

Unitarian Society of Germantown

(Corrected) Minutes of the Board of Trustees' Meeting, June 27, 2016

Members present: Tom Ott, Craig Miller, Linda Brunn, Margaret Kinnevy, Susan Smith, Bill Morrow, Scott Wolkenberg, and Ann Schoonmaker. Absent: Bob Williford.
Others present: Gloria Guldager Smith, Rudy Sprinkle, Eva Finney, and Michael Campbell.

The minutes of the meeting of May 24, 2016, were approved unanimously. (Attached.)

MET Report

Rev. Matthies requested that the board agree to sponsor McKinley Sims, our former ministerial intern, in his formation as a UU minister. He is currently requesting ongoing support of UU organizations in the greater DC area in his pursuit of a full-time internship. Linda Brunn moved that USG sponsor McKinley Sims in that pursuit. It was seconded and approved unanimously.

Rev. Matthies's sabbatical will run from late winter of 2016 through mid-summer of 2017. It is expected that Connie Simon, the interim intern, and Jason Bender, the new director of spiritual development, will be functioning well by that time.

Rudy Sprinkle, Financial Secretary, provided a succinct description of the role and responsibilities of the church financial secretary. This includes keeping accounts for incoming money, both electronically and on-line, recruiting two members per month to count and record the Sunday offerings, recording contributions for the bookkeeper, managing eight project accounts and the CIF (Consolidated Investment Fund) and four checking accounts. The board expressed its appreciation for his service.

The board elected its officers for the coming year—Tom Ott, President, Scott Wolkenberg, Vice President, and Susan Smith, Secretary.

Stained Glass Plan for Future Commissions at USG (Attached.)

The proposal by Susan Bockius has the goal of using remaining stained glass opportunities in the building to portray a Unitarian Universalist faith model within a body of stained glass overwhelmingly and traditionally Christian in its imagery and symbolism. A committee would be formed to develop a plan for suggested topics, stylistic recommendations, and notional costs to be approved by the board of trustees and the congregation. Scott Wolkenberg moved to approve the principles in the proposal with the addition that the committee will define in detail the decision process for a proposed window. It was seconded and approved unanimously.

Formation of Board Task Forces

Margaret Kinnevy presented her proposal for the board to form three small groups to meet for the next three months to discuss and take action on its responsibilities regarding visioning, oversight, and policy. The proposal was accepted and the following persons volunteered for the groups:

Visioning—Margaret Kinnevy, Eva Finney, Bill Morrow, Linda Brunn, and Joanne Davis.

Oversight—Tom Ott, Scott Wolkenberg, Susan Smith, and Michael Campbell.

Policy—To be determined at the next meeting.

Congregational Vote for Board to Consider Revision of Bylaw Requiring Board Approval of Budget

To be continued at the next meeting with the goal for a decision at the November meeting.

Policy for Rental of Building and Grounds (Attached.)

The board unanimously approved a revision which clarifies the priority for rental space.

Nominating Committee Procedure (Attached.)

The rationale is not clear; Tom Ott will rewrite and submit for approval.

Policy on Contract Approval (Attached.)

This is an update of the policy approved on 6/23/2015. It adds language taken from the Contracting and Conflict of Interest Policy. The board unanimously approved this update.

Michael Campbell's Written Comments on an Audit (Attached.)

There was no discussion on this topic.

President Ott thanked the three outgoing trustees, Bob Williford, Craig Miller, and Ann Schoonmaker for their service.

The meeting adjourned at 9:45 pm.

Ann Schoonmaker
Secretary

Attachments to June 2016 minutes:

STAINED GLASS PLAN FOR FUTURE COMMISSIONS AT USG

The goal is to use remaining stained glass opportunities to portray a Unitarian Universalist faith model within a body of stained glass overwhelmingly and traditionally Christian in its imagery and symbolism.

Request the Board's concurrence in principle for Susan Bockius to recruit and chair a committee to accomplish the following:

- Develop a plan of suggested topics and ways to illustrate them
- Develop stylistic recommendations
- Review topics and approach with the congregation and solicit congregational views and suggestions.
- Develop notional costs for stained glass in each location
- Review the proposed plan with Board
- If approved by the Board, the Committee would present the plan for congregational approval at the next annual meeting.

The plan would function as the community-approved guideline for donors interested in creating a stained glass memorial. The topics and stylistic approaches would guide donor decisions until window openings were completed.

UNITARIAN SOCIETY OF GERMANTOWN
POLICY
Rental of Building and Grounds for Non-Church Events And Priorities for Use

Approved by the Board of Trustees 3/22/2016, Revision approved 5/27/2016

Rationale

The buildings and grounds of the Unitarian Society of Germantown (USG) represent a tangible asset which can make a significant contribution to the achievement of USG's mission. The proper usage of the building and grounds can:

- Build community recognition for USG and the Unitarian Universalist movement
- Help recruit new potential members
- Provide a community service
- Help fund USG's operations
- Support the events and activities of USG
- Foster Unitarian Universalist principles, and
- Help develop community among USG members and friends

Policy

1. Rental fees will cover all USG costs incurred or resulting from use of the facilities.
2. Rental fees are also intended to contribute to USG income.
3. Rentals may be made to any group or persons having a purpose, goals, ideals or philosophy that are not inconsistent with those of USG.
4. Rentals may in themselves contribute directly to the purposes set forth in the Rationale for this policy. The following shall be the priorities for space usage, in order of priority:
 - a. Worship services, Sunday morning, Child Spiritual Development, and major USG events have priority.
 - b. Other USG events, generally on a first come-first served basis
 - c. Social justice events
 - d. Meetings of other UU churches and UU organizations
 - e. Meetings of other religious and non-profit organizations
 - f. Events of artistic, musical, or cultural value
 - g. Private social events such as weddings and parties, except that events hosted by USG members may receive priority over other rentals of the same space by third parties
5. Notwithstanding the above priorities for space usage, signed rental agreements will not be cancelled in favor of higher priority events. For example, if there is a signed rental agreement for a party, that agreement will be honored even if a USG committee subsequently wishes to schedule a meeting or event in that space at the same time.
6. Only the consumption of beer and wine is permitted at rental events; serving hard liquor is prohibited.
7. Space will be scheduled in advance with the USG Administrator or the Administrator's delegate.
8. The Ministry Executive Team may further delegate to the Rental Coordinator any or all of the responsibilities associated with the rental of the USG building and/or grounds.

Revision 2016.05.04. GMTF recommends that the Board abrogate the Leadership Development Policy (Nominating Committee) approved by the Board 2.25.2014 and that this policy replace it. Leadership development will be the subject of a future policy or procedure.

Nominating Committee Procedure

This policy supersedes the Leadership Development Policy (Nominating Committee) approved by the Board of Trustees 2.25.2014. Leadership Development will be the subject of a future policy.

The Congregation voted to amend the USG Bylaws in September 2014 with respect to the Nominating Committee. This Procedure was approved by the Board of Trustees to clarify the functioning of the Nominating Committee.

Rationale

The Nominating Committee (the “committee”) contacts dozens of potential leaders each year in its search for Board nominees. The information obtained may not be passed on to other committees or available to the following year’s Nominating Committee. Extending the term of members to three years, staggered so that only two retire each year, provides continuity and should help make the collected information accessible to all Nominating Committees. It also should enable the Nominating Committee to participate meaningfully in recruiting potential leaders for other USG functions.

Procedure

1. The Nominating Committee will be comprised of six members, each serving for three years. The terms will be staggered so that there will be two new members each year.
2. The committee will nominate three Board members and two members of the Nominating Committee to replace the members rotating off the committee, or such other number as required to bring the membership of the Nominating Committee up to six members. Vote shall be by a plurality of eligible members voting at the Annual Meeting. The committee shall designate its chair. The Board shall fill any vacancies in the committee that may occur between annual meetings.
3. The committee will assist committee chairs and the Ministry Executive Team in identifying and recruiting volunteer leaders.
4. In the course of recruiting for the Board, the Nominating Committee, or other leadership positions, the committee may identify potential leaders for other functions, and will connect them with the appropriate groups or committees.
5. In performing its work, the committee will consult with the Board President, the Minister, and other USG leaders as appropriate.

Governance & Ministry Task Force

Proposal to the Board – April 26, 2016

This would update the policy approved on 6/23/2015. It adds language taken from the Contracting and Conflict of Interest Policy. This is in Track Changes for easy identification of what is different.

Unitarian Society of Germantown **Policy on Contract Approval**

Approved by the Board of Trustees 6/23/2015/ updated on 6/27/2016

Article III of the USG Bylaws provides in relevant part as follows: “Section 1. Powers. The temporal affairs and property of the Society shall be managed by the Board of Trustees.” This would include the power to enter into contracts or on behalf of USG. In practice, however, it is not practicable or desirable for the Board of Trustees to have to approve each one of the myriad contracts into which USG enters. Moreover, under the governance structure current as of 2015, it is the responsibility of the Ministry Executive Team (MET) to manage the regular operations of the church, which include most of the areas in which contracts are required. With that said, certain contracts may benefit from collaboration between the Board and the MET. The term “contract” includes all agreements for the provision of services or goods. When applied to personnel, the use of the term “contracts” or “agreements” does not imply a contract for a fixed period of time; rather, the terms of the document will govern.

Approvals

- I. The President of the Board of Trustees (Board) shall have responsibility for approving and signing the following contracts:
 - Contracts for the lease of church property for a term of one year or more
 - Contracts for the disposal of church real property or grounds
 - Contracts relating to the management or investment of church assets
 - Employment or contracts or agreements with the Lead Minister
 - Contracts relating to maintenance or repair of church property with a dollar value above fifty thousand dollars (\$50,000)
- II. The President of the Board and the Lead Minister shall both approve and sign:
 - Employment contracts or agreement with professional or managerial staff other than the head Minister.
- III. The Lead Minister or his or her delegate shall approve and sign:
 - Employment or other personnel contracts or agreements with staff other than professional or managerial (e.g. Assistant Administrator, Sexton, Rental Coordinator, child care workers).
- IV. The Board delegates to the MET responsibility for approving contracts entered into by USG that relate to the regular operation of the church, subject to the foregoing paragraphs I, II and III, and subject to the following requirements:
 - The MET will delegate responsibility for contract approval to committees, councils and staff as appropriate, following the general guidance that approval authority should rest with the committee, council or staff that has the budget line and is responsible for assuring that the work is performed.
 - The MET may require that contracts above a specified dollar level be approved by the MET before the committee or council may sign them.

- The MET will create a document that identifies with specificity which committees, councils or staff have responsibility for approving what kind of contracts, and up to what level, without consent by the MET. The approval authority delegated must be limited to that within budget for that committee, council or staff. The approval authority document and any updates will be provided to the Board.

Requirements

Work performed at USG requires two qualified bids for projects over \$10,000 and three qualified bids for projects over \$25,000, unless an exception to this requirement is granted by the Ministry Executive Team or the Board. Exceptions may be granted in situations where it is clearly in USG's interest to use a given contractor (for example, a proven, trusted contractor whom USG has used for other projects and whose charges USG knows to be competitive, or significant time constraints).

Comments From Michael Campbell (Attached.)

I know there has been interest in conducting an audit or similar financial review at USG for some time. I think in order to move forward at least one thing has to happen, and preferably two.

In my view the first thing would be to clarify the purpose, other than it seems like a good idea. This will help determine what sort of review gets pursued. Are we planning to apply to a specific foundation that requires actual audited financial statements? Are we seeking a loan that requires the same? Or do we just want some assurance that procedures are appropriate and being followed consistently?

The second thing (this is the non-optional item) is to put up some money. We can interview accountants until the cows come home but nothing is really going to happen until there is a budget. Presumably this means the board authorizing the expenditure of a certain amount of funds to pursue a review.

In reality, the second item may determine the first. From the information we gathered, a full audit would likely cost \$12,000 or higher. I think this seemed to us on the finance group like a lot to spend for an organization that has cut spending nearly to the bone, especially if a purpose for a full audit can't be articulated.

Other levels of review are available for lower costs, including something called Agreed Upon Procedures that we discussed with our current bookkeepers. I would recommend authorizing the expenditure of up to \$8000 to conduct a financial review. I believe this seems like a reasonable compromise amount that would give the members some assurance that finances are on a sound footing.

But even that amount can't come out of the operations budget, since every dollar is accounted for. I would suggest two options. The obvious one is to use the general endowment. A second one I just thought of would be to authorize the use of a bank account surplus.

Although the budget is constructed to end up with \$0 on June 30, in reality there is generally a fair bit left in the operations bank account on 6/30. We may show a surplus on our financial statements, but the actual dollars in the account are not accounted for and just get rolled over to act as a cash flow cushion. For reference, the current balance is about \$70,000.

The authorization could be structured such that if the bank balance is above \$xxx as of June 30, yada yada, otherwise the expenditure is authorized from the general endowment.

Please let me know if you want to discuss further, have questions, need a formal resolution, etc. I will not be able to attend the finance meeting next week and don't know if they will still have one.