

# Unitarian Universalist Church of Bloomington, Indiana

*Seeking the Spirit, Building Community, Changing the World*

Board Minutes

July, 10 2013



|  |          |
|--|----------|
| <b>I. CALL TO ORDER</b>                      | <b>2</b> |
| <b>II. CHALICE LIGHTING AND READING</b>      | <b>2</b> |
| <b>III. CHECK-IN</b>                         | <b>2</b> |
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| <b>A. APPROVAL OF PREVIOUS BOARD MINUTES</b> | <b>2</b> |
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| 1. TOPIC                                     | 4        |
| <b>VI. EXECUTIVE SESSION</b>                 | <b>5</b> |
| <b>VII. ADJOURNMENT</b>                      | <b>5</b> |

**Attending:** Kathleen Sideli, Von Welch, Arzetta Hults-Losensky, Abby Gitlitz, Drew Schrader, Doug Cauble, Deb Hutton,

**Ex-officio:** Reverend Mary Ann Macklin (MAM)

**By invitation of the Board:** John Lawson, Carol Marks

Submitted by Abby Gitlitz, Secretary

## **I. Call to Order**

Call to order by Kathleen Sideli, President, at 7:05

Changes to the agenda: None

## **II. Chalice Lighting and Reading**

Chalice lighting by Arzetta and reading by Drew.

## **III. Check-in**

Attendance and check-in.

## **IV. Consent Calendar**

### **A. Approval of Previous Board Minutes**

Motion: Approve the June 2013 Board of Directors Meeting minutes by Deb Hutton.

Seconded by Drew.

Vote: approved unanimously.

### **B. Staff Report -7:10**

B.1. Volunteer staff report- John Lawson is now serving in the role of volunteer CFO for UUCB and will be helping to construct the budget.

B.2. There was discussion on what the roles of the Church Administrator, Treasurer, CFO, and Finance Committee will be and how they will work together and apportion tasks.

B.3. Carol Marks spoke on her role as church bookkeeper. She pays bills, writes the checks, but cannot sign them. They are signed by the ministers, the president, vice president, and treasurer. We need to figure out where the CFO will also have the authority to sign checks. The money is processed by the office assistants (i.e. pledge, plate, deposits, etc.).

B.4. Finance committee, chaired by Arzetta, is a committee of the board so is still in charge of internal audits. They are the checks and balances for the CFO and the staff.

B.5. By board policies, there is supposed to be an external audit every four years. The last was a procedural audit four years ago. They were not checking the books, rather procedures.

## **C. Minister's Report -7:25**

Reverend Macklin reporting.

C.1 Would like to see GA delegates that are in part funded by the church give a one page report back to the board/ministers. That is the purview of denominational affairs.

C.2 Would like to bring in "Beyond Congregations"- A three day workshop on growth in the church and growth of the church in the community.

C.3 John Summerlot is working on a confidentiality agreement for all volunteers and staff who would come into contact with sensitive personal data.

C.4 Green Sanctuary is asking about the Special Purposes Funds- wondering about divestment of certain types of funds that run contrary to our 'green' goals and objectives.

C.5 There was a disruption during a service in June. John Summerlot is going to work on reinstating usher training.

If there is an emergency when the sabbatical minister is in the pulpit, then the board member is responsible for the safety of the members and the building.

## **V. Discussion Calendar**

### **A. Old Business -7: 45**

#### **1. Topic**

A.1.1 Legal advice regarding board policy II.A- Guy Loftman suggests striking the second sentence about prohibiting illegal activity on the part of staff since the board is worried it would have a chilling effect on civil disobedience.

Arzetta motioned to strike the second paragraph. Von seconded. Passed unanimously.

A.1.2 Motion to approve the June 2013 congregational meeting minutes.

Deb Hutton motioned to approve. Doug seconds. Passed unanimously.

A.1.3 Deb Hutton reported on the Minister Emeritus Working Group – a committee of the board charged to support the retiring minister and educate the congregation.

Deb Hutton motioned that the reported charge be accepted. (see Appendix 1 “BOD CHARGE to MEWG July 10, 2013”) Von seconded. Passed unanimously

## **B. New Business -7:55**

### **1. Topic**

#### **B.1.1 Benefits for Staff**

Carol Marks reported that the 2012-13 budget provided more compensation for staff for health care. However the system we used does not comply with the IRS policies. It is too informally arranged, meaning money budgeted for health care is taxable income. Carol says we will not do this next year.

Not all the staff used all their money. She would like to cut checks to those staff for any outstanding funds that were unspent.

#### **B.1.2 Carol Marks report –**

With regards to the Affordable Care Act, we will comply and provide educational support for staff. The UUA has support for churches in this matter.

#### **B.2.1 MAM- Options for the money that had been set aside for health care for 2013-14: lump it into salaries or set it aside for health insurance for 2014-15.**

Von motioned to take the money that was budgeted for health care in the 2013-14 budget for all but MAM and Rev. Breeden and convert it to salary.

Drew seconded. Passed unanimously.

#### **B.2.2 Von motioned to take \$4000 of the budget 2013-14 (roughly the amount by which we surpassed a 10% increase from 2012-13 budget) and put it into a T-savings account to pay for health insurance for 2014-15.**

Arzetta seconded. Passed unanimously.

### **B.3- Monitoring**

**B.3.II.4** John Lawson presented the church’s capital plan for the coming years. (See Appendix 2 “Recommended Capital Plan 7-2013”).

MAM suggested combining all the T-accounts, the Equipment Capital Reserves and the Long Term Maintenance fund, into one joint Green Spaces account to allow for more flexibility.

Deb Hutton wanted to make sure there is still a long term maintenance line in the budget.

B.3.II.5 Cash flow. We have taken in more than was in the budget. Outlay was a little more than expected. We are \$20,000 in the black for 2012-13. We also have \$44,000 in a CD which we will put in reserves. (See Appendix 3 “Board report operating budget 6-13.”)

SPF By-law investments- Board received the SPF third quarter report (see attached 4 “SPF Q3 2013-03-31”). The committee will report again to the board with a new report once one has been created.

## **VI. Executive Session**

The board met in executive session at 9:03.

## **VII. Adjournment**

Motion to Adjourn by Doug 9:17, and seconded by Von.

Vote: approved unanimously.

The meeting adjourned at 9:18.

Appendix 1

**Unitarian Universalist Church of Bloomington**

**Board of Directors  
CHARGE to the  
Minister Emeritus Working Group (MEWG)**

**June 10, 2013**

The charge of the Board of Directors of the Unitarian Universalist Church of Bloomington (UUCB) to the Minister Emeritus Working Group (MEWG), in consultation with the settled ministers (and, eventually, the Interim Minister), shall be to:

- Develop the Minister Emeritus' covenant with the congregation, the other UUCB fulltime ministers, and the Interim Minister;
- Support the retiring minister and educate the congregation, before, during, and after the transition; and
- Complete this charge at the end of the first year of the newly settled minister.

The MEWG shall be made up of Rev. Bill Breeden and three (3) appointed members, charged by and responsible to the UUCB Board of Directors.

## Appendix 2

### Recommended Capital Plan 2013-2017

1. We have retained the additional level for Equipment Capital Reserves in the 2013-14 operating budget. The result, with carry over from 2012-13, earmarks \$19252 for equipment replacement and \$9842 for long term building maintenance.
  
2. We are currently in process of installing two new air condition units in the sanctuary and the office. The total cost of both is approximately \$19,000. \$6,000 had been put aside for offices; the sanctuary had to be done earlier than expected. We are working on sources for the additional \$13,000 from Green Spaces and operating budget funds from prior years. We plan retaining \$6,000 for future air conditioning units in Rooms 104 and 106 (has exceeded expected life) and Rooms 103 and 105 (expected life 2016) so we have the funding to cover air conditional replacement.
  
3. 2013-14 priority: carpet upper hallway and office/work room, total estimate \$2935.95. Replacement of meeting room carpet is priority number two, using carpet tile like FH and Library. The current estimate is \$10000. Replacement of carpet in other up stair offices and classrooms is number three priority. We will also request GSI funds to install lights on the stone wall lettering, estimate \$3600.
  
4. Our number 1 priority for 2012 was new shingles for the RE wing roof. We were able to include the RE wing with a replacement of roofing of the entire building with metal and addition of solar panels to reduce electricity costs and be greener. We also painted Fellowship Hall, installed exterior signs, and replaced
  
5. The 2013-14 budget for utilities is \$17,300. This number has not been adjusted for the benefits of the metal roof and solar panels. Request board approval to move excess utilities funds to Equipment Capital Reserve and Long Term Maintenance t-accounts for future support of Five-year Capital Plan.

Appendix 3

As of June 30, 2013

**2012-13 Operating Budget**

**(\$ in thousands)**

| <b>Income</b>  |                | <b>Outlays</b> |                |
|----------------|----------------|----------------|----------------|
| <b>Budget</b>  | <b>Actual</b>  | <b>Budget</b>  | <b>Actual</b>  |
| <b>\$530.6</b> | <b>\$538.3</b> |                | <b>\$530.1</b> |
| <b>\$518.5</b> |                |                |                |

The operating cash position of the church is well above the amount of cash necessary to meet current obligations.

Pledge payments for the fiscal year are excellent. Total income is above the previous three-year average. Expenses are also above the three-year average. The result is a net income for the fiscal year of \$19.8K, considerably higher than the last five years.

Office programs have expended slightly over the budgeted level for the fiscal year, but well within the level of over expenditure that requires congregational approval. The shortfalls will be covered in the 2013-14 operating budget.

Prior pledge payments shortfalls (\$27936) caused total income to be above the budgeted level. Normally prior year pledge payments stop at the second quarter of the following year and fall somewhere between \$6000 and \$10000. This year these payments continued through the entire 2012-13 fiscal year.



## SPECIAL PURPOSES FUND

## QUARTERLY REPORT (1/1/2013-3/31/2013)

## THIRD QUARTER 2012-13

2013-03-31, 2013 SPF Q3.xlsx

|  | Beginning<br>Balance<br>12/31/2012 | Endmt. Tr.<br>& Distrib.<br>from 12/31/2012 | Earnings        | Transfers/<br>Deposits | Expenses          | Ending<br>Balance<br>3/31/2013 |                   |
|--|------------------------------------|---|-----------------|------------------------|-------------------|--------------------------------|-------------------|
| ENDOWMENT (Vanguard Account)   |                                    |   |                 |                        |                   |                                |                   |
| Wellington Endowment (24291)   | 39,810.36                          | -467.61                                     | 2,791.65        |                        |                   | 42,134.40                      |                   |
| e General Endowment  | 15,536.72                          | -182.49                                     | 1,089.49        |                        |                   | 16,443.72                      |                   |
| e C Robertson Endowment  | 9,380.37                           | -110.18                                     | 657.79          |                        |                   | 9,927.98                       |                   |
| e Lundin Social Justice Endowment  | 14,893.26                          | -174.93                                     | 1,044.37        |                        |                   | 15,762.70                      |                   |
| <b>Total all endowments</b>  | <b>39,810.35</b>                   | <b>-467.61</b>                              | <b>2,791.65</b> |                        |                   | <b>42,134.39</b>               | <b>-0.01</b>      |
| ACCOUNTS (Vanguard & ONB)  |                                    |   |                 |                        |                   |                                |                   |
| ONB Checking   | 32,252.23                          |   |                 | 25.00                  | -28,210.88        | 4,066.35                       |                   |
| Hilliard Lyons: Canada precious metal:<br><i>Vanguard Account Balances</i> | 5,787.93                           |   | -456.50         |                        |                   | 5,331.43                       |                   |
| Intermediate-Term-Grade Inv Fund   | 22,975.97                          |   | 76.78           |                        |                   | 23,052.75                      |                   |
| Short-Term-Grade Inv Fund  | 23,454.26                          |   | 107.15          |                        |                   | 23,561.41                      |                   |
| Wellington Genl Investment (90780)   | 47,003.25                          | 467.61                                      | 3,325.67        |                        |                   | 50,796.53                      |                   |
| <b>Total all accounts</b>  | <b>131,473.64</b>                  | <b>467.61</b>                               | <b>3,053.10</b> | <b>25.00</b>           | <b>-28,210.88</b> | <b>106,808.47</b>              | <b>106,808.47</b> |
| <b>Total all accounts plus Endowment</b>                                   | <b>171,284.00</b>                  |   |                 |                        |                   | <b>148,942.87</b>              |                   |

|   | Endmt<br>Distr.<br>from 12/31/2012 | Earnings     | Income/<br>Transfers | Expenses      | Ending<br>Balance |
|---|------------------------------------|--------------|----------------------|---------------|-------------------|
| SPF GENERAL FUNDS                       |                                    |              |                      |               |                   |
| <b>Adjustment: Fund Distribution</b>    | <b>3,989.70</b>                    | <b>92.65</b> |                      |               | 4,082.35          |
| i General Fund/Endowment Income         | 2,085.53                           | 182.49       | 48.43                |               | 2,316.45          |
| i C Robertson Grounds Income            | 5.30                               | 110.18       | 0.12                 | -115.45       | 0.15              |
| i Lundin S.J. Small Grant Fund A        | 530.19                             | 87.47        | 12.31                |               | 629.97            |
| i Lundin S.J. Large Grant Fund B        | 2,814.59                           | 87.47        | 65.36                |               | 2,967.42          |
| R ARE John Dessauer                     | 1,624.67                           |              | 37.73                |               | 1,662.40          |
| R Campus Ministry                       | 6,183.59                           |              | 143.60               |               | 6,327.19          |
| R Cap Improvement - Lynch's beques      | 20,000.00                          |              | 464.44               | -19,423.29    | 1,041.15          |
| R Comctns - E Auer                      | 987.12                             |              | 22.92                |               | 1,010.04          |
| R Conference Leadership Fund            | 591.98                             |              | 13.75                |               | 605.73            |
| R Grounds Beautification - Jane Burne   | 430.71                             |              | 10.00                |               | 440.71            |
| R Habitat for Humanity Schwegman        | 166.62                             |              | 3.87                 |               | 170.49            |
| R Habitat for Humanity Wayne Mitter     | 5,890.23                           |              | 136.78               |               | 6,027.01          |
| R Lundin Monroe Co Youth Fac Fund       | 24,223.10                          |              | 562.51               |               | 24,785.61         |
| R Lundin Reserve-Pchse Belcher Prop     | 23,008.64                          |              | 534.31               |               | 23,542.95         |
| R Music - Bill Lynch, UU Choir          | 874.16                             |              | 20.30                |               | 894.46            |
| R Music - Clarke Dewey Wells            | 7,815.74                           |              | 181.50               |               | 7,997.24          |
| R Music - Don Lauer                     | 659.03                             |              | 15.30                |               | 674.33            |
| R Music - Ray Murray - Choir            | 341.50                             |              | 7.93                 |               | 349.43            |
| R Robert Bent - Music or Religious Ed   | 1,148.80                           |              | 26.68                |               | 1,175.48          |
| R Robert Carter - History, Archives, Fo | 385.69                             |              | 8.96                 |               | 394.65            |
| R Sabbatical Fund                       | 1,131.37                           |              | 26.27                |               | 1,157.64          |
| R Social Justice - Dan Quilter          | 1,626.72                           |              | 37.78                |               | 1,664.50          |
| NR - Building Maintenance Fund          | 6,304.69                           |              | 146.41               | -6,304.72     | 146.38            |
| NR - Cliff Baker                        | 5.74                               |              | 0.13                 | -5.74         | 0.13              |
| NR - Charles Vitaliano                  | 75.59                              |              | 1.76                 | -75.59        | 1.76              |
| NR - Cookie Lynch                       | 703.05                             |              | 16.33                | 25.00 -703.05 | 41.33             |
| NR - Dick Pfister                       | 120.72                             |              | 2.80                 | -120.72       | 2.80              |
| NR - Dorothy Vitaliano                  | 1,791.73                           |              | 41.61                |               | 1,833.34          |

|                                       |                   |               |                 |              |                   |                   |
|---------------------------------------|-------------------|---------------|-----------------|--------------|-------------------|-------------------|
| NR - Hazel Gaiser                     | 11.03             |               | 0.26            |              | -11.03            | 0.26              |
| NR - Herb Kiesling                    | 1,259.48          |               | 29.25           |              | -48.68            | 1,240.05          |
| NR - Howard Gest                      | 91.43             |               | 2.12            |              | -91.00            | 2.55              |
| NR - Irma Cassels                     | 261.75            |               | 6.08            |              | -231.75           | 36.08             |
| NR - Jack & Sylvia King - in honor of | 110.35            |               | 2.56            |              | -110.36           | 2.55              |
| NR - James Kamman                     | 3,039.92          |               | 70.59           |              |                   | 3,110.51          |
| NR - Ledford and Julia Carter         | 10,213.66         |               | 237.18          |              |                   | 10,450.84         |
| NR - Mike Job                         | 78.87             |               | 1.83            |              | -78.87            | 1.83              |
| NR - Violet Cook                      | 890.63            |               | 20.68           |              | -890.63           | 20.68             |
| <b>Totals: All Funds</b>              | <b>131,473.62</b> | <b>467.61</b> | <b>3,053.10</b> | <b>25.00</b> | <b>-28,210.88</b> | <b>106,808.45</b> |

Notes: (1) As of August 2010, the intent of the SPF Committee is to invest one-third of SPF funds in equity funds and two-thirds in bond funds. As of August 2010, Vanguard Wellington Fund consisted of one-third bond funds and two-thirds equity funds.

e = Endowments  
i = Income from Endowments  
NR = Non-Restricted Funds  
R = Restricted Funds

### SPF Income/Expense January 1, 2013-March 30, 2013

#### Income

|                                |       |
|--------------------------------|-------|
| 1/30/13 C. Lynch memorial Fund | 25.00 |
|                                | 25.00 |

#### Expense

|  |           |
|--|-----------|
| 3/15/13 ck 1041 UU Church (roof funding)   | 28,095.43 |
| 1/1/13 ck UU Church Grounds endmt earnings | 115.45    |
|  | 28,210.88 |

### Allocation of Endowment Assets and Endowment Income Distribution\*

| Quarter         | Total Endowment | Current Quarter Balances |          |                |           | Wtd. Ave. Distribution | General Distribution | Grounds Distribution | Soc. Jus. Distribution |
|-----------------|-----------------|--------------------------|----------|----------------|-----------|------------------------|----------------------|----------------------|------------------------|
|                 |                 | General                  | Grounds  | Social Justice | Check Sum |                        |                      |                      |                        |
| 3rd/10-3/31/10  | 36,220.57       | 13,955.83                | 8,427.43 | 13,393.98      | 36,220.57 | 443.32                 | 172.93               | 104.42               | FALSE                  |
| 4th/10-6/30/10  | 33,371.54       | 12,844.65                | 7,756.43 | 12,327.54      | 33,371.54 | 442.92                 | 172.77               | 104.33               | 165.82                 |
| 1st/11-9/30/10  | 35,744.68       | 13,772.96                | 8,317.00 | 13,218.48      | 35,744.68 | 436.24                 | 170.16               | 102.76               | 163.31                 |
| 2nd/11-12/31/10 | 37,356.73       | 14,403.43                | 8,697.72 | 13,823.56      | 37,356.73 | 432.03                 | 168.52               | 101.77               | 161.74                 |
| 3rd/11-3/31/11  | 38,468.43       | 14,837.43                | 8,959.80 | 14,240.09      | 38,468.43 | 431.11                 | 168.17               | 101.55               | 161.40                 |
| 4th/11-6/30/11  | 38,393.81       | 14,808.28                | 8,942.19 | 14,212.11      | 38,393.81 | 431.23                 | 168.21               | 101.58               | 161.44                 |
| 1st/12-9/30/11  | 34,636.86       | 13,342.86                | 8,057.28 | 12,805.69      | 34,636.86 | 431.03                 | 168.13               | 101.53               | 161.36                 |
| 2nd/12-12/31/11 | 37,052.19       | 14,282.43                | 8,624.65 | 13,707.43      | 37,052.19 | 437.69                 | 170.73               | 103.10               | 163.86                 |
| 3rd/12-3/31/12  | 39,389.92       | 15,189.69                | 9,172.51 | 14,578.17      | 39,389.92 | 449.54                 | 175.36               | 105.89               | 168.30                 |
| 4th/12-6/30/12  | 38,561.31       | 14,863.50                | 8,975.54 | 14,265.10      | 38,561.31 | 457.17                 | 178.33               | 107.69               | 171.15                 |
| 1st/13-9/30/12  | 39,896.88       | 15,382.20                | 9,288.76 | 14,762.92      | 39,896.88 | 463.00                 | 180.61               | 109.06               | 173.33                 |
| 2nd/13-12/31/12 | 39,810.36       | 15,536.72                | 9,380.37 | 14,893.26      | 39,810.35 | 467.61                 | 182.49               | 110.18               | 174.93                 |

\* The quarterly distribution of the endowment funds is 5% of the average value of the funds for the previous 12 quarters, which is then divided by 4.