

**Board of Trustees**  
**Meeting Minutes**

**All Souls Church, Unitarian**

*October 26, 2016*

*7:00 pm*

**Trustees, Officers, and Staff in Attendance:**

Peg Barratt, President  
Chuck Dulaney, First Vice President  
Anne Bradley, Second Vice President  
Ken Ambrose, Trustee  
Erin Boeke Burke, Board Secretary  
Kysseline Jean-Marie Cherestal, Trustee  
Phyllis Caldwell, Trustee  
Whitney Cooper, Trustee  
Cledwyn Jones, Moderator  
Vickie Lindsey, Trustee  
Laurie Lester, Membership Secretary  
Katie Loughary, Executive Director  
John Strongman, Treasurer  
Tracy Zorpette, Trustee

**Also in attendance:** Gary Penn

**Not in attendance:** Rev. Robert Hardies, Senior Minister; Rev. Susan Newman Moore, Associate Minister

**Chalice lighting and words:** Peg Barratt

**Minutes:** Erin Boeke Burke

**Motion:** Chuck Dulaney moved to approve the September minutes.

Second: Phyllis Caldwell

**Vote:** The motion carried.

**Report from the Committee on Membership:** Gary Penn and Laurie Lester

Gary presented aggregate data on existing and new members at All Souls. The new membership is significantly younger than the existing membership (much higher proportion are 18-29 and 30-39, a significantly lower proportion is over 60). The percentage who self-identify as straight is approximately the same between new and long-time members, but the newer membership includes a higher proportion who identify as bisexual/ queer/ non-binary and less likely to self-identify as traditional gay or lesbian. The congregation continues to mostly self-identify as white, with significant percentages who self-identify as black or multiracial, and small numbers

who self-identify as latino or Asian. The All Souls congregation has a lower proportion of latino members than a Pew survey of UUs nationwide, and has a larger number of black members. New All Souls members are more likely to self-identify as multiracial and less likely to self-identify as black than longer-term members. Within the All Souls population as a whole, the under-18 population has a higher proportion who identify as multiracial, and members over 40 are more likely to self-identify as black. The 18-39 population is most likely to self-identify as white. The Board questioned whether changing demographics in the neighborhood would pose a challenge to All Souls remaining racially diverse in the future. Many members have been with All Souls for less than 10 years, or more than 20; there is a dent in the number of members between 10 and 20 years. Geographically, members are scattered across the neighborhood, greater DC area, and even the United States. More members are located in Maryland than Virginia. In terms of financial contributions, almost everyone who gave more than \$2000 was a member, a significant majority who gave more than \$500 were members, and the majority of contributions below \$500 were from non-members. The largest amount of money made in member contributions came from contributions between \$1000 and \$5000, diminishing at both the high and low ends.

The Board would like to further consider the data, to bring to future conversations about the church's five-year plan. Laurie Lester mentioned potentially re-purposing some of the data to present at the Annual Meeting. The Board and ET also connected the information and the data to an idea from DC about targeting our marketing and outreach for fundraising by looking at the data and the subpopulations within the congregation to use it in meaningful ways, including thinking about the different motivations individuals have for giving (potentially including a survey of individual reasons for giving). There was also discussion of the data we are gathering in the new database, in terms of understanding what activities different members are involved in and how they relate to and interact with the church. Cledwyn Jones also connected these ideas to the work of the Goals Team.

**Governance Process: Draft Budget for 2017:** Katie Loughary, John Strongman

The Budget being presented to the Board has a deficit due to the mortgage payments starting in April, the absence of full-year rentals, and lower returns on investments. Katie and John also flagged the importance of the Board paying more attention to reserves, particularly building up a capital reserve with significant annual contributions. There are only a few options to address the deficit: using the surplus from this year (2016), seeing increased pledges (although there was cautionary note about taking this approach), signing a significant lease with a renter for the second half of 2017, and drawing down from the endowment. The endowment option was presented as the least desirable of these options at this time. Further revisions to the draft budget will follow as Katie has better information about those items with larger uncertainty and in response to feedback at the Congregational Budget review meeting in November and the November Board meeting. The November meetings will focus both on explaining the budget and

the challenges we face, as well as concerns about specific allocations for different church activities and groups. There were additional questions and conversations about how to document, review, and address the concerns voiced by individuals at the meeting, in order to shift more of the work of congregational consideration of the budget from the Annual Meeting to the November Church Budget meeting. The Board also discussed its role in the Budget formulation process: the Budget is really the staff's budget, but is meant to address the congregation's goals and the Board's role is to review the draft and ensure that it does accomplish and represent those goals. At the Annual Meeting, the Treasurer presents the Budget, but at the November meeting, they discussed whether the the Board and the Executive Team would publically, jointly own the proposal. Board members noted that before the Budget is approved by the Board and considered how can we still show strong ownership of that developmental document? Katie Loughary will likely present at the November meeting, but the Board may look at options to be more involved at similar meetings in future years.

There was consideration of a seminarian and whether and how to fund it in the Budget, as it was reluctantly excluded from the current draft. For the seminarian as well as other difficult trade-offs like the building reserves, if there were to be an additional source of funds (e.g., a change in rental income), what would be added and what would that process look like? There was concern to increase Board engagement and involvement in the Budget revision process. John also noted that much of the potential shortfall in 2017 could be closed by the one-time benefit of the expected 2016 surplus, but the church is unlikely to have a similar windfall in future years.

**Governance Process: Follow-up discussion of Gift Policy:** Executive Team

The Church is considering having a policy of taking all unrestricted gifts to the Church and applying them to the principal of the loan for the next five years. This would be an exception that says unrestricted bequests go to the General Endowment, so the board would have to approve such a change in policy. There was concern about prioritizing the mortgage over the capital reserve - they are both places where we need funds in the next few years and have very restricted means to do so. The Board discussed the possibility of splitting such gifts so half of the contribution went to the capital reserve (potentially as part of the General Endowment) and half go into the principal of the loan. There was concern about the funds getting into any general pot of funds such as the General Endowment, where they may be re-directed to other purposes than maintaining our assets. There was concern about making a decision on the recommendation until there was further investigation, and potentially outreach to individuals likely to leave a bequest in the next five years, and the Finance Committee could consider and make a recommendation to the Board.

**Staff Report:**

**Update on Budget and Administration:** Katie Loughary

There was a question about the whether pastoral care was receiving sufficient funding following the recent \$1000 gift. The Pastoral Care Budget has not been fully-utilized in recent years, which would suggest that it was not under-funded in those years. The conversation continued to focus on whether gifts are additive or can be used to re-direct unrestricted funds to other church priorities. The church's policy in recent years has been to try to use a directed gift for a specific purpose and not shift other amounts in the budget. The Executive Limitations explain that the ET should spend money consistent with the approved funding levels for different categories in spending, but is also able to spend funds above the approved budget without Board approval in some circumstances. There was a lot of concern about incentivizing directed contributions, increases in narrowly-restricted contributions would draw resources away from general church needs and restrict church-wide balancing of priorities. The Finance Committee will also look at the expenditure of funds throughout the year versus the approved Budget and how to deal with the issue of designated gifts, and will report back to the Board on whether they recommend changes to policy governance.

The first-annual steeple netting inspection was completed, and nothing had fallen.

**Follow-up on the Executive Limitations Report on Personnel:** Katie Loughary

By the end of next week, all All Souls exempt employees (except the on sabbatical) should have completed their performance reviews, and they will continue to work on the non-exempt employees afterwards. The ET is also working on updating position descriptions, and there is a complete list of them on the Board google drive. The ET will provide another update next month on the progress of reviews and updating job descriptions, as well as ensure all the descriptions on the Board drive are current.

**Proposal for a Personnel Committee:** Anne Bradley

This subject was discussed extensively as the Board retreat, so Anne simply provided an update on the proposed policy to account for the Board suggestions at the retreat.

**Motion:** Anne Bradley moved to adopt the suggested terms of reference as presented.

Second: Ken Ambrose

Discussion: There was agreement that the Board had already discussed the proposal sufficiently.

**Vote:** The motion carried, with one voting against.

**Proposed changes in Policy Governance:** Tracy Zorpette, Chuck Dulaney, and Kysseleine Jean-Marie Cherestal

The group has a set of proposed changes to bring the policy governance in line with current church practice, but unfortunately all the edits got dropped from the version circulated in the Board packet so had to be described individually. The proposed changes were not extensive.

Among the more substantive changes were changes in Board of Trustees and Board committee areas of responsibility, particularly the Committee on Ministry and Personnel Committee.

There were also some edits to language about Board review of staff (particularly ministerial) salaries in Section E. There were concerns about whether changes to the language now would complicate future conversations about potential changes to the policy governance, including Board (as opposed to Personnel Committee) review of the salaries for called associate ministers or others. Potential changes to the edits in Section E were discussed.

There were also edits to the communication policies and the requirements for the Board and ET to make the church policies and documents accessible to the congregation, and a requirement to include funding for the capital reserve in the annual budget.

**Motion:** Chuck Dulaney moved to accept all the changes outlined to the Board except those changes to Part 3 of Section E. Those changes were all posted in advance to the Board website except those changes to incorporate the Personnel Committee, and wording changes on “funding for the capital reserve”.

**The motion was withdrawn.** The Board will reconsider at the November Board meeting when they have all the edits in front of them, including final language for Section E. John Strongman also raised a question about whether the Gifts policy should belong to the Investment committee or the Finance committee, and recommended that the Policy Governance include a brief explanation of the responsibilities of each of the Board committees (potentially the terms of reference) in the document or an Appendix. Cledwyn Jones said that he would appreciate greater specificity in the main document, not appendices.

**Discussion of Board work with ET on Executive Limitations Reports:** Vickie Lindsey, Tracy Zorpette, Katie Loughary

The group met last week, with the understanding that this will be a long, ongoing process but with the understanding that a timeline would be put in place at a January retreat. Chuck Wooldridge served as guest subject matter expert in how the group could work on the personnel issues and provided feedback. Rev. Hardies and Katie Loughary understood the importance of the effort to the Board. Rev. Hardies and Katie shared their concerns about the amount of time it would take to do the reports, and it taking time from other work of the church. The Board made clear that these reports are how the Board monitors the ET, and does its job of visioning and goal-setting, while staying out of the day-to-day work of the church.

Chuck Wooldridge said one of our big problems is that we don't have operational definitions or supporting data for each goal and limitation in the policy governance document, and noted that once those structures and definitions are in place it will get much more routine. Further, many

other churches already have operational definitions we can lift and borrow. Rev. Hardies requested a committee to work on these definitions, etc., as opposed to multiple ad hoc groups of Board members. They also considered whether other members of the congregation, including Chuck and Barbara Corprew, could help with the supporting data and information, so that the Board does not need to be so directly involved. Rev. Hardies suggested kicking off the process in January with a meeting with the ET and the group of people who will help support the project, and work on the policy governance monitoring structures over the next six to twelve months. The group may come back with a proposal for the Governance Committee; they will discuss this issue further at the November Board meeting. The next governance monitoring report is due at the November Board meeting, so Katie Loughary asked whether she should put together the November report if the Board is so dissatisfied with their current form. The Board said they want to follow the policy governance for the time being and continue use the process and review to identify issues and continue the conversation, with the understanding that we will continue to improve the process. This new group would not be experts at a specific topic like finance or investments, but has experience communicating with the ET and translating the needs of reviewers.

The meeting adjourned at 9:12 pm.