

UUCR Board Meeting February 7, 2005 – Minutes

Attendees: Mark Howley, Lillian Christman, Karen Curnow, Joyce Kirk, Bill Eisnaugle, Maxine Jaubert, Peter Deschamps, Scott Randolph, Alison Eskildsen, Dennis Daniel, Terry Mitchell, John Purcell, Jim Dieter, and Paul Baumgartner.

Bill Eisnaugle: Chalice lighter extraordinaire and timekeeper/facilitator (not so extraordinaire).

Please note: A list of action items that emerged from this meeting appear at the end of these minutes.

I. REPORT: TREASURER'S REPORT

Peter Deschamps introduced Mr. John Purcell, the audit manager at CST (the company that is reviewing our financial controls and processes). Peter reminded the board that John had presented a report with several recommendations. The first is a separation of duties- segregating cash processing, the second relating to bank reconciliations for all our funds, third - maintaining Church Window's data base to ensure integrity of the data, fourth – monthly reporting, fifth - payroll processing recommended to be done at same time, and sixth - constructing and maintaining an accounting manual.

Questions from the Board (and John's and Peter's responses):

Is this a major overhaul to our system? Yes – there is no one central place you can go to to get the entire accounting picture of the church.

Cash accounting on Sundays – need for 2 board members? John explained that this would create a check on deposits made. He added that the same concept applies when writing checks – the person who writes the checks should not be the person who reconciles the accounts.

Assuming everything in place at beginning of next year – will we have a structure in place so that any firm could come in and audit us?

Yes. If I had to put emphasis on an issue, I would choose having the Church Windows software become the central point for all activity of the church.

Any thoughts about Church Windows? Should we be using something else?

I noticed the software did a great job of monitoring your pledges. It didn't appear to be tracking your funds – no meaningful info about how much was in each fund. Could it do more? Are there classes available that would help people make the most of this? Yes.

A lot of problems we've had have been items being posted to the wrong account. How do we do a double-check on monthly postings? One answer is to provide monthly

financial statements to the oversight party – which would disclose the financial activity of the church.

If everything was in one location and system in place to produce monthly financial statements, you will more easily be able to check this to assure accuracy of the data.

John also reported that the summary of all ledger accounts – the Trial Balance – did not balance. It needs work.

Dennis reported that it takes at least 2 years for overlap, record inaccuracies, and learning curve – expensive and time-consuming.

The group talked about the fact that there is a lot that Church Windows can do that needs to be explored. Bill commented that when the need for further training and upgrading of skills had been brought up in the past, it had been poo-poo'ed.

What is the value of carrying the assets – which we have not put a value on at all?
Ownership of assets is part of the balance sheet. More a function of being complete in your accounting. GAAP (generally accepted accounting procedures) require that you carry the value of your property based on cost - cost plus any improvements paid. The value is – in an audit GAAP requires that all assets be reported at fair value. For a construction loan, you would be telling your banker that we have a building here that could be leveraged.

The board then thanked John for his report and John exited.

MOTION AND VOTE: Peter moved that the board accept the report having been received. Bill seconded. All voted in favor.

Finance Committee Priorities:

Peter then said that he and the Finance Committee wanted to prioritize the findings:

First: reconciliations in Church Windows.

Second priority: cleaning up the data in church windows. The problem is not with the functionality or software, the problem is with the data. Peter stated that a lot of maintenance and clean up needs to be done; that in order to reconcile directly to church windows, we need to cleanup first.

Third: Separation of duties – we accept what the report states. We need to ensure that there is a clean flow of cash.

Fourth: Creating and maintaining an accounting manual.

Fifth: All others – lumped together as 5th priority.

The group then talked about some training options – computer helper. Probably looking at a regional training class option – 4 day class – which covers both members’ data base and the financial side, plus a third module on payroll. Peter recommended that we send 2 people.

Mark suggested that we first check in with personnel committee and that the amount for this training be included in the budget. Dennis reported that 2 people who attended a few years ago found the training to be too elementary. Bill said that there are a lot of UU’s in Allentown, PA (location of one of the training programs) – so we may be able to get cheap housing, too.

Mark asked that we not push off the separation of duties for too long. Peter said let’s make sure we know what’s happening now and then decide what the right procedure will be.

Peter summarized by saying there are 3 things we need to do now: prioritize, create a timeline to tackle the problems, and identify responsible parties for each segment / priority. Peter agreed to get that to the Board by the next board meeting.

II. REPORT: FINANCE COMMITTEE REPORT

Terry Mitchell stated that given the \$200,000 pledge income from last year coupled with the expenses that we predict, we will need an increase of \$16K. Budget for next year also has no allowance for debt retirement.

Terry had laid out some options in an email to Mark. Bill suggested that setting the pledge goal at \$66K over last year’s was too high. Someone added that if we can shift to an ongoing canvass throughout the year, we will have a better ability to predict.

Lillian asked if we reached \$260 as a pledge, wouldn’t that trigger that we move forward with the construction? If we have another failed pledge drive, what will that do to folks’ morale? Bill said it depends on how “failure” is defined and communicated.

Terry mentioned that it is possible to have multiple budgets – one that is the minimum budget.

Jim Dieter commented that you want to avoid using succeed/fail language – the congregation would then select which budget to go for. If you give this much, then this is what we can do. If this much, then this is what we can do.

Maxine suggested that we present 3 budgets: One – maintain the building - \$220K; one - Plan for a future building- \$250 K, and one Go for the building right now - \$270 K.

Instead of having a deep chair on this issue, the group decided to have a finance focused discussion at the next board meeting.

III. REPORT: BUILDING AND GROUNDS

Ann Thomas presented some building and grounds options that she wants to complete during this fiscal year. The group considered whether or not we could use the maintenance reserve fund to cover this. Peter reported that we can come up with funds for one of the issues, but not all.

Mark asked Peter to send the board figures on how we can cover.

Bill also brought up that we need to start figuring out how to get a defibrillator.

IV. REPORT: STEWARDSHIP

Jim Dieter reported that the theme for this year's stewardship campaign was the DaVinci Code. Key dates are: kick off – the introduction made at the annual meeting, a leadership event or secret society meeting scheduled for 3/20/05, the all-congregation Stewardship Dinner on 2 April at the country club, and then Commitment Sunday on the 10th of April.

Jim explained that there will be canvassers this year, but their role will be somewhat different. Their goal will be to get their assigned folks to come to Commitment Sunday.

MOTION AND VOTE: Peter moved that we increase the budget for the stewardship campaign to \$7,300 contingent upon the finance committee's recommendation for how to fund that increased amount. Bill seconded.

Discussion on this motion included ideas on how we could come up with the money if needed. One idea was to have a board dinner to raise money, \$10 per person charge for the dinner.

Maxine made an amendment to that motion to proceed with the dinner and that we will go into reserves if needed, consider other options for raising funds. Peter accepted it as a friendly amendment – seconded. All voted in favor.

V. REPORT: RE COMMITTEE

Paul Baumgartner announced that the RE Committee wants to pursue another week-long summer camp as was done last year. He asked the board for approval for having these new line items in the budget - one line item for income from registration fees (\$1300) and one line item for expense for paying summer camp staff (\$1900).

MOTION AND VOTE: Bill moved that we direct the finance committee to insert two lines into the budget, one for staff salary expenses and one for income. Scott seconded.

Discussion: questions that came up during discussion of this motion included concerns about whether or not the staff would be considered employees or would be

working on contract, whether there would be any liability or licensing issues that we need to be concerned about. Someone commented that this would be considered a standard part of the church activities – and would fall under any other church activities. Someone recommended that we call this a summer program, not a camp to make it clear that this falls under normal church activities.

Substitute (amended) motion: Resolution from the board that we support paid staff for the summer program and encourage the RE Committee to submit a budget utilizing registration fees to offset the cost of staff compensation. Scott seconded. All voted in favor.

VI. MISCELLANEOUS (SHORT) AGENDA ITEMS:

- Lillian agreed to put off the long range planning conversation until the next board meeting.
- The Sabbatical Committee presented a \$4,000 line item – no need to discuss here.
- Mark mentioned that he would circulate a proposal for increased office hours for administrative needs. He mentioned that he would look for an email vote on that if possible.
- Retreat planning – now scheduled for 4/22-23 (not the 4/30-5/1 originally considered). Bill will email everyone requesting feedback on food for the retreat.
- Board social is 19th of Feb. If you can attend, let Bill know and bring something.
- Mark commented that the annual meeting agenda and his letter that goes out with the annual report was coming (or had already arrived) in everyone's email boxes.
- Board Voice – Scott will do something on the leadership council – due by 18th.

VII. REPORT: MUSIC COMMITTEE

The Music Committee had shrunk to having only one member. We asked Wilson for 3 nominees. We are supposed to nominate 3 people. This committee has a dual function – partly a program committee to help Wilson and also a consultative and ombudsman function – like a committee on ministry.

MOTION AND VOTE: Karen moved that the board accept the three nominations put forward by Wilson. Peter seconded. 7 voted in favor. One abstention.

Discussion: we will discuss the board's 3 nominations by the next board meeting, and possibly via email prior to our next board meeting.

VIII. CHILDREN'S HOUSE

It is time to renew the lease and the question raised was, what is the recommended increase? Someone commented that they thought 3% is standard. Others raised concerns about other local rates that may be going up – and by how much? We also identified the need to look at any increased costs we are experiencing. Maxine will ask

Bob about average rate increases for the area. Someone suggested that we look at previous lease – see if there was an acceleration clause in that. Another question that was raised was whether we could negotiate a longer-term agreement with Keturah this year -- something she could plan and budget for and that would help us budget and plan, too. Mark will check with Keturah about a longer term lease.

IX. DRE COMMITTEE ON MINISTRY NEED

DRE Committee on Ministry needs two people. Someone commented that Ed Houck would be good if he is willing.

MOTION AND VOTE: Peter moved that we accept Ed Houck assuming he accepts. Lillian seconded. All voted in favor.

X. CIVIL MARRIAGE SIGN REPLACEMENT:

There was a short conversation about the need to patch together or replace the damaged “Civil Marriage is a Civil Right” banner.

MOTION AND VOTE: Mark moved that the board approve replacing the current signs with up to two signs. Bill seconded. All voted in favor.

XI. LETTER TO INACTIVE MEMBERS

Bill proposed a letter that would be sent out to inactive members in the church. He explained that he was talking about 12 – 14 members who haven’t been active for a while. The board agreed to read the letter and send Bill any feedback. Peter also suggested that Mark should sign the letter.

Motion to adjourn – Peter made a motion to adjourn; Karen seconded. All voted in favor!

See the table of Action Items from this meeting on next page.

FOLLOW-UP/ACTION ITEMS FROM MEETING:

WHO?	WHAT?
Peter Deschamps	Create a prioritized list of activities needed to respond to the CST recommendations, complete with timeline and responsible parties.
Peter Deschamps	Send the board figures on how we can cover some of the recommended building and grounds tasks.
Scott Randolph	Write Board Voice article on the leadership council.
Bill Eisnaugle	Email everyone to elicit food requests for upcoming Board retreat.
Mark Howley and Everyone	Mark will send an email relating to a proposal for increased office hours. The board needs to reply by voting via email.
Maxine Jaubert	Ask Bob about the average acceleration rate for leases in the area – and communicate that rate to the Board.
Mark Howley	Check with Keturah about a longer-term lease.
Bill Eisnaugle and Everyone	Send to the Board proposed letter to inactive members for feedback. Board will send him feedback via email.