

UUCM Annual Meeting

2011-May-01

Agenda

- Call to Order – Noel Martinson, President, Board of Trustees
- Lighting of Chalice - Kent Hemmen Saleska, Minister
- Introduction of Parliamentarian for Meeting – Noel Martinson
- Appointment of Recording Secretary - Noel Martinson
- Approval of Fall minutes – Noel Martinson
- Board of Trustees Update – Noel Martinson
- Committee Updates
 - Committee on Ministry (COM) – Gary Charles
 - Social Justice Focus Areas – Kathryn Richmond
 - Request for Congregational Endorsement – Noel Martinson
- Legal Team Update – Bill McKnight, Trustee
- Financial Report and Presentation of Proposed FY2011 Budget – Mike Gower, Treasurer
- Vote on Proposed FY2011 Budget – Noel Martinson
- Proposal to Create Endowment Fund – Bill McKnight, Trustee
 - Vote on Endowment Fund – Noel Martinson
- Presentation of proposed by-law changes – Kevin Johnson, Trustee
 - Vote on proposed by-law changes – Noel Martinson
- Report from Nominating Committee – Jackie Zimmerman
 - Election of Nominating Committee, Trustees and Officers for FY2011 – Noel Martinson
- Closing – Noel Martinson
- Adjourn

Agenda - Part 1 of 3

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Board of Trustees

- Move Forward with Policy Governance
- Reexamine By-Laws regarding Termination of Minister
- Create Endowment Fund (and clean up dedicated accounts)
- Oversee All Financial Transactions
- Monitor Developments in Law Suit against City of Wayzata
- Revise Long Range Plan
- Review Ministerial Letter of Agreement

Agenda – Part 2 of 3

- Committee Updates
 - Committee on Ministry (COM) – Gary Charles
 - Social Justice Focus Areas – Kathryn Richmond
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- Legal Team Update – Bill McKnight, Trustee
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Committee on Ministry

- Worship Arts
 - Healthy participation, working on documenting routine practices to make changes in group easier to manage
- Membership
 - Struggling with lack of volunteers, trying to improve tracking of new members and make “welcoming” more consistent
- Finance
 - Mixed results, more members pledging, donating offering to various causes working well but total pledges have not increased
- Lifespan RE
 - Healthy participation, more activity in social justice areas this year, wide offerings by Adult RE

Committee on Ministry

(continued)

- Social Justice
 - Healthy participation, successful partnering with IOCP and St. Edwards, need Facilitator for next year
- Facilities
 - Struggling without Facilitator for most of year, Church Administrator (Mary Paquette) currently acting as Facilitator, dedicated members have managed to perform essential repairs as needed
- Communications
 - Healthy, now have web developer resources and manage a Facebook account in addition to all other written materials for Church
- Community
 - Struggling without Facilitator, Circle suppers, Church coffee and other social events organized by independent volunteers

Social Justice Ministry

Focus Areas

- Volunteer and stewardship activities to support those in need
 - UUCM maintains a commitment to social justice initiatives serving individuals in need within the geographic area of our church and those addressing broader social justice issues impacting sub-groups of our community and society as a whole. In particular, UUCM will continue to support the following activities:
 - Support to Interfaith Outreach and Community Partners (IOCP) initiatives such as their food shelf, sleep out for the homeless, and Adopt-a-Neighborhood
 - Support for Habitat for Humanity, Project Homeless Connect, Guest At Your Table and Standing on the Side of Love
 - Emerging issues identified by the UUA or UUSC or the UUCM church community

Social Justice Ministry

Focus Areas (continued)

- Full equality for Lesbian, Gay, Bisexual and Transgendered persons
 - UUCM maintains a commitment to work towards full equality and civil rights for LGBT individuals and to ensure that same-sex couples and their families have equal rights and protections under Minnesota and Federal laws.
- A Healthy and Healing Environment
 - UUCM maintains a commitment to promote reverence for our earth, to preserve and protect it, and to take proactive actions to remedy harms our society has already imposed upon the planet.
- Universal Healthcare for All
 - UUCM maintains a commitment to work towards universal access to affordable, quality, accessible, full service health care for all the people of the United States.

Legal Team Update

- What Bill said...

Legal Team Update

- What Bill said...

2010-2011
Financial Update

Current Financial Year

- Expenses are being managed well - \$8,836 less than YTD Budget
- Income is well behind YTD expectations
- Pledges are not paid evenly through out the year.
- Auto-Pay Pledge is a Treasurer's dream
- Several large pledges, with payments in April and expected to pay, will cover current shortfall.

Year to Year Comparison

2010-2011 Financial Summary

	2010-2011 Budget March 2011	2010-2011 Actual March 2011	Difference
Revenue			
Pledges	\$ 160,500	\$ 125,895	\$ (34,605)
Fundraisers	\$ 14,000	\$ 14,000	\$ -
Other Income	\$ 5,238	\$ 6,441	\$ 1,203
Total Revenue	\$ 179,738	\$ 146,336	\$ (33,403)
Expenses			
Minister Package	\$ 74,843	\$ 70,776	\$ (4,067)
Staff	\$ 67,113	\$ 66,038	\$ (1,075)
Ministries	\$ 9,338	\$ 4,591	\$ (4,747)
Facilities & Operations	\$ 26,195	\$ 28,237	\$ 2,042
Other Expenses	\$ 2,250	\$ 1,260	\$ (990)
Total Expenses	\$ 179,738	\$ 170,902	\$ (8,836)
Revenue less Expenses	\$ -	\$ (24,566)	\$ (24,566)

Fair Share Payment

- Payment not in the current budget and separate source of revenue to cover the expense.
- How are we doing?
- Behind expectations – 34% of Full Payment collected
- Would like to make a full contribution

Fairshare

Fair Share Payment

Amount Requested UUA	\$	11,368
Amount Requested PSD	\$	4,669
Amount Paid through 3/31/2011	\$	5,509
Outstanding Amount for 100% Participation	\$	10,528
Participation %		34%

Capital Campaign/Building Fund

- Inception to date \$874,000 of contributions
- Campaign ended December 31, 2010
- Contributions still being received for unpaid pledges
- Current Balance in fund after expenses is \$781,385
- Board recently approved \$7,000 to be spent for legal expenses needed for Court Case to cover mostly deposition expenses. Nothing expensed yet.

Building Fund

Building Fund 2010-2011

Balance as of 7/1/2010	\$	715,602
Contributions	\$	67,252
Earnings and Interest	\$	759
Architect Fees	\$	(2,188)
Legal Fees & Permits	\$	(41)
Other Expenses	\$	-
Balance as of 3/31/2011	\$	781,385

Building Fund Inception to date

Balance as of 7/1/2010	\$	-
Contributions	\$	873,953
Earnings and Interest	\$	10,899
Architect Fees	\$	(52,140)
Legal Fees & Permits	\$	(20,430)
Other Expenses	\$	(30,898)
Balance as of 3/31/2011	\$	781,385

2011-2012
Budget Discussion

What is the budget?

- The spending cap the congregation authorizes the Board for church operations for the fiscal year.
- Serves to ensure the congregation has visibility as to how pledges are spent.
- Any budgeted expense items are managed to this limit (e.g., overspending on one budget item must be reconciled by reductions in another part of the budget).
- Funding sources are also managed to this limit (i.e., any surplus cannot be spent without additional approval by the congregation).

Items not in the budget

- Income or expenses from designated funds (e.g., Capital Campaign Fund, Capital Reserve Fund, Concert Fund)
- Weekly cash offering
- Capital equipment donated by members (e.g., chairs, computers)
- Memorials

Major Areas of Expenses

- Payroll – 74% of 2010-11 budget
- Facilities – 15% of 2010-11 budget
- Uncertainty of actual pledges makes life interesting for the treasurer

2011-2012 Budget – Expense Increases

- Fair Share is included in budget expenses – allows the use of all sources of revenue to make payments
- Increase in Child Care expenses from \$550 in current budget to \$2,100. Needs for more child care to cover all services.
- Increase in salary for all staff members and increase hours of Office Administrator. This attempts to give some cost of living increase for staff that has had no pay raise in several years
- Increase in salary for Kent equal to 2.4% of total ministers package (Salary, Housing, Benefits and Expenses). First Pay raise for Kent since his arrival

2011-2012 Budget – Expenses Savings

- Reduction in copy machine expenses of \$2,450. Reduce amount of paper and color copying
- Elimination of leadership training expense of \$1,000. To be covered by Board discretionary amount.

Revenues to cover 2011-2012 Expenses

- \$15,130 needs to be raised in Fundraisers other than Auction. Similar to amount of \$16,037 being raised in 2010-2011 to cover Fair Share Payment
- Auction expected to raise \$14,000. Any amount raised in excess of this amount will be 50% to IOCP and 50% to UUCM General Fund
- Pledges expected to be slightly more than 2010-2011

Proposed 2011-2012 Budget

Budget 2011-2012 Summary

	2010-2011 Budget	Proposed 2011-2012 Budget	Increase
Revenue			
Pledges	\$ 214,000	\$ 216,000	\$ 2,000
Fundraisers	\$ 14,000	\$ 29,130	\$ 15,130
Other Income	\$ 11,651	\$ 11,651	\$ -
Total Revenue	\$ 239,651	\$ 256,781	\$ 17,130
Expenses			
Minister Package (Salary, Housing, Benefits & Professional Expenses Staff	\$ 92,402	\$ 94,588	\$ 2,186
Child Care	\$ 550	\$ 2,100	\$ 1,550
Ministries	\$ 11,900	\$ 11,900	\$ -
Facilities & Operations	\$ 34,927	\$ 32,177	\$ (2,750)
Fair Share	\$ -	\$ 14,337	\$ 14,337
Other Expenses	\$ 3,000	\$ 2,000	\$ (1,000)
Total Expenses	\$ 239,651	\$ 256,781	\$ 17,130
Revenue less Expenses	\$ -	\$ 0	\$ 0

Vote on Budget

- Vote to approve expenses as shown

Agenda – Part 3 of 3

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Resolution for the Establishment of an Endowment Fund

A. Resolution to Implement the Endowment Fund of the Unitarian Universalist Church of Minnetonka

WHEREAS, stewardship involves the faithful management of the gifts of time, talent, and money, including accumulated, inherited, and appreciated resources; and

WHEREAS, we can support the religious mission and work of the Unitarian Universalist Church of Minnetonka through transfers of property (cash, stocks, bonds, real estate), charitable bequests in wills, charitable remainder and other trusts, pooled income funds, charitable gift annuities, and assignment of life insurance and retirement plans; and

WHEREAS, it is the desire of the congregation to encourage, receive, and administer these gifts in a manner consistent with the loyalty and devotion expressed by the grantors and in accord with the policies of this congregation:

Resolution for the Establishment of an Endowment Fund (continued)

THEREFORE BE IT RESOLVED, that the congregation of the Unitarian Universalist Church of Minnetonka meeting assembled on May 1, 2011, approve and establish on the records of the congregation a new and separate fund to be known as THE ENDOWMENT FUND OF THE UNITARIAN UNIVERSALIST CHURCH OF MINNETONKA (hereafter called the "FUND");

BE IT FURTHER RESOLVED, that the purpose of this FUND is to enhance the mission of The Unitarian Universalist Church of Minnetonka apart from the general operation of the congregation; that no portion of distributions from the FUND shall be used for the annual operating budget of the congregation; that, distributions from the FUND will be made annually only if the average fair market value of the FUND over the previous four quarters exceeds \$50,000; and that distributions from the FUND will not exceed 5% of the average fair market of the FUND over the previous four quarters.

Resolution for the Establishment of an Endowment Fund (continued)

BE IT FURTHER RESOLVED, that the endowment fund committee (hereinafter called the “COMMITTEE”) shall be the custodian of the FUND reporting to the Board of Trustees;

BE IT FURTHER RESOLVED, that the following Plan of Operation sets forth the administration and management of the FUND.

Resolution for the Establishment of an Endowment Fund (continued)

- VOTE

UUCM By-Law Amendments

- General Note

- Many of the changes in the bylaws are for the purpose of enabling the Board to use Policy Governance. These changes are indicated in **green**.
- Other changes are indicated in **yellow**.
- None of the changes have a financial impact.

- Policy Governance Notes

All of these changes are bundled together into one proposed change to the Bylaws. The reason for this is they must be accepted as one or rejected as one; if some were accepted and others were not that could create paradoxes or a lack on conformity within the Bylaws.

Proposed Bylaw Amendment #2 would move the UUCM Officers and Board into policy governance. This model enables the Board to focus on the vision, Policy to delegate with clarity, to control management's job with consistency over time, to evaluate the accomplishments of the organization, and clearly communicate with the Congregation what the governance policy of the church is.

The Policy Governance Manual will be made public to the entire Congregation, and will serve to fill in all the gaps that exist within any Bylaws. If the Governance Manual were put into the Bylaws, then it would take a Bylaw change to make any change. On the other hand, by having Policy Governance; the Congregation has a clear understanding of how the Board conducts all the business that is not already clearly stated in the Bylaws. Any change to the Policy Governance Manual would only take a vote of the Board.

UUCM By-Law Amendments

Proposed Bylaw Amendment #1

Proposed Change:

ARTICLE III. MEMBERS

Section 5. VOTING RIGHTS:

(c) Decisions of the congregation will be by majority vote of the members attending a duly called meeting unless provided for elsewhere in these Bylaws; or unless the Board has approved the necessity of a specified supermajority and that supermajority percent has been approved by the congregation at said meeting.

UUCM By-Law Amendments

Rationale:

This would give the Board the ability to bring certain issues before the Congregation for a vote by supermajority. A good example of this from the past is the decision to litigate in the case of our lawsuit against the City of Wayzata. The intent of this proposed change would be to use this sparingly.

If this proposal were accepted it would work like this. The Board would decide to bring an issue to the Congregation for a supermajority vote by making a motion during a Board meeting. That motion would have to be seconded and then approved. The issue would then go in front of the Congregation. Anyone at that meeting could move to accept the issue and the stated supermajority vote. If properly seconded and approved by a majority of those present; the issue could then be debated and voted upon at the Congregational meeting.

UUCM By-Law Amendments

Proposed Bylaw Amendment #2

ARTICLE V. ELECTED OFFICERS

Section 3. THE PRESIDENT: The President shall sit as a full voting member of the Board ~~and Council of Committees~~. The President shall preside over meetings of Members and meetings of the Board of Trustees. The President shall be a member of the Executive Committee and will operate under the guidelines outlined in the Policy Governance manual.

Section 4. THE VICE PRESIDENT: The Vice President shall sit as a full voting member of the Board, and, in the President's absence, shall preside over all meetings of Members and meetings of the Board of Trustees. The Vice President shall assume the office of President if a vacancy occurs in the Presidential office, and shall serve in that capacity until the election at the next Annual Meeting of Members. The Vice President shall be a member of the Executive Committee and will operate under the guidelines outlined in the Policy Governance manual.

Section 5. THE TREASURER: The Treasurer shall sit as a full voting member of the Board. The Treasurer shall supervise the safekeeping of all books and records of all financial transactions of the Church; supervise the safekeeping of all funds and property of the Church; and perform such other duties as may be required by the Board of Trustees. The Treasurer shall post a security bond in favor of this Church, in a sum to be determined by the Board of Trustees and paid for with Church funds. The Treasurer shall be a member of the Executive Committee and will operate under the guidelines outlined in the Policy Governance manual.

Section 6. VACANCIES: If a vacancy occurs in the office of Vice President or Treasurer, it shall be filled within 60 days by appointment made by a vote of at least five (5) voting members of the Board of Trustees. Such appointee shall serve through May 31st following his or her appointment. Such appointee may be chosen from among the Trustees or from the Church membership at large; but, if a Trustee is so appointed, the resulting board vacancy shall also be filled within 60 days by appointment made by a vote of at least five (5) voting members of the Board of Trustees.

UUCM By-Law Amendments

ARTICLE VI. BOARD OF TRUSTEES

Section 4. DUTIES OF THE BOARD:

(b) The Board shall ~~administer~~ monitor and evaluate the affairs of the congregation between meetings of Members, and shall in all major policy matters be guided by decisions made by the majority of the Members.

e) The Board shall fulfill such other duties as are assigned to it by these By-Laws or as outlined in the Policy Governance Manual.

(f) The Board will act according to Policy Governance principles and at least annually review the Policy Governance Manual.

UUCM By-Law Amendments

Rationale:

See Policy Governance Remarks.

UUCM By-Law Amendments

Proposed Bylaw Amendment #3

Proposed Change:

ARTICLE VI. BOARD OF TRUSTEES

Section 1. COMPOSITION: The Board of Trustees shall be composed of the three (3) Officers and six (6) Trustees. Other non-voting or ex-officio members of the Board shall be as indicated in these By-Laws or as determined by the voting members of the Board. A vacancy shall be declared for any Trustee or Officer who ceases to be a Member of the Church.

Rationale:

The existing language is a typo, but still requires the vote of the Congregation to accept the change.

UUCM By-Law Amendments

Proposed Bylaw Amendment #4

Proposed Change:

ARTICLE VIII. MINISTER

Section 2. AGREEMENT WITH THE MINISTER: All terms and conditions of the agreement with the Minister shall be determined by the Board of Trustees and may, from time to time, be modified by them by mutual agreement with the Minister. The agreement, in any case, may not provide for salary and allowances in excess of that approved by the Members. All terms and conditions of the agreement with the Minister shall be reviewed by the Board of Trustees at least once every other year.

Section 3. TERMINATION OF THE AGREEMENT:

The agreement may be terminated by the Minister.

The agreement may be terminated by the Congregation, by the greater of either (1) a vote in favor of termination totaling at least 40% of the total voting members of the Congregation or (2) a 75% supermajority vote in favor of termination of the voting members of the Congregation present if more than 60% of the voting members of the Congregation are present, cast at a meeting of Members duly called as described in Article IV.

~~The agreement may be terminated by the Board of Trustees, by a unanimous vote of all the voting members of the Board.~~

(c) Termination must include three (3) months notice.

Section 3. PARTICIPATION OF THE MINISTER ON THE BOARD OF TRUSTEES AND COMMITTEES:

The Minister shall be a member, ex-officio, of the Board of Trustees and of all committees and organizations of the Church (without vote), with the exception that the Minister shall not be a member of the Nominating Committee. The Minister will act as Chief Executive Officer of the congregation and be a member of the Executive Committee. As Chief Executive Officer, the Minister will operate under the guidelines outlined in the Policy Governance manual. The Board shall at least annually evaluate the Ministers' performance as Chief Executive Officer using the Policy Governance guidelines.

UUCM By-Law Amendments

Rationale:

This Proposed Bylaw also includes Policy Governance, but since the changes proposed go beyond the issue of Policy Governance it is presented as a separate proposal. The subject of the proposal has been a topic within the Congregation for years. Over the past year, the Board has held once special meeting dedicated specifically to this issue. During that meeting, outside speakers from the Prairie Star District were brought to the Board to give a broader view of how Minister Agreements are addressed in other congregations. The Board also did a lot of its own investigation into the policies of other congregations and had several discussions over the course of months. Finally, other members of the Congregation and other committees within our Congregation came to Board meetings and addressed the Board on this issue.

This proposal would eliminate the ability of the Board to terminate the contract of the Minister. This proposal would also change the vote to terminate the Minister from a simple majority of those present at a meeting to 40% vote of all voting members of the Congregation or a supermajority vote of 75% if more than 60% of voting members of the Congregation are present. Either of these votes require a larger number of votes than our current system does. At present, only 20% of members must be present for a quorum, so it would only take 10% plus one vote to terminate a Minister's contract.

UUCM By-Law Amendments

The Mathematics of the Minister Termination													
Congregation Size		25% of congregation present at meeting	Votes needed to terminate	40% present	Votes needed to terminate	50%	Votes needed to terminate	60%	Votes needed to terminate	75%	Votes needed to terminate	100%	Votes needed to terminate
100	40%=40	25	N/A	40	40	50	40	60	45	75	56.25	100	75
250	40%=100	62.5	N/A	100	100	125	100	150	112.5	187.5	140.625	250	187.5
500	40%=200	125	N/A	200	200	250	200	300	225	375	281.25	500	375

UUCM By-Law Amendments

Proposed Bylaw Amendment #5

Proposed Change:

ARTICLE VII. COMMITTEES

Section 3. Endowment Fund Committee of the Unitarian Universalist Church of Minnetonka

- (a) The Endowment Fund Committee. The Endowment Fund Committee shall consist of three (3) members, one of whom shall be the Treasurer of the church, and all of whom shall be voting members of the Unitarian Universalist Church of Minnetonka. Except as herein limited, the term of each member shall be three (3) years. The minister and the President and Vice-President of the Board of Trustees shall be advisory members of the Committee. The Endowment Fund Committee will act according to Policy Governance Manual.
- (b) Election to the Endowment Fund Committee. Upon adoption of this resolution by the Congregation, the Board of Trustees shall elect two members of the Endowment Committee; one for a term of three (3) years, and one for a term of two (2) years. Thereafter, the Board of Trustees shall elect one new member each year for a three (3) year term. The position held by the Treasurer shall be thereafter set aside for the whomever serves as the Treasurer thereafter.
- (c) Term Limits. No members besides the Treasurer shall serve more than two consecutive three-year terms. After a lapse of one (1) year, former Endowment Fund Committee members may be re-elected.
- (d) Vacancies. In the event of a vacancy on the Endowment Fund Committee for a position other than the Treasurer, the Board of Trustees shall appoint a member of the church to fill the vacancy. The appointee will fill out the term of the member leaving the Endowment Fund Committee

Rationale:

This language would create a new committee to oversee a future endowment fund for UUCM. Over the past few years we have had a few individuals leave UUCM money within their wills, and this proposed change could create a specific committee to oversee such donations.

UUCM By-Law Amendments

VOTE

Nominating Committee

- Recommended Slate (1-year term)
 - Michael Elliot (renewing)
 - Melissa Martinson (renewing)
 - Alison Albrecht (replacing Mary Cotton-Levine)

Note : 2 additional members selected from Board by President

Nominating Committee

Vote

Board of Trustees

- Recommended Slate (3-year term)
 - Allan Green
 - Susan Vigliaturo
 - Tom Lindquist

Replacing (Kevin Johnson, Bill McKnight and Noel
Martinson)

New Board members

Vote

Officers of Board of Trustees

- Recommended Slate (1-year term)
 - Michael McGee - President
 - Marc Doepner-Hove – Vice President
 - Tom Lindquist - Treasurer

New Board Officers

Vote

Closing

Are we there yet?