folks from secular settings, including public schools, were trained as facilitators. OWL is one of our most important and transformational programs.

BOT Goal: Developmental Ministry Goals. During the tenure of the Developmental Minister, we will:

- *Inspire a healthier culture at East Shore*
- *Continue to implement policy-based governance*
- *Establish a leadership and volunteer development program*
- *Grow membership*

I requested a restorative process from the UUA in Boston that would include the Pacific Western Regional Staff. The UUA Executive Vice President, Carey McDonald had already hired the Rev. Paul Langston-Daly to facilitate this process with the members of the PWR who facilitated the consultation last year. It is my hope that through this process we can identify lessons learned and ways to move forward in a healthy way with UUA staff. I met with Rev. Langston-Daly while I was in Houston for the Liberal Religious Educators Fall Conference. He will be interviewing key people over the next several weeks and the plan includes an eventual face to face with key people.

Children and Youth

The 9am all ages program has a higher attendance when the Family Covenant Circle meets on the second Sunday of the month. The other Sunday where attendance was higher was when the children made sandwiches for the men part of Congregations for the Homeless. The Lifespan Integration Team will discuss ways to accommodate the fluctuating attendance. The 11am program where there are many classes has been going well with teachers and participants engaged. It is inspiring that Board members (including President Tom Doe!) are and continue to volunteer for RE on Sundays. Thank YOU!

Children and youth attendance numbers:

10/14: 62

10/21: 34

10/28: 6 9am program (Multi gen, children and youth in Sanctuary not counted)

11/04: 39

11/11: 59

Finally, I want to share an excerpt from a sermon titled "Called to Account," by Rev. Bill Sinkford delivered on November 4 at First Unitarian in Portland, OR. I found it inspiring and speaks to the spiritual work we are called to do on accountability as people of faith. While he is preaching to his congregation, it applies to all our UU communities. I asked and received Rev. Sinkford's permission to share the excerpt in this report.

"I wonder if we do not need an accountability to love itself. I wonder if we should not be asking not only what our communities call for, but also what love itself calls for.

bell hooks calls this an ethic of love. That's hard to argue with...isn't it?

What would such an accountability to love look like?

Two things I think. Accountability to love would call us to compassion, call us to think and to act beyond a narrow self-interest. Compassion knows how deeply we are dependent on one another. Compassion can turn a narrow self-interest on its head.

This used to be the accepted role for the church. Cornel West describes it this way: the church..."held coldheartedness and mean-spiritedness at bay...by promoting a sense of respect for others, a sense of solidarity, a sense of meaning and value which would usher in the strength to battle against evil."

*That can still be the role of **this** church."*

Amen. Respectfully submitted,

Aisha Hauser, MSW

Liaison Reports

Personnel Committee – Jerry Bushnell

For Consent Agenda:

1. Approve Sheridan Botts as chair of the Personnel Committee
2. Approve job description for Executive Director Position, attached

Question for board: Does the board want the personnel committee to work on a formal process for evaluating staff that reports directly to the board?

Ongoing work to be finished this month:

1. Termination policy will be ready for board approval (this will replace the current termination policy in the personnel manual)
2. Job descriptions for RE Childcare Support person and for RE programs coordinator job
3. 2018-2019 goals for the personnel committee

Policy and Governance Committee – Ann Fletcher

Consent Agenda item: Approval of Endowment Subcommittee Charter

The Policy and Governance Committee continues to monitor and work with groups on charters. Please see the Charter Tracking Table for details of progress.

I worked with Craig Nelsen to revise the Endowment Subcommittee Charter based on the Board’s requests at its October meeting. Craig’s article about the new charter being considered by the Board was published in the Beacon online. He will collect and summarize any comments or questions from members for the Board to review at its November meeting. **As of Saturday, November 17, Craig has reported no comments or questions received about the Endowment Charter.**

As of the writing of this report, it appears that the other two Board Committee charters (Personnel and Right Relations) may not be ready to present to the Board until its December meeting.

I sent all the final core and ministry team charters to staff for their approval.

I also met with the Right Relations Committee to discuss the potential for new Board Policy to address the all church Covenant, the Facilitation Team, and a process for individuals who request assistance with conflict resolution. The new policies would be in the new Policy Section 5, Members Relationships with Each Other and Staff, preceding the Disruptive Behavior Policy. As of the writing of this report, a proposed draft may be presented to the Board in December.

Jennifer Sumner, a member of the Policy and Governance Committee, participated in the morning session of the Board Retreat and shared Policy and Governance Committee ideas about achieving East Shore’s Mission, Vision and Ends/Goals.

The Policy and Governance Committee continues to look for additional members. Please let me know of any potential candidates.

Submitted by Ann Fletcher

Nominating Committee Report – Dennis Fleck

Timeline for 2019 ESUC Slate

November/December	Review vacancies for 2019 slate Review and edit descriptions for each position Revise application/interest form Brainstorm marketing strategies Meet with key stakeholders (BOT, Minister, Staff) for feedback on the process
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suggestions for candidates

January Advertise in different media to recruit
 Create list of potential candidates
 Encourage submission of applications
 Prioritize candidates and meet 1:1 to discuss position

February 19 Submit list of potential candidate to BOT for feedback

March Finalize Candidates

April 2 Submit final slate to BOT (information only)

April 28 Publicize slate to the congregation

May 12 Self-nominations due

June 2 Annual Meeting

2019 Vacancies Vice President (if Dennis becomes chair of NC)
 Secretary

 1-2 Trustees (Lee D and perhaps Sara who is finishing 3/3 but may serve another term)
 2 Nominating Committee members (Manny and Kirstie)

Right Relations Committee Report – Mark Norelius

The Right Relations Committee (RRC) has continued to meet weekly in the last month. Additionally there has been a Facilitation Team meeting in the last month.

The Facilitation Team has had some success in coaching. We will continue to advertise availability of the team members to provide individual coaching of church membership as individuals request such conflict resolution coaching.

The right relations committee along with some members of the facilitation team will be hosting a Q and A session following Church service on December 2. The purpose of this session will be to communicate our availability as support in dealing with conflict within the congregation along with answering any questions.

Mark and Pam have continued to be directly involved in efforts with church individuals with the hope that they can move toward relationship healing.

The RRC has met with Reverend Steve Furrer in an attempt to coordinate it’s efforts with our minister’s efforts.

Mark has continued his RRC role in the Holly House developmental task force (HHDTF).

Submitted by Mark Norelius

Moving Forward, Together - East Shore Annual Auction Report – David Baumgart

Our Annual Auction was led by Beth Wilson who did a great job in achieving our major goals:

➔ Building Community, ➔ Fund a Need, ➔ Income to our Operating Fund.



Our gross receipts were \$57,688

Net receipts will be about \$37,000 to \$38,000 income to the Operating Fund,

Fund a Need: \$9,000 and Youth Tips: \$1405

Beth Wilson and other committee leaders are to be congratulated on a job very well done in managing the auction – and thanks to everyone who volunteered; we had a successful auction and fun time.

Holly House Development Task Force – David Baumgart

Linda Freeburg, chairperson, Laurie Adams as vice-chair, and Trevor Hall as secretary of the task force continue to provide overall leadership for this very busy taskforce. Sue Yates, is also contributing her skill and energy to the Dream BIG workshops – an initiative that is now in the second month of meeting with members of the congregation and gathering their ideas.

The 2018-19 Holly House Development Task Force continues a very busy pace of meetings, planning, and other effort as we prepare for the congregational meeting in February. Every member of the task force has now signed conflict of interest statements.

The Outreach team is performing a new series of Dream BIG meetings with the congregation as a whole, looking at specific topics such as Music, and a Campus plan.

Communications: There have been two Beacon articles and one Task Force update since the last TF meeting. There have also been inserts in the Order of Service, facebook, and eBlast updates. Are considering communicating the timeline, even if dates are tentative. Mark suggested we continue to ask the congregation for feedback.

Dream Big: Tom Doe wanted to know what's happening with the dreams from the conversations. He would also like us to keep the Board informed on outreach efforts. We will keep Tom and Dave updated with our communication plans. There is one remained scheduled conversation (Diversity & Inclusion), and requests for conversations with: parents/young families, membership development, and staff.

Claudia Hirschey, chair, will lead the discussions on the financial health and sustainability of the church for the Holly House Dream Big meetings on **Monday, November 26th, 7:00 - 9:00PM and Sunday, December 9th, 12:15 - 2:15PM**. Jason and I will be attending these meetings as well and will serve as backup for Claudia.

Upcoming education sessions: Financial Sustainability & Development on **11/18 @ 12:30 PM and 11/26 @ 7 PM, and Affordable Housing TBD**. There is also a proposal for a how do we vote/how do we decide series of conversation, probably in January & February, leading up to the vote.

Affordable housing: Roger, Dave, and Carrie are reviewing the proposals from the previous bidders. They still need to reach out to the bidders with questions for clarification. They are also reviewing the RFP to see if there are any restrictive covenants. The congregation will need to be apprised of the risk of closing for any bid proposals. Linda will include that topic in her education session. Are still working on a schedule for meeting with the bidders and setting a date for final offers. Needs to be coordinated with the bids from the market-rate bidders. Roger, Carrie, and Dave are now communicating updates to the 4 affordable housing bidders.

Market-rate bids: Interviewed five brokers, narrowed it to two, and are checking references. The timelines are similar for both brokers: 60-70 days from listing to best offer. One broker suggested the church perform a feasibility study to increase the listings attractiveness. The study was probably cost \$1500-2500. Dave thought this could be funded out of the endowment.

Submitted by David Baumgart

APPENDICES

Appendix A: Grounds Tree Assessment

These are the high priority tasks related to safety that have been identified. For these tasks we do not have the training or equipment to complete safely or adequately. Begins at NW corner of Memorial Garden and generally proceeds clockwise to SW corner of church property. For some trees it may be possible to leave parts of the trunks as “wildlife snags” and this would be desired as long as operator safety and future safety issues are not of concern.

Task 1:

This is on tree number 1 which is a bitter cherry at the northwest corner of the Memorial Garden. The tree is very crooked and cannot be fallen with one cut. This tree should be cut down to 20 feet, trunk pieces left near base of tree and branches can be pulled to grass area so they do not block access to the west. Church will finish clean up, remove trunk pieces and finish cutting tree later.

Task 2:

This is another bitter cherry, tree 3, just north of the kitchen at the northeast corner of the sanctuary. This tree needs to be topped at the point where it splits into multiple tops at about the 40 foot level or lower. As long as tops are not on walkways or path they can be left where they land.

Task 3:

Two large Douglas fir trees numbered 4 and 5 have root damage and need to be taken down. They can be fallen to east right on trail. The trunks can be left on the edge of the trail. Tops that reach parking lot can be moved to edge of parking lot. Branches landing on trail or parking lot should be chipped.

Task 4:

A triple trunk big leaf maple below above mentioned firs is tree group 6. Trunks can be left in woods or edge of parking lot. Branches that land on parking lot or trail should be chipped.

Task 5:

This is a triple trunk madrone just northeast of the above big leaf maple and is labeled as tree 7. Trunks can be left in woods if on church property, but not in parking lot or trail. Trunk pieces can be left on edges of parking lot and branches that land on adjoining property, trail or parking lot should be chipped. We will need to get permission from adjoining property owner to drop pieces on their land.

Task 6:

This is a nearly dead bitter cherry tree leaning over the north end of the lower parking lot. Wires and tree height complicate the falling of tree. Tree trunk pieces would need to be left at side of trail, woods or edge of parking lot. Branches landing on parking would need to be chipped.

Task 7:

This is a large dead madrone branch leaning over trail on a tree to southeast of above mentioned cherry. Trunk pieces to side of trail. Branches left in woods or chipped if on trail or in parking lot.

Task 8:

This task is for a tree not on our property, but numbered 8 and would be billed separately, but best worked on from the very north end of our gravel parking lot. This is a Douglas fir that begins as a single trunk but starts splitting into two trunks at fence height. This would require permission and a separate contract, but should benefit from our economy of scale and access.

Task 9:

This is a big leaf maple, tree 11, it is on the north side of driveway from 128th Avenue. Remove SW trunk, partially remove south trunk and clean up living and dead branches overhanging to the west and the south. Larger trunk pieces can be left to the northwest of tree. Branches would need to be chipped.

Task 10:

This is a northwest leaning large branch on a maple tree south of driveway from 128th Ave. Removal complicated by wires and trunk can be left on side of parking lot and branches chipped.

Task 11:

This is another big leaf maple, number 20. It is at the north end of western parking lot between two parking spot areas. Generally need to remove overhanging branches facing south and southeast and other dead or long drooping branches. Branches should be chipped. Larger pieces can be left to side of parking areas.

Task 12:

This is large four trunk big leaf maple between lower parking lot south entrance and parking area at foot of stairs with number 16 attached. There is some room for storage of trunk pieces to the west by the crushed rock pile. All branches will need to be chipped. Given the lack of space for trunk pieces leaving 20 foot in height trunk pieces would be best until we can make room for the mass of wood coming off this tree.

Task 13:

This is a large triple topped Douglas fir numbered 17 at the northwest corner of the campus. The tree is near high voltage power lines, church driveway and 32nd Street. The hope is that once climbed and evaluated that the three tops can be cabled together and we can call it done for now. The climber would need to evaluate the integrity of the tops and we would have to check with PSE on clearance issues.

Appendix A: October 2018 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	89,215	62,750	(8,465)	288,998	251,000	(37,998)	753,000	38.38 %
Income - Program Fee Pmts	2,139	725	(1,414)	7,209	2,900	(4,309)	8,700	82.86 %
Income - Fundraising Event Pmt	3,202	3,646	384	4,720	14,583	9,854	43,750	10.81 %
Income - Facilities Rental Pmt	20,349	17,079	(3,270)	83,034	68,315	(14,719)	204,945	40.52 %
Income - Dept Activities Pmts	3,556	6,293	2,707	19,000	25,053	6,053	75,159	25.28 %
Income - Other	33,630	6,816	(28,814)	77,052	27,283	(49,769)	81,790	64.21 %
Total Revenues	132,151	97,279	(34,873)	480,022	389,115	(90,907)	1,167,344	41.12 %
Expenses								
Payroll Expenses								
Wages	48,983	46,519	(2,464)	175,210	186,078	10,867	558,232	31.39 %
Payroll Taxes	5,309	3,484	(1,825)	13,709	13,937	227	41,810	32.79 %
Payroll Benefits	8,731	10,331	1,600	33,468	41,322	7,854	123,987	27.00 %
Total Payroll Expenses	63,023	60,334	(2,689)	222,388	241,338	18,949	724,009	30.72 %
Program Expenses								
Administrative Expenses	4,213	9,509	5,296	11,806	38,038	26,231	114,113	10.35 %
Facilities Expense	11,431	7,810	(3,621)	39,681	31,238	(8,442)	93,715	42.34 %
Business Expense	7,858	6,523	(1,335)	22,807	26,091	3,484	78,272	28.88 %
Office Expense	1,551	2,218	667	9,075	8,873	(201)	28,620	34.09 %
Fundraising Expense	0	1,187	1,187	78	4,750	4,672	14,250	0.54 %
Advertising & Marketing	0	227	227	40	907	867	2,720	1.45 %
Interest & Loan Expense	9,470	9,470	0	37,852	37,882	0	113,645	33.33 %
Total Administrative Expenses	30,310	27,435	(2,875)	109,301	109,740	376	329,222	33.22 %
Total Expenses	97,546	97,279	(267)	343,655	389,115	45,660	1,167,344	29.43 %
Net Total	34,606	0	(34,606)	136,467	0	(136,467)	0	0.00 %
Other Revenues								
Designated Revenues	(87,299)	0	87,299	(29,768)	0	29,768	0	0.00 %
Restricted Revenues	0	0	0	0	0	0	0	0.00 %
Revolving Revenues	0	0	0	0	0	0	0	0.00 %
Total Other Revenues	(87,299)	0	87,299	(29,768)	0	29,768	0	0.00 %
Other Expenses								
Designated Expenses	32,818	0	(32,818)	81,010	0	(81,010)	0	0.00 %
Restricted Expenses	0	0	0	2,000	0	(2,000)	0	0.00 %
Revolving Expenses	0	0	0	6,588	0	(6,588)	0	0.00 %
Total Other Expenses	32,818	0	(32,818)	90,197	0	(90,197)	0	0.00 %
Net Operating Total	(85,511)	0	85,511	16,502	0	(16,502)	0	0.00 %

Appendix B: October 2018 Balance Sheet

Date : 11/15/2018
Time : 3:27:23 PM

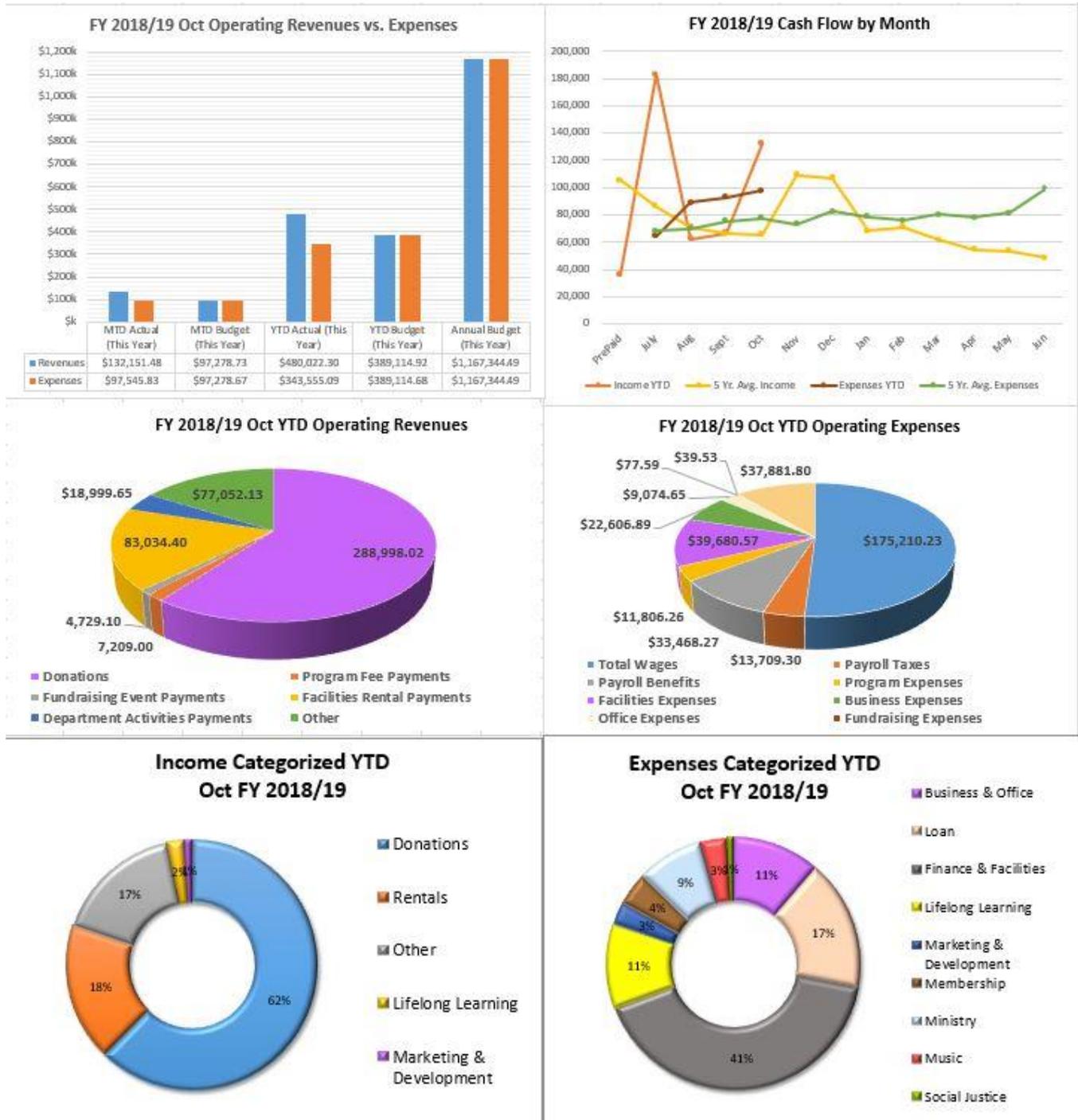
East Shore Unitarian Church
Balance Sheet
October 2018

Page : 1

Accounts

Assets		
Current Assets		
Cash & Investments		
1-1000 - Petty Cash	\$200.00	
1-1010 - Checking - Chase	\$120,980.46	
1-1030 - Brokerage - Schwab	\$46,436.58	
2-1010 - Checking - Chase	\$19,113.52	
3-1010 - Checking - Chase	\$99,293.26	
3-1040 - Endowment Money Funds - Schwab	\$12,947.97	
3-1070 - Endowment Investments - Schwab	\$1,248,824.64	
4-1010 - Checking - Chase	\$9,615.00	
Total Cash & Investments	\$1,557,410.43	
Other Assets		
1-1110 - Deposits	\$1,750.00	
Total Other Assets	\$1,750.00	
Total Current Assets		\$1,559,160.43
Contra Assets		
1-1600 - Building Loan Contra Account	\$776,564.72	
Total Contra Assets		\$776,564.72
Total Assets		\$2,335,725.15
Liabilities, Fund Balance, & Restricted Funds		
Liabilities		
Current Liabilities		
1-2000 - Accounts Payable	\$7,849.00	
1-2020 - Other Collections Payable	\$70.00	
1-2110 - Wage Accruals Payable	\$20,479.83	
1-2500 - Building Loan - Current	\$76,200.00	
Total Current Liabilities		\$104,598.83
Long Term Liabilities		
1-2700 - Damage Deposits - LT Rentals	\$4,500.00	
1-2750 - Building Loan - Long Term	\$700,364.72	
Total Long Term Liabilities		\$704,864.72
Total Liabilities		\$809,463.55
Fund Balance		
2-3000 - Fund Balance - Ministry	\$2,407.62	
2-3010 - Fund Balance - Membership	\$6,975.36	
2-3020 - Fund Balance - Social Justice	\$5,743.71	
2-3030 - Fund Balance - Lifelong Learning	\$6,916.91	
2-3040 - Fund Balance - Finance & Facilities	\$2,605.90	
2-3050 - Fund Balance - Market & Dev	\$1,051.81	
3-3000 - Fund Balance - East Shore Housing	\$42,818.02	
3-3020 - Fund Balance - Endowment	\$1,336,162.32	
3-3040 - Fund Balance - Facilities Reserve	\$6,592.88	
3-3050 - Fund Balance - General Reserve	\$81,749.56	
3-3060 - Fund Balance - Memorial Garden	\$4,520.40	
4-3000 - Fund Balance - Grounds	\$1,615.00	
4-3010 - Fund Balance - Gallery	\$8,000.00	
4-3020 - Fund Balance - Fund-a-Need	\$2,600.00	
Excess Cash Received	\$16,502.11	
Total Fund Balance and Excess Cash Received		\$1,526,261.60
Total Liabilities, Fund Balance, & Restricted Funds		\$2,335,725.15

Appendix C: October 2018 Financial Charts



Appendix D: Minister's Unbudgeted Expenses

MI Expenses not included in FY 2018-19 Budget		
For August 2018		
Amount	Description	Note
9,150.62	Payroll	Payroll for August paid on 08/20/18 and 09/05/18
915.06	TIAA 401K	
337.60	Medical and Dental Ins	
-	Life and Disability Ins	Stats in November
	Custom Movers	\$11,450 2016 Fund-A-Need
2,582.23	Custom Movers	Total of \$14,032.23 in estimate, BOT approved overage, paid 7/2018
3,943.66	Custom Movers	final invoice, BOT approved overage, payment sent 11/1/18
16,929.17	Subtotal	without June visit
1,675.69	Reimbursement to SF	June Seattle Visit per BOT vote
(1,555.00)	BOT Members subtotal	contribution to June visit
120.69	Balance of June Trip	
18,604.86	Total MI Expenses	not included in FY1819 Budget
17,049.86	Total to transfer from General Reserve to Operating Fund	
17,049.86	double check	

Appendix E: ESUC Board of Trustees Draft Minutes October 16, 2018

ESUC Board of Trustees

Draft Minutes

October 16, 2018

Minutes, Leadership Reports, Consent Agenda:	Com. + Board Liaison Reports Consent Agenda:
October Board Agenda + Upcoming Events	Personnel Com – Jerry Bushnell
Minutes of Last Board Meeting – September 18 Appendix D	Policy & Governance – Ann Fletcher (Chair)
Minister’s report – Rev. Stephen Furrer	Holly House Dev Task Force – David Baumgart
Board President's Report – Tom Doe	Right Relations – Mark Norelius
Finance – Treasurer’s Report – Marcy Langrock	Worship Team – Chris Struble (Chair)
Exec Dir, Finance & Operations – Jason Puracal Appendices A&B – Income Statement, BS FY17/18 Appendix C - Financial Analysis / Charts	ES Social Justice Ministry Teams – Jenny Hall Clark Nuber Audit Agreement, Appendix E 5 Year Strategic Plan Explanation, Appendix F
Lifelong Learning – Aisha Hauser	

East Shore Unitarian Church

Board of Trustees Meeting Agenda – October 16, 2018

Host: Mark Norelius, Timekeeper: Lee Dorigan, Process Checker: None

Agenda:

- 6:45 Social Gathering Mark
- 7:00 7:05 (5 minutes) Opening Words, Chalice Lighting Rev. Furrer
- 7:05 7:25 (20) Check in, Introductions
- 7:25 7:50 (25) Consent Agenda, move items to discussion if needed
- 7:50 8:35 (45) Finances: Endowment Claudia, Marcy, Jason, Craig
 - 5-Year Financial Plan,
 - 1- Year financial plan
- 8:35 - 8:50 (15) Retreat All
- 8:50 – 9:00 Executive Session – Confidential Items

Upcoming Events for Your Calendar

- Nov. Exec Council – Nov. 6

- Nov. Board Packet items due Wed, Nov 14 by end of day: email to volunteer1@esuc.org
- November Beacon Board Buzz due Wed, by Nov 21: email to Nicole Duff
- November Board Meeting Nov 20; Tom is host.
- Sunday Svc Announcements 11/11 11am Mark, 11/18 9am Dennis and 11am is Lee
11/25 11am is Paul, 12/2 11am is Sara, 12/9 11am is Mark.
- Help Wanted: 9am announcements for 11/11, 11/25, 12/2 and 12/9.
Thanks to Nicole, we are implementing the use of Signup Genius for Sunday Service Announcements.
More information to come.

Opening Words – Rev. Steve read a passage written by Albert Einstein quote about the mystical and science.

Check-in –

Mark, reflecting on flat water and foggy morning. Went out rowing in a single, which he is learning. One of the best days ever with flat water and beautiful colors. He reflected on what this community is doing for or to him.

Rev. Steve: Things are settling down. Still getting familiar with the area. Days are shorter.

Craig Nelson: Just came from a rotary meeting which included a brewery tour

Lee: Good meeting this morning with Dennis and Jerry. Dentist and haircut today

Marcy: Busy, very challenged to speak on Sunday and to condense her talk to 3-5 minutes. She appreciates the support from Aisha and Jason. Reading books by authors of color. Her mother in law with dementia is re-learning Spanish and reading poetry.

Aisha: Too many emails. Her family visited an island in Maine with no internet and no TV. She feels she is doing hard and important work.

Jason: Thrilled to have Aisha back and Steve here to share leadership and have people to check in with. Very busy weekend with his uncle from Malaysia, driving to Eugene ended up spending 26 hours in the car.

Ann Fletcher: trying to be out in the weather. Picked dahlias today. Moved three big rocks into her garden. Made ginger carrot soup. Got visited by Rhonda who was out for a walk with her grandson.

Dennis; very happy with the weather. Doing neighborhood walks.

Tom: Checked in electronically. Doing carbon sequestration research with DOE.

Dave: had 26th Wedding anniversary, went to Leavenworth, for Oktoberfest. Noted the beautiful fall colors on Eastside of mountains

Jerry: Spending lots of time with new grandson. Still working a locums physician to end of October.

Attendance:

In person: Dennis Fleck (vice president), David Baumgart (secretary), Jerry Bushnell, Mark Norelius, Lee Dorigan, Marcy Langrock (treasurer), Stephen Furrer (Developmental Minister), Aisha Hauser (Dir of Lifelong Learning), Jason Puracal (Exec Dir)

Attending via telephone: Tom Doe (president), Sara Brannman

Absent: Paul Buehrens, Uzma Butte (resigned from board this month)

Guests: Craig Nelsen (endowment), Claudia Hirschey (financial stewardship)

Non-agenda Item: Dennis announced that Uzma has again resigned from board, and her resignation will be accepted.

Proposed Consent Agenda:

- Approve September 18,2018 Board Minutes
- Approve funding for Clark Nuber Audit/Review
- Approval of 4 potential charters
 - Policy and Governance
 - Nominating
 - Financial Stewardship
 - Endowment

The following significant items were moved to discussion:

- Cash flow projections from Jason’s report, Dennis request
- Endowment charter, Marcy request

Revised Consent Agenda:

- Approve September 18,2018 Board Minutes
- Approve funding for Clark Nuber Audit/Review
- Approval of 3 potential charters
 - Policy and Governance
 - Nominating
 - Financial Stewardship

Lee moved and Marcy seconded the motion to approve the consent agenda. Motion passed unanimously.

7:27 Endowment charter discussion

Craig Nelsen was asked to give background on this topic. Craig has been on the endowment sub-committee for 2 years, and chair since Jan. 2018. The committee currently has 3 members, Craig, Bill Culverwell, and Steve Lange. The overall vision for the endowment is to build up a base of capital to produce income for the church. Currently the endowment balance is about \$1.3 million. Of this, about \$700,000 has been donated, and the rest is return on investment.

In recent years, the endowment has given 3.5% of the total to the church operating fund. In past years, the committee has accepted proposals and given out grants on an ad hoc basis.

In the past two years, with the adoption of the 5 year financial strategic plan, there has been a plan to view part of the endowment as a facility reserve budget.

In the proposed charter, the distribution plan is to make 3.5% of the 3 year average balance of the endowment fund available for transfer to the operating fund, or other appropriate church fund, by decision of the board of trustees.

In addition, the charter states that part of the endowment fund will be viewed as a capital reserve fund. The intention of the Annual Endowment Distribution is to utilize funds (designated as capital reserves), to match the current projected annual capital facilities expenses and improvements as assessed by the Facilities Team by January each year, and approved by the Financial Stewardship Committee and BOT.

The requirement for a congregational vote to transfer money from the endowment has been reduced to match the Bylaws requirements pertaining to purchase, sale or transfer of real property as recommended by the Policy & Governance Committee. The board can now draw out \$ 100,000, above the annual distribution, within one fiscal year, as long as the endowment still has a minimum of \$900,000. Anything above \$100,000 still needs congregational approval with 25% quorum and simple majority vote.

Discussion:

Dennis: In the investment management section, the sentence about "...growing principal and" needs revising. Also, the charter refers to a "Capital Reserve Fund" and Dennis asks if this is a fund in our chart of accounts. Jason explained that there is not an actual account by that name, but that part of the endowment fund will be viewed as a capital reserve fund. Dennis and Ann recommend changing the wording to drop the phrase "Capital Reserve Fund." These proposed working changes did not require a vote, and will be made prior to voting on the charter next month.

Jerry's concern: This is a fairly big change, and more communication to the congregation about the charter would be in order.

Jerry moved, and Lee seconded the following motion.

"We will not vote on the Endowment sub-committee charter tonight, but publicize the change for the congregation and place the charter on the consent agenda next month." The motion passed unanimously.

Discussion of Jason's report: Dennis wanted to clarify the statement that cash flow was below normal, and Jason explained it.

Discussion of Nominating Committee charter: Ann pointed out that some minor wording changes were needed in section C4 and C12.

Lee moved, Mark second that we approve Aisha, Jason, report and the wording changes in the Nominating Committee charter. The motion passed unanimously.

8:30 Financial 5 Year Strategic Plan:

Claudia Hirschey explained the process involved in the 5 year strategic plan. This is first ever for ESUC. It was adopted April 12th, 2018.

The team gathered ideas from town halls and congregants. They developed strategic action items, organized into three categories:

- Developing Reserve funds
- Operations budget
- Assets

Developing the reserve fund:

- We currently have \$80K operating reserves, trying to build this fund
- Want to fund endowment as a capital reserve, although we have not called the endowment a capital reserve fund.

Operations goals:

- Bring all activities into the budget process
- Maintain salaries.

Assets:

- Manage assets and their use by the congregation should be aligned with our mission + values
- Develop master plan
- Protect water rights from Holly House property

Claudia then introduced the 5 year forecasting tool and discussed its use. This forecasting tool is a spreadsheet with numbers about income, projected income growth, expenses, and expense growth. Claudia showed how we can vary the numbers with different assumptions about pledge amounts, and membership growth.

She pointed out that membership growth is important for our financial stability.

She discussed the current assumptions about the numbers used and the projected rates of inflation for expense and income. She pointed out that we would like to fully fund our UUA membership. She mentioned that we assumed 18% health care cost inflation last year, but it was much less. Future healthcare assumptions will be reduced to 10% per year.

She went over several scenarios about Holly House revenues, and pointed out that using some of the proceeds to pay off our mortgage is likely. Another idea is using proceeds on programs specifically designed to increase church membership. Many other ideas are coming out of the "Dream Big" meetings hosted by the Holly House Task Force.

Claudia pointed out that with our current actual pledge growth and actual expense growth, we will need extra income from things such as parking lot rental to maintain the current expenses.

Other observations:

- Overall, having our assets work for us will make it easier to balance the budget.
- We also have a spreadsheet for endowment which goes out 7 years. Est. growth is 7% per year
- Need for capital expense has been mapped out. We are projecting a large capital expense in 5 years
- We need the endowment to build, so average rate of return will generate enough for maintenance needs

Multiple board members thanked Claudia for all the work that her team has put in.

Finances: one year plan.

Jason gave us a report.

Current cash is about \$100,000, which is lower than usual. We now have new rental income that was not projected for the current operating budget. We also have \$9,000 not spent on unrelated business income taxes (UBIT). He summarized the current status for the current operating budget as follows:

- The current projections forecast a deficit for the fiscal year through June 30, 2019.
- In terms of cash flow, we can go another quarter with current pledges and expenses.
- Currently we have \$18,000 in extra expenses which were not in budget, for new minister expenses. Jason recommends that we use the general reserve fund for this.
- Although we could get through second quarter without this, cash flow would be tight.

Jason discussed plans for dealing with the current deficit for the 2018/2019 year. The re-canvas will help. This has already brought in an additional \$20,000. Today we received a \$20,000 gift from a will.

With the above, and using general reserve, we should be able to get through 3rd quarter of the fiscal year (3/31).

Discussion of Jason's report:

Tom thinks that we need to do more effort on canvassing. We have too many members not contributing.

Dennis recommends that we hold off transferring from reserve budget. Marcy points out that we will need to spend this eventually, and moving it now will make cash flow management much easier. The reserve budget is money that is surplus from the previous fiscal year, and we ended up with a surplus from the 2017/2018 budget.

Tom notes that last week's service kicking off the re-canvas took some people by surprise, not realizing that we have a financial problem.

Tom proposes that finances will be the first Saturday conversation in November.

Lee moved that we transfer \$18,000 from the general reserve fund to the operating fund, to cover the unbudgeted expenses authorized by the board to bring in the developmental minister. Mark seconded.

The motion passed unanimously.

Please consider these minutes as a first draft and let David Baumgart know of any additions or corrections. Our next Board Meeting is planned for Nov 20, 2018.

Respectfully submitted,

Jerry Bushnell, acting recording secretary (Thank you, Jerry!)

David Baumgart, Secretary, East Shore Board of Trustees

Appendix 1

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

Revised Consent Agenda:

- Approve September 18,2018 Board Minutes
- Approve funding for Clark Nuber Audit/Review
- Approval of 3 potential charters

Policy and Governance

Nominating

Financial Stewardship

END OF MINUTES

Appendix F: Executive Director Job Description

Executive Director

This position works closely with other members of SLT (Minister and DLL), direct reports, other staff, committees, lay leadership and individual congregant volunteers of the Church to accomplish the Mission and Ends of East Shore Unitarian Church.

The position of Executive Director works collaboratively with and reports directly to the Board of Trustees. The Executive Director is an ex-officio member of the Board and supervises staff that are responsible for administration, finance, technology, facilities, event coordination and custodial care. The Executive Director may have other duties as directed

Responsibilities

General Administration and Reporting:

- Along with the other members of the staff leadership team, monitor and manage implementation of church policies, procedures and ends. As necessary provide assurances to the Board of Trustees that Board policies are being fulfilled.
- Support the function of the Treasurer, seeing that the directives of the Board of Trustees are executed and ensure that the financial records of the organization are kept and maintained in an orderly manner.
- Develop and maintain efficient, effective, office systems and procedures.
- Handle complaints effectively and resolve problems as they arise.
- Prepare Executive Director's Annual Report, monthly reports to the Board of Trustees, and notices in the newsletter.
- Participate in SLT meetings, church staff meetings, Board meetings, Board Executive Committee meetings.
- Assign tasks and deadlines to administrative staff to meet organizational goals.
- Plan and initiate administrative projects.
- Keep abreast of current issues and changes in the field of Church Administration, recommending or making changes to policies and procedures as appropriate.
- Plan and implement programs and systems within the context of rapid institutional growth and change.
- Elaborate, negotiate, and administer all contracts on behalf of the church, in cooperation with the Board of Trustees.

Financial Management:

- Monitor and manage all financial transactions including Operating Funds, Revolving Funds, Designated Funds, and Restricted Funds.
- Follow established accounting procedures and maintain transparency in financial management. Follow and enforce all Board fiscal policies including tax and legal compliance.
- Develop and lead the Finance Team.

- Participate in the Financial Stewardship Committee and Endowment Subcommittee as Staff Liaison.
- Lead development of ESUC's Annual Budget in collaboration with the Budget Team.
- Proactively provide recommendations to improve internal controls and auditing procedures. Maintain accurate financial records, including pledge records.
- Coordinate independent audit as determined by the Board.
- Oversee production of monthly financial reports for the Finance Team, Financial Stewardship Committee and the Board, as well as quarterly pledge reports for church members.
- Collaborate with Treasurer, appropriate financial committees, and Board representatives in execution of their duties including development and execution of long term strategies.
- Protect the church's assets.
- Oversee bookkeeping.
- Present monthly financial reports to Board.
- Manage cash flow and support the investment management of ESUC.
- Oversee the accounts payable process: monitor all spending relative to budget and approve payment vouchers.
- Oversee annual pledge drive, organize and supervise data entry, oversee and manage pledge statements and reports.
- Develop and maintain accounting policies and procedures to assure compliance with financial controls and procedures.
- Act as Staff contact person for professional consultants as needed including Endowment Fund Managers.
- Maintain appropriate insurances and file claims as needed.

Personnel Management / Human Resources:

- Hire, train, coordinate, supervise, evaluate administrative staff including Bookkeeper, Facilities Manager, Membership Development Manager, and Caretakers (paid and volunteer).
- Follow established Board policies and maintain consistent personnel procedures to maintain personnel records, payroll records, vacation and sick leave records, for all staff.
- Oversee benefits programs including pension plan and all insurance programs (health, dental, life, disability, workers compensation, COBRA).
- Interpret, communicate and revise (as needed) ESUC's Personnel Policy Manual in collaboration with the Personnel Committee.
- Conduct or arrange for staff training as needed.

Facilities and Grounds Management:

- Oversee hiring, supervision and evaluation of Facilities Staff, vendors, contractors, consultants, and support teams .
- Oversee maintenance, care, scheduling and development of the campus.
- Oversee building and grounds support contracts such as for elevator, fire and security alarms, HVAC, communications, etc.
- Oversee timely purchase of maintenance supplies, paper goods, etc. as needed
- Oversee the proper use and rental of church facilities.
- Oversee the Facilities Staff in management of real property assets of ESUC including establishing priorities and procedures for scheduling building use and setting rental rates as appropriate.

- Oversee the safety and security of the campus and campus users.
- Purchase and maintain office and maintenance equipment and furniture as needed.
- Participate in Facilities Team meetings. Advise associated Grounds Sub-Teams (Grounds, P-Patch, Memorial Garden).
- Work with Facilities Staff and Team to prioritize and fund capital repairs & improvements.

Systems Management:

- Research and implement appropriate information technology systems to improve internal control and organizational effectiveness.
- Ensure that ESUC has a computer platform that is stable, scalable, and adequate to support the operational and data needs of the church and can accommodate the growth needs of the church as appropriate.
- Ensure that appropriate computer backup and security systems are in place.
- Oversee deployment of appropriate software applications that emphasize integrity of data, ease of use and effective office operations.
- Act as principal administrator with outside technical support services.

Professional Growth and Development:

- Participate in the Association of UU Administrators (AUUA) and attend periodic Washington area Administrator meetings.
- Participate the National Association of Church Business Administration (NACBA) and attend local chapter meetings.
- Attend denominational professional development events, conferences, and continuing education courses, as appropriate.
- Research and participate in other professional development opportunities to carry out the mission of the church.

Commitment Required

This is a full-time, professional, salaried, exempt position with benefits. Normal hours are 40 hours per week with some evening and weekend hours. East Shore is an equal opportunity employer.

Skills Required

- Appropriate education and experience in non-profit financial management, facility management, administration, and human resources
- Demonstrated ability for strong collaboration, working as a member of a team, and maintaining open, honest, and respectful communication at all times.
- Highly developed oral and written communication skills
- Highly developed and effective management style, both with paid staff and volunteers

- Highly developed computer skills including spreadsheet, word processing, database and communications software
- Willingness to transfer skills and grow the personal and professional capabilities of staff and those supervised
- Ability to plan for, lead, and implement rapid organizational growth and change

Appendix G: 2018-19 Endowment Subcommittee Charter

Section A: Name

1. What is the name of your group?

Endowment Subcommittee of the Financial Stewardship Committee

Section B: Purpose

1. What is the purpose of your group?

The purpose of the Endowment Subcommittee is to assist the Board of Trustees (BOT) in management of the Endowment Fund. In such management, the Endowment Subcommittee provides for the long-term financial security for the church aligned with the Financial Stewardship Committee's 5-Year Financial Strategic Plan. The Endowment Fund has a perpetual duration, making it possible to provide financial support of church (assets and improvements) over the long-term. A Portion of the Endowment Fund will be designated to support the 1 to 3-year capital expenditures of the church

2. How is your work related to one or more of our Unitarian Universalist Seven Principles? They are listed in the Overview Section above.

The Endowment Subcommittee seeks to operate within all of the Seven Principles and strives for its work to result in a healthy and vibrant church which has the capacity to live by the Seven Principles both internally and externally in the wider community. In particular, building a durable and sustainable physical and monetary infrastructure for the church will then allow it to focus its operational resources and energy on exemplifying to its members and others: inherent worth of every person (Principle 1); justice in human relations (Principle 2), Acceptance of one another and spiritual growth (Principle 3), free and responsible search for truth (Principle 4); conscience and democratic process (Principle 5); peace, liberty and justice for all (Principle 6); and interdependent web of existence (Principle 7).

3. How does your group connect with East Shore's Mission and Vision? Please see the Mission listed in the Overview Section above. The full Vision based on the Mission can be found at www.esuc.org under Governance and Bylaws.

The Endowment Subcommittee seeks to achieve an equitable and just investment strategy in order to support the Mission and Vision of East Shore.

The Endowment Subcommittee through establishing a perpetual duration of financial support (assets and improvements) ensures that the campus and buildings are maintained over the long term such that they are safe and accessible in order to conduct the mission of the church.

The Endowment Subcommittee recognizes the ministry of each of its participants provided through service on the Subcommittee. By preserving and conserving the institution and resources of the church the Subcommittee members practice love of East Shore and the wider community and ensure the means for members and friends to explore spirituality, to build community, and to promote justice. The Subcommittee also demonstrates these four pillars of the Mission by how its members interact in accordance within the committee and with other groups and individuals in the church.

4. In order to intentionally live our mission in our daily team work, a set of Right Relations guidelines is recommended for all Committees and Teams. Do you have an agreed upon set of guidelines? If not, please develop one this year. The Right Relations Committee will assist you as needed.
5. What relationship does your group have, if any, to the 2018/19 Ends? Ends are East Shore's goals. Please see the current Ends which will be listed in the Overview Section above once established.
6. What are your group's specific goals for the next year? What impact do you expect from your efforts? If an activity is listed, what result do you expect from it? How will you evaluate the impact of your efforts?

Endowment Subcommittee Goals for fiscal year 2018-2019

1. Fulfill the BOT Ends relating to the 5-Year Financial Strategic Plan in coordination with the Financial Stewardship Committee
2. Revise the Endowment Subcommittee's Investment Policy Statement in alignment with the 5-Year Financial Strategic Plan
3. Create a new Endowment Five to Seven Year Strategic Plan
4. Implement a planned giving campaign
5. Update printed and digital information educating the Congregation about the Endowment Fund, Subcommittee, and methods of planned giving
6. Increase membership of the Endowment Subcommittee to 4 plus the chair.

These goals will be measured by the completion of the specified documents, minutes and materials documenting implementation, results, and impact of planned giving and congregational education as reported in the Subcommittee's Annual Report.

Section C: Group Structure, Leadership & Decision-Making

1. Where does your group fit into East Shore's organizational structure – as a Board Committee, Ministry Team or Core Team? Who is your staff liaison or partner?

Endowment is a Subcommittee of the Financial Stewardship (FS) Committee, and a Standing Board of Trustees Committee as defined in Bylaws Article VII, Section C.

The Treasurer of the BOT will attend ex-officio (non-voting) and serve as liaison to the Board. The Chair of the Financial Stewardship Committee may attend ex-officio and serve as liaison to the FS Committee. The Executive Director will attend ex-officio, report from the Core Finance Team, and ensure adherence to Policy 2.13. The Chair of the Facilities Team may attend ex-officio and serve as liaison to the Facilities Team

2. What are the minimum and maximum number of participants? To ensure community representation, no fewer than five members is recommended. If you have fewer than five members, please explain. Who are your current team members?

The Endowment Subcommittee will consist of a Chair or co-chairs and at least four others, all of who must be members of East Shore Unitarian Church and be approved by the Board of Trustees. Members serve at the will of the Trustees.

Current Team Members include:

- Craig Nelsen- Chair
- William (Bill) Culverwell
- Steve Lange

3. What are the leadership roles and responsibilities within your group?

The Chair of the Endowment Subcommittee will:

1. Arrange for four to six meeting a year, set the agendas, and lead the meetings;
2. Attend the Financial Stewardship Committee quarterly;
3. Ensure that the Guidelines, Investment Management, Disbursements and Gifts, and Planned Giving and Fund Raising Sections of this charter are followed;
4. Update the charter annually and submit the Annual Report;
5. Communicate as needed with the members and the ex-officio members of the Subcommittee;

4. How are leaders determined, and what are their term limits? Please explain any differences from the term limits recommended in the Overview Section above.

The chair of the Endowment Subcommittee will be selected from the Endowment Subcommittee Committee by a majority vote of the Subcommittee and approved by the Board. The chair will serve a term of three years and may return after 3 years have lapsed from being chair.

5. What, if any, are the term limits for your members? Please explain any differences from the term limits recommended in the Overview Section above.

Members of the Endowment Subcommittee serve no more than five consecutive years. They may return after 3 years off the committee.

6. How are decisions made in your group (consensus, majority vote, officers, super majority percent)? What quorum is needed? Is email vote allowed?

Quorum is met when at least 50% of the Members are present. Decisions and recommendations are made by a majority of the committee total.

7. How are records kept and passed on for your group? If you are a Board Committee, what one person on your team will send the meeting minutes to the Chair of the Archives Team?

8. How are members recruited and oriented to your team?

As some financial and investment acumen and experience are necessary for service, the Endowment Subcommittee will recruit new members through the Nominating Committee, recommendations from the Financial Stewardship Committee, recommendations from the Membership Development Manager, and through personal outreach to potential candidates.

New members are oriented to the work of the Endowment Subcommittee by past meeting agendas and notes, providing each member the Endowment Charter, the five-year financial strategic plan and quarterly investment reports. Meeting discussion, questions and answers are an important element of orientation to the FS roles and responsibilities.

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

Members are required to attend at least 75% of the meetings. Members are allowed to attend meetings via electronic communication.

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

The group communicates via Financial Stewardship reports, the Board Reports of the Treasurer, and a basic brochure explaining its purpose and status. It also holds Town Halls for ES members.

11. What one person on your team is authorized to approve communications publicized by Staff? Who is the designated back up person?

The Endowment Chairperson is authorized to approve communications publicized by Staff.

12. What types of decisions is your group authorized to make?

It organizes communication about the Endowment with ES members and does outreach for possible donors to the Endowment.

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

The group brings reviews and recommendations of quarterly and annual financial returns and distributions, as well as the specifics of its investments, to Financial Stewardship and then to the Board. It also assesses the work of the ongoing financial advisors hired by ES.

14. Does your group plan to sponsor any outside groups to use the church facilities? If so, please see Board Policy 1.16a and the Staff Procedures for Sponsorship of outside groups.

No such sponsorship is planned for the 2018-19 fiscal year.

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

Ongoing.

Section D: Finances

1. Will your group present a budget proposal to the Budget Team next year?

The Endowment Subcommittee does not generate any revenues or incur any expenses for the committee, thus a budget proposal is not required for submission to the Budget Team.

2. 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

3. If your group plans to do fundraising, please describe how it will go about this. If you plan to solicit donations, use the following wording: "Your donation goes to East Shore's operating funds which supports (name of your team) and other programs."

n/a

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

n/a

5. Which one person on your team is authorized to approve team expenses? Who is the designated back up person?

n/a

6. 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

Section E: Subcommittee Guidelines

- Accounting: The Endowment Fund is a Designated Fund and monies associated with it is separate from the Operating Fund until a disbursement is made. The total Endowment Fund is the combined balance of the 3-1040 Endowment Money Funds – Schwab account and the 3-1070 Endowment Investments – Schwab account.
- Investments will be directed according to the Investment Policy Statement, a description of investment policy which shall be applied to the endowment funds. (See "Investment Management"). This subcommittee is charged with proposing revisions and keeping the Investment Policy Statement current.
- Reporting: Investment performance results will be reported at least annually to the Financial Stewardship Committee and the Board of Trustees.
- Recordkeeping: The Chair or designated Member of the Committee will maintain records of contributions from donors, brokerage statements, correspondence, minutes, etc., and provide copies for archive to the Executive Director and operations quarterly. Confidentiality of these records will be maintained.
- Audit: The Endowment Fund is subject to audit such as would be any aspect of church finances, and the status and handling of the funds are subject to review at all times by the Board of Trustees and the Financial Stewardship Committee.
- Planning: Each year, the Facilities Team will create a report of expected capital expenses over the next one to three years based upon a current Reserve Data Analysis, personal assessment, and price quotes. With review from the Finance Team, this report will be submitted to the Financial Stewardship Committee and the Endowment Subcommittee for distribution planning. The Endowment Subcommittee will prepare and maintain a five- to seven-year strategic plan that prepares the funds to support planned capital maintenance and improvements of the church assets.

Section F: Investment Management

The Endowment Subcommittee, with approval of the Board of Trustees, will select a professional money manager to manage the assets of the fund. The Endowment Subcommittee will review fund performance at least quarterly with an annual review against appropriate benchmarks.

The manager will have full discretion to invest and manage the Endowment Fund in accordance with the ESUC Endowment Fund Investment Policy Statement. The Endowment should be invested to achieve an equitable balance between growing the principal of the fund and preserving the capital of the fund. Funds which are expected to support planned facilities expenses are expected to be invested in low risk, highly liquid investments to meet the short- to medium-term planned capital maintenance and improvements of the church assets.

The Investment Policy Statement is subject to change on approval of the Endowment Subcommittee. Changes in the Investment Policy will align with the Financial Stewardship Committee's 5-Year Financial Strategic Plan, and require approval of the Financial Stewardship Committee and the Board of Trustees.

Section G: Disbursements and Gifts

- a. Disbursements from the Endowment fund are recommended to the FS Committee which forwards a recommendation to the Board of Trustees. Distributions occur only by authorization of the Board of Trustees.
- b. Annual Endowment Distribution: Each year, a distribution equal to 3.5% of the 3-year average market value of the Endowment fund as of December 31 will be available for transfer to the Operating Fund, or other appropriate church fund, by Board decision. In the event that the 3-year average market value of the Endowment is below USD \$900,000, there shall be no annual distribution from the Endowment Fund. This Distribution formula is set by Board approval.
- c. 5- Year Financial Strategic Plan: In alignment with the ESUC BOT Approved 5-Year Financial Strategic Plan, the intention of the Annual Endowment Distribution is to utilize funds designated as the Capital Reserves, to match the current projected annual capital facilities expenses and improvements as assessed by the Facilities Team and approved by the Financial Stewardship Committee and BOT.
- d. Excess Distributions: The Endowment Fund is designed to be a perpetual fund and distribution beyond the normal Annual Distribution shall occur only on the approval of the BOT up to the maximum amount of One Hundred Thousand Dollars (\$100,000) above the normal Annual Distribution. In alignment with ESUC Bylaws Article VIII, Section D (2), the total sum of distributions within a fiscal year from the Endowment Fund in excess of \$100,000 above the Annual Distribution requires simple majority approval of the church membership with a 25% quorum present at a duly called meeting.
- e. Restricted gifts: In accordance with Policy 2.14, on approval of the Board of Trustees, the Endowment Fund may accept a gift from a donor who specifies the purpose for which the principal and income of the gift may apply. In such a case the principal may be expended in full at any time to meet the donor's instructions. Similarly, cash income from that part of the fund represented by the restricted gifts will become available each year in accordance with the donor's instructions. Such Restricted gifts will be accounted for in a Restricted Fund account, separate from the Designated Fund Endowment accounts.
- f. Gifts of illiquid assets: Gifts of real property, private stock, or other non-liquid assets require Board approval to accept.
- g. Restrictions on borrowing: As a protection to the fund, the Church shall not borrow principal from the Endowment fund, nor may it use the assets of the fund as collateral in any of the borrowing.

Section H: Planned Giving and Fund Raising

The Endowment Fund Committee is authorized to establish a planned giving program and to seek gifts and bequests under such a program. A plan for a bequest program or campaign will be approved by the board. Planned giving includes bequests by will, beneficiary designation, charitable gift annuities and payments under a trust agreement. The purpose of the program is to:

- Inform and educate the congregation about the types of planned gifts and bequests that can benefit the church;
- Identify members and friends who may be interested in making a planned gift; and
- Make sure that interested members and friends are asked for a planned gift commitment and thanked and honored upon receipt of such a commitment.

Bequest Society: The Elliot Marple Bequest Society is established to recognize those members that have made planned gift commitment.

Appendix H: Charter Tracking

Charter Tracking (Updated November 6, 2018)

Board Committees (Chair)	P&G Committee Notes	Date Board Approval
Policy & Governance Standing Com. (Ann Fletcher)	Submitted Final	October 16, 2018
Nominating Standing Com. (Connie Hirnle)	Submitted Final	October 16, 2018
Personnel Standing Com. (Grace Colton)	Submitted draft	
Financial Stewardship Standing Com. (Claudia Hirschey)	Submitted Final	October 16, 2018
Endowment Sub-Committee (Craig Nelson)	Revise draft, Publicize, Comments to Board	
Right Relations Standing Com. (Louise Wilkinson)	Submitted draft	
Holly House Dev. Task Force (Linda Freeberg)	Submitted, Approved	August 21, 2018
Core Teams-Minister (Chair)		Date of Staff Approval
Archives (Ruth Edwards)	Submitted Final	
Worship/Earth Based Celebrations (Chris Struble)	Submitted Final	
Lay Pastoral Ministers (Milly Mullarky)	Submitted Final	
Earth & Social Just. Council (Ann Fletcher) *Liaison	Submitted Final	
ANSWER Nepal (Margaret Hall) *Ann Fletcher	Submitted Final	
Beloved Racial Justice (*Louise Wilkinson)	Working on it	
Climate Action (David Chapin) *Ann Fletcher	Submitted Final	
Congregations for Homeless (Dean Dubovsky/Peggy Phillips) *Lynn Roesch	Submitted draft, Revising	
Crossroads Meals (Pam Monger) *Jenny Hall)	Submitted draft	
Food Bank (Ryam Hill) *Jenny Hall)	Submitted Final	
Good Start Back to School (Nancy Worsham) *Jenny Hall)	Submitted draft	
Holiday Giving Tree (Emily Winstrom/ Trish Webb * Lynn Roesch	Submitted Final	
Meaningful Movies (*Lynn Roesch)	Submitted Final	
Partner Church Khasi Hills (Barb Clagett/Doug Strombom) *Ann Fletcher	Submitted Final	
P-Patch Ministry Team (*Ann Fletcher)	Submitted Final	
Second Sunday Share Plate (Jane Sisk) *Jenny Hall)	Submitted Final	
Women Helping Women (Laurie Wick) *Lynn Roesch)	Submitted Final	
Core Teams-Executive Director (Chair)		
Finance Team (Jason Puracal)	Submitted Final	
Core Teams-Member. Dev. Man., reports to* (chair)		
CT Connection Teams (Julie Heise) *Minister	Submitted Final	
Gallery-Art on Campus (Karen Dawson) *Minister	Working on it	
Membership (Janis Pock) *Minister)	Submitted draft	
Operating Fund Drive (Sarah Brannman) *Exec.Director	Submitted Final	
Seabeck (Jenn Sill UUC) *Minister	Submitted Final	
Women's Perspective (None currently) *Minister	Submitted Final	
Outreach ((David Langrock) *Executive Director	Submitted Final	
Auction (Beth Wilson) *Executive Director	Expected after auction	

Core Teams-Facilities Manager, Dianne Upton reports to Executive Director (Chair)	P&G Committee Notes	Date of Staff Approval
Facilities (Bob Weiss)	Submitted Final	
Grounds (David Kappler)	Submitted Final	
Memorial Garden (Ann Fletcher, interim)	Submitted Final	
P-Patch (also under ESJCC)	Submitted Final	
Flower (Lucy Persson recruiting new chair)	Submitted Final	
Ace Media Crew Hardware (Ralph Lutz/Lee Winstrom)	Submitted Final	
Core Teams-Director of Lifelong Learning		
Lifespan Integration (includes Children and Youth, RE teachers, and Adult Programs (Walter Andrews)	Submitted draft Adding new template	
Core Teams-Music Director		
Choir (Jennifer Sumner/Amanda Strombom)	Submitted Final	
Ace Media Crew Production (Ralph Lutz/Lee Winstrom)	Submitted Final	
East Shore Live (Grace Colton)	Submitted Final	
Caring Community Groups-Minister and Caring Coordinator, Milly Mullarky (Contact Person)	Common Charter - Submitted Final	
Adult Children of Aging Parents (Janice Thomson)		
Covenant Circles (Various)		
Extended Families (Various)		
Helping Hands (Carol Sinape)		
Men's Support (Joe Germano)		
Widows Flying Solo (Karen Lutz)		
Affinity Groups- Minister and Membership Development Manager (Contact person)	Common Charter- Submitted Final	
Informal Bridge (Trish Webb?)		
Coffee Klatch (Earl Fleehart)		
East Shore Outdoors (Amanda Strombom)		
Guitar Jam (Paul Hutchinson/Chris Struble)		
Library 9 (Gerry Kapur)		
Men's Breakfast (Dave Womeldorf)		
Military History (Bill Riddle)		
Spirituality (Ruth Edwards)		
Women's Friendship (May have disbanded)		
4 th Wednesday Book Group (Zee Straight-Weiss)		

Appendix I: Restorative Justice Proposal from Right Relations Com

Proposal to the East Shore Board of Trustees

November 20, 2018

We ask the Board of Trustees to:

1 – Fund Pam Orbach’s ongoing work for the 2019 calendar year to build trust and shift the culture in this congregation. Her work supports the goals of inspiring a healthier culture at East Shore, growing membership, and making measurable progress moving our congregation from multiculturally aware to anti-racist.

Please see the attached proposal titled “A Restorative Approach.” Pam’s work has already made huge differences in several areas of the church. The cost would be a maximum of \$20,000 for the year. She will track her hours and if her hours, priced at \$150 per hour, do not add up to \$20,000 at the end of the year, she will charge according to the hourly rate.

2 - Engage in this trust building process as leaders of this church, working with Pam to explore what being in community really means. This work will infuse awareness and restorative principles into leadership and top decision-making, both enabling the Board to model a healthy culture and helping the Board to create it through their governance of the church.

Sincerely, Louise Wilkinson, Chair, Right Relations Committee

Note: the Following proposal was co-authored by the Right Relations Committee and Pam Orbach. It is noted that Pam was retained by the RRC in 2018. During 2018, the East Shore Board received regular updates from the RRC about the work of Pam Orbach in collaboration with the RRC, the Board, and other East Shore leaders.



A Center For Restorative Solutions

East Shore Unitarian Chu

November 20th, 2018

A Restorative Approach

- Building trust and community
- Addressing harm
- Transformation for increased connection, inclusion and growth.

“All men are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly. I can never be what I ought to be until you are what you ought to be, and you can never be what you ought to be until I am what I ought to be... This is the inter-related structure of reality.”

— Rev. Dr. Martin Luther King, Jr.

OBJECTIVES

- Provide restorative container for the community
- Introduce Restorative Justice and Restorative Culture
- Engage in practices that build trust, relationship, and connection in the community
- Explore the paradigm shift away from punishment/shame and punitive justice towards self-responsibility, and accountability that repairs and restores relationship
- Expand empathy and compassion, creating space for numerous perspectives
- Recognize how proven Restorative Practices can be implemented within the community to build trust and relationships while addressing challenging situations
- Experience Community Building/Talking Circles, establish a shared set of values and agreements to build trust and navigate conflict, exploring skills of Reflective Dialogue and empathic listening
- Deepen compassionate awareness and restorative mindset within self

Where the work is already underway:

- Initial restorative conversations with different community groups in the moment of fracture.
- Right Relations task force
- Right Relations facilitation team
- Beloved Racial Justice People of Color Group
- Beloved Racial Justice white caucus
- Support of staff
- Pre -work with Bob Weiss, Denis Fleck and Mark Norelius
- Restorative process with Bob Weiss and Jason
- Day training to begin the work of establishing East Shore as a hub for restorative Practice on the Eastside.

What comes next:

- Continuing the work above
- Work with the leadership team.
- Begin the work of building a Restorative Culture at East Shore.
- Engage with more community stakeholders
- Bring the consciousness of Nonviolent Communication and Restorative Processes to the whole community (ie. Building skills to build trust and community with a compassionate consciousness and bias awareness)
- Broaden circle practice to begin dialogue between community factions
- Build a Restorative System for conflict transformation so that everyone's needs really matter, and when all the needs cannot be met, all voices are engaged in hearing the impact of that, and finding ways to be aligned about which needs are met, and which are held with a great deal of care.
- Facilitate regular RJ and NVC trainings for the community, and the public to grow East Shore as a Restorative Hub or practice for the East Side.
- Create self sustaining and maintaining culture and skill set.
- Remain in partnership for conflict engagement and RJ trainings and practice groups for wider Eastside community.

Scope of work with the Board, Steve, Leadership Staff, and Congregation

This work is dependent on members of the board having willingness to engage with it.

"You cannot push a river."

- 3 three hour circles to begin the work, followed by regular 1.5 hour circles bi weekly or once a month for a period of time. (All of this can be adjusted if necessary)
- Consultation on "need to have" basis, as requested by the board or individual board members.
- 2 hour circles with Steve, staff leadership and with diverse community within East Shore.
- Envisioning session when ready.
- Support to build the systems listed above.
- Restorative work related to Jason's request
- Equity awareness work as indicated along the way.

What we choose to do will be determined by each step we take. What arises will determine what needs to happen next. This is an organic process (not to be confused with lack of direction. This will be highly intentional work). I will bring the various modalities and skills I have to support increased connection, impact awareness and movement towards being a fully inclusive compassionate and racially just church, where everyone's needs matter. What that looks like will be of your making. My role is to create a "safe" container to do the work; the outcome will be determined and designed by you. This will be done with a great deal of care.

Budget

Using 2018 as a guide, the current work will continue, and we will begin increasing community and leadership engagement.

A year of engagement with no hourly limit would cost the community \$20k. (\$5000/quarter)