

First Universalist Church of Minneapolis Board of Trustees Meeting

**Thursday, January 21, 2010, 6:30 p.m.**

**Board Members present** (absent): ~~Jill Anderson~~, Tim Balke, Dan Berg, Kathy Coskran, ~~Nancy Caschott~~, Judy Goebel, Jane Johnson, Barry Johnson, Candace McClenahan, Jim Santelli, Doug Smalley, Kimon Swarts  
**Clergy present:** Justin Schroeder, ~~Kate Tucker~~  
**Others present :** Paul Riediesel

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<u>Agenda Item</u>	<u>Presenter</u>	<u>Discussion</u>	<u>Action, if any</u>
Opening Words	Justin Schroeder	The meeting was called to order at 6:30.	
Approve Meeting Objectives and Agenda			Approved
Consent Agenda		<ul style="list-style-type: none"> <li>Approve December, 2009 minutes</li> <li>Approve new members listed in <a href="#">January Board Packet</a>, page 3.</li> </ul>	Approved
Staff Report	Justin Schroeder	In addition to the Staff Report published in the <a href="#">January Board Packet</a> (page 5), Justin commented on the following. <ul style="list-style-type: none"> <li>Justin is proud of congregation for contributing over \$10,000 to Haiti relief in the Sunday collection that was 100% dedicated to that purpose</li> <li>Justin distributed an Addendum to his Senior Minister's Report discussing a summary of components of a dream budget for 2010-11, potential Financial policy changes he would like the board to consider, and results of the MPR ad campaign. <a href="#">Attachment A</a></li> </ul>	
Financial Monitoring Report	Dan Berg	The Director of Administration Report and minutes of the Financial Monitoring Committee meeting are included in the <a href="#">January Board Packet</a> , (pages 8-13). Barry asked that Financial Monitoring Committee discuss what would be involved in following the two financial policy changes requested by Justin in his Addendum: accrual of funds for sabbaticals so there will not be a large financial impact on the church when ministers take the sabbaticals they have earned and prepaying our mortgage on the church to retire it sooner.	
Church Mission Statement	Barry Johnson	Desired action: Approve change to Mission statement <a href="#">Background</a> materials on this issue are published in the <a href="#">January Board Packet</a> (pages 14-18). The original proposal was to replace the existing church Mission Statement with the text of the Global Ends Statement. Barry wrote about his proposed change in a Liberal article and got some written feedback on some of the wording and raising issues of process. The Board discussed whether this was something that needed immediate attention. Barry and Justin have been researching how this is handled in other churches that use Policy Governance. For many, the focus of the Board and Staff is on Global Ends Policy, which describes the ends that the congregation wants to achieve. Their Mission Statement is aligned with the Global Ends Policy (and vice versa), but is more for public relations. Technically, under Policy Governance, a Mission Statement is not required. The trustees concluded that the Mission is important for congregational awareness. The term "Global Ends" is technical and lends itself to misinterpretation. It was suggested that we consider our Mission to be overarching and Global Ends to be more operational statements under it. The Mission identifies the need or opportunity	Issue deferred indefinitely

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		to be addressed. The Global Ends defines action to be taken to address the need or opportunity. The Board would like to revisit the church Mission as a way to draw the congregation into the conversation. Even though the existing Mission was adopted by the Board in 1999, Justin -feels that the congregation must approve any changes. It was decided that the Board will leave Mission as-is for current church year. A future Board Meeting agenda item will discuss Staff interpretations of our Global Ends Statements and possible changes in wording.	
Policy Interpretations		Action: Approve Policy Interpretations Justin Schroeder has been reviewing the Limitations Policies in the Governing Policy Handbook and writing a written interpretation of their meaning as a guide for staff action and to ensure that the Board and staff share the same understanding. A <i>draft</i> of these interpretations is attached as <a href="#">Attachment B</a> . Justin feels that In some sections policies could be combined for the sake of simplicity without diminishing control over the actions of staff. The monitoring committees of the board will look at policies to make recommendations for dropping/combining policies in the future. The Non-Financial Monitoring Committee (Doug Smalley, Judy Goebel, Tim Balke, and Barry Johnson) will collect suggestions from other Trustees.	Deferred to a future meeting
Mid-year Monitoring of Governance Process		Action: Provide comment and note any policy deviations The Trustees discussed its actions during the current church year in light of <del>the Governance</del> <a href="#">the Governance</a> Process Evaluation questions published in the <a href="#">January Board Packet</a> (page 19). <ul style="list-style-type: none"> <li>There is still some uncertainty about board responsibility under Policy Governance? The recent Unity Leadership 501c3 issue presented a challenge. There was some discomfort about delegating the ultimate decision to staff <a href="#">including whether staff should have the aythority to change who is served by the program.</a>? While board may be involved in discussions with staff and may provide comments and advice, it will not make decisions on means.</li> <li>Doug Smalley voiced his delight at the way the board is functioning.</li> <li>There has been a significant shift where board is making a concerted effort to -solicit input from the congregation to guide its decisions.</li> </ul>	
Meeting Summary		<ul style="list-style-type: none"> <li>Doug Smalley will send out a link to the blog for board to post linkage reports</li> <li>The current Mission Statement will be posted on the church website. It will not be addressed again by the Board this year.</li> <li>Justin's Policy Interpretations will be discussed again after the monitoring committees review Limitations Policies for possible combining. The draft interpretations to attached to the meeting minutes (<a href="#">Attachment B</a>).</li> <li>Some Board Members find that Thursday evening Board Meetings conflict with school events. Some consideration may be given to choosing a different day for the Board Meetings in the future</li> <li>Barry will publish questions to be considered along with the proposed agenda in future board packets.</li> <li>Board members who have visited church committees in conjunction with the Board Linkage initiatives would email a summary to Linkage Committee members.</li> </ul>	
Adjourn		The meeting was adjourned at 8:30 PM.	

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Respectfully Submitted,

*Judy Goebel*, Secretary

!Next meeting: \_\_\_\_\_ Thursday, February 18

Treats for Next Meeting: \_\_\_\_\_ Kimon Swarts

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### **Attachment A**

Dear Board of Trustees,

I have included two additional items in this report: 1) A snapshot of the dream budget for 2010/2011, so you know how we're beginning to think about things, 2) musings about potential financial policies the Board might create, and 3) information about the MRP ad campaign.

#### **1) BUDGET:**

As the management team has discussed the needs and vision of the church, we have arrived at the following "dream budget" for 2010/2011. It is indeed a "dream budget," and will certainly be adjusted as the pledge drive numbers come in, but I wanted you to have an initial sense of the "dream." This is an early heads up on the Management Team's thinking. I know we'll dig into this during the budgeting process.

Note: In our current configurations (9am and 11am service) space (especially space for lifespan Religious Education) continues to be the biggest impediment to achieving our "dreams..." We are "full" in the sanctuary at 11am on Sundays, the social hall is jam-packed, and we don't have enough RE space for our children. I'm not sure what the solution is, but I'm glad we'll be exploring this issue together in the coming months!

\*We dream of having an intern minister next year. Kate and I have been approached by a potential intern and we have had preliminary conversations and interviews. We believe this would be a fantastic match and that an intern would benefit the church (and Kate and I!) by picking up some of the preaching, pastoral, administrative and teaching load at First Universalist. Furthermore, I am thrilled about the possibility of First Universalist becoming a "teaching congregation," and helping to shape the wider Unitarian Universalist movement, as we train and mentor intern ministers. I am hoping to have interns in subsequent years, but would like the Board's input and thoughts on this.

\*We dream of hiring additional administrative support. Specifically, we're dreaming of two positions:

1) Financial Assistant: we'd like to have a 30 hr. a week financial assistant to Patti Frazee. Patti has proven herself more than capable at big picture thinking and implementation (she oversees the auction, pledge drive, legacy team, human resources, and much more) and I want her to direct more time and energy to such "big ticket" items. A dedicated financial assistant would be able to do data input, all of the back end for the pledge drive, auction support, and provide Patti with key support in other areas. Currently, Chrystal Teachout helps with some of these financial details, but we are planning to have her focus full time on the building and building related issues.

2) Administrative Assistant to the Ministers: Kate and I are hoping to have a 20 hr. a week administrative assistant that supports us (with email, calling, scheduling, and more). Having an administrative assistant will allow Kate and I to focus more time on what we do best, i.e., pastoral care, teaching, preaching, being involved in the community and leading the staff.

\*We dream of a 3% increase for staff (or some sort of merit raise). Last year, there was no cost of living increase and the year before that, there was a minor cost of living increase. I believe we have the right staff in place and such a raise is an important part of recognizing that. Furthermore, several members of the staff are on the very low end of the salary range for their positions, and depending on how the pledge drive goes, I'd like to move them closer to range (I'll share more information as we get into budgeting time.)

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\*We dream of giving away 100% of the Sunday offering. There are two reasons for this: 1) it deepens our Social Justice commitment to being involved in the community; while financial donations are but one piece of our Social Justice work, giving away 100% of the offering is a strong statement. 2) It makes it crystal clear that Sunday morning (and the offering) is a time to support the wider community and world. We support the church through our pledges. This creates a clear distinction between the Sunday morning offering and pledging. Again, I am interested in the Board's thoughts on this.

\*We dream of creating more office space; specifically, we are dreaming of better utilizing the current "copy room" space to it into 3 or 4 work stations. We would move the copy room to a better location (currently considering the front of the office, but nothing's set in stone.)

A special note about the Intern and giving away 100% of offering: These feel like particularly big issues for the board to consider as we move forward. Giving away 100% of our offering says something dramatic about our commitment to generosity, to faith in action, and our faith identity. Becoming a teaching congregation is in the same vein. These two issues feel tied into bigger issues about we want to be in the world. I support both of these ideas, but want to invite the board into the conversation!

### **2) POTENTIAL FINANCIAL POLICIES FOR BOARD CONSIDERATION:**

Both of these suggestions were born out of the idea of providing great financial flexibility for the future of the church. Given that we need to address our space issues in some capacity, the more flexibility we have, the better.

1) SABBATICAL COVERAGE: As Patti Frazee and I have been looking over numbers, and previous budgets as we create the "dream budget" for 2010/2011, we're become aware that there nothing is place to assure that there are adequate financial resources available to fund a Sabbatical Minister when either the Senior or Associate Minister is on Sabbatical. Thus, I am interested in the Board's thoughts about the possibility of creating a Financial Policy that would require the Sr. Minister to ensure that a certain amount of money be set aside each year to fund "Sabbatical Ministers." (For example, if a hypothetical "sabbatical minister" would cost \$60,000, we would set aside \$10,000 a year. (\$60,000 might be on the high end and it's important to remember that there are a number of possible ways to cover the sabbatical time.)

2) INCREASED MORTGAGE PAYMENTS: I have not begun to truly dig into the numbers, but I'm wondering if there might be any value in creating a policy (or having a conversation) about increasing our monthly mortgage payments by "x" amount, so that we pay the mortgage off at a faster rate. If could even be a policy where we "x" amount one year, increase that amount the following year, etc. etc. (Obviously, there are many variables here, but I think it's worth exploring.)

### **3) MPR AD CAMPAIGN REPORT (from Kevin): MPR Campaign Numbers**

Total Spots: 52

Total Cost: \$5,280.00

Dates: November 16 – December 20

On both the News (KNOW 91.1) and the Current (KCMP 89.3).

Site Traffic:

Since the website launched shortly before we began the MPR Campaign, I don't have comparable number for the past. What I did instead was compare the period during the campaign to the month since it has ended, adding a couple days after the final radio message for people that heard about it and got around to going there a couple days later. So the earlier time period is the MPR Campaign and the time since is what I am using as a baseline.

<b>Unique Visitors</b>		<b>Average/Day</b>	
Nov 16 – Dec 24:	2,979	76.38	(39 days)
Dec 25 – Jan 19:	1,596	48.36	(33 days)

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We had a little over a hundred unique people click on the MPR visitor button. This doesn't mean only 100 of the people that visited the site were from MPR but that only that many were compelled to click/noticed the special button. We also don't know if congregants didn't just click on it out of curiosity. But we can see that we had almost twice as many visitors to the site during the campaign. The website is the only way we advertised for people to find us.

Note from Justin: In the future, we'll try to track this sort of thing through a "how did you find us" section on our Sunday sign in sheet.

[Return to meeting minutes.](#)

**Attachment B**

**Draft Senior Minister’s Interpretation of Senior Minister Limitation Policies**

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**IV. Senior Minister Limitations Policies**

The policies in this section address constraints on the Senior Minister's authority.

**A. General Constraint**

The Senior Minister shall not cause or allow any practice, activity, decision, or organizational circumstance that is illegal, imprudent or in violation of commonly accepted business and professional ethics.

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Accordingly, the Senior Minister shall not fail to operate with a procedural policy against misconduct and dishonesty that meets accepted business practices.

For purposes of this policy, misconduct and dishonesty must include but not be limited to:

*Senior Minister Interpretation: Compliance is demonstrated by compliance with sub-points below.*

- 1) Theft or other misappropriation of assets, including assets of the corporation or others with whom First Universalist Church has a business relationship.

*Senior Minister Interpretation: Compliance will be demonstrated by an annual accounting of assets of the church.*

- 2) Misstatements and other irregularities in corporation records, including the intentional misstatement of the results of operations.

*Senior Minister Interpretation: Compliance will be demonstrated by independent outside audit of the church, every 3 years. (We could do two years, but I'd like to discuss with Board..)*

- 3) Forgery or other alteration of documents.

*Senior Minister Interpretation: Compliance will be demonstrated by having multiple check signers for checks over \$1000. Compliance will be demonstrated by the fact that the Church's check book is locked up, that we have proper security measures in the office, and that there are no reported instances of forgery or fraud.*

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*(Finally, compliance will be demonstrated by having systems in place that ensure legal standing of all prospective employees (1-9).)*

- 4) Fraud or other unlawful acts.

*Senior Minister Interpretation: Compliance will be demonstrated by not allowing for work conditions in which unlawful acts can occur. First Universalist will follow appropriate cash handling procedures when cash handled, i.e. two people will count and put it in the safe. Compliance will further be demonstrated by not allowing unlawful acts by employees, as spelled out in the employee handbook (which is currently be re-done - see below.) Finally, my reporting to the Board (in the form of financial reports) indicates compliance on these issues of fraud prevention, and other unlawful acts.*

*I will further demonstrate compliance by updating the Employee Handbook.*

First Universalist Church specifically prohibits these and other illegal activities in the actions of the Senior Minister, all employees, and all others responsible for carrying out its activities.

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### B. Integration of Volunteers

Much of the work of First Universalist Church is accomplished by and through volunteer committees, task forces and other groups. It is central to the vitality of the Church that members participate in its ministry, one aspect of which is working collaboratively with paid staff and other volunteers.

Accordingly, the Senior Minister shall not fail to:

- 1) Ensure that they operate in ways that are faithful to the Church's vision, mission and policies.

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*Senior Minister Interpretation: "Being faithful to the Church's vision, mission and policies," means to have a basic understanding of the church's reason for being in the world, as articulated by the vision, mission, and policies. Compliance will be demonstrated by each volunteer group, team, or task force being given the Church's vision, mission, and policy guidelines and then creating a work-plan, in which their particular ministry/task is built around and integrated with the "Church's vision, mission, and policies."*

*NOTE: This involves our ongoing discussion about the mission statement of the church!*

- 2) Establish such committees as the Senior Minister deems necessary and appropriate to accomplish the Ends.

*Senior Minister Interpretation: Compliance will be demonstrated by Board acceptance of Staff Workplan based on strategic outcomes as articulated by the Board.*

- 3) Ensure that committees understand their roles, objectives and lines of authority and have the necessary resources, financial and otherwise, to accomplish their tasks.

*Senior Minister Interpretation: I interpret "necessary resources," as timely information, budgetary information, and the mission and vision of the church (and how that fits with committee's work).*

*Compliance will be demonstrated by each committee/team having a basic "mission statement/job description," (created with input from their staff liaison) as well as an organization chart which outlines their connection to the church and staff.*

- 4) Take into consideration the need for diversity, to the extent feasible.

*Senior Minister Interpretation: I interpret "diversity" as theological diversity. (We had a conversation about racial diversity at the last board meeting, but I'd like to hear from other board members on this, as well.)*

*Compliance will be demonstrated by creating social and working environments that are safe for congregants to respectfully voice their views and perspectives without reprisal. (I.e., no one can get kicked out of a committee for expressing their views, etc.)*

- 5) Coordinate the work of compensated staff and Church committees to facilitate communications, efficiency and effectiveness.

*Senior Minister Interpretation: Good communication, efficiency and effectiveness will be achieved by ensuring that every committee, team, or group has a staff liaison linked to it, so that the church's mission, vision and policies are understood, and so that information can be shared in a timely manner.*

*Compliance will be demonstrated in two ways: 1) by an annual report, in which every group in the church is listed, along with its staff liaison, as well as 2) an annual survey for each team leader to fill out to report on*

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*their relationship with the church staff, and how that has impacted their team's communication, efficiency and effectiveness.*

6) Integrate members and friends into Church leadership and service.

*Senior Minister Interpretation: Leadership and service are directly related to feeling connected and wanting to share one's gifts and talents with the world. Leadership and service are possible when there is a clear "leadership" pipeline, with job descriptions, term limits, and clear expectations for leaders. Part of this process is to help old leaders move on (leadership transition) and new leaders to move in.*

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*Compliance will be demonstrated by annually reviewing and updating job descriptions in these essential areas of the church: Religious Education, Pastoral Care Team, Worship Associates, Pledge Team, Legacy Team, Sermon Based Small Group Facilitators, and Welcome Teams.*

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7) Maintain a church committee member handbook that clarifies the lines of authority and support within the church; general committee member expectations; communication policies and procedures; and how committees and individual volunteers should relate with staff.

*Senior Minister Interpretation: At the end of each church year, committee chairs will be solicited for feedback about the effectiveness and helpfulness of the handbook. This feedback will be incorporated into the updating of the Handbook. Compliance will be demonstrated each year by an annual updating of the handbook.*

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8) Instill in Church committees and their members a sense of empowerment, encouragement, and the value their work has to the Church.

*Senior Minister Interpretation: Compliance will be demonstrated by annual appreciation/thank you events for various groups in the church.*

9) Ensure that the work of Church committees is fully consistent with First Universalist's legal and contractual obligations.

*Senior Minister Interpretation: Compliance will be demonstrated by securing a temporary liquor license for events like the "All Church Auction," by passing our Fire Inspection annually, and by having an outside audit every five years.*

**B. Treatment of Staff and Volunteers**

With regard to treatment of paid staff and volunteers, the Senior Minister may not cause or allow conditions which are inhumane, unfair, disrespectful, or otherwise contrary to Unitarian Universalist principles and values.

Accordingly, the Senior Minister shall not:

1) Illegally discriminate (as defined by city, state and federal laws) among existing or potential staff or volunteers.

*Senior Minister Interpretation: Discrimination occurs when an employee suffers unfavorable or unfair treatment due to their race, affectional preferences, religion, national origin, disabled or veteran status, or other legally protected characteristics. Federal law prohibits discrimination in a number of work-related areas, including recruiting, hiring, job evaluations, promotion policies, training, compensation and disciplinary action.*

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*Compliance will be demonstrated by following the Equal Employment Opportunity (EEO) for all interviews, hiring, and review processes, as they relate to churches. Compliance will be demonstrated by all hiring advertisements including EEO language. Compliance will also be demonstrated by following a clear evaluation/feedback process, including the format of "verbal warning, first written warning, and 2<sup>nd</sup> written warning," before any employee is terminated.*

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*With volunteers, compliance will be demonstrated by an annual survey asking participants if they've been discriminated against. Further, First Universalist's grievance procedure allows for people to seek recourse if they feel they've been discriminated against. Finally, Federal Labor Posters, posted in the staff break room, are resources for employees.*

2) Subject staff or volunteers to unsafe or unhealthy conditions.

*Senior Minister Interpretation: I interpret "unsafe and unhealthy" conditions as places or spaces where staff and volunteers are in physical danger (fear of physical danger or physical abuse), or feel emotionally unsafe (fear of verbal abuse).*

*Compliance will be demonstrated by annual end of church year staff and volunteer survey, asking "Did you feel you were in any unsafe or unhealthy conditions?"*

*Compliance will also be demonstrated by following specific policies in the Employee Handbook that relate to a "harassment free environment," how to access the Grievance Policy.*

*Compliance will be demonstrated by updated the Employee Handbook and the Grievance Policy.*

*(History of claims...Worker Comp experience rating...)*

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3) Withhold from staff or volunteers a due-process grievance procedure, able to be used without bias.

*Senior Minister Interpretation: Compliance will be demonstrated by including Grievance Procedure in Employee Handbook, and Volunteer Handbook, as well as by an annual end of church year staff and volunteer survey, asking "If you had a grievance, were you able to access the grievance procedure?"*

4) Prevent staff or volunteers from grieving to the Board when:

a) Internal grievance procedures have been exhausted and (**NOTE: WHAT IS THE CURRENT INTERNAL GRIEVANCE PROCESS? (Not the one the Board has...but a general grievance process?)**)

b) The individual alleges either that Board policy has been violated to his/her detriment or Board policy does not adequately protect his/her human rights.

*Senior Minister Interpretation: Compliance will be demonstrated by an annual end of church year staff and volunteer survey, asking "If you had a grievance, were you able to access the Board's grievance procedure?"*

5) Neglect the staff and volunteers' need for supervision.

*Senior Minister Interpretation: Compliance will be demonstrated by following a performance review process with staff, by having a staff liaison linked to each group in the church and having them report on the volunteer's work (those reports are a sign of volunteer "supervision.")*

6) Fail to ensure that staff are provided and comply with updated employment policies.

*Senior Minister Interpretation: All new hires, as part of their orientation, will read the updated employee handbook (still in the process of updating!), and sign off that they have read and understand it. This will demonstrate compliance.*

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### **C. Communication to the Board and Congregation**

The Senior Minister shall insure that the Board and Congregation are fully informed concerning important issues, and that the Board is, to the degree possible, supported in its work.

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Accordingly, the Senior Minister shall not fail to:

- 1) Inform the Board in a timely manner of any relevant trends, issues, or events affecting the health of the organization.

*Senior Minister Interpretation: In general, I interpret "timely manner" to be within a month. Thus, I imagine most of my informing to happen with the Board, in person, at Board meetings. However, if there are significant financial or pastoral issues that need church wide immediate attention, I interpret "timely manner" as within a 48 hour period. Compliance will be demonstrated by regular, monthly board reports on trends, issues, and events, impacting the health of the organization.*

- 2) Submit monitoring information required by the Board in a timely, accurate and understandable fashion.

*Senior Minister Interpretation: (Do we have a concrete monitoring schedule in place yet?)*

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- 3) Gather as many staff and external points of view, issues and options as needed for fully informed Board decisions.

*Senior Minister Interpretation: I am not sure how to interpret "external points of view." For now, I will interpret it as "viewpoints and perspectives not currently known to the Board of Trustees."*

*I interpret "as needed" as requested by board. Thus, compliance will be demonstrated by having at last three "points of view," or "issues," or "options," for the board to consider as they strive to make a fully informed decision.*

- 4) Develop and maintain a calendar for the Church year that is publicly accessible.

*Senior Minister Interpretation: I interpret "publically accessible," as being accessible to the public, i.e., the greater Minneapolis (and Twin Cities) Community. Thus, the calendar must be online if it is to be accessible. I interpret "calendar" as including significant church events, i.e., the worship schedule and themes, and other church events that would be of interest to the general public. Compliance will be demonstrated by having the website up to date, and having six weeks of upcoming programming available online.*

- 5) Advise the Board of any deviations from established policy or to recommend changes in such policies whenever the need for revision comes to their attention within 30 days.

*Senior Minister Interpretation: Compliance will be demonstrated by Board reports that indicate deviations from policy or recommended policy changes since the Board last met. If a Board meeting is cancelled, electronic copies of the Report will be email or sent by postal mail.*

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- 6) Ensure that a complete and current set of all Church operating policies is readily accessible to all Church members at all times.

*Senior Minister Interpretation: Compliance will be demonstrated by having the Policies available online and in the church office.*

### **D. Public Statements**

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The Senior Minister shall not make public statements about the official position of the Congregation or Board on controversial social, political, and/or congregational issues beyond what the Members or Board has formally and explicitly adopted as positions of record.

Nothing in this policy shall be construed to infringe upon the fundamental principle of

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“freedom of the pulpit”.

*Senior Minister Interpretation: I will only publically express viewpoints on established positions by the board. Compliance will be demonstrated by only publically speaking and representing the church on established positions. (What are the Board's established positions?)*

**E. Compensation and Benefits**

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Senior Minister may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the Senior Minister may not:

- 1) Promise or imply permanent or guaranteed employment.

*Senior Minister Interpretation: With the exception of the called ministers, all employees, as reflected in the Employee Handbook (when it's done!), are "at will employees." Compliance will be demonstrated by employees signing off that they've read and understand the employee handbook.*

- 2) Establish current compensation and benefits that:

- a) Deviate materially from the nonprofit or geographic market for the skills employed.

*Senior Minister Interpretation: Compliance will be demonstrated by annual comparison to the Unitarian Universalist Associations standards as well as local nonprofit standard for similar jobs in similar markets. (I think Patti can recommend a specific we can follow).*

- b) Create obligations over a term longer than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.

*Senior Minister Interpretation: I interpret "obligations" as legal, financial obligations. Compliance will be demonstrated by not signing any contracts that don't have an escape clause after one year.*

- c) Fail to align compensation with accurate measures of employee performance.

*Senior Minister Interpretation: "Employee Performance" will be based on performance reviews, time since last raise, amount of church revenue, and the pay rate for comparable positions.*

- 3) Establish deferred or long term compensation and benefits that:

*Senior Minister Interpretation: I interpret "long term" as anything over a year. Thus, all benefits will exist for one year and can change from year to year.*

- a) Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs.

*Senior Minister Interpretation: No new benefit is offered without the full costs being known before First Universalist enters into the program.*

- b) Provide less than some basic level of benefits to all full-time employees.

*Senior Minister Interpretation: At half time positions and above, employees will receive health care benefits, from partial coverage of premiums to full coverage of premiums (for full time employees)*

- c) Allow any employee to lose benefits already accrued from any forgoing plan.

*Senior Minister Interpretation ????? I am not sure what this means. Can anyone help me here?*

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**F. Financial Planning**

With respect to planning fiscal events, the Senior Minister may not jeopardize either programmatic or fiscal integrity of the organization.

The Board must review and approve the annual budget, with sufficient information to permit reasonable Board evaluation in the light of the Church's policies, priorities, and resources, by the April Board meeting of each year. The Senior Minister will present the draft budget to the finance committee for review and comment in March of each year. Accordingly, the Senior Minister may not cause or allow fiscal projections that:

- 1. Contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions.

*Senior Minister Interpretation: Compliance will be demonstrated by sharing the income statement, cash flow statement, and the balance sheet with the Board.*

- 2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

*Senior Minister Interpretation: I interpret this to mean that the Church won't exceed the proposed budget.*

- 3. Do not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over \$2,500.00 each.

*Clarity on what asking for here? Barry: Maybe have: "Capital Expenditures presented as part of the budget?"*

*Senior Minister Interpretation: (Compliance will be demonstrated by presenting a plan to pay for all capital expenditures over \$2,500.*

- 4. Deviate materially from board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.

*Senior Minister Interpretation: Compliance will be demonstrated by following current policy and not exceeding proposed church budget.*

**G. Financial Condition**

With respect to the actual, ongoing condition of the organization's financial health, the Senior Minister may not cause or allow the development of fiscal jeopardy, loss of allocation integrity, or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly, the Senior Minister may not:

- 1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (next item) is met.

*Senior Minister Interpretation: Compliance will be demonstrated by quarterly budget reports that track key income and expense numbers. (see f 2)*

- 2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.

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First Universalist Church of Minneapolis Board of Trustees Meeting

*Senior Minister Interpretation: Other limitations speak to this (can't spend more than \$2500 on capital expenses, can't enter contracts more than a year in length, can't do benefits with no understanding of costs.) Compliance will be demonstrated by budget reports that highlight the church's debt obligations as well as church revenue.*

3. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

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*Senior Minister Interpretation: First Universalist will monitor cash flow weekly, projecting, make sure we have the amount needed to settle payroll, etc. If not, we'll notify board.*

4. Expend any endowment or designated funds other than for the purposes determined at time of receipt or designation.

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*Senior Minister Interpretation: Compliance will be demonstrated by accounting for money spent from endowment and designated funds and including this in a Board Report.*

5. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days.

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*Senior Minister Interpretation: I can move money around as needed in order to meet the requirements of the Executive Limitations, as long as it is returned in 30 days.*

6. Allow actual allocations to deviate materially from board priorities in Ends Policies.

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*Senior Minister Interpretation: Allocations will not go to non-ends related activities.*

7. Borrow funds on other than the short-term basis as defined and outlined in these policies.

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*Senior Minister Interpretation: No interpretation needed.*

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8. Make unbudgeted transfers or "loan" between the general funds and the endowment funds without Board approval.

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*Senior Minister Interpretation: Compliance will be demonstrated by taking all such "transfer" or "loan" requests to the Board of Trustees.*

9. Fail to provide cash reconciliations or to inform the Board in writing concerning actual revenues and expenditures, for appropriate comparison and projections, at a frequency specified by the Board

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*Senior Minister Interpretation: Compliance will be demonstrated by quarterly reports to the Board that have comparisons and projections.*

10. Deny reasonable access to financial records by the Board, its committees, and authorized outside advisors.

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*Senior Minister Interpretation: I interpret "reasonable access" to mean that within three days of written notice, I'll provide Board access to financial records. Even in my absence, there will be system in place to respond.*

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**H. Asset Protection**

The Senior Minister shall not allow the assets of the church to be unprotected, inadequately maintained or unnecessarily risked. Accordingly, the Senior Minister may not:

First Universalist Church of Minneapolis Board of Trustees Meeting

1. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.

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*Senior Minister Interpretation: I interpret this to mean that we always carry insurance that covers theft and loss. (Barry addition: And will have coverage reviewed for adequacy every 3 (?) years.)*

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2. Fail to insure against corporate liability and personal liability of Board members and staff, taking into account pertinent statutory provisions for indemnification and exemptions applicable to Minnesota non-profit organizations.

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*Senior Minister Interpretation: I interpret this to mean that we always carry insurance that covers corporate and personal liability of board members and staff.*

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3. Allow un-bonded personnel access to material amounts of funds.

*Senior Minister Interpretation: My interpretation is that anybody who handles money is covered under our insurance policy.*

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4. Subject plant and equipment to improper wear and tear or insufficient maintenance.

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*Senior Minister Interpretation: I interpret this to mean that the condition of the physical plant is well kept. Compliance is demonstrated by a regular maintenance plan, furnace check, cleaning service, building improvements, etc.*

*Compliance will also be demonstrated by a staff and member survey asking, "Is the church in good physical shape?"*

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5. Unnecessarily expose the organization, its board, or staff to claims of liability or risk the nonprofit status.

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*Senior Minister Interpretation: a) Ensure proper coverage including liability insurance. B) Be in compliance with all non-profit laws. (Barry add: have coverage reviewed by a competent professional every three years....)*

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6. Make any purchases not provided for in either the capital expenditure or operational projections.

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*Senior Minister Interpretation: Compliance is demonstrated by reporting on all capital expenses per limitation (G 5)*

*2<sup>nd</sup> part: Compliance demonstrated by meeting operationally projections of budget.*

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7. Make any planned purchase of over \$10,000.00 without at least two competitive bids.

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*Senior Minister Interpretation: I cannot make any planned purchases without two competitive bids. (What's the board getting at here? Go with cheap bid? Or just have two bids...a good idea, in any event!)*

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8. Receive, process, or disburse funds under controls insufficient to meet generally accepted accounting standards.

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*Senior Minister Interpretation: Have an outside audit (every 5 years) of our accounting practices to ensure compliance with accepted standards.*

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9. Fail to invest foundation and church capital in accordance with the investment Policy.

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*Senior Minister Interpretation: (I need to see investment policy.) Follow investment policy.*

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## First Universalist Church of Minneapolis Board of Trustees Meeting

10. Fail to protect intellectual property, information, and files from significant damage.

*Senior Minister Interpretation: 3 parts...  
Intellectual Property:*

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11. Endanger the church's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.

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*Senior Minister Interpretation: In public forums, speak for Church only on issues that Board or membership have agree upon. Be in compliance with Policy D.*

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12. Solicit funds from members or external sources for purposes that deviate materially from Board stated priorities and requirements.

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13. Fail to honor documented donor and source restrictions placed on foundation, legacy and opportunity funds.

### I. Emergency Succession

In order to protect the church from sudden loss of the Senior Minister's services, the Senior Minister may not:

1. Have fewer than two other staff members familiar with board issues and processes.
2. Fail to have a plan in place for the continuation of full ministerial services in the event of the Senior Minister's absence.

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*Senior Minister Interpretation: Need to have an emergency succession plan.*

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### J. Core Values

In all programs, activities and relationships, the Senior Minister shall not operate out of **First Universalist Church of Minneapolis Governing Policies Handbook** Page 19 of 21.

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Compliance with the core values of the First Universalist community as expressed in Section I.C. of this handbook.

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[Return to meeting minutes.](#)

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