

# First Universalist Church of Minneapolis Board of Trustees

## Meeting

**Thursday January, 15, 2008, 6:30 p.m.**

**Board Members present** (absent): Jill Andersen, Tim Balke, Dan Berg, Bill Elwood, Judy Goebel, Jane Johnson, ~~Barry Johnson~~, Candace McClenahan, ~~Jim Santelli~~, Sue Schiess, Doug Smalley, Kimon Swarts,

**Clergy present:** Charlotte Cowtan, ~~Kate Tucker~~ **Others present :** Patti Frazee, Andrea Johnson, Nancy Gaschott, Larry LaVercombe, Sara Smalley, Cindy Marsh, Deborah Talen, Dan Bishop, Jeff Sylvestre

<u>Agenda Item</u>	<u>Presenter</u>	<u>Discussion</u>	<u>Action, if any</u>
Opening Words/ Check-in of board and visitors		The meeting was called to order at 6:30 PM.	
Consent agenda	Sue Schiess	Included in the consent agenda were - addition of the following preface to Vision Statement in the Governing Policy Handbook: "The following Vision Statement is intended as an aspirational statement of how we identify ourselves and what we hope to become. It looks ahead 5 years but is designed to be reviewed every year to make sure that the vision remains a current reflection of the congregation's identity and aspirations and that we are progressing toward that vision." - Minutes of the December Board meeting - Agenda for the January Board Meeting	Approved
Management Report	Patti Frazee, Charlotte Cowtan	<b>Patti</b> -Distributed a hard copy version of the Final Statement of Financial Position from the end of the calendar year. - Pledge income is a bit ahead of last year. Staff is containing to contain costs but is cautiously optimistic. - Emily Grey Charter School's lease renewal is on February 15. Emily Grey has informed First Universalist that they are looking for a different space to rent. In an effort to perform due diligence, First Universalist has done a "quiet listing" of our space and will be showing it to potential tenants as well. Negotiations continue and the board will be informed as events unfold. - There is a severely clogged drain in kitchen which will require a plumber to dismantle the drain pipe. If the clog turns out to be something that is the fault of the school, they will be billed for the plumber. -The city fire inspector has given the church notice that we have 60 days to put panic bars on the Dupont and parking lot doors and a heat sensor in the kitchen. Estimated cost for these changes will be up to \$20,000. Since this money is not in the current budget, capital reserves will need to be used to pay for it. Under the Governing Policies, staff needs to get board approval for that level of expenditure and to use capital funds. Kimon Swartz moves for the board to approve this expenditure and use of capital funds.. Dan Berg seconded the motion. The financial monitoring committee has reviewed this request. Capital funds are available and the financial monitoring committee is comfortable with the reasonableness of this proposal. Jill Andersen suggested that the church's insurance policy should be modified to cover sewer backup if that is not already a provision Bill Elwood expressed concerns that building security is maintained while work on the doors is being done. The motion passed unanimously.. <b>Charlotte</b> - Program staff configuration will be changing over the next few months. When this transition is complete, all areas of church life	Approved

		<p>will be coordinated by staff. This will achieve the dream of how the program council should have worked.</p> <p>Charlotte has noticed that a Chalice Lighter membership campaign has not been done for a number of years. Chalice Lighters are congregants who commit to making periodic contributions to the district in aid of helping congregations grow. She will publicizing the Chalice Lighters program with the aim that 10% of the congregation will enroll.</p> <p>- Staff needs to update website to reflect the newly approved Bylaws</p>	
Minister Search Committee Report	Nancy Gaschott	<p>The purpose of this report was to provide the board with a generalized update on pre-candidates for senior minister. Compensation package was briefly discussed. Twenty-five ministers expressed initial interest in being considered for our minister. The Selection Committee has reviewed their credentials. The church exchanged packets with ten candidates. Eight were given phone interview. Committee members have listened to a lot of the candidate's recorded sermons and have called a lot of references. A competency model and a rating form developed by the Committee on the basis of guidance provided by the congregation is being used to evaluate candidates. The Search Committee has selected four finalists who are all really strong people. The Committee will continue its evaluation and Kate will meet all the pre-candidates before the final selection is made. The following are milestones in the near future:</p> <ul style="list-style-type: none"> <li>- The Committee hopes to make an offer to the selected candidate by March 15.</li> <li>- Candidating Week is April 25 –May 3. The candidate selected by the Search Committee will visit First Universalist, preach on two Sundays and meet with many of the church groups.</li> <li>-The congregational vote to call the minister will be at a special congregational meeting for that purpose on May 3.</li> </ul>	
Proposed Governing Policies	Sue Schiess	<p>See Attachment A The board reviewed another section of the Governing Policy Handbook and approved it.</p> <ul style="list-style-type: none"> <li>- Doug Smalley has an action item to review the Leadership Covenant adopted last month in comparison with the Covenant approved in Section II.D.3 of the Governing Policy Handbook and recommend whether to approve one or the other, to merge them or blend them. This will be on the board agenda for next month's meeting.</li> </ul>	Approved
Proposed Reorganization of Finance Policies	Sue Schiess	<p>See Attachment B This change reflects a correction to some automatic numbering changes that were accidentally introduced into the document by Microsoft Word. It does not represent any change in wording.</p>	Approved
Nomination of Gini Courter as Moderator of UUA	Sue Schiess	<p>The UUA requires that candidates for Moderator must have a specified number of nominations to get onto the ballot. Sue proposed that we provide nomination to her since she visited our church last year and met with many of the leaders.</p>	Approved with 1 abstention due to not knowing candidate
Executive Session		No minutes are taken during executive session.	
Adjourned			Adjourned at 9:02 p.m

Important Dates:

February 1, Stewardship Canvass Kick-off  
February 12, 5:30 PM, Executive Committee Meeting  
February 19, 6:30 PM, Board of Trustees  
March 1, Stewardship Canvass Ends

Respectfully Submitted,  
*Judy Goebel*

Board Secretary

## Attachment A

Key: Yellow highlight = Previously approved by Trustees  
Gray highlight = Approved at current meeting  
Red text = Approved change in wording

## II. Governance Process Policies

The policies in this section address how the Board conducts and monitors its own work.

### ***A. Board Responsibilities***

It is the Board's responsibility to articulate the congregation's vision, mission, and values, and to develop ends and policies that ensure accountability in achieving those ends.

#### **The job of the Board shall be to:**

- 1) Actively and deliberately link with its moral ownership, which is determined by the board to be: Present and future seekers who are attracted to First Universalist as a spiritual home.
- 2) Connect to its stakeholders as needed and desired to assure relevance, viability and sustainability. Those stakeholders are identified by the board as primary and secondary as follows:

#### *Primary*

- Present youth and adults (members and friends).
- Ministers and staff.
- Active volunteers/Lay leadership/future friends and members (seekers).
- First Universalist Foundation.

#### *Secondary*

- Unitarian Universalist Association (U.U.A.).
- Affiliated Organizations (e.g., M.U.U.S.J.A, Eco-Minds).
- TRUST organization of South Minneapolis churches.
- Faith in Action beneficiaries and non-beneficiaries.
- Neighborhood and wider community.
- Association of Universalist Women (A.U.W.)
- Church building tenants.
- Artists who display/perform here.
- Unity Summer program.

## **B. Governing Style**

The Board will approach its task in accordance with its covenant and with a style that emphasizes strategic leadership more than administrative detail, clear distinction of Board and staff roles, the future rather than the past, and proactivity rather than reactivity.

In this spirit, the Board will:

- 1) Direct and inspire the organization through the careful deliberation and establishment of policies. It will be an initiator of policy, not merely a reactor to staff initiatives.
- 2) Focus on intended long term outcomes, not on the administrative or programmatic means of attaining those outcomes.
- 3) Enforce upon itself and its individual members whatever discipline is needed to govern appropriately. Discipline will apply to attendance, policymaking principles, respect for the distinction between Board and staff roles and respect for Board decisions.
- 4) Monitor and annually evaluate the Board's own process and performance to systematically insure continuity of Board improvements.

## **C. Officer's Roles**

The following Board officers are part of the shared ministry of the church. As such, each officer has a special leadership role to play.

### **1. President**

The primary function of the President is to assure that the Board behaves consistently within its own rules and norms and those legitimately imposed upon it from outside the organization.

It is the responsibility of the President to:

- Prepare agendas for and preside over official Board meetings and meetings of the congregation with all of the commonly accepted powers of that position (e.g., ruling, recognizing), while observing Robert's Rules of Order except where the Board has suspended them.
- Focus Board discussion on issues that, according to Board policy, are the Board's to decide, not the Senior Minister's.
- Ensure that Board deliberation is timely, fair, orderly and thorough.
- Delegate work, as appropriate, to different Board members and/or other individuals or groups.
  - Communicate regularly with the membership including an annual report to be delivered at the Annual Meeting.
  - Perform all duties assigned by the Bylaws.

The President is also authorized to:

- Speak on the Board's behalf and represent the Board at official functions such as new member ceremonies, ordinations, and installations as well as occasional outside gatherings and meetings.
- Make any decision on behalf of the Board that falls within or is consistent with Board policies on Governance Process and Board – Senior Minister relationship. This authorization does not extend to any other type of Board policy.

- The President's authority does not extend to supervising, interpreting Board policies to, or otherwise directing staff.

## 2. Vice President

If the President is absent the Vice President shall perform all the President's duties and, when so acting, shall have all the President's powers and be subject to the same restrictions.

The Vice President may also have other such powers and perform such other duties as the Board may prescribe.

## 3. Secretary

The job of the Secretary is to assure the integrity of the Board's record. The Secretary is responsible for:

- Recording and archiving of the minutes and appended documents of Board meetings and official meetings of the congregation.
- Maintenance of the master copy of this Handbook and archiving of older versions.
- Overseeing publication/dissemination of all official Board documents on the Internet and other media as appropriate.
- Public announcement of any official meeting of the congregation and other duties as assigned by the Church bylaws.

## 4. Treasurer

The job of the Treasurer is to lead the Board's efforts to ensure the integrity of the Church's financial procedures and practices and the health of its financial position. In particular, the Treasurer will:

- Chair the Finance Committee and ensure that it performs its role in accordance with the Governing Policies.
- Report monthly to the Board any concerns held either individually or by the Finance Committee regarding Church financial matters.
- Report annually (at the Annual Meeting) to the Membership on the financial status of the Church.

## ***D. Board Members' Code of Conduct***

While carrying out its duties, the Board commits itself and its members to ethical, professional and lawful conduct, proper use of authority and appropriate decorum.

### 1. Conflicts of Interest

A "conflict of interest" may arise at any time this board is taking action on an issue, and that issue involves in any way another entity with which a board member or a member of his or her immediate family is associated.

Hypothetical situations under which there could be a conflict of interest would include cases where a board member or a member of his or her immediate family:

- Serves as an elected or appointed official or as an employee of a federal, state, or local governmental entity; or
- Serves as an officer or director or as an employee with another nonprofit or community organization; or
- Is employed or affiliated with a business organization AND
- That organization or entity has some financial business dealing with First Universalist, or common issues affecting the goals and mission of this organization.

It shall be the policy of First Universalist that where there is a conflict of interest, or where the potential for a conflict of interest may exist, each **Trustee** shall be expected to:

- Disclose, at the earliest practicable opportunity, to the other members of the board that a conflict of interest may exist and the nature of the conflict; and
- Abstain from voting on any matters for which there is or may be a conflict unless the other board members present when a vote is being taken unanimously agree to waive the conflict and authorize the board member to vote notwithstanding the conflict.

**The Secretary will record in the minutes the disclosure of a conflict by any board member, and whether or not a board member then abstains from voting.**

## 2. Authority

Individual trustees may not attempt to exercise authority over the organization. The Board will speak with one voice through its adopted policies.

- Trustees' interaction with the Senior Minister or staff must recognize the lack of authority in any individual trustee or subgroup (e.g., committee or task force) of trustees.
- Trustees' interaction with the public, media or other entities must recognize the same limitation and the similar inability of any trustee, except the President, to speak for the Board.
- Trustees are encouraged to continually self-monitor their individual performance as trustees against policies, against the qualifications listed in the current trustee position description, and against any other current Board evaluation tools.
- Trustees are encouraged to participate as individuals in Volunteer Committees, but all authority and accountability of Volunteer Committees and their Working Groups, as far as the Board is concerned, is considered the authority and accountability of the **Senior Minister**.

## 3. Covenant

Seeking to embody our religious principles and to create a culture in which all are encouraged to participate fully, we covenant to:

- Promote and maintain a trusting, safe and fun environment in which all are empowered to utilize our strengths and speak our truths, including hard truths, in the service of the congregation's mission, vision and goals.
- Seek out, encourage, celebrate and welcome diversity among board members.
- Welcome and build relationships with all board members, actively including all new board members.
- Actively participate in the board and congregation's decision making process and respect the outcome when due process has been followed.
- Communicate board decisions with 'one voice' once a decision has been made, maintaining confidentiality regarding individual positions and comments on issues.
- Follow all appropriate policies and procedures when in disagreement with a decision of the board.
- Remain in community through conflict and the work towards resolution.

- Hold ourselves and each other accountable to our commitments.
- Express genuine appreciation to all board members for their commitment of time, energy and effort.
- Be supportive of board members' needs for self-care and step up, when possible, to take on responsibilities to balance the load.
- Be open to new ideas and to new ways of doing things, including a commitment to change our position on issues.
- Be knowledgeable about the congregation's bylaws, policies and procedures and actively seek means to align the congregation's governance with its vision and mission.
- Remember, always, that no one is perfect, that everyone makes mistakes.
- Honor the sacred nature of our time together, our covenant and our shared purpose by illuminating and promoting the hopeful, helpful and enjoyable ways we can engage in the work of this church together.

## ***E. Committee Principles***

The Board may establish standing or temporary committees to help carry out its responsibilities.

This policy applies only to committees that are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the Senior Minister.

### **1. Purposes**

Committees will assist the Board chiefly by preparing policy alternatives, recommendations, and implications for Board deliberation.

Committees will be used only when other methods have been deemed inadequate so as to minimally interfere with or confuse the wholeness of the Board's job.

### **2. Authority**

Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the Senior Minister.

### **3. Staff Relationship**

Board committees are to help the Board do its job, not to interfere with the staff doing its job.

Board committees cannot exercise authority over staff and in keeping with the Board's focus on the future, Board committees will not ordinarily have direct dealings with current staff operations.

Further, the Board will not impede its direct delegation to the Senior Minister by requiring approval of a Board committee before a Senior Minister action. The Senior Minister works for the Board, never for a Board committee or officer.

## ***F. Grievance Policy***

It is the intent of the Board to be responsive to staff and the congregation, but it is not the function of the Board to resolve complaints or grievances that are not directly related to the Board's policy-making and policy-monitoring functions.

When individual Board members receive complaints from members of the Congregation, the following guidelines will be followed.

## 1. Complaints about Board Policies

Complaints and inquiries concerning these policies shall be handled in accordance with the church's vision, which encourages direct and open communications. Such matters brought to the Board's attention will be the welcomed basis for on-going revisions to these policies.

If a request for Board action is received, the complaint or inquiry will be communicated to both Board members and the Senior Minister. After discussion with the Senior Minister, the Board will determine if a policy change is required. If not, the Senior Minister will resolve the matter directly with the initiator.

If a policy change is required, the Board will make the required change and communicate the resolution to the initiator.

## 2. Complaints about Violations of Policy

If a staff member believes that there has been a violation of policy s/he may bring it to the attention of the Senior Minister. If the issue is not resolved, the next step is to follow the grievance procedure outlined in the Employee Handbook.

If a congregant believes a policy is being violated by staff or the Senior Minister, s/he should first discuss it directly with the appropriate staff or Senior Minister. If this is not possible or if the issue is not resolved through direct conversation, it may be brought to the President or Vice President for consideration by the Board. The Board may consider clarifying the policy or treating the issue as disciplinary.

## Attachment B

*Text in yellow before was approved in the December meeting, but with different numbering.*

# IV. Senior Minister Limitations Policies

## G. 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.
2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
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.
4. Deviate materially from board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.

## H. 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.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.
3. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
4. Expend any endowment or designated funds other than for the purposes determined at time of receipt or designation.
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.
6. Allow actual allocations to deviate materially from board priorities in Ends policies.
7. Borrow funds on other than the short-term basis as defined and outlined in these policies.

8. Make unbudgeted transfers or "loan" between the general funds and the endowment funds without Board approval.
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
10. Deny reasonable access to financial records by the Board, its committees, and authorized outside advisors.

## ***I. 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:

1. Fail to insure against theft and casualty losses at replacement value less reasonable deductible and/or co-insurance limits.
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.
3. Allow un-bonded personnel access to material amounts of funds.
4. Subject plant and equipment to improper wear and tear or insufficient maintenance.
5. Unnecessarily expose the organization, its board, or staff to claims of liability or risk the nonprofit status.
6. Make any purchases not provided for in either the capital expenditure or operational projections.
7. Make any planned purchase of over \$10,000.00 without at least two competitive bids.
8. Receive, process, or disburse funds under controls insufficient to meet generally accepted accounting standards.
9. Fail to invest foundation and church capital in accordance with the investment policy
10. Fail to protect intellectual property, information, and files from significant damage.
11. Endanger the church's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.
12. Solicit funds from members or external sources for purposes that deviate materially from Board stated priorities and requirements.
13. Fail to honor documented donor and source restrictions placed on foundation, legacy and opportunity funds.

## ***V. Standing Committee Charges***

The policies in this section specify the guiding principles and charges for standing Board committees.

### ***A. Finance Committee***

This Committee shall monitor all financial governing policies established by the Board of Trustees, engage annually a qualified professional advisor and stipulate the scope of work to be completed, present a balanced budget to the Board of

Trustees based on the recommended budget prepared by the Senior Minister. This Committee may have additional duties as defined in the governing policies.

- The Board delegates to the Finance Committee responsibility for monitoring compliance with the Board approved policies in the areas of Financial Planning and Budgeting, Financial Condition and Activities, and Asset Protection.