

Unitarian Society of New Haven  
Minutes of the Meeting of the Board of Trustees

September 14, 2017

*Accepted October 12, 2017*

**Board Members Present:** Liz Demsky, Jeannette Faber, Kathy Garner, Daniel Gelperin, Megan Lloyd Joiner, Bernice Marie-Daly, Pamela Miller, Peggy Myers, Bobbi Pace, Pat Trotta

**Also Present:** Gwen Heuss-Severance, Georgia Jennings

D. Gelperin called the meeting to order at 6:32 pm. P. Miller recorded the minutes. A quorum of Board Members was present. The meeting proceeded with D. Gelperin presiding.

**Gather**

D. Gelperin lit the chalice and did a short reading. Attendees read the board covenant and followed with a check-in: How does being part of USNH change how you live your life?

**Meeting Preparation for this evening**

G. Jennings will take a photo of the board for the web site. A portrait will be done next month.

It helps to have a minister's report for the board. We will resume doing it next month.

**Assess the Past (Monitoring)**

**a. Management Team report**

The Management team report is attached at the end of the minutes.

Endowment and Legacies expects a response regarding the proposal to borrow from the endowment for the mortgage. Should we give ourselves a favorable rate if we borrow from the endowment? Should the mix of equity to bonds be changed? Should we have a capital campaign for the mortgage? We are not voting on these questions. They are MT decisions but they would like to have a sense of the Board's opinions. The bylaws make it clear that Endowment and Legacies is independent from the Board and MT.

The bond rate seems like a no-brainer given the proposed rate. More thought needs to be given to the remaining amount. If Endowment and Legacies insists on following its proposal, we may need to investigate commercial loans. Keeping equities may be risky given stock market uncertainty.

How much would be freed up per year? We would have \$32,800 extra based on 6.7% rate over 10 years. The bond rate combined with 5-year equity rate would free up \$32,900. We would still have to find additional \$30,000 in loans. The most favorable combination would provide \$38,000. We have a projected \$12,000 deficit for next year. The annual contribution would be 2% of the remaining endowment funds. How would the found money be used?

Borrowing from friends can cause problems. Listening sessions showed that there is concern in the congregation about the authority of unelected MT members.

**b. Monitor financial conditions**

The finance committee met on Monday evening.

## **Create the Future & Learning**

### **a. Board communication with congregation**

This discussion includes the second question from the MT report. The Board and MT will work together to clarify the roles of committees. This will be presented at the next congregational meeting. Would this work for the MT? What is your charge? How are you accountable? What skills are needed? What is the role of the chair? This is not an inquisition, rather it is intended to help more people become involved. It is confusing to committees that they work with the MT.

How do we help teams do what they want to accomplish? How can we integrate our mission into the conversation? We get to be cheerleaders for the mission.

Could the board come to the council of chairs meeting to help with communications? We need to help people understand the mission and roles. Does the council of chairs know what its charge is? How does the MT see its function? The meetings have good attendance. We may be able to make better use of it. It is not seen as a decision-making body but it was originally intended to be one. That view is not in the bylaws or in policy. This must be figured out. It is used mostly for communication and to gather leadership together. How would we put it into policy if it is to be a decision-making body?

It would be more effective to talk to entire committees rather than to committee chairs alone. It would be hard to get committee specific answers at a congregational meeting. The council of chairs seems to be similar in concept to the Social Justice Network. Is it a tool that can be used to attain ends?

We are moving away from discussing ends to using goals. Placeholder: We are here to awaken from the illusion of our separation. Will committees need more than this to answer how they serve? Board goals are specific to the board. How will we know if we are successful? Should the placeholder be put on the website? For now, the placeholder is just within the board. How do we describe what we are trying to reach? There is a vision and a mission. We don't have a vision.

The issue of committees has been a stumbling block for other congregations dealing with policy governance. It can't stay as it is. We don't want to upset the applecart. We need to be more definitive about authority. The Policy book is written in terms of limitations. It was set up intentionally to have checks in place. That should help ease anxiety.

The Policy manual and other related documents are available on the usnh.org site and in the board web site.

This discussion will be continued at the October board meeting. Can we have set a timeline for this work? Can we identify milestones? That will be done next month.

The congregational meeting will be held on November 12 at noon in the sanctuary. M. Lloyd Joiner has reserved the sanctuary for that date. What will we want to have accomplished by that date? Is it better to ask for information in advance of meetings or to ask the questions at the committee meetings? We will organize our questions, introduce them at the congregational meeting, and then start scheduling meetings. Committee goals will be presented at the congregational meeting. We can start with the operational committees. Questions of authority extend to program committees. Where does MT have the most issues? Could this be introduced at the council of chairs? The council of chairs will meet in October. The date has not been set. A doodle poll will be sent out for the dates. Dan and Peggy will attend. Other board members can

attend. The draft org chart will be presented at the congregational meeting. Feedback will be invited.

What specifics need to be worked on between now and October? How do we describe the mission, the clarification of roles? What will be the process for finding it? It must be a congregational process. We should be able to answer the question: why are we changing our mission statement. We don't have a vision statement. Can we look at other places? What difference are we making for whom? Maybe we don't need to define it before the process. Emphasize that this work comes out of what we heard at the listening sessions.

We will discuss the best way to communicate at the next meeting.

G. Jennings and G. Heuss-Severance left the meeting at 8:09pm.

**Newsletter – Homework:** Can we have placeholder topics for newsletters? Members should work on this between now and the next meeting. Could we have an article about the recent retreat? Can we have a shared article by the president and the minister? October 4<sup>th</sup> is the deadline for the next newsletter. D. Gelperin and M. Lloyd Joiner will work on this for October.

Should we have a board member be designated for each Sunday? We will have a sign-up sheet for Sundays. Each agenda will have a sign up for the next month. Dan will do 9/17. Kathy will do 9/24. Peggy will do 10/1. Liz will do 10/8.

**b. Draft monitoring schedule.**

Emergency Management Team Succession will be monitored in October. K Garner will write financial monitoring report for November. The schedule must be given to the MT. Policy 3.5.5 Monitoring Schedule must be updated to be consistent with the new schedule.

**Homework** – How do we know that we are making progress toward our goals? What information will we need? Read the ends and think about useful ways to determine whether we've made progress. Collect ideas on how to do it better. We did a direct inspection already when we looked at our ends. How many can we address?

Discussion of board committees was deferred. What do we want committees to look like? What do we want them to do?

There is no need to update the covenants at this meeting.

**Consent Agenda**

**MOTION – D. Gelperin**, to approve the August minutes; **SECONDED – B. Marie-Daly**;

**PASSED**, 8 in favor, 0 opposed, 1 abstention

**Announcements**

- a. We will read Moving on from Church Folly Lane together this year to use it as a springboard for discussion at the 2<sup>nd</sup> monthly board meetings and hopefully during some regular board meetings.
- b. Board meetings will be on the 2<sup>nd</sup> Thursday and the 4<sup>th</sup> Tuesday at 6:30pm.

**Thank-you's**

Carol Cheney for letting us use her space for our retreat. P. Myers has sent a thank you. J. Faber offered to take over writing thank you notes for the board.

### **Adjournment**

**MOTION – D. Gelperin**, to adjourn; **SECONDED – B. Marie-Daly**;

**PASSED unanimously**, 9 in favor, 0 opposed, 0 abstentions

The meeting was adjourned at 8:33 pm.

### **Attachments**

Management Team Report

Monitoring Schedule

## Management Team Report – Board of Trustees Meeting 9.14.17

Endowment and Legacies has proposed terms for a loan agreement to pay down the principal remaining at the end of our current mortgage, estimated to be \$380,000.

The terms proposed are a bond rate loan of \$250,000, the amount E & L has currently invested in bonds. This would be payable over 10 years. In addition, an equity rate loan of \$100,000 payable over 5 years was proposed. The remaining \$30,000 would come from available cash or a commercial bank loan.

While the \$250,000 bond rate loan would be highly advantageous, when the total package is compared with a commercial bank loan for the full \$380,000, the payments to E & L would exceed those to a commercial bank. This is due to the truncated repayment period of the equity rate loan – 5 years rather than 10 years.

The E & L proposal suggested fixed interest rates based on 10 –year return projections published by Schwab on March 13, 2017: 3.1% for bonds, 6.7% for equities.

The MT is considering meeting with E & L to discuss the possibility of reconsidering some of the terms, e.g., variable rather than fixed interest rates, extending the equity portion of the loan from 5 to 10 years, and, because we do not have \$30,000 in cash available, increasing the loan package to cover the full \$380,000 eliminating the need for a commercial loan. At the time the proposal was prepared, \$481,000 of the \$1,001,737 in total endowment assets were without restrictions on its use.

- What is Board's thinking on this response to the E & L proposal?

At its recent retreat, the MT identified the support of the following four standing committees as key to achieving compliance with policies related to the MT: Personnel, Finance, Building and Grounds and Right Relations. Many other committees represented on the Council of Chairs provide critical work in helping us achieve our mission, values and ends.

An area of concern is the perceived lack of MT authority by the congregation and committee leadership.

- Would the Board be willing to help the congregation and committee leadership understand the roles and responsibilities it has delegated to the MT?
-

### 3.5.5 Monitoring Schedule

All policies that instruct the Management Team will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

Policy Number and Name	Method	Frequency	Month
Purpose of USNH, C. Ends Statements (Program Outcomes)	<del>Internal report-</del>	<del>Monthly-</del>	requires change to Monitoring Schedule
	Direct Inspection	Annually	Jan
1.0 General Management Team Constraints	Internal report	Annually	March
	Direct Inspection	Annually	March
1.1 Treatment of Congregants, Friends, Visitors	Internal report	Annually	June
1.2 Emergency Management Team Succession	Internal report	Annually	Oct
1.3 Staff/Volunteer Treatment	<del>Internal report (staff changes)-</del>	<del>Monthly-</del>	requires change to Monitoring Schedule
	Direct inspection	Annually (including grievance procedures)	June
1.4 Compensation and Benefits	Internal report	Annually	April
1.5 Financial Planning/Budgeting	Internal report (planning)	Quarterly	Feb, May, Aug, Nov
	Direct inspection	Annually	
1.6 Financial Condition and Activities	Internal report	Quarterly	Feb, May, Aug, Nov
External report (CPA's Compilation Statement)		Annually	Sept
1.7 Asset Protection	Internal report	Every 3 years (or more frequently as determined by the Board)	
1.8 Communication and Support to the Board	Internal report	Annual	June
1.9 Grants or Contracts	Internal report	Annually	Jan
1.10 Safety	Internal report	Annually	June

#### Notes

No monitoring in July or Dec

how does this schedule mesh with budgeting?

consider through the lens of Hotchkiss how and when we want to monitor ends/outcomes

1.2 Emergency MT Succession includes emergency minister succession?

what does direct inspection of 1.0 General MT Constraints mean? Does it make sense to have direct inspection?

what is missing?

<b>September</b>	new board starts	External report (CPA's Compilation Statement)
<b>October</b>		1.2 Emergency Management Team Succession
<b>November</b>	Fall congregational meeting	1.5 Financial Planning/Budgeting
<b>December</b>		1.6 Financial Condition and Activities
<b>January</b>		Purpose of USNH, C. Ends Statements (Program Outcomes)
		1.9 Grants or Contracts
<b>February</b>	Board retreat to set next year's goals	1.5 Financial Planning/Budgeting
		1.6 Financial Condition and Activities
<b>March</b>		1.0 General Management Team Constraints
<b>April</b>		1.4 Compensation and Benefits
<b>May</b>	Spring congregational meeting	1.5 Financial Planning/Budgeting
		1.6 Financial Condition and Activities
<b>June</b>		1.1 Treatment of Congregants, Friends, Visitors
		1.8 Communication and Support to the Board
		1.10 Safety
<b>July</b>	orient new board members	
<b>August</b>	orient new board members	1.5 Financial Planning/Budgeting
		1.6 Financial Condition and Activities

when are budgets proposed and approved?

