

Birmingham Unitarian Church  
Board of Trustees  
Meeting Minutes  
September 25, 2023

**Present:** Claudia Kocher, Tanya Nordhaus, Julia Pulver, Andrew Schreck, Brian Schandavel, Diane Slon, Amy Smalley, Craig Stroup

**Absent:** Tony Kubien, Rev. Mandy Beal (Parental Leave)

**In-Person Visitors:** Marilyn Mast (NomCom), Carole Wiseman

**Zoom Visitors:** Rob Davidson, Nancy Duffy, Jenn Karteczka (NomCom), Jane O'Neil, Cynthia Osterhage, Susan Safford, Ed Sharples

The meeting was held both in person at BUC and on Zoom.

Andrew called the meeting to order at 7:01 PM. Amy read the Board Covenant. Andrew led the chalice lighting and check-in.

### **Minutes**

- Andrew moved that the minutes of the August 28, 2023, board meeting be accepted.
- The motion passed unanimously.

### **Monthly Reports**

#### 1. Treasurer's Report – Craig

- Andrew moved that the Treasurer's report be accepted.
- Craig presented the treasurer's report (document attached).
  - August was \$10,000 favorable to budget.
  - There is a year-to-date loss of \$1,900 (of \$78,000 budgeted)
  - Variances are due to pledges, partially offset by rental shortfall.
  - The operation expense variance is due to office expenses.
  - The budget revenue has been reduced to reflect a 5% reserve for unmet pledges.
  - The estimated general fund (unrestricted cash is \$103,000.
  - Endowments were down this month. The music endowment was up because of a contribution.
- Budget and Finance is working on an investment policy statement. This statement was originally approved in 2021 but now has some amendments proposed. The revised statement will be sent to the Board for approval.
- Information from the 9/7/2023 Budget and Finance meeting:
  - The amount set aside in the operating budget for repairs is small compared to our future needs.

- BUC would recognize some cost savings for getting the work done all at once, but there will still be ongoing needs.
- The elevator sump and Hodas Hall roof are top priorities and would cause less disruption if they were fixed at the same time.
- The committee has reviewed a prioritized list.
- Dick Cantley provided information on other potential income sources.
- Andrew asked about the fourth bullet in the report. Craig indicated that he doesn't have the variance for the facilities reserve.
- Andrew asked Craig to send out the immediate building needs, which he agreed to do.
- The motion passed unanimously.

### Open Topics

1. Conflict Transformation (Andrew)
  - The task force has split into teams and is looking at churches with Right Relationship committees. They will put together info for Rev. Mandy's return. This will yield a more formal process

### New Topics

- Merchant Bank Signatories
  - Andrew introduced a motion to add 2023-2024 BUC Board of Trustees Executive Team Members, elected at the Congregational Meeting May 21, 2023, whose term runs July 1, 2023-June 30, 2024. The executive team consists of Andrew Schreck, Board President; Tony Kubien, Board Vice President; Craig Stroup, Board Treasurer; and, Amy Smalley, Board Secretary as The vote was unanimous.
  - Joanne will send the approved minutes to the bank, and then the new officers can go in to complete the paperwork.
- Stewardship for Us
  - Andrew indicated that the recommended visioning and strategic plan will set much of our agenda this year. The Board's role needs to remain more visionary, not day-to-day administration.
  - Andrew will send a congregational letter about Mark Ewert's findings and make the slideshow and written report available on the Member Resources section of the web site.
  - With respect to congregational relationships, Andrew revisited the idea of town halls based on Mark Ewert's recommendation that the Board be out in front of the congregation more. He proposed Amy's ideas about a series of three monthly town halls during Rev. Mandy's absence (ministry, membership, finances) and having a Board table at coffee hour once a month. These were favorably received; Diane noted that we would need more than three town halls.
  - The visioning plan is the next step we need to take. Andrew indicated that it is possible to do this with the extra consulting that Mark Ewert has offered. We then need a 5- and 10-year plan that ties to the vision. Diane asked how this plan would

- tie to the three visions of ministry. Andrew indicated that the vision of ministry can and should change; our current one is a two-year plan. We can also do a strategic plan without changing the visions of ministry. Marilyn Mast offered to find the last strategic plan for us to use as a framework. Diane will look for our previous open questions work.
- Diane asked how we felt about the presentations and reports we received.
    - Amy and Tanya were a little disappointed in the lack of actionable information. They expected more conclusions/recommendations.
    - Julia had been ill and missed the meetings but did not hear the group wanting to engage Mark further.
    - Brian thought the presentation made some good points.
    - Claudia was struck by Mark's comment that he "has no idea where we're headed or what our vision is."
    - Diane asked if we could create the vision and plan ourselves and, if no, with someone else. If we use someone else, we need to ask for more details about the deliverables up front.
    - Andrew thought the structure was good but that there was not a lot of meat. He proposed seeing what services we can get from the UUA, noting Mark's reminder that we are currently not in right relationship with the UUA and should work to correct that.
  - With respect to scale of infrastructure, Andrew stated that we have a large building that we no longer fill. We need to have a clear picture of the 1/3/5/10 year needs for building care and whether maintaining the building is sustainable. One recommendation from Mark Ewert was to talk to congregations (e.g., Lansing) that are making large buildings work. Some want to sell the building, but the congregation is not at that point—do we need to look seriously at this?
  - The Board discussed the Resilience Fund that Mark Ewert proposed that we do alongside the pledge drive in March. The Board gave feedback on the proposed fund.
    - Andrew likes the fund as a way to manage upcoming needs but wondered about the feasibility.
    - Diane questioned what we would need to raise and that we need to meet the congregation half-way by providing a balanced budget next year.
    - Amy, as chair of the revenue committee, likes the idea of focusing the congregation on the importance of stewardship vs. fundraising.
    - Tanya shared concerns about our older congregants who may not have the means to give more. It would feel like we are asking a lot of them. Andrew replied that a question to answer may be how much *can* we raise?
    - Tanya noted that as endowment chair, she actively met with people. She also has no recent recollection of a request from BUC for each member's UUA dues. Diane answered that this has been trimmed in the operating budget and that she doesn't know what we should be giving. Andrew commented that UUA dues was something to see if we could work back in, as it pays the fees for any work our Mid-America Region rep does for us.

- Craig shared that endowments are a topic in the Budget and Finance Committee meetings and that the committee is trying to fire that up. Andrew suggested that if Jeff Kingzett agrees to join Budget and Finance that he be asked to focus on endowments; however, that is a long-term benefit but doesn't solve immediate needs.
- Craig noted that the Resilience Fund is an interim step. We have to be able to show we're trying to get somewhere, and how we show that is with a balanced budget that brings us back into scale. We cannot balance the budget without pain, but people will be more likely to contribute to the Resilience fund if we've trued up the budget.
- Diane added that we need clear communication with milestones so that the congregation sees the progress. We have to stick with it.
- Claudia asked about rental opportunities given the tech setup in the classrooms—is there a way to set up a task force to optimize the use of the building? Andrew shared that the staff has a rental outreach plan that is starting soon.
- The Board then discussed Mark Ewert's findings re: a capital campaign for solar panels and other repairs.
  - Andrew shared that, per Mark, we are not in a place to do a capital campaign because we have other more pressing issues. He has recommended the combined Stewardship/Resilience Fund drive instead.
  - Craig noted that based on a combined Budget and Finance/Building and Grounds meeting, this was the expected result. The committees like the idea of solar but given the obstacles we're facing with or without solar, it's hard to justify. It comes down to the Resilience Fund and ultimate recommendations. If we knowing we're staying here, does solar make sense? We should keep it as part of the discussion, but we aren't in a place to proceed now.
  - Claudia concurred that if there is a question of whether we will stay here, adding solar to the building doesn't make sense now.
  - Andrew agreed that we need to look at what we can do for the Resilience Fund in combination with Stewardship and lay out the dollar amount and the changes we need to make to get to a balanced budget next month.
  - Craig stated that the Resilience Fun should be aimed at plugging the big holes, and that the balanced budget will fix the deficit. He also noted that we've been out of scale for a while.
  - Diane summarized the components of the work ahead (Visioning for the long term, Resilience Fund and balanced budget for the short term) and stressed that we need to get started immediately and must communicate as we go.
  - Claudia proposed discussing the closure of part of the campus with Building and Grounds or rent the entire lower level to a school. Craig replied that the opinion of Building and Grounds is that it's better to rent than leave part of the property vacant. Claudia asked the roles the Board and the minister would have in the work of right-sizing. Craig stated that the Board would approve the right-sizing

and direct the Budget and Finance Committee to work with Rev. Mandy to implement it.

### **Issues Arising for the Good of the Church**

1. Amy made a pitch for flamingo shepherds and the flamingo fundraiser in general.
2. Tanya is working with Ann Throop to organize a celebration for congregants who are 90 and older.
3. Craig noted that Budget and Finance now has two vacancies, although he is hoping that Keith Ensroth's withdrawal will be temporary.

### **Visitor Comments/Questions**

1. Carole Wiseman asked who Rev. Sharon Dittmar was; Andrew replied. She asked if we were having a sabbatical minister during Rev. Mandy's leave; Andrew indicated we are not since Rev. Mandy has filled in the calendar with associates. Carole is concerned by several things from the meeting: that Mark Ewert had no idea who we want to be, that we do not have enough reserves. She is also concerned about membership. She reviewed her last printed directory (2018) and noted that of 400 in the directory at that time, only a dozen are new. She is in a quandary about what she wants to do about her own membership (member since 1966). She also asked how we do not know who has BUC in their will. There are people she has not seen online; she has called some and got no reply, and she is very sad about that. She also said that she feels like the Board is cautious with visitors in the room. Andrew replied that he couldn't speak to all of her concerns in the moment but said that she has identified things that we are grappling with as a church and that stress the importance of communication so everyone knows what's going on.
2. Marilyn Mast identified herself as an observer for the NomCom. She noted that we're grappling with the size of the church but didn't hear about the other side (membership).
3. Susan Safford noted that in her presidency, we cut money sent to the UUA if we had a shortfall, but that we always gave enough to use their services.
4. Nancy Duffy asked if any thought is being given to the past suggestion for exit interviews for people who have left or are thinking of leaving. Andrew indicated that the process is in place and that the pastoral care associates (PCAs) are doing outreach. Diane asked about who gets that information; Andrew needs to get details to answer that.
5. Susan Safford asked if people who learn of a member's leaving should give that member's name to the PCAs. She said that in her presidency, she called departing members, and they came back. Andrew asked that those names be sent to him; Tanya offered to make those calls.
6. Cynthia Osterhage said she was aware of one resignation and suspended pledge and that that person hasn't heard from anyone. Andrew said he would follow up with Sara. Cynthia indicated that the person, a woman, was at the last board meeting and took this action in September.

Andrew moved to adjourn. The motion passed unanimously, and the meeting was adjourned at 8:35 PM.

Respectfully submitted,  
Amy Smalley, Secretary

# Birmingham Unitarian Church

## Treasurer's Report to Board of Trustees

### September 25, 2023

1. August 2023 Financial Statements are complete, and the results presented to Budget & Finance are below:

	Month of August			August Year-To-Date			Full Year
	<u>Actual</u>	<u>Budget</u>	<u>B/(W)</u>	<u>Actual</u>	<u>Budget</u>	<u>B/(W)</u>	<u>Budget</u>
Revenues	\$47,336	\$44,633	\$2,703	\$98,405	\$92,720	\$5,685	\$632,665
Adj. Oper. Exp	<u>-\$50,930</u>	<u>-\$59,145</u>	<u>\$8,215</u>	<u>-\$100,359</u>	<u>-\$112,706</u>	<u>\$12,347</u>	<u>-\$716,179</u>
Adj. Oper. Inc./Loss	-\$3,594	-\$14,512	\$10,918	-\$1,954	-\$19,986	\$18,032	-\$83,514

- Revenue variance is primarily favorable pledges (\$2,521 in August and \$9,697 YTD), partially offset by a YTD shortfall of -\$5,027 in Rental Income
- Operating expense variance is primarily Facility/Office Expense (\$6,135 in August and \$9,139 YTD), with a few other operating expense areas also coming in lower than budgeted.
- As I mentioned last month, the pledge number of \$450K has been reduced to \$430K in the full year budget numbers shown here, to reflect a 5% reserve to allow for some congregants not completely fulfilling their pledges.

2. Estimated General Fund (unrestricted) cash at August 31 is \$103,063 (\$157,140 incl, 2023-24 prepaid pledges)

3. The Budget & Finance Committee has reviewed the Investment Policy Statement that was approved by the Board in 2021, and has a few proposed modifications. We will be reviewing those changes with the financial planner in the coming weeks and plan to bring the proposed changes to the Board for approval at a future meeting.

4. The B&FC met with the Building & Grounds Committee on September 7 to discuss the financial needs of BUC related to the property, and a few key takeaways from that meeting are as follows:

- The amount of money being set aside in the operating budget for repair and maintenance costs is a small percentage of what can reasonably be forecast as the property's future needs
- While there would be some ongoing cost savings (\$10K or less) associated with a major capital building project, there will still be significant ongoing repair and maintenance needs, due to the number of roofs and HVAC units.
- Immediate repair needs (elevator sump, Hodas roof) would be highest priority in a major project, and by grouping multiple replacements together (roofs/HVAC), the work can be done more cost effectively and with less disruption to church functions. A prioritized list of known and potential needs was reviewed.
- Dick Cantley provided an estimate of funds currently available in the church budget.

5. Endowment fund market values at August 31, 2023 were as follows:

General Endowment: \$571,375.67 (down \$10,621 from July 31)  
 Music Endowment: \$45,608.38 (up \$386.15 from July 31)  
 Memorial Glen Endowment: \$44,392.18 (down \$759.97 from July 31)

Respectfully submitted by Craig Stroup, Treasurer  
 September 25, 2023