

Board of Trustees Minutes (FINAL)

May 22 2019

Trustees Present:

Libbie Buchele, Vice President (12/2021)
Bob Jayes (12/2020)
Erika Landberg (12/2019)
Nadine Ramos (12/2021)
John Schuettinger, Vice-President (12/2020)
Esther Strongman (12/2020)

Trustees Absent:

Tim Rhodes, President (12/2019)
Tehani Collazo (12/2021)
Cheryl Gray (12/2019)

Officers Present:

Carrie Davidson, Secretary (12/2019)
Mike Hill, Moderator (12/2019)
Mark Regulinski, Finance Committee Chair

Staff Present

Traci Hughes, Executive Director
Lisa Grayson, Controller
Jalisa Whitley, Beckner Advancement Fund Committee Program Officer

Others Present

Paula Cole-Jones

7:00 Chalice Lighting and Reading

Rev. Rob Hardies read a reading from the hymnal in memory of Sterling Lloyd, long-time member, former Trustee and Board President who died last night.

5.1 Approval of Agenda (See Attachment 1, p1)

A report from the Beckner Advancement Fund Committee to recommend grant awards for the Board's approval was added to the end of the agenda. Libbie moved approval of agenda and it was seconded. **Approved.**

5.2 Approval of April Meeting Minutes (See Attachment 1, pp 2-5)

John moved approval of minutes with the correction on bottom of p4. Seconded. **Approved.**

5.3.1 Senior Minister's Report (See Attachment 1, p6 for details on each of the following)

Ministerial Hiring

Transformation Sundays

Trust and Reconciliation

The Death and Legacy of James Reed

UU Heritage Pilgrimage to Boston

Walt Whitman's 200th at the Kennedy Center and at All Souls

Summer at All Souls

Libbie requested that in the future, Rob include what he's doing to bring the church on sound financial footing and create a performance goal for how often he will make personal appeals to the congregation each month? Rob said that he would be well-positioned the next few Sundays to make appeals from the pulpit. The worship theme in June is giving and receiving. His sermon on June 16 is generosity — a good set up for the board session that day. Rob shared that the program staff (Choir, Religious Education) had sent out appeal letters to their program participants asking for a one-time donation of \$50, but to also consider pledging.

Traci cautioned against making these requests from the pulpit a performance measure since the church has to be strategic in how it goes about addressing the deficit. Traci said that she's been making progress on what she committed to last month regarding tackling low hanging fruit first.

Libbie said she appreciated the need for consistency each week. However, if it makes sense for the pastor to make the announcements, she would favor that since appeals coming from Rob have a greater impact.

Nadine asked Rob if he could also report on his progress in strengthening some of his growth areas. Rob responded that the ministerial development plan and progress monitoring is already undertaken by the Personnel Committee and that committee can decide how they want to report it to the board. At that time, the Board would be in Executive Session.

Traci distributed an article titled *Five Pitfalls to Avoid When Evaluating the Senior Minister* and encouraged the Board to read it. **(See Attachment 2)**

5.3.2 Executive Director Report (See Attachment 1, p7)

Financial Update (See Attachment 1, p8 for the RFP and p7 for Traci's summary)

Development and Fundraising

The Board asked Traci to find a development and fundraising consultant with a budget of \$40,000. She has identified Campbell and Company. With Board approval, they could start in 2 days. According to their timeline on p10 of the Attachment, it will take them more than 30 days to come up with a report. The Internal Assessment occurs in the first month and will take into account the information we have within All Souls Church and what needs to happen. They would present their plan to the Board in Month 4 or August if they started this week. Implementation would require a separate contract. John found that particularly prohibitive and thought the Board had only authorized \$25,000. Traci responded that \$41,500 was in the budget on line 8600. According to Mark, various drafts of the budget went to the board over 4 months and many of the things that were in the budget came out because of the lack of a tenant.

Bob said he would support this as long as the Board doesn't postpone asking the affinity groups for money. Traci affirmed that the individualized outreach would continue.

Someone asked if the company's references had been checked. References had not been, checked but Traci and Rob said that they would check them the next day.

John said he'd be more comfortable if those reference checks demonstrate that the company does good work and how much the implementation would cost. Someone suggested asking the other UU churches that used them about their experiences with the firm.

Esther suggested approving entering into contract with them contingent on Rob's check of their references so that it doesn't hold up their getting started, and perhaps ultimately, implementation. Esther **moved** that the Board approve entering into contract with Campbell and Company contingent on Rob doing the follow-up and feeling comfortable with the references. It was seconded and **approved**.

Tenant Search

The adult day care center was still considering renting out the space, but a major factor is parking. They need 21 parking spaces. Rob and Traci also met with a school that was awaiting approval of their charter. It has since been approved. The head of the school, the Social Justice School, wants to have another conversation with us.

HVAC/Asbestos Removal

The check on air quality proved negative for asbestos so the work on the HVAC system has been completed.

Website

In response to a question from John, Traci said that staff would begin beta testing the website at the beginning of August. The website will be compatible with mobile and be built using Word Press. The work will be done for \$10,000.

5.3.3 Motion to Change Order of Agenda Items

Libbie moved to move item the report of the Beckner Advancement Fund Committee ahead of the Finance Committee Report (item 5.4 on the agenda). The motion was **seconded** and **approved**.

5.4 Beckner Advancement Fund Committee Report (See Attachment 4)

Jalisa Whitley described the BAFC's process for grants based on the most recent Feb-April 2019 open grant period. The committee prioritizes organizations in the immediate community of ASC, i.e., Ward 1, have strong connections to ASC's social justice work and priorities, and serve those most impacted by overlapping forms of oppression. One internal grant (Green Souls, \$1,800) and 14 external organizations from 38 pre-applications are being recommended to the Board for approval. In total, BAFC is recommending a total of roughly \$92,000 in Beckner funds.

Erika indicated that she'd like to see something put in the bulletin announcing the grants for both grant cycles. Jalisa said that she would work with Traci on making that happen.

Mark asked Jalisa to identify the groups who were being recommended for the second time. They are Black Lives Matter DC, Kindred, Justice for Muslims Collective, and the Fair Budget Coalition. Some concern was expressed about groups relying too much on BAFC funds, coming back year after year. Jalisa said that the committee is thinking about a 3 year limit. Mike noted that, having been on the other side of funding non-profits, the organizations BAFC are doing critical work. Mark urged everyone to reread the BAFC Deed of Gift to ensure that what we approve is consistent with it. Paula Cole Jones added that, for a grassroots organization, most of which the 14 are, 3 years is not a lot of time to get up to the point where they begin to rely on multiple sources of funding. Paula suggested that instead of a time limit for funding, organizations be asked to obtain matching funding by a certain time point. Libbie would like the BAFC to invite some of the grantees to be at the table during September's Find Your Ministry Fair. Jalisa said she'd follow up with that too.

Jalisa also noted that each year, 3 members of the BAFC cycle off. This year, Taquina Boston, Craig Dylan-Wyatt, and Claire Smith Wulsin are cycling off. BAFC received 11 applications to fill the openings. Rob picks one and the BAFC picks the other two. Those we are recommending to the Board are Catalina Talero, Maria Dayton, and Erika Symmonds. John requested their applications. Since they were not available during this month's board meeting, they will be on next month's consent agenda.

5.5 Finance Report (See Attachment 1, p10-12 for a line item review of 1st quarter actuals to budget)

Based on the first quarter's data, Mark estimates that the church is looking at a \$450,000 to \$525,000 shortfall this year. Under grant revenue, there will be nothing this year (\$75,000 was budgeted). We're about \$80,000 short this quarter in core donations and contributions. Utilities are running more than budgeted. Less than 50 percent of the Religious Education Program participants and less than 60 percent of the Music Program participants have made 2019 pledges.

Additional fundraising will be needed in FY19 to pay for the mortgage taken out to pay for the capital improvements completed in 2014. The balance in the Third Century Campaign (TCC) account is less than the minimum required by the mortgage holder (FVC Bank, First Virginia) under the terms of the Loan Agreement. The Committee recommends that funds be transferred from the operating account at Industrial Bank of Washington (IBW) into the FVC TCC account.

Libbie observed that much of what we wanted to accomplish in terms of transformation is not going to be possible if we don't have the funding. Many of those waiting for transformation have been withholding their money pending our transformation.

Paula Cole Jones noted that the Board has to show that we're making changes, we have to take that part seriously, and we don't have a lot to show yet. We can't really fund a new minister if we don't get more funds. She offered to ask those awaiting transformation to invest in the future of the church. Jalisa agreed to send a message to BAFC members.

Nadine commented that we have entrusted the development of a fundraising plan to Traci and Rob and we should allow them to develop the plan and then let us know how best to move forward..

Traci urged everyone to convey extreme concern, but not panic and it's going to impact all of our funding sources.

Mark noted that in the Board Committees' Terms of Reference, there are requirements that members on board committees pledge to the church. **(See Attachment 3)**

Mike thought that if the Board tied transformation together with pledging, it could negatively affect us if we fail.

In summary, Mark noted that the congregation has grown continuously for 5 years, the programs have grown to keep up, but that contributions have remained flat for 5 years. We have many more participants, but we're not getting a proportional investment. People may just not know — there is a great tradition in various denominations of pledging.

Esther said that Mark's message needs to get out there. Giving has remained flat. Requests are always growing. The giving now has to grow. This is something that's been happening for a number of years. We can't have transformation if the church ain't here!

Triennial Portfolio Review (See Attachment 1, pp 13-16)

The church has three primary investment programs where the Finance Committee controls the investment, Line Item 4300. Line Item 4900 is for intra-fund transfers and the Finance Committee also controls these. We have one exchange traded funds — Vanguard — where the fees are minimal and two legacy investment mechanisms — Unitarian Universalist Common Endowment Fund (UUCEF) and The Investment Fund for Foundations (TIFF). Every 3 years, the Finance Committee undertakes a review of our portfolio and meets with the fund managers. It would be hard for the congregation to walk away from UUCEF because their

investment approach most closely aligns with our values. From former members of the Investment Committee, you will hear advice that the church move money out of TIFF into Vanguard so that we get access to people who give advice. The minimum investment for that service is \$3M and we only have \$1.2M invested with Vanguard. TIFF is also burdened by funds that are actively managed (vs. exchange traded) and investments internationally that have underperformed U.S. stocks. The decision to invest with TIFF was probably made before the rise of Vanguard's approach to investing in exchange-traded funds. As part of the triennial review, we've met with managers from TIFF and UUCEF. The Assistant Treasurer, Scott, will assist with putting together an analysis of the performance of the 3 funds and from that, recommend any changes we should make.

Jalisa asked if BEFC should put their monies somewhere else.

Last year, the Investment Committee talked about investing 1 percent of our monies to businesses in the local area using negative screening to avoid investing in companies whose products and business practices are harmful or unethical. UUCEF, on which Kathy Mulvey, an ASC member, sits, uses this approach. This is in contrast to TIFF's approach based on positive screening. TIFF integrates environmental, social and governance (ESG) criteria, i.e., a set of standards for a company's operations, to screen potential investments.

5.5 Correspondence (See Attachment 5)

In response to Doris Marlin's letter to the Board of Trustees and ministers, Rob said that criteria for allocating funds from Sunday plate collections have been decided by the Executive Team. The Board asked Rob to respond to Doris's letter.

5-6 Discussion of Policy Governance

Are we operating in accordance with the ASC Policy Governance Framework?

Secretary's Note: The initiative for examining the Policy Governance Framework (PGF) comes from David Pyle's ASCU governance assessment. In his ***Draft for Discussion with Congregational Leadership*** (Jul 23, 2018), he suggested that the church begin an education and discernment process, first within the board and senior staff, and growing into the entire congregation, on the theory of governance behind the governance and ministry system. Bob Jayes and Erika carefully reviewed the 27 page Policy Governance Framework (PGF) last updated in 2017. During this part of the agenda, they facilitated a board discussion in response to the following questions,

1. Why do we have both Bylaws and a PGF?
2. What is the good and the bad with these documents?
3. Are we operating in accordance with the ASC Policy Governance Framework?

The PGF and the Church By-Laws can be viewed on the church's website, All-Souls.org, About ASCU—>Governance/Finance —> Governance Docs in right hand call-out box.

Why do we have both Bylaws and a PGF?

- Bylaws are analogous to statutes while the PGF are agency regulations that interpret the statute in greater detail so that everyone is aware of the agency's guidelines for implementing the statute.
- The PGF provides the "how" whereas the bylaws provide the "what."
- The PGF provides more details on the supervisory relationships and processes for implementing the bylaws.

What is the good and the bad with these documents?

- The PGF and bylaws need updating using an 8th Principle lens and with 8th Principle language. What in policy governance reinforces White Supremacy Culture?
- The role of the Executive Director, elimination of the Executive Team, committee names, and how we look at ministerial performance all need to be incorporated into revisions of the PGF and bylaws.
- There's a lot in the PGF that shouldn't be thrown out before we have something else. A lot of it is very helpful.
- Article 3, Section 7 of our Bylaws says we have to have a governance framework in place.
- We have never fully implemented the PGF. However, we shouldn't get rid of all of it until we have something to put in its place. Also, there will certainly be things in the PGF that will be useful to keep?
- People are conflating the By-Laws and the PGF. The Executive Team is not self-monitoring like the PGF says.
- What are the barriers to implementing PGF?
- How would co-ministry affect the PGF?

Are we operating in accordance with the ASC PGF?

- Some people say, "Oh, we're not operating under PGF right now." Can we be explicit about that right now? (Secretary - that we are or aren't operating under PGF?)
- We're not entirely dotting all of the i's and crossing all of the t's. Do we want to move to full implementation or are we going to drop some of the components?

June 16th Board Informational Session with the Congregation

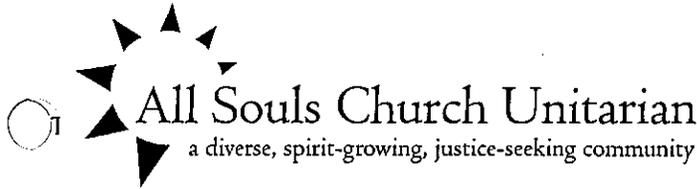
Concern was expressed about too many things scheduled that would distract from the main event. Erika noted that if the Board has two short sessions, participants will have the opportunity to both have food and fun that day and also come to one of the Information sessions. Adults will get drink tickets to encourage them to move into Pierce Hall where the drinks will be served. The Board's session will be in Pierce Hall. With respect to the meeting's proposed agenda item on the Church Financial Crisis, Cheryl and Mark would not be doing a deep dive on the church financials.

Erika will be responsible for outreach. Three options for a flyer were distributed and one was selected. Announcements will be posted on the monitors in the narthex and lobby, made from the pulpit, and appear in the weekly emails and Sunday bulletins. Board members signed up to volunteer. Cooking would occur on Saturday, June 15th.

5.8 Adjournment

The meeting was adjourned.

Respectfully submitted,
Carrie Davidson
Secretary



Board of Trustees meeting May 22, 2019

Agenda

6:30p – Dinner/Social Hour/Fellowship

7:00p-9:00p – Business Meeting

Chalice Lighting and Reading

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|----------|--|------------------|
| Item 5-1 | Approval of Agenda – 5 minutes | Libbie Buchele |
| Item 5-2 | Approval of Consent Agenda – 5 minutes
• Approval of April Minutes | Libbie Buchele |
| Item 5-3 | Senior Minister/ Executive Director Reports – 15 minutes | Rob H./Traci H. |
| Item 5-4 | Finance Report – 10 minutes | Mark Rugulinski |
| Item 5-5 | Correspondence – 10 minutes
• Request regarding the process for sharing the plate | Libbie Buchele |
| Item 5-6 | Discussion of Policy Governance review – 45 minutes
• Policy Governance Study Team/Are we operating under policy governance?
• June 16, 2019 Information Session | Erika L. /Bob J. |
| Item 5-7 | Board candidate nomination – Assistant Treasurer – 5 minutes
Andrew Scott | Libbie Buchele |
| Item 5-7 | Executive Session-Ministerial Search Committee Report – 25 minutes
• COM letter regarding the Senior Minister
• Letter from the Transformation Team Truth & Reconciliation Committee
• Report of the Ministerial Search Committee – Minister of Congregational Life | BoT |

Adjournment

Next Meeting June 12, 2019

“To build the Beloved Community, All Souls Church cultivates and celebrates...
 ...spiritual growth and transformation as we question, learn from others, and seek lives of meaning and reverence.
 ...a welcoming, diverse, and vibrant community where we love, respect, and care for one another.
 ...service and prophetic action to move the world toward justice, healing, and sustainability.”

pertinent bylaws and approval by the congregation, this change would take affect beginning in 2020. *(This motion relates to Recommendation 1 and comments on Page 18 of the TT GWG Draft Final Report.)*

Effective Employee Performance Management system - Motion: That the Board endorse the requirement that the Executive Director develop and implement a policy for an effective employee Performance Management system at All Souls, working with the Board's Personnel Committee as needed, including providing a timeline that includes when the new system will take effect. *The above motion relates to Recommendations 1, 6, 7, 8, and 9 of the TT GWG Draft Final Report.*

Comprehensive church monitoring plan - Motion: That the Executive Director and Senior Minister work in partnership with the Board on the development of a monitoring regime that will 1) cover all areas of church operations and programs and ministries, 2) work through an anti-racist lens, 3) take into account the Board's Strategic Planning responsibility, 4) provide regular reports to the Board of Trustees on the development process and expected implementation date. *This motion relates to Recommendations 3 and 5 of the TT GWG Draft Final Report.*

Cheryl moved and it was seconded that the Board approve the BGC's motions and that the President empower the BGC to meet between board meetings. **Approved.**

4. Need for Detailed Operational Plan to Address Church Deficit

Cheryl presented a "Draft Resolution Regarding All Souls 2019 Financial Plan" (see attached). She expressed urgency at pulling together a financial plan. Traci offered that having a financial plan for the board to consider by 5/22 (the next board meeting) was too ambitious. She thought it could be done by June 12th.

Cheryl offered that communication with the congregation and integrity are very important right now and that waiting until the end of the year when it's too late to recover would be unacceptable.

Rob recently sent something to the program heads to send to their folks asking for \$50 each.

Libbie wondered if there were short and long-term things that the board could do now like emailing all of the heads of volunteer committees, charging for refreshments after church, charging a fee for Sunday school...it all involves direct communication, but it has to come from Rob. Rob has to say, "We need to you pledge TODAY." A specific charge for refreshments after church on Sunday and a fee for church school.

It was **moved** that the motion be adopted with the amendment that Traci provide the board a short term plan by the May meeting with the understanding that a full fundraising and development plan would be presented in June (see Item 6 below). It was seconded and **approved**.

The discussion continued on when and how to inform the congregation, i.e., should the board wait until there was a fully developed financial plan by giving the congregation the sense that something's coming or should the board go out now with facts like these: fifty percent of RE parents don't pledge; thirty-three percent of the folks pledge ninety percent of the dollars.

It was moved and seconded that there be a church informational meeting in June. **Approved.** The discussion of details was postponed until the end of the agenda.

Traci agreed to develop a letter with Rob that would go out as soon as tomorrow. She just needs the authorization to do it without having to go through multiple layers of review. Libbie moved and it was seconded that Traci be given the authority to write the letter without board review. Tim said he would tell Rob that this has to be done.

Traci will be sure that the letter will include an immediate solution, e.g., will include, in addition to the necessity for funds — all the ways each member can donate — each of those other timed messages can go out over time.

Bob suggested avoiding the impression that the financial problems are due to Rev. Susan Newman-Moore's departure.

5. Management of Board Workflow and Board Working Sessions

Tim asked Traci to send out the email on open meetings. The board's work sessions are not open to the public and the board cannot make decisions (take votes) at these meeting. Last year and this, these meetings are good for planning the monthly board meeting's agenda. Tim said that he was hoping that they could be used for trainings and workshops.

Erika would like to get the docs for upcoming board meetings sooner so that she has more time to review them. Esther would like to see the agenda a week in advance. Esther thought that because there are so many balls in the air, the trustees need to be prepared. She suggested getting all of the docs in google docs and to reject last minute changes/additions.

Tim sent the email with a draft of the agenda on April 11, but didn't receive any responses.

Cheryl noted that board members have done a lot this last month. She encouraged board members not beat themselves up. Let's be more positive. She thinks that the Board is making progress.

In terms of getting the work done, some members wanted to keep the twice monthly meetings (1 work session; 1 board meeting where official actions are made). Nadine noted that the culture of UU's is to discuss, discuss, discuss. She suggested that during the work sessions, the board conduct an inside (self) inventory and have a training session on google drive. Libbie suggested a retreat for goal setting and strategic planning, but Traci thought that might require an open meeting.

The board decided to continue meeting for a work session and board development on the 3rd Wednesday of every month and for official business on the 4th Wednesday of every month.

6. Church Informational Meeting

Possible topics for the church informational meeting in June include

- Possible upcoming changes to the by-laws - Should the Secretary and Treasurer become members of the board, the Nominating and Leadership Development Committee (NLDC) need to know so they can properly recruit a voting secretary and treasurer.
- Introduce Traci to the Congregation
- Updates on Contract Ministerial Search
- Update on Financial Plan

No votes will be held at the meeting. The Governance and Finance Committees will plan the agenda.

The meeting was adjourned shortly after 10:15 pm

Respectfully submitted,

Carrie Davidson, Secretary

Future meetings:

May 15th - Paula Cole Jones will host an insight team building exercise for board members so that the board can identify how best we can work as a team.

May 22nd - Regular monthly board meeting

Senior Minister Report

Senior Minister Board Report
May 20, 2019

Ministerial Hiring

Friends, you have received the report of the Ministerial Search Committee, indicating that it was unable to hire a suitable candidate for the contract ministry position that we were seeking to fill.

I remain committed to finding a ministerial candidate with whom we can experiment with and live into a collaborative ministry model, and who can serve at an equivalent level to Traci Hughes and myself. However, we have not found that person for next year. The search committee has recommended that the board delegate to me the authority to make the necessary hires to fill the vacant ministry portfolios for next year.

I am currently exploring the possibility of filling these portfolios with two or three part-time clergy who, together, would serve the equivalent of one full-time position. This temporary solution will cover many of the church's ministerial needs, while saving the church some money during a tight financial year. It will also allow the board time to decide how it wants to move forward with the collaborative ministry search, and will allow us to better sync-up that search with the UUA's search and settlement process, which we were late to enter this year.

It should be noted that the temporary solution I envision would leave us with about 80 hours of professional ministry per month LESS than our current staffing levels. Therefore, the success of this ministry plan also depends upon the congregation's ability to step-up in shared ministry, especially in the areas of pastoral care and covenant group ministry.

At Wednesday's executive session, I will share more details of the plan I am envisioning and the status of my negotiations with potential candidates. At this meeting, I hope to secure from the board the authority to make the necessary hires to implement this plan.

"Transformation Sundays"

The clergy team and I have been working with the Transformation Team to create a schedule of "Transformation Sundays" that allows the church to address some of the spiritual issues that are arising from the work of the Transformation Team. The first Transformation Sunday took place last Sunday, May 19. Derek Robinson, Paula Cole Jones and Peter Montgomery led the service along with Rev. Parker. I will be collaborating with the team on the next Transformation Sunday, scheduled for June 23.

Trust and Reconciliation

In service to our ongoing work on trust and reconciliation, the Transformation Team has invited me to attend their June 8 meeting to listen to an open conversation among church members most negatively impacted by last year's conflict, and (later in the day) to participate in a restorative justice circle with those who desire such an opportunity with me.

The Death and Legacy of James Reeb

After many years investigating the murder of our former associate minister, James Reeb, a team of reporters at NPR has produced a seven-part podcast called **White Lies** that finally uncovers the truth about Reeb's murder, and that details the violence and oppression that kept it from being solved for so long. Myself and others from the church have been in touch with this investigative team for several years. I anticipate that the podcast will include information about the Reeb Voting Rights Project. NPR and All Souls are planning an event at the church to coincide with the conclusion of the podcast in late June/early July. We hope to have some of Rev. Reeb's children present, to highlight the work of the Reeb Project, and to formally dedicate the Reeb Lobby. Stay tuned for more details!

UU Heritage Pilgrimage to Boston

I missed last month's board meeting because I was in the midst of a five-day UU Heritage pilgrimage to Boston with about 30 All Souls members. We had a memorable experience, and based on feedback from the group, the pilgrimage achieved its goals of giving pilgrims a better sense of their UU heritage and identity, and allowing them to build closer relationships with other members of the All Souls congregation.

Walt Whitman's 200th at the Kennedy Center and at All Souls

On Tuesday May 14, the All Souls Choir, accompanied by a cadre of All Souls poets and readers (including me) presented a program of poetry and music to honor the 200th birthday of Walt Whitman. Though not himself a Unitarian Universalist, Whitman's thinking was very much influenced by Unitarian leaders like Ralph Waldo Emerson. I think the program speaks powerfully to the hope and crisis of our democracy today. We will reprise this program in worship this Sunday May 26. Kudos to Jen and Rochelle for bringing this exciting program to fruition!

Summer at All Souls

This Sunday May 26 we transition to our summer Sunday schedule, with one service at 10:15 am. We hope to begin summer worship in a cool sanctuary thanks to our newly installed sanctuary chiller! Worship this summer will feature some special musical Sundays—including Whitman's 200th Birthday and a reprise of the Ruby Bridges Suite—as well as compelling services led by guest ministers and me. Except for the last two Sundays in August, I will be present and in the pulpit throughout the summer.

Executive Director Report

May 22, 2019

Executive Director Report for the Board of Trustee Meeting

Finance Update:

Financial Review

The solicitation for Request for Proposals from financial firms to conduct a financial review was sent on May 14, 2019. Replies of interest are due on May 24, 2019 and proposal submissions are due on June 15, 2019. FVC had required that the Financial Review be completed by July 31, 2019. However, FVC bank has granted an exception to All Souls, and will accept the Financial Review on August 30, 2019. This will mean that the entire process will be on a very short turnaround. The ED will work with the internal controller and the CPA to ensure that all documentation is timely provided to the chosen firm. Solicitations were sent to the following firms: Tate & Tryon; Ubelhart, Rogstad & Associates, P.C.; and Kositzka, Wick & Company.

Minimum Balance of TCC Account with FVC

The ASC loan agreement was modified on August 14, 2018 to allow ASC to maintain a balance for one year of not less than \$125,000. The agreement will revert to the minimum \$250,000 loan balance on August 14, 2019. The current balance in the FVC account is \$235,000. The ED will move \$20,000 from the Industrial Bank Account to the FVC account in June 2019 to meet the minimum balance requirement.

Development and Fundraising:

The ED has identified Campbell and Company to assist the church with the formation and implementation of a development and fundraising plan. The letter of engagement will be finalized and executed this week. The proposed cost is \$38,500.00 – within the approved 2019 budgeted amount for a development consultant. The Board will notice in its materials that Campbell & Company has significant experience raising money for several UU churches. The ED will work with Reverend Hardies to begin compiling a list of lay leaders who may be willing to be engaged with the creation of the development plan.

Letter to the Congregation

The joint letter from the ED and the Senior Minister was published in the church bulletin on May 5 and May 12. Generally, the letter was well received. ASC did notice an uptick in non-pledge donations for the two weeks that the letter ran in the bulletin of approximately \$6,000 per week.

Tenant Search:

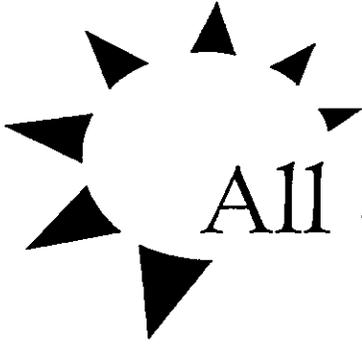
Tim Foley, with Savills, has now conducted two tours with the adult day care provider. The provider is still working out parking options and has not closed the door on submitting a proposal to ASC for consideration.

HVAC/Asbestos Abatement:

The air handler was installed in the bell tower on May 18th. The project is on schedule for completion by May 30, 2019. All air tests indicate that the asbestos has been cleared in the basement. The ED will send an email to the congregation once the project has been completed.

Website:

Work has begun on the creation of the new website for ASC. The deadline for delivery of a fully functional/mobile/simplified site is mid-August. The work on the site is made possible by a Feb. 2019 allotment from the AP Davies Fund in the amount of \$10k. No additional funds are required to complete the project, total cost \$10K.



Traci L. Hughes, Esquire
Executive Director

All Souls Church Unitarian

a diverse, spirit-growing, justice-seeking community

May 14, 2019

Re: Request for Proposal – Financial Review: Deadline: May 24, 2019 (Reply of Interest) and June 15, 2019 (proposal submission in PDF format)

Email Response To: Traci L. Hughes, Executive Director, executivedirector@allsouls.ws & Lisa Grayson, Controller, lgrayson@allsouls.ws

Introduction

Your firm has been selected as a candidate to provide a financial review for All Souls Church Unitarian (ASCU). This Request for Proposal (RFP) will assist the Finance Committee of All Souls Church Unitarian (ASCU) in its duty to select a qualified, independent firm to provide this service.

Please respond by May 24th, 2019 if you wish to submit a proposal. When you reply in the affirmative, you'll be emailed PDF copies of prior year audits and current financial statements. Any questions you have will be answered in writing and shared with all bidding firms.

Background

All Souls Church Unitarian is a 501 (c) (3) nonprofit. The mission of All Souls Unitarian is stated as follows:

“To build the Beloved Community, All Souls Church cultivates and celebrates...

...spiritual growth and transformation as we question, learn from others, and seek lives of meaning and reverence.

...a welcoming, diverse, and vibrant community where we love, respect, and care for one another.

...service and prophetic action to move the world toward justice, healing, and sustainability.”

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All Souls Church Unitarian Operations in 2019

There are currently thirteen (13) full time staff members, seven (7) part-time staff in the Washington DC Office and approximately fourteen (14) independent contractors. The Firm's Board of Trustees is governed by fourteen (14) voting members.

Accounting is provided by a full time employed Finance Controller and an independent CPA who prepares monthly financials. ADP is the payroll provider. All Souls Church Unitarian utilizes Industrial Bank of Washington for the main checking account and FVC Bank for a capital account. The accounting department uses a check scanner to remotely deposit checks. Total annual revenue per the 2019 budget per entity is: \$2,092,407.00

Scope of Services

Financial Audit Review for the year ending December 31, 2018.

Preparing the management and required communications letters for All Souls Church Unitarian

Regular communication with the Finance Committee Chair as needed

Presentation of the results of the audits and management letters at the Finance Committee meeting or board meeting

The primary users of the financial statements are management, the Board of Trustees, and their respective committees and stakeholders.

Timing of Services

Field work will begin the week of July 8, 2019, with the first draft of the Financial Review delivered by August 5, 2019. Review of the Financial Review and management letter will occur August 30, 2019.

Deadlines

Reply of Interest: May 24, 2019. Please include your firm's response to the Timing of Services.

Final proposal: Due to the ASCU office by June 15, 2019. You will be notified in writing of the Committee's selection no later than June 30, 2019. Please include in the final proposal the following:

Summarize the firm's qualifications to serve nonprofit organizations from an audit review and tax perspective.

Describe the firm's process

Include your most recent peer review documents in their entirety

Profile of Firm and Quality of Services

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Summarize the firm's qualifications

Describe the firm's process, including any review of internal controls

Include your most recent peer review documents in their entirety

Provide references

Fees:

Estimate total fees, hours, and out-of-pocket costs for audit review, per the services required as outlined in the proposal letter.

Thank you in advance for your interest in our mission. Please do not hesitate to contact Traci Hughes, Executive Director of ASCU should you have any questions.

Traci L. Hughes, Esquire

Executive Director

All Souls Church, Unitarian

(202) 517-1463

executivedirector@allsouls.ws www.all-souls.org

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All Souls Church Unitarian
Finance Committee Report to the Board May 19, 2019

I. Overview

- A. During the May, 2019 Finance Committee meeting, the Committee in consultation with the Executive Director (ED) undertook a review of the March Financial Statements (P&L results and Balance Sheet) prepared by ASC Staff and discussed the results of the Triennial Portfolio Review meeting with Willie Zantzinger, Member Services Representative from TIFP as well as next steps towards formulating asset reallocation recommendations for the Board's consideration. Additionally, the Committee heard from the ED regarding her progress towards the development of a fund-raising plan for the remainder of the year.
- B. By the time of the upcoming Board meeting the Committee anticipates that the Board will have reviewed the March P&L report which summarizes the results of the first quarter of the current fiscal year compared to the FY '19 budget and the P&L results from the same period in 2018 (attached hereto). If so, then the Trustees will have noticed that the P&L report indicates YTD revenues in excess of expenses totaling approximately \$34,000.
- C. Based on post-meeting responses from the ED, the outside CPA and the ASC accountant to detail questions from the Committee, The Committee noted that much of this excess is related to matters of revenue and expense timing and in particular the ongoing impact arising from intra-fund transfers from our Endowment funds, reduced Personnel expenses attributable to a future, final, lump-sum payment to the former Associate Minister and building expenses paid in April & May.
- D. The committee's observations, assumptions, and projections below are based on the March P&L report.

II. Committee observations, assumptions and recommendations

A. Regarding revenues:

1. The committee noted certain positive developments including the upswing in plate contributions (\$15,000 above Budget) and non-pledge contributions (\$19,000 above Budget) during the first quarter. However, the Committee also noted that those positive developments have not offset the shortfall associated with pledge contributions (\$97,000 below Budget) and the continuing need for the ongoing solicitation of pledges and pledgerelated contributions.

B. Regarding expenses

1. Except for budgeted expenses associated with the former Associate Minister's Separation Agreement and the miscoding of the Music program salary expenses, expenses related to **Personnel** (line 5000), largely reflect those budgeted. The absence of COLA increases continues to offset increased costs in other areas.
2. **Building Expenses** (line 6000) – which includes utilities – is running approximately 140% above the budget forecast for the first quarter. This is almost entirely attributable to actual utility expenses compared to those anticipate in the budget offset by expenses not yet reported for the building mechanical (elevator & HVAC) systems' maintenance.
3. **Operating Expenses** (line 6500), are running slightly ahead of the YTD budget. Substantially over budget items include professional services fees attributable to the ongoing support from the outside CPA and computer expenses associated with employee turnover. As these expenses were not budgeted, they are expected to negatively impact the 2019 results as reported at the end of the year. The modest impact depicted in the first quarter results are attributable to Operating Expenses not yet reported but incurred or to be incurred during the 2nd and 3rd quarters.
4. **Denominational Support** (line 6800) comprises monthly installments towards annual payment totaling \$30,000. The first payment (\$3,000) was made in March which accounts for the savings related to this line item.
5. **Core Program Expenses** (line 7000) are largely in line with the Budget.
6. Expenses associated with **Other Programs/Activities** (line 8100) are running approximately 47% ahead of YTD projections. This is largely attributable to the accounting of certain program and activity expenses for which there is no corresponding revenue recorded. The Committee recommends that the ED focus attention on expenses in this category as they are expenses most easily controlled by the ED and Staff. Additionally, these expenses are largely incurred by church committees who are best positioned to raise money through the activities they sponsor.
7. **Fundraising Expenses** (line 8600) are running behind YTD the budget because of the absence of any substantive fundraising initiatives during January and February.

8. **Third Century Campaign** (line 9800) which represents the payment of the portion of the mortgage out of the operating account is substantially in line with the Budget. However, the Committee noted that in order to meet this year's budget a much larger portion of the mortgage must be paid out of the TCC account. That will require TCC fundraising during FY '19 as noted above. The Committee also noted that the balance in the TCC fund is currently less than the minimum required by the bank under the terms of our Loan Agreement and recommends that funds are transferred from the IBW operating account into the FVC TCC account.
9. **Capital Reserve Expenses** (line 9808) are largely in line with the Budget

III. Fund Development Plan

- A. The ED reported that the ASC member and grant writer reported on during the April meeting has since that meeting undertaken ASC archive research initiatives as a first step towards identifying grant fund sources to which ASC might seek grants.
- B. The ED also reported that a contract Fund Development agency is preparing a proposal for consulting services related to the Fund Development plan the Board has requested. The ED remains confident that the agency can be retained in time to develop the requisite plan in time for presentation during the June Board meeting.
- C. Notwithstanding the confidence of the ED in the timing of the plan development the Committee recommends that while the ED and Senior Minister work on the Development Plan, the pledge drive undertaken by Board Members earlier in the year be extended with calls to Core Program participants who have not made pledges. The Committee noted for example that less than 50% of Religious Education program participants and less than 60% of Music program participants have made 2019 pledges.
- D. As reported last month, the Director of Communications and Member Services (Gary Penn) has prepared lists of each of those target constituencies groups like that he previously produced for the pledge renewal initiative.

IV. Management Review procurement

- A. The ED presented an amended draft RFP for Management Review Service which incorporated comments from the Board Representative and Committee members.
- B. Following a brief discussion, the Committee agreed with the ED's recommendation to issue the RFP to the firms recommended by ASC's outside CPA (Jill Valentine).

V. Triennial Portfolio Review

- A. Meeting minutes from the TIFP Portfolio review meeting are attached hereto.
- B. Andrew Scott volunteered to prepare a summary assessment regarding the performance of each of the three portfolio funds to review with the Committee during its June meeting. The Treasurer requested that the committee be prepared to make asset allocation recommendations to the Board during its September meeting such that and reallocations can be implemented by the end of the year.

VI. Administrative matters

The next meeting of the Finance Committee will occur on June 17th.

All Souls Church Unitarian

Finance Committee Report to the Board

May 19, 2019

	Jan - Mar 19 Actual	YTD 2019 Budget	2019 Annual Budget	Jan - Mar 18 Actual	Jan - Mar 18 Budget
Ordinary Income/Expense					
Income					
4000 - Core Donations	327,006.36	390,000.00	1,560,000.00	283,150.69	375,000.09
4100 - Contributions	16,247.86	25,000.03	100,000.00	9,868.95	31,929.85
4300 - Investment Income	5,758.01	23,750.06	95,000.00	6,411.54	23,975.08
4400 - Facilities Usage	20,978.07	19,750.03	79,000.00	80,770.52	93,963.00
4700 - Fundraisers	2,742.00	6,250.03	25,000.00	4,903.25	16,590.06
4800 - Grant Revenue	0.00	18,750.00	75,000.00	0.00	7,603.50
4900 - Intra-Fund Transfers	157,454.16	39,601.69	158,407.00	0.00	25,790.31
Total Income	530,186.46	523,101.84	2,062,407.00	385,104.95	574,841.87
Expense					
Gross Profit	530,186.46	523,101.84	2,062,407.00	385,104.95	574,841.87
Expense					
5068 - Parking Expense	100.00				
5000 - Personnel	316,570.82	352,107.47	1,408,430.00	298,842.87	333,089.15
6000 - Building Expenses	59,548.36	42,850.12	171,400.00	32,786.28	61,028.53
6500 - Operating Expenses	45,168.10	39,584.43	158,337.00	71,659.02	56,463.28
6800 - Denominational Support	3,000.00	7,500.00	30,000.00	30,000.00	15,000.00
7000 - Core Program Expenses	31,120.32	30,572.53	122,290.00	36,332.40	43,642.50
8100 - Other Programs/Activities Exps	17,874.01	14,737.41	58,950.00	17,211.96	20,812.44
8600 - Fundraising Expenses	607.82	10,400.06	41,600.00	665.80	7,458.37
9800 - Third Century Campaign	11,904.10	12,198.75	48,785.00	24,244.14	24,407.53
9808 - Capital Reserve	9,899.00	10,000.03	40,000.00	12,500.01	12,499.97
Total Expense	495,893.53	519,950.80	2,079,802.00	524,242.48	574,201.77

All Souls Church Unitarian
Triennial Portfolio Review - TIFF May 19, 2019

A. Please identify what you think are appropriate benchmarks for evaluating the performance of our investments and why those benchmarks are the right ones.

We generally employ the following three benchmarks in our evaluation of results:

- CPI + 5% per annum – Represents an investment goal more than a benchmark. Non-profits like All Souls generally seek endowment returns that support their annual spending rate (commonly around 5%) as well as protect their principal from inflation erosion (CPI/Consumer Price Index). This measure is sometimes referred to as a 5% “real” return, meaning inflation adjusted. It is not a useful benchmark over shorter time periods, especially those in which markets are strongly directional.
- Passive Mix of 65% global stocks and 35% bonds – Represents a simplified portfolio that can be implemented through passive investments like index funds. Traditionally, endowments have targeted between 60% and 70% allocations to stocks in their effort to achieve the above mentioned 5% real return goal. The remainder, in a simple traditional portfolio, is invested in bonds to smooth out returns and protect principal from market drawdowns. This benchmark can be thought of as a passive (index fund) comparison to TIFF’s active investment approach. The indices used in TIFF’s 65/35 benchmark are the MSCI All Country World Index of global stocks and the Bloomberg Barclays US Aggregate Bond Index. This benchmark is a useful measure over short, medium, and long timeframes.
- TIFF’s Constructed Index (CI) – Similar to the 65/35 mix but takes into account that TIFF’s strategic asset allocation is not the same as a traditional 65/35 portfolio and also that TIFF’s strategic allocation changes over time with changes in the market environment. Currently the Constructed Index is comprised of 65% global equities, 20% alternatives (hedge funds), and 15% fixed income (bonds/cash). The Constructed Index uses the MSCI All Country World Index to represent stocks; uses the Merrill Lynch Factor model to represent the universe of hedge funds; and uses a combination of shorter-term government bond indices for fixed income. Like the 65/35 Mix, TIFF’s Constructed Index is an appropriate short, medium, and long-term measure of the implementation of our investments.

For All Souls Church specifically, we believe the CPI + 5% objective is an appropriate benchmark to use for your overall investment program, including assets managed away from TIFF, but only over longer time periods. The Passive Mix of 65/35 might be appropriate benchmark for your total portfolio, depending on your overall asset allocation. The TIFF Constructed Index is probably appropriate only in evaluating TIFF Multi-Asset Fund.

B. Please summarize performance based on the benchmarks you have chosen, net of fees

Detailed MAF and benchmark performance are provided on pages 13 and 29 of the included presentation materials.

Over the very long term, which may not be germane to your evaluation, during the 23 years since All Souls’ initial investment in November 1995, through March 31, 2019, TIFF Multi-Asset Fund (MAF) has outperformed the Constructed Index by about 0.4% per year, outperformed the Passive Mix of 65/35 by 0.7% per year, and has basically tied the CPI + 5% goal (lagged by 0.1% per year). *See important disclosures below.*

During the current market cycle, represented by the 10 years post-financial crisis from March 2009 to 2019, results have been less impressive. During this time, thanks in part to a strong stock market and subdued inflation, MAF returns have exceeded the CPI + 5% goal by over 2% per year (9.2% vs 6.9%). MAF results have also exceeded TIFF’s Constructed Index (representing TIFF’s strategic asset allocation) (9.2% vs. 8.8%). However, fund returns slightly lagged the traditional Passive Mix of 65/35 stocks and bonds (9.2% vs. 9.3%). The difference between results compared to the Constructed Index and the 65/35 Mix are due primarily to the fact that the Constructed Index had a more protective (defensive) asset allocation through part of this period, with significantly less than 65% of assets dedicated to stocks until around 2016.

More recently, MAF results have been disappointing, with 3- and 5-year results lagging all three benchmark comparisons on the back of a very weak showing last year (2018).

A key headwind for performance recently has been MAF’s tilt toward Value-oriented investments (as opposed to Growth-oriented). Price consciousness has also tilted the portfolio’s investments toward non-US stocks, as MAF’s external investment

managers gravitated toward less expensive international stocks, which despite more attractive valuations have dramatically underperformed US stocks during most of this market cycle.

A key tenet of endowment investing, as pursued by TIFF and most universities and large foundations, is the protective benefit of broad diversification. We look to spread MAF's investments across geographies and asset classes in an attempt to achieve challenging investment goals while minimizing risk. The S&P 500 Index represents a well-diversified universe of companies, many with global reach, and is an appropriate investment for many individuals and organizations. But it is not as well diversified as a global universe of companies combined with alternative investments like hedge funds. US stocks, and the S&P 500, have been the best performing major asset class in the world during most of this stock market cycle, which means any other assets added to a portfolio for diversification have been a drag on return during this period.

All MAF returns are net of all fees.

Performance data quoted represent past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Total return assumes reinvestment of dividends. Performance data for the most recent month-end and additional performance information may be obtained by visiting www.tipfunds.org. The fund returns on this page reflect the deduction of fees and expenses comprising the fund's annualized expense ratio but do not reflect the deduction of the 0.50% entry and exit fees levied on member purchases and redemptions (and paid to the fund, not to TIFF). Were entry and exit fees to be deducted from fund performance, the reported performance would be reduced, as shown on the MAF Standardized Performance page. One cannot invest directly in an index, and unmanaged indices do not incur fees and expenses.

Performance of the Constructed Index (CI) generated from July 1, 2009, through September 30, 2015, was reduced by 20 basis points (a basis point is one one-hundredth of a percent or 0.01%) per annum, prorated monthly. This reduction reflected an estimate of the costs of investing in the CI's asset segments through index funds or other instruments. (One cannot invest directly in an index, and unmanaged indices do not incur fees and expenses.) The reported performance of the CI would increase in the absence of a 20 basis point reduction. Historical performance reported for the CI is not adjusted when the composition of the CI changes. Therefore, past performance reflects the allocations, segment weights, and segment benchmarks that were in place at the time the performance was generated. Please see Disclosures pages for more information regarding the CI and descriptions of benchmarks.

C. What percentage and dollar amount of fees has All Souls paid in each of the past three years (2016- 2018)?

All fees and expenses are paid via All Souls' investment in TIFF Multi-Asset Fund (MAF). All MAF performance results are shown net of these expenses.

The MAF Advisory Fees paid to TIFF via All Souls' investment in MAF over the past 3 years have been approximately:

	Avg. Capital	Rate	Fee
2016	\$1,772,084	0.21%	\$3,721
2017	\$2,772,863	0.21%	\$5,823
2018	\$2,883,390	0.22%	\$6,343

In addition to advisory fees, MAF pays operational expenses (custody, accounting, audit, etc.) which can be expected to be about 0.22% per year.

Finally, MAF pays fees to external investment managers, both fixed management fees and performance-based compensation. The total of these expenses in 2018 were about 0.55% (0.43% management; 0.12% performance). Manager fees vary among investment categories, with the MAF's current lineup of global equity managers averaging fixed management fees of about 0.4%; hedge funds averaging about 1%; and fixed income about 0.03%.

See page 28 of the included presentation for more information about the MAF's expenses.

D. What fees or penalties would All Souls incur for withdrawal or changing our investment approach?

Redemptions from MAF are subject to an exit fee of 0.50%, which is paid to fund shareholders. We believe this fee roughly approximates the trading costs that would be associated with investment and/or liquidation of similar assets in managed accounts, though those fees would not be explicitly charged in most cases.

E. Do you anticipate any changes to the fee structure over the next 3 years, and if so, what do you anticipate?

No changes to the fee structure are expected.

F. What do you anticipate the investment environment will be like over the next 3 years (particularly with respect to volatility, risk and interest rates) and why?

As a preface to our answer we want to emphasize our reluctance to make, or rely upon, predictions about capital markets. We eschew market timing, though we make changes to our strategic asset allocation when we perceive meaningful changes in risks and opportunities.

In recent years, particularly until late 2018, global stock markets have been unusually calm (low volatility) and interest rates have remained relatively low. Against this backdrop, our market outlook has included increasing volatility in global stock markets, which could be considered a proxy for greater risk. Additionally, we have been concerned about the prospect of rising interest rates and felt the risk/reward calculus of owning long term bonds has been unappealing.

G. How might the asset composition change in response to these anticipations?

MAF's current portfolio composition reflects our expectations noted above and barring significant changes in interest rates, asset valuations, or the global economy, we would expect to maintain both the outlook and composition in the near term.

Our current strategic asset allocation has been in place since late 2015. Since that time, most of our fixed income investments have been in short- and medium-term bonds, with almost no exposure to long bonds. Also, in lieu of a traditional allocation of 35% to cash and bonds, we have targeted 15% to Fixed Income (cash and bonds) and 20% to Diversifying Strategies (comprised mostly of hedge fund investments where we expect modest returns with minimal stock market and interest rate sensitivity).

With regard to equity exposure, we have maintained a fully invested position since 2016. While we have been expecting elevated volatility in global stock markets, we still believe stocks represent a better risk/reward outlook than other assets like bonds, real estate, hedge funds, and commodities. With US stock markets making record highs in April 2019, though, we are closer now than we have been in several years to reducing our allocation to equity.

H. If our investments have underperformed our benchmarks and/or similar investments, why and what will be done about it going forward?

We have not changed our overall asset allocation in response to disappointing 2018 results.

Given the dual headwinds of Growth vs. Value and US vs. International in our equity investments, we have continually re-evaluated our positioning and reappraised our views as well as those of our external managers. We still maintain an underweight position in US stocks (overweight International and Emerging Markets) and an underweight to growth-oriented stocks (overweight Value), but we have narrowed those underweights and the MAF is more balanced in both dimensions that it has been in several years. Our team remains convinced that price matters, but also acknowledges the disruptive forces of information technology, a phenomenon benefiting growth stocks and US stocks (which have a larger representation of 'new economy' companies than international stock markets).

We have also re-underwritten many of our external investment managers and made changes in a handful of instances, but MAF's manager lineup has not dramatically changed in the last year.

I. Do you recommend any rebalancing or changes in our asset allocation? If so, what changes?

No. We make minor adjustments to MAF's investments on an ongoing basis. The fund's investment objectives are designed to align with the goals of most endowed non-profits and the current asset allocation represents our best thinking in terms of achieving those goals.

J. Do you incorporate SRI/ESG factors into the investment process? If so, please describe your approach. If not, why not?

We think a discussion about SRI/ESG should start with some basic definitions. We break down the process of applying social values to investing according to these general categories.

SRI. Negative screening or socially responsible investing (SRI): excluding industries or companies from an investment universe based on conflicts with social values.

ESG. Positive screening: using a scoring methodology to invest primarily in high-ranked companies based on a three part framework.

- Environmental (such as water and energy use, emissions)
- Social (such as labor practices, data security, impact on communities)
- Governance (such as executive compensation, board composition)

Impact investing. Targeting specific causes or specific populations, generally within an organization's immediate community, often via private equity investments.

Shareholder engagement. Asset managers and owners interacting with company management to promote sustainable practices investments.

At TIFF, we incorporate ESG in our manager due diligence, but do not apply SRI constraints. We believe that holistic ESG integration should lead to more informed investment decisions, higher-quality portfolios, and higher expected returns over the long run.

Beginning January 1, 2017, TIFF integrated ESG analysis throughout the investment research process. Every investment presented to the Investment Committee and Board members now includes an ESG assessment conducted by our investment team.

Our commitment to an ESG effort is further underscored by the fact that:

- TIFF's Chief Investment Officer, Jay Willoughby, serves on the board of the Sustainability Accounting Standards Board (SASB) Foundation, which supports the development of accounting standards that help investors understand which sustainability factors can have a material impact on the future financial performance of individual public companies;
- TIFF's head of the ESG effort, Chris Matteini, is pursuing an MBA in Sustainability from Antioch University New England.

- K. As we understand it, you set long-term target returns at CPI+5% allowing the inflation-adjusted corpus to be retained while distributing 5% annually. Should annual disbursements be modified in face of current long-term projected returns from your portfolio? If so, how?**

We have talked for some time about a "low return" environment, driven by a combination of low interest rates and somewhat elevated equity valuations. While we still embrace the 5% real return goal, we readily acknowledge it is more challenging today than typical.

Among our base of member investors, we still see something approximating 5% as the most prevalent spending policy, though we see more members with rates lower than 5% than higher.

While lower spending rates seem more prudent, we feel they must be considered in the context of intergenerational fairness – spending that benefits today's constituents versus future constituents. For this reason, we believe Investment Committees can frame the trade-offs associated with various spending policies but spending decisions ultimately rest with the full board because a spending policy articulates broader organizational priorities.

- L. We are concerned with the 0.5% fee for deposits and withdrawals. Is there any way that could be reduced?**

The fee is applied to all fund shareholders consistently.

We believe the entry/exit fee approximates the economic costs of trading in and out of investments to accommodate deposits and withdrawals. In most funds these costs are not explicit, but they are nonetheless born by shareholders. In MAF, shareholders are 'reimbursed' for these costs by the entry/exit fee.

- M. As a faith congregation, we have social justice goals and a socially responsible investment policy. What capacity does TIFF have to support us in implementing our SRI strategies? Can you provide examples of how you've worked with other clients to facilitate SRI or mission-aligned investment?**

As articulated in an earlier question, we incorporate ESG in all our manager research. Beyond that, though, we have no investment options that could accommodate SRI goals specific to All Souls.

June 16 Board of Trustees Fete and Info Session – DRAFT Planning Chart

Plan for a full schedule 11:30 – 1 pm

but with opportunities for people who want to stay and party longer able to do so!

WHAT	WHERE	Who	Details/Questions
Board session(s)	Pierce Hall	Lead: Libbie Committee: John, Bob and Erika Participants: all Trustees and Officers	Finalize Agenda, etc. Lead persons each topic Create PPT Feedback form; handouts Provide “notices” i.e. door signs, a bell to note starting, etc. AGGRESSIVE outreach before??
Food	Playground Terrace?	Lead: Jerri Husch Committee: (10 people needed) Nourishing Souls Others? Rose will reach out to her All Souls list to find more volunteers	\$\$\$: Work with a \$500 budget Pull from various in-church sources plus put out a money jar that day (with signs?) 6 do food prep on Saturday; 4 cook on 2 grills on Sunday
Beverages	Terrace Atrium?	Lead: Rose Committee: church staff	
Active games	Terrace Playground	Lead: Committee: RE Committee? Youth?	Hopscotch, 4 square courts, corn hole on Terrace Any special games on playground?
Less active games	Church front porch Library?	Lead: Committee:	Board games Cards Involve Silver Souls?
Outreach/PR	Multiple formats and places	Lead: Erika Committee: Trustees/officers – especially Moderator Mike Gary and other staff	Weekly & Sunday bulletin Church Council list Identified list serves, i.e. Young Souls, Souls in Center Trustees/Officers (and others) personally contact every group involved In Posters Pulpit announcements
Other Music Set up Clean up		Chair: Rose and Mike working on music; Rose on set up and clean up Committee: Church staff Board/Officers Food committee	

DRAFT SESSION(S) PROPOSAL

JUNE 16, 2019 BOARD OF TRUSTEES FETE AND INFORMATION SESSION
Mid-Year Updates and Discussion with the Congregation

Session(s) details and goals:

- **Consider holding two 20 minute sessions**, sharing status and plans in 5 areas (for example hold one at 11:45am for congregants who want to meet first and eat later (or even for folks who want to get our updates but then need to leave for other commitments), and the second one at 12:30 or so for those who have eaten first.
- **Involve all members of the Board, officers and Senior Staff** in the presentations and small group discussion facilitation
- **Invite participants to join small discussion groups** – on any of the 5 topics
- **Logistics and tools needed include:** Pierce Hall set up for both whole group and small table discussions; power point (and print PPT as a handout); other handouts; feedback forms.
- **Coordinate the PPT**, i.e. limit to 2 slides per subject (perhaps more for Financial crisis)
- **Consider issuing a follow-up report** – (and perhaps hold a September follow-up session???)

Session Agenda Draft

Welcome and Agenda Overview – Libbie Buchele, Board Vice President	1-2 minutes
Church Governance – John Schuettenger, Board Vice President, Board Gov Cte	2-3 minutes
• Policy Governance Review Study Team – Bob Jayes, Board Gov Cte	
• Bylaws change on Voting Members – John	
Church Management – Libbie	3 minutes
• Employee Performance Management System – Esther Strongman, Board Personnel Committee and Traci Hughes, Executive director	
• Comprehensive Church Monitoring Plan – Libbie, Traci	
Ministerial Search – Nadine Ramos and Tehani Collazo, Board Ministerial Search Committee	2-3 minutes
• Status of present search	
• Next Steps	
Church Financial Crisis – Cheryl Gray, Board member	7 minutes
• Status – Cheryl and Mark Regulinski, Church Treasurer	
• Action Plan – Traci, Cheryl and Mark	
Communications – Carrie Davidson, Church Secretary	2 minutes
• Board communicating with Congregation – Carrie, Erika Loke, Asst Secretary	
• Congregation with the Board – Mike Hill, Moderator and Church Council Chair	
Closing and Thanks – Libbie	

(To enable questions and further discussion: Label 5 tables with tall signs, or place clusters of chairs in various parts of Pierce Hall – the presenters join each group as needed.)

More on the agenda for Board Session(s) in Pierce Hall
Notes from May 19, 2019 Planning Meeting

Proposed agenda:

10:15: Pulpit announcement inviting folks to event

11:15-11:45: food

12:00: information session #1 starts; kids go play

Moderator: Libbie

- Finances of the church : 5 minutes (Cheryl and Traci)
- Policy Governance (10 minutes) (John and Bob)
 - Sec & Treasurer become voting members - Bylaw Changes
 - Should the board size be increased by two?
 - Work on Policy Governance
- Ministerial Search: 5 minutes (Nadine and Tehani)

12:20: Gather folks who didn't come to 12:00 session

12:45: Adjourn



Five Pitfalls to Avoid When Evaluating the Senior Minister

by **Susan Beaumont** on [May 13, 2019](#)

There is no one right way to evaluate the performance of a senior minister. However, there are many ways to do it that can harm the relationship between minister and the congregation and impair, rather than enhance, the minister's performance.

The annual evaluation of the senior minister is an important annual task, yet congregations struggle to do it well. Here are five of the main pitfalls:

1. *Leaving the Board out of the Assessment Process*

The governing board should review the work of the senior minister. The board may delegate parts of the task to a small subset of the board or to a personnel committee. However, the evaluation of the pastor is the board's responsibility—no subgroup or committee should conduct it without the full engagement of all members of the board.

The board must be involved in setting performance expectations and providing feedback to keep everyone pulling in the same direction. Role confusion emerges for the pastor when a review committee emphasizes performance objectives different from those set by the full board.

Also, it is important that the pastor's evaluation coincide with the board's evaluation of its own work. The board needs to hold itself accountable while it holds the pastor accountable. A helpful process for doing this is outlined in Jill Hudson's *When Better Isn't Enough*.

2. *Giving Feedback before Stating Expectations*



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the role. Other denominations operate with similarly excessive criteria for success.

Most people cannot attend to more than twelve essential functions in their role. The governing body of the congregation should work with the senior minister to shape a job description that reflects the specific needs in the context. What are the expectations of *our* senior pastor in *this* time and space? Should the senior minister give priority to the supervision of the staff team, the development of the board, the pastoral care of congregants, the worship life of the congregation, the preaching task—or something else?

Additionally, the senior pastor should be asked to focus on two to three performance goals for the year. The goals of the pastor are not the same as the goals of the congregation. For example, the church may establish a goal of increasing worship attendance by 10 percent. The senior pastor cannot be held solely accountable for attaining that goal. Together, the board and pastor must come to agreement about the aspects of that goal the *pastor* is expected to fulfill. Perhaps church leaders have concluded that adding an additional worship service is the best approach to increasing worship attendance. They may decide to write a performance goal holding the senior pastor accountable for bringing that new service to fruition.

3. *Passing Along Random Complaints*

The most damaging form of performance evaluation is "Some people are saying..." The purpose of feedback is to improve performance, but passing along random complaints from congregants undermines performance. A minister can do nothing productive with such feedback. If I don't know who said it, I don't know how to evaluate the significance of the concern. How many people feel this way? Is there a demographic in the church that I have alienated? Is there someone with whom I need to make amends? Is the complaint coming from a committed church leader or a disgruntled naysayer?

Passing along random complaints produces generalized anxiety in the person who receives it—and anxious people don't perform well in their role.

4. *Conducting Surveys in the Congregation*

Some congregations evaluate the senior minister by surveying the congregation—asking congregants how they feel about the pastor's performance. Then the pastor is provided with the details or summary of the survey.

Problematically, the average congregant doesn't understand the role of the senior minister and is not in a position to observe how well or poorly the senior pastor has satisfied the essential functions of the role.

Furthermore, this type of evaluation is subject to the "halo" effect—the tendency for an impression created in one area to influence opinions in another area. Someone who is upset that the pastor didn't make it to visit his mother in the hospital ends up ranking the minister poorly on worship leadership.

A better approach is to carefully select a group of leaders to contribute to the evaluation—people who

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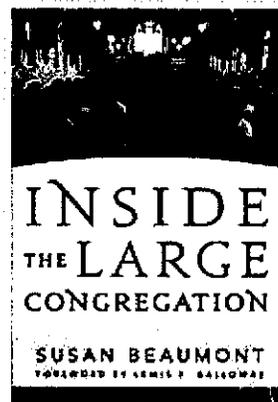
5. *Sharing a Data Dump*

It is never helpful for the minister to receive all the data collected. There will be unnecessarily hurtful comments and outlying opinions in the data. The minister should not be subjected to this unhelpful feedback.

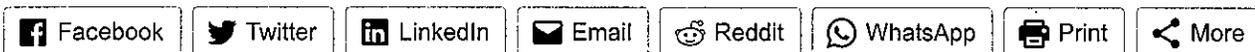
Instead, a small group of designated board leaders (or the personnel committee on behalf of the board) should sort through the data that is gathered and develop a shared perspective about the strengths of the pastor and areas of needed improvement. This group should prepare a summary of their observations and use examples from the data, as needed, to illustrate their points. This group can meet face to face with the minister to share their observations. At the end of the review process, the minister should have clarity about whether he is meeting, exceeding, or failing to meet expectations in each area of performance.

Performance evaluation is challenging for all of us. It is never easy to share difficult feedback and no one technique can make the process easy. But healthy practices can strengthen relationships and help staff and lay leaders work more effectively together.

Susan Beaumont specializes in the unique leadership needs of large churches and synagogues. Her areas of expertise include staff team health, strategic planning, size transitions, pastoral transitions and adaptive leadership. She is the author of the Alban book *Inside the Large Congregation*.



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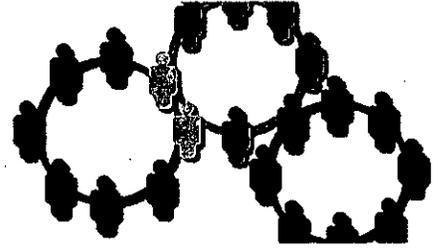
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All Souls Church, Unitarian Finance Committee Terms of Reference

ATTACHMENT 3

ADDENDUM 5 draft v.2 – 03.11.19

I. PURPOSE

The Finance Committee is a board committee of All Souls Church, Unitarian. The main duties of the Finance Committee are to:

II. DUTIES

- A. Support the Treasurer and Executive Director in preparing and monitoring the budget and future budget projections (e.g. 5 year plans)
- B. Monitor the annual giving campaign and other fund-raising
- C. Develop gift and grant acceptance policies and programs for recommendation to the Board
- D. Advise the Board on church borrowing
- E. Provide oversight of the church's investments and endowments
- F. Review and advise the Board on any changes to investment policy
- G. Implement the investment policy
- H. Review and select investment advisor every three years (or other period as appropriate) for recommendation to the Board.
- I. Recommend annual distribution amounts to the Board
- J. Take on other ad hoc finance related assignments as assigned by the Board.

III. MEETINGS

- A. At least every other month, with formal minutes accessible to the Board

IV. REPORTING

- A. Report to the Board monthly via the Treasurer or Assistant Treasurer
- B. Submit a report to the Board quarterly (covering investment returns and any other developments) and annually (which also includes recommended distribution for the next year church operating budget)
- C. Submit a report to the congregation at the annual meeting

V. MEMBERSHIP

- A. The Finance committee will consist of at least six members:
 1. Treasurer – who serves as committee chair (voting)
 2. Assistant Treasurer – to stand in as needed for the Treasurer
 3. At least three church members with three year terms (voting)
 4. Board representative (voting)
 5. Executive Director (non-voting)
- B. Committee members from the congregation are selected by the board for rolling 3-year terms (maximum 2 in succession)
- C. Board representative is appointed annually
- D. Membership Requirements:
 1. Strong numerical and financial acumen, broad understanding of the church's mission and activities (typically acquired by at least 3 years as active church member, related work or volunteer experience, and mature judgement.)
 2. Education and/or work experience in a financial or investment field (e.g. economics, finance, banking, real estate development, finance-related law). Strong knowledge of investment principles and familiarity with broad range of investment vehicles.

To: All Souls Church Board of Trustees
From: Jalisa Whitley, Beckner Advancement Fund Committee Program Officer
CC: Karen King and Craig Dylan Wyatt, Beckner Advancement Fund Committee Co-Chairs
Date: May 20, 2019

OVERVIEW

During our open grant period between February and April 2019, the Beckner Advancement Fund received a total of one internal grant request and 38 pre-applications from new and returning external applicants. Of those 38 pre-applications, 14 external organizations were invited to submit full grant applications. The Beckner Advancement Fund Committee used pre-application and full application scoring templates that align with our mission, vision, and values to assess each grant application on a common rubric and to guide our full committee discussions of each grant applicant.

We aim to invest in promising, yet under-resourced organizations that are implementing new and innovative solutions to entrenched social problems. In accordance with the wishes of Earl and Meta Beckner, we prioritize organizations that are in the immediate community of All Souls Church (Ward 1) and have strong connections to All Souls' social justice work and priorities. We aim to support organizations that are led by those most impacted by overlapping forms of oppression, including but not limited to: people of color; indigenous peoples; immigrants; low-income people; women; youth; queer, trans, and gender non-conforming people; and people with disabilities.

Based on those criteria, we are proud to recommend the following nine external and one internal grants for Board approval.

EXTERNAL GRANTS

\$10,000 to Justice for Muslim's Collective

Justice for Muslim's Collective combats institutional and structural Islamophobia in the DC metro area through grassroots organizing focused on creating mechanisms of community defense for Muslims, building community resilience through healing and wellness programs, leadership development and training focused on Muslim women, and alliance/coalition-building across movements. General operating funds from Beckner will continue to support all four of Justice for Muslim's Collective's programming areas (Community Defense, Muslim Healing and Wellness Program, Alliance/Coalition-Building, and the Muslim Women's Organizing Institute) and strengthen the infrastructure of the organization.

\$10,000 to the Fair Budget Coalition

The Fair Budget Coalition (FBC) brings together advocacy organizations, service providers, and community members to advocate for budget and public policy initiatives that seek to address systemic social, racial, and economic inequality in the District of Columbia. Beckner funding will continue to support FBC's Constituent Leadership Program which gives constituents a greater understanding of the budget process, hones their leadership skills, and provides decision-making authority within FBC's structure to the people most impacted by policy change.

\$10,000 to Black Lives Matter DC

Black Lives Matter (BLM) DC is committed to finding non-police solutions to intra-community violence and ending police brutality by confronting and dismantling institutions and systems of state-sanctioned violence and oppression that displace and criminalize Black people through political education, community power, and direct action in Southeast DC. Beckner funding will support the development a Liberation Zone, which is a community that builds power together by demanding investments from the DC budget into safety beyond policing, community control, community defense and divestment from militarization and other programs that oppress Black people.

\$10,000 to Dreaming Out Loud

Dreaming Out Loud creates economic opportunities for the region's marginalized community members through building a healthy, equitable food system. DOL is rebuilding urban, community-based food systems through social enterprise, helping to increase access to healthy food, improve community health, develop low-income entrepreneurs and cooperatives, and train at-risk adult residents for sustainable, family-supporting wages. Beckner funding will support the Farm and Food Hub at Kelly Miller and create a vertically-integrated pipeline to jobs and economic opportunity for DC's most marginalized communities. In shaping a new food system, the key programs comprise: Food Hub Distribution, Entrepreneurship/Cooperative Development, Workforce Development, and Advocacy and Public Policy.

\$10,000 to Platform of Hope

Platform of Hope amplifies the ability of families to define and pursue family success with the support of a platform of coordinated resources, in a close-knit community experience. The Platform of Hope is a collaborative approach to address the gentrification of resource-rich communities; redress the structural and racial barriers that prevent low-income adults from building wealth and well-being; and connect the varied health and learning needs of children from low-income families from prenatal to early-childhood and through to college graduation. General operating support from the Beckner Advancement Fund will support Platform of Hope's second year of operations providing self-directed and holistic services to cohorts of economically vulnerable families based in the Greater Adams Morgan community. POH is piloting a new approach to connecting families to social services, utilizing a collective impact model led by an alliance of six non profit organizations (Capital Area Asset Builders, Jubilee Housing, Jubilee JumpStart, For Love of Children, Mary's Center and Sitar Arts Center) across the housing, health, education, arts, asset building and youth development sectors.

\$10,000 to Healthy Babies Project

Healthy Babies project helps D.C.'s poorest families have healthy babies, raise strong families, and move into independent lives. Beckner funds will support the Feeding Our Girls program which provides nutrition for the poorest, malnourished, hungry, pregnant /parenting D.C. youth. The program addresses food security for two generations of vulnerable D.C. children – the teen parent and child – to ensure maternal and child health.

\$10,000 to Kindred

Kindred cultivates relationships between parents of diverse economic and racial backgrounds in gentrifying elementary schools and builds parent capacity to take action within their school to address the root causes of the opportunity gap. Beckner funding will support year two of a three-year parent dialogue-to-action program at Bancroft Elementary which will build a diverse coalition of parent activists who have the mindsets, tools, and relationships necessary to advance equity and meaningfully change outcomes in their school so that all students thrive. We will also support the pilot of a parent facilitator apprenticeship program to extend the dialogue work into new communities.

\$9,100 to Collective Action for Safe Spaces

Collective Action for Safe Spaces (CASS) is a grassroots organization that uses comprehensive, community-based solutions through an intersectional lens to eliminate public gendered harassment and assault in the Washington, DC metropolitan area. Beckner funds will be used to develop an Organizing Institute specifically centered on the experiences of Queer and Trans Women of Color who are current or former sex workers and participants in our Safe Bar Collective jobs program. Our aim is to support queer and Trans sex workers of color to advocate for their needs and the needs of the people most impacted by harassment and assault in public spaces.

\$8,500 to Bread for the City

Bread for the City helps low-income Washington, DC residents develop their power to determine the future of their own communities. They provide food, clothing, medical care, and legal and social services to reduce the burden of poverty. Beckner funding will support Bread for the City's Terrence Moore Organizing Institute (TMOI), a free 8-week training program that equips client leaders with the tools to organize in their communities, including deep political education.

INTERNAL GRANTS

\$1,800 to Green Souls

Beckner Funds will support Green Souls' Feast for Food Justice, a low-waste, plant-based, locally sourced lunch that features produce grown in the DC region with a particular emphasis on sourcing from farmers of color and urban farms that operate in Wards 7 and 8. The event will take place after the second service on a Sunday in late September or early October, and will feature an educational component to help congregants and the wider public learn more about food justice and how food insecurity and lack of access to healthy, fresh food impacts low-income DC residents.

4



Subject: How to Share Plate? - ASC Process?

Date: Tuesday, April 16, 2019 at 5:54:15 PM Eastern Daylight Time

From: Doris Marlin <dam17th2009@yahoo.com>

To: Robert Hardies <rhardies@allsouls.ws>, Rebecca Parker <rparker@allsouls.ws>, Rob Keithan <rkeithan@allsouls.ws>, Joanne Braxton <jbraxton@allsouls.ws>, Executive Director <executivedirector@allsouls.ws>, trhodes818@gmail.com <trhodes818@gmail.com>, hulkindc@yahoo.com <hulkindc@yahoo.com>, libsterdc@gmail.com <libsterdc@gmail.com>, sstrongman@aol.com <sstrongman@aol.com>, rjays@mfa.gwu.edu <rjays@mfa.gwu.edu>, coquirunner@gmail.com <coquirunner@gmail.com>, nadine.bowden.ramos@gmail.com <nadine.bowden.ramos@gmail.com>, cherylwgray@gmail.com <cherylwgray@gmail.com>, erika.landberg@gmail.com <erika.landberg@gmail.com>

Category: All Souls

Hello ASC Trustees and Ministers;

What are the steps to follow and the criteria to meet in order to get approval for a Share the Plate Action?

The UUMFE is reaching out for a Sunday Share the Plate contributions. Although their focus is for Spring, I think they would be happy for anytime this could be approved.

All their information is linked and below, Please let me know how to make this a formal request for whatever date it would be feasible.

Best Regards,

Doris Marlin
Member Green Souls
Member, UUA Green Sanctuary Advisory Board

Sunday Share the Plate

It's a great time to ask your congregation to donate to UU Ministry for Earth. Please help grow and sustain the UU Ministry for Earth by taking a "Share the Plate" donation for us in your congregation on Earth Sunday (or an appropriate worship service during the Spring for Change Season of Sacred Activism).

Info about UUMFE:

- [Appeal letter from the UUMFE Board Chair](#)
- [UUMFE brochure](#)
- [1-page prospectus](#)