

Minutes, Leadership Reports	Com. + Board Liaison Reports
July Board Agenda + Upcoming Events	Personnel Committee – Jerry Bushnell
Minutes of Last Board Meeting –	Earth and Social Justice Coordinating Council (ESJCC) Report – Lynn Roesch
Board President's Report – Tom Doe	Rr Committee – Mark Norelius
Finance – Treasurer’s Report – Marcy Langrock	Policy and Governance – Ann Fletcher
Ministers Report – Stephen Furrer	Holly House Dev. Task Force – Dave Baumgart
Exec Dir, Finance & Operations – Jason Puracal Appendices A&B – Income Statement, BS FY18/19Appendix C - Financial Analysis / Charts	
Lifelong Learning – Aisha Hauser	

Board of Trustees Meeting Agenda – May 21, 2019

ESUC Board of Trustees				
May 2019 Agenda				
21-May-19				
Host:				
6:45	7:00	0:15	Social Gathering	
7:00	7:10	0:10	Check in	All
7:10	7:20	0:10	Consent Agenda	All
7:20	8:00	0:40	2019-2020 Budget	Marci, Jason & Tom
8:00	8:10	0:10	Holly House Update and Sara’s letter	Dave and Mark
8:10	8:20	0:10	Annual Report	Steve and Jason
8:20	8:30	0:10	General Assembly	Steve
8:30	9:00	0:30	Executive Session	All

Upcoming Events for Your Calendar

- Date Exec Council – June 4, 2019
- Date Board Packet items due Wed,6/12/2019, by end of day: email to Volunteer 1@esuc.org
- Date Beacon Board Buzz, email to Nicole Duff
- Date Board Meeting 6/18/2019; Jerry is host.
- Sunday Svc Announcements: Needed for June 9th, and every Sunday after that. Please sign up.

Present: Tom Doe (President), Marcy Langrock (Treasurer), Dennis Fleck (Vice President), Dave Baumgart (Secretary), Evelyn Smith, Lee Dorigan, Mark Norelius, Jerry Bushnell

Absent: Paul Buerhens

One Board position is currently open: Sara Brannman has resigned because of new job

Staff: Jason Puracal, Aisha Hauser, Reverend Steve Furrer

Guests: Sheridan Botts, Mike Radow, Ann Fletcher

Opening Words: Done by Reverend Steve.

Review of Board Agenda + Consent Agenda - (see content of Board Packet - all Board members are expected to review the entire Board Packet prior to the Board Meeting) - Tom asked if anyone requested to move items from the Consent Agenda to the Discussion Agenda.

5/21/2019 Consent Agenda Voting Items:

- Approve April 2019 Board Meeting minutes
- 350 Eastside Sponsorship Agreement
- Designated Fund Facilities Reserve expenditure
- Approval of Clark Cyr as a member of the Financial Stewardship Standing Committee

Items Removed from Consent Agenda:

- 350 sponsorship agreement.

Discussion:

Change to draft minutes of April 2019: Jason resigned from the Holly House task force because he was told to remain silent, whereas in the draft minutes, it was stated that he was asked to remain neutral. Jim Shuman will be on the Holly House negotiation team but does not want to be a negotiator.

The 350 Eastside sponsorship agreement was taken off the consent agenda because there were several items brought up that might be added to the agreement. The agreement will be brought to the next board meeting for approval.

Vote on Consent Agenda: Mark moved to approve the consent agenda; Evelyn seconded
Vote results 8 for, none against

7:30 – 2019-2020 Budget discussion:

1. **What to present at the annual meeting:** Tom started by noting that the board needs to decide if we are going to present one budget for approval at the annual meeting, or more than one option. The budget presented by the budget committee is referred to as the Investment Budget, and entails drawing money from the endowment, to be paid back later from Holly House proceeds. Jason and the budget committee have also come up with a fall back budget, which uses the best estimate for pledge income in 2019-2020 and would result in reduced staffing. Marcy does not think that we need to present both budgets for a vote. Jason points out that we could also ask the congregation to make up the revenue side with pledges, keeping expenses the same. Jason says that we don't have to specify all the cuts in budget at the time of the meeting.

Discussion:

Lee: When people hear about this the first time, they need to know what would happen if we don't use the endowment.

Marcy: that info will be in the webinar and the town hall.

Lee: People need to know the downside of the low-income budget.

Jason: People will be able to see what the \$150,000 deficit looks like

Tom: It is consequential to the operation of the church.

Dennis: How do we tell the story? We need to be clear, what is salary benefits tax, what is program, what is overhead. Show that these are real people with talent and skill. If we don't

invest for growth, the church will suffer. Dennis commented in the first draft of a webinar being designed to inform the congregation about the current budget decisions and noted that the current version has line graphs, which could be consolidated.

Dennis would like people to sit back and think about the impacts.

Marcy: where can the 10-year financial plan be posted and shown to the congregation

Tom: notes that the 10-year plan is only for the board at this point and can be changed. He points out that drawing from the endowment is a potential slippery slope, and we need a plan to pay back the endowment.

Tom: The initial budget presentation has gone well. Tom points out that the money we propose using does not put the church in financial peril. Tom would like the congregation to know the board looked at what no draw would look like

Dennis would like to show only one budget.

Lee worried about people being upset if the endowment is touched.

2. Discussion of specific budget items:

Jason presented the full budget. There are 3 current budget scenarios.

- Scenario A assumes income from pledges will be \$231,268 more than the current 2019/2020 estimate of \$615,000
- Scenario B proposes using a withdrawal of \$231,268 from the endowment to meet income goals.
- Scenario C uses estimated current pledge income for 2019/2020 and staff cuts to balance the budget.

Points from the discussion.

Jason: Right Relations was budgeted for \$10,000, but requested, late, just over \$30,000. The committee changed the RR line item to \$20,000. Board needs to decide what to budget for Right Relations.

The new temporary bookkeeper is finding errors in how pledges were tracked, uncertain how this will affect the budget

Right Relations does not have its own account but is a board expense.

Tom wonders about adding an entry to our chart of accounts to account for money spent with Pam Orbach. Jason notes that we could get that number now if board wants it.

3. Jason Puracal's draft budget cuts if investment budget is not passed

Aisha continues to be paid for 30 hours, even though she reports currently working 40

Music director continues to be paid half time, although he is currently working 30+ hours per week

Program coordinator stays a half time position

Jason goes to 30 hours per week instead of 40

Go to one caretaker, which would affect rental income.

Lose 10 hour per week office assistant

No increase in childcare hours

Salaries would be frozen.

Social justice team budgets would be frozen at this year level

Maintenance, would be minimum, no painting, no tree work (we currently need \$5000 more in tree work)

No money for a comprehensive plan amendment with city to see what we could do to develop the lower parking lot, costs \$1500 to \$2000

No new website, cut advertising to \$500

Jason notes there is potential in the future for income production from developing the lower parking lot. Marcy, we are at danger of losing staff, which will further shrink the church.

4. Discussion of Plan A and B expenses:

Marcy would like to reduce the \$9000 for outreach, perhaps just money for website, and less for banners and swag. Try to get that number to \$5000.

Tom: most of the money this year will be for staff increase, but it would be hard for staff to grow the church without money to work with.

Marcy points out that getting the website up first is more important.

Evelyn: If staff is already working more hour than they are paid, increasing pay appropriately will not give them anymore time. If they cannot add more hours, how can they work to increase membership more than they are now?

Aisha: if hours are not increased, then she will save time by dropping off the SLT. Aisha feels that she is not being paid that much.

Jason does believe that the investment budget will allow for initiatives to increase growth.

Marcy notes that if our staff is paid fairly, they will be happier.

Aisha notes that just discussion about cutting staff has been demoralizing.

Tom notes that if we don't grow the church, we will eventually have to cut back staff and expenses.

Dennis thinks we should keep the marketing budget up to help grow membership.

Dennis also thinks we should fund Right Relations, knowing we don't have to spend it all

Mark: We will have to have lots of discussions about big challenges, with Holly house finance decisions and with anti-racism work.

Marcy asks if we have a plan to wean off Pam's help.

Aisha says that Right Relations members are being trained to run circles, and that Pam would like to spend her time working with the board.

Steve says that Pam knows that she will not be here indefinitely

Dennis recommends increasing the endowment draw by \$10000 to cover the increased Right Relations.

Aisha notes that there is professional development money, and Amanda could use \$600 more to get certified.

Aisha would like to have professional expense money increased, she would like \$5000 for her and \$3000 for Amanda, and \$2000 for Nicole. Aisha notes that UUA recommends 10% of salary for professional development. Amanda would need \$545 to seek further UUA certification.

Steve notes that he has spent more than is in his budget to have Eric join UUA groups

Tom recommends moving \$545 from marketing to professional development

Discussion of full funding Right Relations:

Jerry, Mark, Evelyn ok, but with care. Dennis ok, but only with a plan to wean and empower us, Marcy ok with professional expenses and she is on the fence about Right Relations spending noting that Pam is being used for many circles, but not being managed by the board. Aisha points out that RR is meeting weekly to strategize how to use Pam's time. Marcy is worried about open agenda, but ok with a plan to wean.

Tom asks Aisha how much time she is spending on RR, Aisha estimates one quarter time to one half time. Aisha felt that that time helped her personally. Tom notes that with Aisha's time and money for Pam, we have nearly one FTE, but never made the conscious decision to do that.

Jason notes that when you add Steve's time, we are spending at least a full FTE on Rr.
Dave supports all the changes.

Board motion on presentation of budget to the 2019 annual meeting: Dennis moves we accept Scenario B with the changes to RR, and bring to the congregation to approve or not approve
Dave seconded the motion.

Vote Results: 8 for and none against, Scenario B will be presented to the congregation.

8:55 Holly House update: Dave

1. **Survey:** At the April meeting, the Holly House Developmental Task force presented a survey that they had prepared and wished to distribute. We need to let the Holly House team know why the board did not approve the survey. Marcy noted that few people answer. Lee pointed out that past surveys were not helpful. The first Holly House team did 3 surveys, and none were representative. Only 25% of email blasts are opened. Tom's concern is that Carrie Bowman feels that an evaluation of the process is needed as she noted room for improvement. Tom asks what do we want to learn about the Holly House process? How can we learn lessons from this?

Dennis points out that we could get feedback from the task force about what they thought, also from congregants. Jerry and Lee both point out that the current survey will generate numbers which will not be statistically valid for the congregation as a whole.

Mark recommends we use the final four questions as a survey.

Motion to the board:

Mark moves that we distribute survey questions 13 to 16 to the congregation. Lee Seconds.

Discussion: Dennis wonders about getting a report and feedback from Holly House task force, staff and board.

Friendly amendment: SLT will work with Jennifer and Carrie to modify the survey.

Vote results: 8 for 0 against

2. **Proposed charter for the purchase and sale task force** - will be voted on at next meeting

3. **Current issues the task force is working on:**

1. Cloud on the title, Mark working with Mr. Whipple, city of Bellevue. They are preparing a termination of the agreement made at time to build the RE building which involved joining the main church lot with the Holly House lot to avoid putting in curbs and drains. King county did not recognize the agreement in the first place, and it was never formally executed. In the intervening years we have made the upgrades required which they required in the first place. Worst case is that we would have to do a short plot, which would take a year. Ann points out that the city has been taking quite a while. The buyer is also in touch with Bellevue. The purchase and sale process is not being held up.
2. Playground. The developers asked that we cede the land and we declined. We offered to give them an easement on the playground if they replace the structures. We want to be in on the design and what the space would look like. We discussed liability issues. We discussed timing the playground be put at the front of the development property.

3. Sophia Way lease, we will continue do normal operations for now, Current lease goes to June 30th, and then we would like to ask for 6 months, then it will go month to month.

9:32: Annual report: Jason, Steve, Nicole, and the staff leadership team is working on it. There will be one out before the congregational meeting, with reports from the president, minister, finance year to date. The final report will come out after the annual meeting when books for the year are closed. This report will be both for internal and external customers.

9:35 General assembly: The board assigns 9 delegates and alternative delegates. The following appointments were made:

Chris Struble

LeAnne Struble

Lee Dorigan

Paul Buehrens

Mark Norelius

Doug Strombom

Amanda Strombom

Louise Wilkinson

Milly Mullarky

Dennis Fleck will be an alternate delegate

Delegates for our district:

Louise Wilkinson

Milly Mullarky

Paul Buehrens

Dennis Fleck, Strombom, Struble

Amanda or Doug Strombom, to be decided

LeAnne or Chris Struble, to be decided

9:45 Executive session began

10:15 Closing words by Reverend Steve

Respectfully submitted,

Jerry Bushnell

Recording Secretary