

USG Board of Trustees Agenda / Minutes
July 24, 2018

Attendees: Jenn Leiby, Eva Finney, Michael Campbell, Debbie Ward, Jessica Slivak, Joanne Davis, Kent Matthies, Sam Stormont, Nancy Anderson

Guests: Dev Howerton, Dennis Brunn

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Approval of June minutes

Decision: The June 26, 2018 USG Board minutes were approved.

Social Justice Council Presentation

See Appendix 1 for background materials.

Dennis Brunn is USG’s point of contact to POWER (Pennsylvanians Organized to Witness, Empower, and Rebuild), a non-partisan interfaith organization committed to building communities of opportunity and justice. Examples of issues that POWER is working on include leadership education and voter

registration. The Social Justice Council requests the Board to consider USG becoming a member of POWER. POWER's goals are closely aligned with those of USG. POWER would also serve as a mechanism to work with other UU area churches. Membership dues are requested at 0.5% of USGs annual budget (~\$3000) but there is no set minimum. A significant portion of the dues could be raised by a Share-the-Plate offering as well as additional fund-raising. For example, UUA is encouraging UU churches to be part of interfaith justice coalitions, and there is some UUA funding to encourage this. If USG becomes a member, we would be expected to form a local organizing committee (as little as 3-4 people) to liaise between USG and POWER.

Decision: The Board approves the Social Justice Council (Dev Howerton and Dennis Brunn) to approach POWER to discuss USG joining POWER at the level of a Share-the-Plate offering, as well as any additional grant funds that may be obtained from UUA or other sources.

Woods Project Update

See Appendix 2 for background materials.

Building and Grounds (B&G) Committee discussed the proposed design for development of the woods clearing at the July 2018 B&G meeting. Some B&G members expressed concern regarding installation of a permanent fire pit in the clearing, especially with respect to potential unauthorized use by neighborhood youth. It was noted to the Board that the Woods Task Force had in fact provided in the original design for a screened covering for the fire pit that could be locked to prevent unauthorized use, but that this and other safety and security features may not have been raised at the B&G meeting since no one from the Woods Task Force was in attendance at the July B&G meeting. However, in consideration of the concerns of B&G, a revised design that does not contain a permanent fire pit was submitted to the Board.

Decision: The Board concurs with the revised design for the Woods Project, and thanks Roderick for his assistance with the project.

Post-meeting note: a stone alter/seat has been added to the center of the labyrinth in the updated design, and benches have been reduce from 6 to 8 in the inner ring, since benches currently being considered are 6-ft long instead of 5-ft long.

New Treasurer

See Appendix 3 for background: USG Finance Policy

Mark Bernstein has resigned as USG Treasurer. MET is considering who can replace Mark as Treasurer. The Treasurer primarily provides oversight of whether financial policies and practices are being followed appropriately at USG. There is also a need for someone (possibly a second person) with accounting expertise to on occasion advise the Church Administrator on accounting best practices.

Decision: A working group will be formed composed of Michael Campbell, Gloria Guldager, Kent Matthies, and Andrea Parry to investigate the best resources and information to 1) clarify financial

roles of Board, MET, and Treasurer for those groups and the congregation; and 2) generate ideas for how to meet the needs of the Treasurer position, including whether this should be one or two people.

Elevator Financing

Ground breaking for the elevator project will be the first or second week of August 2018. We have cash to pay the builder through November 2018. Cash flow Dec 2018-Feb 2019 (last payment) is an issue, however, since elevator capital campaign pledges will be fulfilled over 3 years. A “Fill the Gap” campaign will begin in September 2018, but because we cannot rely on obtaining all needed funds from the campaign, we are considering applying for a bridging loan for up to \$125,000. Options for a loan include:

- Univest Loan: However, this loan requires an appraisal, which will cost about \$5000 on a property of USG’s size
- UUA building loan
- Mortgage from a bank: However, will there be a penalty for early repayment of the loan?
- CIF loan
- Member loan

Assignment: Debbie Ward to investigate a UUA building loan to bridge the cash flow gap for the elevator project.

Elevator Fund Transfer Motion

Bill Morrow is authorized to transfer funds from the CIF to the elevator fund capital campaign account. The Board addressed the following question: Who can direct Bill Morrow to transfer funds for the elevator project from the CIF to the elevator fund capital campaign account?

- **Decision: Bill Morrow will transfer funds from the CIF to the elevator fund capital campaign account only with direction from the Board President or her Board designee.**

ERC Petition - Procedure

See Appendix 4 for Ending Racism Committee’s Petition regarding Intern Compensation for Constance Simon

Barbara Dowdall will represent the petition to the Board at the August 2018 meeting. Questions to be discussed will include whether to provide a compensatory stipend for Connie Simon, and If so, how much to provide and how it will be funded.

- **Action: Jenn Leiby to inquire of UUA regarding the going rate for payment of intern ministers.**
- **Action: Barbara Dowdall to provide an estimate of the amount of compensatory stipend being requested for Connie Simon.**

Appendix 1: Social Justice Council request for USG to become a member congregation of POWER

Board Agenda Request

Unitarian Society of Germantown,

Board Agenda Request Date: June 19, 2018

Name of person making request: Devery Howerton and Lois Murphy, Co-Chairs,
Social Justice Council

Phone number: 610-350-9834 (Lois Murphy)

Email: lois.murphy@comcast.net

Name of group being represented: Social Justice Council

History and background information the church board needs to consider this issue:

The Social Justice Council unanimously requests Board Approval of USG becoming a member congregation of POWER (Pennsylvanians Organized to Witness, Empower, and Rebuild). POWER is an interfaith organization with over 50 member congregations in Southeastern Pennsylvania, committed to building communities of opportunity and justice. See attached letter for further explanation.

To what church groups has this been presented? Support? Has it been presented to church staff?

This request is supported by the Social Justice Council, and has been presented to the Senior Minister Kent Matthias and Carolyn Scott.

Please clearly describe the action you want the Board to take (a proposed resolution may help expedite board action on your request.)

Resolved that the Board of Trustees of the Unitarian Society of Germantown approves the request to become a member congregation of POWER (Pennsylvanians Organized to Witness, Empower, and Rebuild) an interfaith organization committed to working on social justice issues including criminal justice reform, economic justice, education justice, and voter engagement.

Anticipated cost: Requested contribution is 0.5% of Congregation's annual budget, as determined by church leadership, with set no minimum amount required for membership (possibly less if negotiated; could be supported in part through Share the Plate, if approved).

Do you wish to make a personal presentation at the Board meeting?
Lois Murphy is available to attend and discuss if questions are anticipated.

If so how much time (in 5 minute increments) do you feel you will need? Who should be notified of the Board's action?

5-10 minutes; Social Justice Council and MET; Announcements and activities for Congregation will follow from Social Justice Council

Letter from Social Justice Council to USG Board President

June 19, 2018
Jennifer Leiby
Incoming President,
USG Board of Trustees

Dear Jenn,

As you know, our USG Social Justice Council has been learning about the interfaith social justice organization, POWER (Pennsylvanians Organized to Witness, Empower, and Rebuild) in order to assess whether or not it would be a significant benefit to USG for us to join as a congregation.

As part of our process, we have taken the following steps:

1. Review of POWER's website and written materials
2. Attendance by Rev. Kent to two meetings of POWER's Clergy Caucus as well as his having conversations with several UU clergy in our area whose congregations already belong to POWER
3. Attendance by Nancy Anderson, Gail Mershon and Dennis Brunn to one or more meetings of POWER's team working on mass incarceration and police accountability issues
4. Attendance by Mel Streib, Anne Gywnn, Dev Howerton, and Gail Mershon at a POWER NW Philadelphia meeting
5. Hearing in April from Jordan Ford, the POWER Organizer for NW Philadelphia and staff for POWER's Economic Dignity campaign
6. Meeting on June 13 with Rev. Yvette Davis, POWER's Director of Outreach, who presented an informative overview to our Council.

Based on all the information gathered, we as a Council unanimously have determined that it would be wise and helpful to USG for us to become a member of POWER. In short, we think the goals and values of POWER are very close to our UU goals and values in the arena of public policies and justice. By joining POWER we will gain in effectiveness and most likely increase the numbers of USG members who will choose to become involved.

We would like to present the case for joining POWER to the full Board at your July meeting. Please let us know if we can be put on the Agenda and please advise us as to what materials and information would be most helpful to get to the Board members in advance of the meeting.

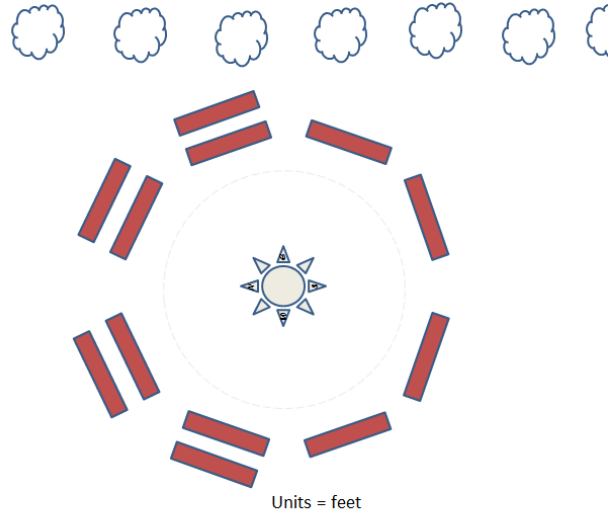
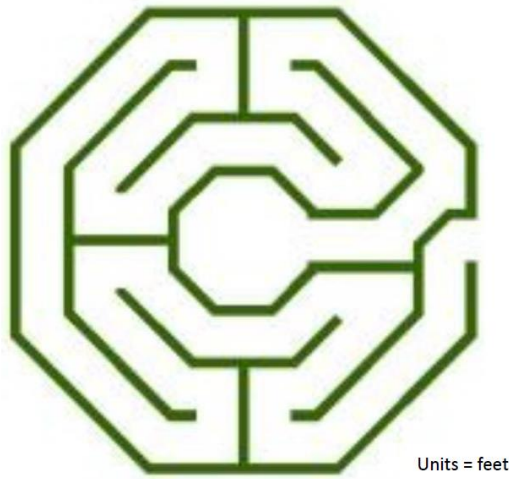
Sincerely,

Lois Murphy, Co-Chair, Social Justice Council
Dev Howerton, Co-Chair, Social Justice Council

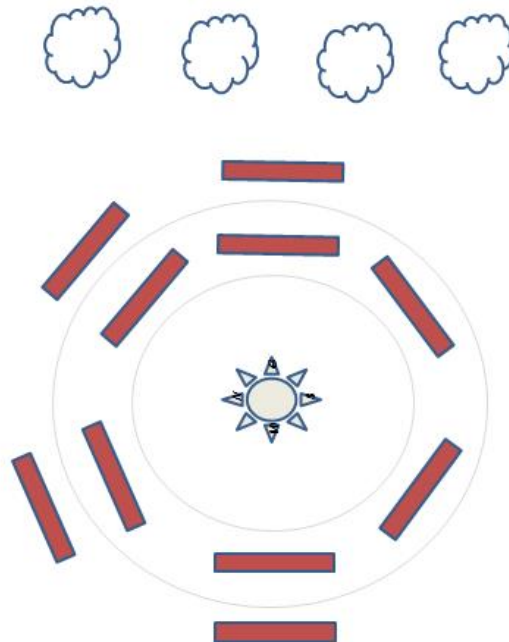
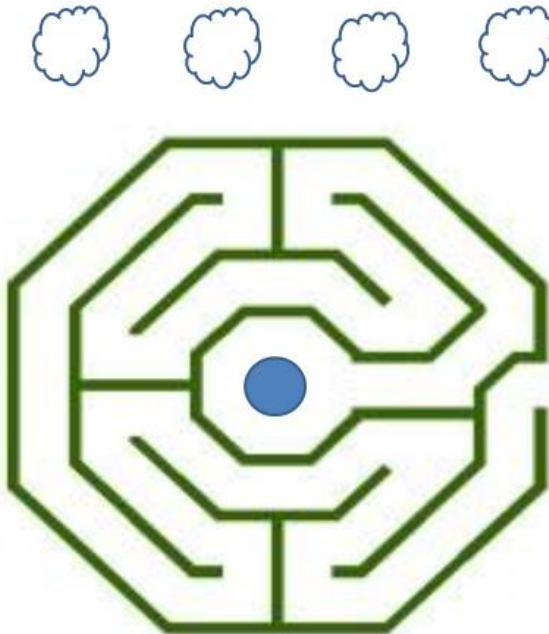
Cc: Rev. Kent Matthies and the MET

Appendix 2: Revised Woods Project design

Design submitted to USG Board on 24-Jul-2018



Updated design including alter/seat in center of labyrinth and inner ring of 6 benches instead of 8



Appendix 3: USG Finance Policy

UNITARIAN SOCIETY OF GERMANTOWN FINANCE POLICY
Approved by the Board of Trustees 2/24/2015
Revised by the Governance and Ministry Task Force 9.4.17
Further revised by the Ministry Executive Team 11.14.17

Approved by the Board of Trustees on 2.27.2018

Purpose: The Finance Policy will provide for adequate controls in the financial activities of the Unitarian Society of Germantown (USG) and responsible stewardship of USG's financial assets.

Scope: The Finance Policy shall govern: (1) the acquisition and receipt of money; (2) managing money and financial assets; (3) the expenditure of money; and (4) financial reporting and communications. Any additional policies in the area of finance shall be prepared by or in consultation with the Ministry Executive Team and Treasurer, and approved by the Board of Trustees (Board). Financial procedures should be prepared by the Ministry Executive Team and reviewed by the Treasurer.

Responsibilities: The Board has overall responsibility for the financial health of the church. The Board shall appoint a Treasurer. The Treasurer and the Ministry Executive Team shall have the financial duties designated by the Board and described herein.

Effect on previous policies: This Finance Policy incorporates, and therefore supersedes, prior policies to the extent they are inconsistent with this Finance Policy. Many prior policies include procedures. Those procedures shall provide a reference for the development of ongoing procedures under this Finance Policy.

I. The acquisition and receipt of money

The Ministry Executive Team, in conjunction with Councils and Committees under its purview, shall:

1. Conduct an annual pledge/stewardship campaign.
2. Appropriately follow up on unpaid pledges
3. Pursue rental income.
4. Pursue income from sources other than pledges or rentals, both from within and outside the congregation.
5. Pursue grants as appropriate. Grants in USG's name must be requested by USG, and funds from grants must be payable to USG.
6. Ensure that gifts (non-pledge contributions) of \$1,000 or more are specially acknowledged, and that restricted gifts are utilized in accordance with the donor's requirements and tracked appropriately.

There shall be procedures to govern all the above. The procedures shall contain appropriate controls to assure there is no misappropriation of funds.

II. Managing financial assets

Accounts:

1. The Ministry Executive Team will allocate responsibilities for the design, implementation and maintenance of financial systems.
2. The Ministry Executive Team will be responsible for overseeing an appropriately credentialed bookkeeper or other individual(s) with appropriate expertise and experience to perform all bookkeeping-related functions of the church, including accounts receivable and payable, account reconciliation, payroll, taxes, etc.
3. The Board, with the assistance of the Treasurer and an ad hoc team that may be appointed for this purpose, shall assure an audit of the financial activities of the church on a regular basis; develop procedures for audits and assure compliance with procedures; and report the results to the Board on a regular basis.

Developing the budget:

The Board may provide the Ministry Executive Team with such requirements and limitations as it deems appropriate for the fiscal year for which the budget is being prepared.

The Ministry Executive Team shall be responsible for preparing an annual budget that complies with the Board's requirements and limitations, and provides a foundation for fiscally sound planning and management. Accordingly, the Ministry Executive Team shall:

1. Develop a budget that:
 - a. Is guided by the Board's stated expectations and limitations as well as the current strategic initiatives
 - b. Contains sufficient information to enable credible projection of revenues and expenses, tracking of cash flow, and disclosure of planning assumptions
 - c. Includes input from active committees and councils, and reflects iterative discussions with committees and councils when making adjustments that affect their budget requests
 - d. Prioritizes Board-stated strategic initiatives in the allocation among competing fiscal needs
 - e. Includes the Treasurer in the budgeting process and states any assumptions or views by the Treasurer needed to provide context
2. Present an annual budget to the Board in a timely manner to allow for discussion, input from the congregation as determined by the Board, revision and final Board approval before the beginning of the fiscal year to which the budget applies.

Conducting operations within budgetary requirements:

The Ministry Executive Team shall:

1. Conduct operations within the approved budget for the designated program area or function.
 - a. The Ministry Executive Team may transfer unspent and uncommitted funds from one program area to another, in order to allow consideration of changing needs and

- circumstances, provided that the program or function that would be affected by the change is consulted in advance.
- b. The Building and Grounds Committee may reallocate budgeted funds among line items within their purview.
 - c. When funds are re-allocated, there shall be approval and notification procedures to ensure that an accurate and up to date budget is maintained.
2. Keep the Treasurer apprised of the current financial condition of the church and provide the Treasurer additional information on request.
 3. Consider any requests for additional funding made by programs or functions.
 4. Confirm that income and operational expenditures do not deviate materially from the approved budget. If they do, the Ministry Executive Team shall promptly inform the Board, so that the Board can consider any needed adjustments.
 5. If the Ministry Executive Team determines that the overall budget does not contain sufficient funding for the current fiscal year (e.g. due to a deficit in pledges or other expected income, an emergency, or unforeseen new expenses crucial to the mission and goals), it will work to find areas to cut expenses and/or identify additional ways to raise funds in consultation with the Treasurer and/or other church committees. The Board will be informed and consulted throughout the process. Any material alterations to the current year's budget must be approved by the Board.
 6. Assure that payroll and debts are settled in a timely manner.
 7. Assure timely filings and payments of taxes and other governmental obligations.
 8. Assure that the church carries appropriate insurance at all times, in categories and levels approved by the Board.

Special project accounts:

Committees and working groups have need of an institutionally recognized procedure for accumulating and disbursing funds for USG projects. These accounts may span multiple budget years. It is recognized that these off-budget activities are both inevitable and desirable. Accordingly, there shall be procedures to:

1. Facilitate the development of funds for activities in the congregation.
2. Standardize the treatment and practices associated with these accounts.
3. Hold, account for, and expend those funds safely and expeditiously. The procedures shall contain appropriate controls to assure there is no misappropriation of funds.
4. Allow a comprehensive institutional overview of these financial assets, obligations and activities.
5. Separate off-budget funds being held from Operating and Endowment accounts.
6. Assure that, subject to the agreement of the account holder, completed project accounts are closed on the completion of the project and remaining funds are transferred to an appropriate account, to be determined by the Treasurer.

Investment accounts:

1. The Board shall assure that a non-USG investment manager is engaged to oversee the investment of the General Endowment and other components of the Consolidated Investment Fund.

2. The Treasurer, under the direction of the Board, shall monitor and evaluate the performance of the outside investment manager; report its findings to the Board; and recommend instructions to, or changes of, the investment firm as needed.
3. There shall be appropriate controls to ensure that there is no misappropriation of investment funds.

Closing the fiscal year:

1. Procedures will govern the coordination of all purchasing activities, budget and financial transactions to assure closing of the fiscal year in a timely manner.
2. The fiscal year shall be closed within 90 days of the end of the fiscal year.

III. The expenditure of money

1. The Ministry Executive Team shall create and regularly update an Expenditure Authority Chart that will state who is authorized to make expenditures in what amounts and subject to what approvals. The Board shall approve the Expenditure Authority Chart and any substantive updates other than changes in the identity of the account holder.
2. Authority to approve and effectuate requested expenditure of funds from Operating or Project Accounts is a function of the Ministry Executive Team, which is responsible for both the Operating and Project Accounts.
3. Authority to approve payments or transfers from the Investment Accounts lies with the Board. Effectuation of expenditures or transfers to/from those accounts is the function of the Treasurer.
4. The Treasurer shall be appointed by the Board of Trustees. The Board shall make known the identity of the holder of this office. The Ministry Executive Team shall notify the Church's banks and investment advisors as appropriate.
5. All expenditures by check of \$5,000 or more shall require two signatories, with the second being a member of the Executive Committee of the Board of Trustees (President, Vice President, Secretary) if the expenditure is from the CIF, or a member of the Ministry Executive Team if the expenditure is from an Operating or Special Project Account. There shall be procedures to assure that the second signature shall be obtained within seven days of the first signature in order to assure timely payment.
6. Major capital improvement projects at the Unitarian Society of Germantown which utilize funds other than those in the operating budget or funds from the Maintenance Reserve Fund must be reviewed and approved by the Board prior to any contracting or work, unless otherwise authorized by the Board.

IV. Financial reporting and communications

For all financial reports described below, the complete financial status (operating accounts, special project accounts and investment accounts) shall be included.

Monthly

The Ministry Executive Team will follow the status of USG's finances. The Ministry Executive Team will address outstanding issues and report them to the Board as appropriate.

Quarterly

The Ministry Executive Team, working with the Treasurer, will prepare a report each quarter which summarizes the status of USG's operating budget, special project accounts, balance sheets, and investment accounts. The report will highlight any issues the Board needs to address and will be circulated to committee chairs.

The Board will share the Quarterly Finance Report with the congregation via the website.

Annually

The Treasurer, working with the Ministry Executive Team, the bookkeeper and the Church Administrator, will be responsible for closing the books at year end no later than 90 days after the end of the fiscal year. The final year-end reports will be distributed to the Board and the Congregation. The Board, MET and the Treasurer will present detailed financial information to the congregation at the annual meeting.

Appendix 4: ERC petition regarding Intern Compensation for Constance Simon

USG Ending Racism Committee Petition regarding Intern Compensation for Constance Simon

June 26, 2018

Although the intern arrangement for Constance (Connie) Simon incorporated traditional and agreed-upon arrangements that did not **at that time** require pay and,

Although a nearby minister was available to serve as mentor for Connie in Kent's absence, and

Although Connie was working halftime rather than full time,

We, members of the Ending Racism Committee, voted unanimously at our June 3rd meeting to make such a request for the following reasons:

The supervising minister's sabbatical during Connie's first year created a situation where she was perceived by many congregants as capable of being called upon to function in the role of established pastor, and

The unique confluence of events in our denomination, in Kent's absence, around the issues of racism and white supremacy created the need for unanticipated time for increased pastoral demands and special Sunday service planning even as Connie, as a person of color, could not easily ignore nor have

sufficient time to grapple with the personal anguish brought on by roiling issues emanating from Boston and from our congregation, and

The fact that internships, by establishment of **a new Meadville Lombard policy*** promulgated during Connie Simon's second year of internship, should indeed be required to be compensated.

Therefore we, the members of the Ending Racism Committee request that, in recognition of these factors, the USG Board of Directors provide a compensatory stipend for Connie Simon at an equitable rate for hours served in accordance with Meadville Lombard's revised policy and in combination with the established precedent for USG's previous 2-year intern.

Members of the Ending Racism Committee:

Treva Burger, Barbara Dowdall, Cynthia Mea. Schiff, Devery Howerton, Gail Mershon, Jim Salom, Kay Weiser, Lois Murphy, Lucinda Lea, Nancy Anderson, Parvathy Menon, Susan E. Stout, Shohbi Kanal, Tom Grabe

****Should students be compensated for internships?***

We strongly encourage that students be paid for their internship. If that is not possible, teaching pastors must be in contact with the **Director of Contextual Ministry** to explore other options.

<http://www.meadville.edu/learning-at-mlts/teaching-pastors-and-mentors/>