

Birmingham Unitarian Church
Board of Trustees
Meeting Minutes
February 24, 2025

Present: Donna Cunningham, Mary Jo Ebert, Keith Ensroth, Art Hillman, Claudia Kocher, Tanya Nordhaus, Brian Schandavel Diane Slon, Amy Smalley, Rev. Connie Grant

Visitors: Walter Dean, Mary Dunn, Cynthia Osterhage

The meeting was held on Zoom.

Diane called the meeting to order at 7:06 PM. Amy read the Board Covenant.

Rev. Connie led the chalice lighting and check-in.

Minutes

- Mary Jo moved that the minutes of the January 27, 2025, board meeting be accepted.
- The motion passed unanimously.

Monthly Reports

1. Treasurer's Report – Keith
 - Amy moved that the Treasurer's report be accepted.
 - Keith presented the Treasurer's report (document attached)
 - Discussion:
 - Highlights slide:
 - Financials for January have not been completed.
 - These figures are close enough to get a fairly clear picture of our current state.
 - We should still meet forecast for the year, but it has only been due to the contributions of our congregants.
 - See Appendix A for the entire P&L.
 - Puts and Takes vs. what we forecast last month are shown above.
 - Special music up 6% due to endowments and market highs.
 - Rummage has some risk about making \$17k target, but team is being creative. Target for Revenue Committee may also be too high.
 - We received another \$10k in non-pledge contributions.
 - MAMA's revenue down due to weather and Lion's playoff game.
 - We are not taking the Memorial Glen endowment draw.
 - There have been more run-of-the-mill repairs (e.g., black double doors in Pavilion leading to courtyard).
 - Tracking Facilities Reserve slide:
 - Estimates for five years completed, but not yet finalized with quotes.

- Budgets & Finance worked with Dick Cantley, who also sits on Buildings & Grounds, to make some changes in timing to ensure we can align lease revenue with expenses.
- However, to align the inflows with the outflows, the first major roof repair is on the schedule as being a January job, but this may be unrealistic.
- We need to be prepared to potentially have to move some money to the Facility reserve from our cash reserves to get us over a timing issue.
- Our hope is that the facility cooperates with our funding plan.
- The \$182k beginning balance comes from the Throop bequest and Montessori rent.
- We will not lose any rental income during HVAC or roof work.
- Lease Changes slide:
 - In general, lease income will feed the Facility Reserve.
 - However, there are two exceptions to this rule: Amortization of Lease Expenses, and Payment of Commission to Signature Associates.
- Chart of Accounts slide:
 - At the B&F in March, we will look at these and other potential reasons for updating the chart of accounts.
 - If we (B&F and the Board) agree that we should modify these, we will plan for implementing the new categories at the turnover of the fiscal year at the end of June.
- Re: pledges at risk, Rev. Connie proposed that she and Valerie reach out to the primary ten pledgers, as an administrative/pastoral call.
- The motion passed unanimously.

2. Minister's Report – Rev. Connie

- Rev. Connie presented the Minister's report (document attached in executive minutes)
- Report is filling out the interim appraisal, which we will discuss in executive session.
- Policy Workgroup Update
 - The group has not met yet.
 - Connie will do preliminary work, then gather team.
- Ministerial Search
 - The UUA has not solidified process yet. They are doing an interim process of evaluating the transition process.
 - There seems to be movement toward contract ministry becoming the norm rather than the fallback.
 - Settled ministry is voted on by the congregation and represents a covenantal, ongoing relationship. Most settled ministries average 6 years.
 - Contract ministry is considered a transitional ministry. The search committee appointed by the board, more like an interim ministry process. The congregation is not involved, and the minister is hired by the board.

- Some contract ministries are contract-to-call. This ministry type makes it complicated to decide to call the minister.
- Developmental ministry is based on an understanding that there are significant issues the congregation needs to work on following interim ministry. This is a 4–7-year commitment for working on specific things.
- Rev. Connie thinks BUC will be ready to have a settled minister in 18 months and that this is a reasonable way to go. We will be able to offer an attractive package. The other options are not necessarily needed or beneficial. Building a long-term relationship will be best for us. If we go forward on that assumption, we will need to get nominations from the congregation to be voted on.
- In a year, the whole search process may be different. We can shift gears when we need to.
- Rev. Connie will send transition link for us to review before next meeting.
- A question was asked regarding whether we will have enough candidates to justify the expense of a settled search. Rev. Connie responded that there are 15-18 settled positions open this year. We just need one.
- Diane asked the Board to review the transitions information and think about who we would want to represent BUC for that process. As we review the information, document all questions in an email ahead of time so that Diane and Connie can try to get answers.
- Connie noted our need to think about process we will use to come up with the search committee. If we do a settled search, the congregation will provide nominations, and the Board rounds out the committee. Connie has a criteria list. The Board should not reveal who made which selections.

Open Business

1. Stewardship Update – Connie/Diane

- Current Stats:
 - 54 pledges in, which is 25% of pledge units.
 - \$190k pledged so far, which is 35% of \$530k goal.
 - 164 pledge units still outstanding.
- Valerie is sending reminders to members who have not pledged yet, asking them to turn in their pledges by March 2.
- Pledge team plans to make follow-up phone calls, two weeks earlier this year, and would like some Board help. Calls would start on March 3. Keith and Diane offered to help.
- Sara will include a weekly reminder in the email blast about pledging.
- Tanya reminded us of the rule of 8 in fundraising – that it takes 8 points of contact to get the donation. People appreciate the contact over the life of the fundraiser.
- On March 16, there will be a stewardship update during the service, then a short board update, followed by desserts.
- If there is a shortfall, the Board will need to take steps on additional reductions.

2. Montessori/Project Team Update – Keith/Mary Jo
 - Keith’s update can be seen in the Treasurer’s report.
 - Mary Jo noted that the wall has been removed between the two lower-level classrooms; work is progressing steadily. Bette Moen and Kym Worth have sold everything from the lower level that could be sold. Work on the Red Door will begin next.
 - Diane noted that we need to send a card to Bette and Kym when the work is done.
3. Annual Meeting Date – Diane
 - Usually the third weekend in May, as the second Sunday is Mother’s Day, and the fourth Sunday is during the Memorial Day long weekend.
 - May 18 was proposed and accepted by the Board.
4. Volunteer Skills Inventory – Diane
 - It would be helpful to have a database of congregants’ talents and experience to help us match potential volunteers to roles.
 - Chris Slon has a form he has used at work; sent to Sara, who liked it.
 - The Strategic Planning task force will go through the existing tool at their meeting tomorrow. It needs modification since it is for an employment setting, but it is a good starting place.
 - We noted the difference between having a skill and having an interest. We need to marry interests and skills.
 - Mary Jo’s list can be incorporated into the strategic planning meeting. The list can be updated/maintained by membership as part of the process of becoming a member of BUC.
 - This is meant as a self-assessment too., but people providing information need to understand that it could be turned over to NomCom to assist them with finding candidates to fill leadership roles. We need to be transparent that it will be shared in church setting.

Issues Arising for the Good of the Church

1. Amy: Is it OK to have Sara add a note to the weekly update reminding people that they can see the previous month’s Board minutes once they are approved? Sara happy to do this if the Board OKs it. The Board agreed – Connie will communicate to Sara.
2. Mary Jo: There is a workshop this Saturday on Waging Peace. MUUSJN is sponsoring; Julia Pulver is presenting. There are 85 registrants as of noon today, from all over the state. 13 UU churches have attendees coming. It is a chance for people to learn about UUism.

Visitor Comments/Questions

1. None

Claudia moved to adjourn. The motion passed unanimously, and the meeting was adjourned at 8:21 PM.

Respectfully submitted,
Amy Smalley, Secretary

Treasurer's Report

JANUARY 2025

KEITH ENSROTH



Highlights For the Month

Birmingham Unitarian Church										
FY 24/25 MTD & YTD Financial Statements	Actualx	Budgetx	F/(U) Variance	Actual	Budget	F/(U) Variance	Budget	7 + 5	Mid-Year Forecast	
7 Month Endings - January 31, 2025	MTD	MTD		FY 24/25 YTD	FY 24/25 YTD		FYE	FYE		
	Jan-25	Jan-25		Jan-25	Jan-25		Jun-25	Jun-25		
OPERATING REVENUES:										
PLEDGES - PRIOR YEAR	3,754	0	3,754	11,169	15,000	(3,831)	15,000	11,169	7,415	A wonderful surprise in Jan even after Nov and Dec slow down
SPECIAL MUSIC	0	0	0	0	0	0	2,500	2,600	2,500	Slightly better than expected draw due to market
RUMMAGE, <u>net</u>	925	0	925	990	0	990	17,000	17,000	17,000	Some possible risk, but not enough data to drive a change
OTHER FUNDRAISING	0	0	0	1,046	4,300	(3,254)	8,600	3,500	8,600	Revenue Committee doesn't foresee being able to make target
Non-Pledge Contribution	10,420	500	9,920	36,390	2,500	33,890	5,000	36,390	26,000	Additional giving continued
MAMA'S Coffee House, <u>net</u>	(1,032)	222	(1,255)	(517)	1,111	(1,628)	2,000	1,000	2,000	Weather and Lions football significantly reduced Jan and Feb revenue
Memorial Glen Endowment Draw	0	0	0	0	0	0	2,300	-	2,300	Board decision, over \$5,000 available due to previous set-asides and unexpected income
NET REVENUES:	66,407	50,319	16,088	413,536	349,464	64,072	625,870	733,910	728,066	
OPERATING EXPENSES:										
TOTAL FACILITY & OFFICE	18,061	13,017	(5,043)	96,852	89,417	(7,434)	148,200	175,950	170,950	Unanticipated number of small repairs, e.g., replacing black doors from pavillion to courtyard
TOTAL OPERATING EXPENSES:	54,355	58,131	3,775	404,437	397,248	(7,189)	688,398	732,186	727,186	
OPERATING INCOME	12,052	(7,812)	19,863	9,099	(47,784)	56,882	(62,528)	1,724	881	

Tracking Facilities Reserve (Pending Jan Close)

ACTUAL + FORECAST	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Beginning Balance	182,022	191,626	193,302	194,978	196,654	201,680	191,705	191,520	191,334	147,721	149,109	150,496	151,884
Inflows	9,604	1,676	1,676	1,676	5,472	5,472	4,722	4,722	6,295	6,295	6,295	6,295	7,868
Outflows	-	-	-	-	(446)	(15,446)	(4,908)	(4,908)	(49,908)	(4,908)	(4,908)	(4,908)	(155,446)
Ending Balance	191,626	193,302	194,978	196,654	201,680	191,705	191,520	191,334	147,721	149,109	150,496	151,884	4,305
Inflows:													
Funding from BUC Operating Fund	750	750	750	750	750	750							
Rent in from Montessori	926	926	926	926	4,722	4,722	4,722	4,722	6,295	6,295	6,295	6,295	7,868
Security Deposit from Montessori	7,928												
Additional Other Funding													
Total Inflows	9,604	1,676	1,676	1,676	5,472	5,472	4,722	4,722	6,295	6,295	6,295	6,295	7,868
Outflows:													
To Operating Fund for Amortization of Lease Expenses					(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)
To Operating Fund for Commission Set-Aside							(4,461)	(4,461)	(4,461)	(4,461)	(4,461)	(4,461)	(4,461)
Roof													(155,000)
HVAC						(15,000)			(45,000)				
Parking Lot (Major)													
Carpeting													
Other													
Total	-	-	-	-	(446)	(15,446)	(4,908)	(4,908)	(49,908)	(4,908)	(4,908)	(4,908)	(155,446)

Changes For Lease Starting in January

1. Tracking of Lease Income

1. Lease income will be shown on its own line in the first page of monthly Exhibit A report.
2. It will be journalled to the Facility Reserve except for what is described below.

2. Amortization of Lease Expenses

1. We will track lease expenses through April 2025, ending with what should be the last of our committed expenses: sending a check for \$5,000 to the school to compensate them for work that we should do but that it is easier to have their contractor do the work.
2. That total amount will be amortized to be paid out of the operating budget for the remainder of the lease.
3. The amount each month starting in May 2025 will be the total of the lease expenses through April divided by 56, the remaining months on the 60-month lease.

3. Payment of Commission to Signature Associates

1. We owe Signature Associates a commission of \$26,767 in the twelfth month of the term (December 2025).
2. For each of the first six months of the fiscal year, \$4,461 of the lease income will go to the operating budget to have sufficient cash to pay the commission to Signature Associates.

Chart of Accounts – Upcoming B&F Topic

1. There is too much noise in our monthly reporting.
2. We have 44 revenue categories. One of them (pledge income) accounts for 69% of our budget. The next 8 categories each represent 1% to 8% per category. All 35 others are 0% or round to 0%.
3. On the expense side, the appropriate logical groupings have changed since these were set up, e.g., some technology expenses are mixed into Office Expense; others stand alone.
4. We should have program staff and administrative staff, whereas today there is a mishmash. Also, we have various ways that we account for part-time staff vs. service providers.
5. Drilling down to the next level is very hard to do and has inadvertently led to hidden risks, e.g., cleaning service.
6. Program expenses are inconsistently addressed, e.g. RE has their expenses with the RE staff, whereas music expenses are lumped together with Facility & Office.