AGENDA
March 3, 2016

5:00  Board meeting with David Keyes and Board Dinner

Board Meeting

7:00  Convene Meeting

7:01  Opening Words: Michael

Review Agenda

Announcements

- End of year Board social gathering – May 22 (evening)
- Board Retreat – June 3 (evening) and June 4 (day)
- Annual Voting Dates
  - Feb. 22 - Earliest date that Nom Com can turn their slates into the Board Secretary (Date Has Passed)
  - Mar. 23 - Deadline for Board and Nom Com slates to be turned into the Board Secretary
  - April 4 - Date of Record (i.e., individuals must be voting members by this date to be eligible to vote)
  - April 22 - Petition candidates deadline
  - April 25 - Deadline for all ballot materials to be printed in-house and sent to Admail
  - April 29 - Ballot mailing deadline May 22 - Ballots Due

7:03  Timekeeper: Maryann

Approve previous meeting’s minutes

7:05  Open mic for congregants (2-3 minutes per congregant)

Updates

7:15  ET Update

7:20  Finance Committee Update

7:25  Communications Committee Update

7:30  Policy Evaluation Committee Update

Consent Agenda

7:35  TBD

7:40  Break

Action Items

7:50  Finish discussion of the ET Monitoring Report from last meeting. What priorities do we see in this report that we should be addressing as a Board and as a church?
Discuss five year goals

Topics that came out of last month’s meeting are:

- How do we honor diversity that we disagree with? Comfortable and accepting of diversity
- Spirituality is connectedness. We’re good at programmatic content. Helping people make connections to community.
- Revisit and redefine governance structure of First Church
- Family and young adult connectedness
- Governance reflects how we want to be with each other
- Ways to support and encourage generosity. Need resources to do our work to grow and expand
- Robust online congregation
- Next vision for our facilities/block – capital growth

8:55 Communications Check
8:58 Process Observer: Laura
8:59 Closing Words
9:00 Adjourn

Vision Statement

First Unitarian Church is a beacon of hope for us and for our community, a spiritual center in the heart of our city that helps each of us to find our moral compass, calling and challenging us to build the beloved community with an ever deepening sense of spirit, diversity and inclusion.

Board Goals 2015-2016

- In order to make policy-based governance more accessible, the Board will continue working on a document describing and delineating norms, roles, and processes.
- The Policy Evaluation Committee and the Board will perform a comprehensive review of policies and by-laws, and make recommendations for policy revision.
- The Finance Committee and Board will present a meaningful budget, which allows congregants to understand the programmatic results of their giving and cultivate a culture of deeper generosity.
- The Board will use the vision statement to develop five-year goals.
Absent: Laura Milne
Visitors Attending: Jan Holibaugh, Teri Martin, Steve Nelson

Ameena called the meeting to order at 7:00pm.
Open words were shared by Alan, and we all read our vision and lit the chalice.

Announcements:
• Board retreat will be June 3 (evening) and June 4 (all day)
• End of year Board gathering hosted by Sinkfords is May 22 (evening)
• Board dinners cost about $11/person and we will discuss via email changing what we pay, so the church isn’t subsidizing our meals.

Timekeeper is Darin.
Process Observer is Maryann.

Move to approve the January minutes with following changes: John T is on the small group working with the Finance Committee on process and relationship. Teri Martin correct spelling.
John T moved and Maryann seconded, all approved.

Open Mic for Congregants:
Teri Martin shared her thoughts on optimal use of an external consultant and how church governing policies might be revised. See attached paper.

Updates:

ET:
• Seminary for a Day was full attendance, 110 people, and good feedback.
• Sunday Soul services are going well, even with some technical glitches. Many thanks to Terri Burnor! We had 110 on-line and 60 in person last week.
• Rev Dr Mark Bellotini will have the pulpit for two weeks, offer a workshop and participate in Sunday Soul.
• Next year’s budget process is starting. There will be two meetings Febr 7 for congregants to give input.
• February 13 Bill will declare victory on our Annual Fund Drive. We’ll honor Linda Hunter from the pulpit. We’re at 97.68% and anticipate meeting our goal through new member pledges. Number of pledges is down, average $ pledge is up substantially ($1400 - $1600).
• Music transition - ET is interviewing candidates for the interim music director position.
• Bill will be meeting with other UU ministers of large churches. He’ll be having conversations about they have shifted the practice of Policy Based Governance around the CEO role. And polling them on their attendance trends. He’s also asking this of our fellow downtown churches in Portland.
• Bill will be delivering the Service of the Living Tradition at the GA in June this year.

Finance Committee: See Michael’s attached minutes.
• It’s been a good month, and we have $114,000 surplus year to date.
• Budget meetings with congregants scheduled for February 7 after both services.
• Darin, Kathryn E, and Michael are reviewing financial policies.

Communications Committee: See attached minutes.
• We’ll be having Cafe Conversations on the topic of transparency April 3 and 4. Asked for board members to sign up and help.

Policy Evaluation Committee: See attached minutes.

No Consent Agenda topics.

Action Items:
How we can use an outside consultant -
• Proposals from John H, Darin, Michael and Maryann have been received. How do we move forward collaboratively. PEC reviewed the proposals and liked them all.
• Randy moved and Maryann seconded a motion that we appoint John Thompson and Ameena Amdahl-Mason to collaborate with the ET in pursuing a consultant who will focus on church staffing and transition. The collaboration will be informed by a set of board generated questions which we wish to be addressed by the consultant. They will bring the proposed work product and a recommendation on the consultant to the BOC for review and approval. Proposal to be sent to the entire board for input prior to the BOC meeting.
• Proposed amendment to have the proposal they create go through PEC. Not accepted because of timeframe.
• Proposed amendment to change wording to be “organizational development” instead of “staffing and transition”. Accepted.
• Vote on amended motion: 10 in favor, 1 against.

Discussion of questions to ask the consultant and comments:
• Do we have proper organization to handle changes anticipated in the next 5 years. Are our jobs flexible enough to adopt to changes.
• Are we meeting the needs of the congregation. If not, how are we not, and what is our vision of where we want to go.
• Does consultant intended to give the board what they want/need or what the ET wants. Staffing is ET job. Assessing the administration of the church is the every 3 year consultant review job.
• Questions around timing - this fiscal year or next.
• We should have lots of data from survey and Cafe Conversations and last year’s Listening Project.
• With whom will the product be shared? Will be determined based on questions asked and link with our vision and look to the future.
• Desire an honest robust analysis.

ET Monitoring Report and Development of Five Year Church Goals -
Comments and Questions about the ET Monitoring Report:
• What response does the ET want to the question on page 12. Is this report helpful to the board? If not, ET needs to know so can change. Put this on another agenda for discussion.
• Objective measures & targets for measures that evidence compliance. State at beginning of year, at end of year show if met.
• Transparency - long range goals not clear in our structure along with covenantal relationship process implied. Need to work on structure.
• No more approximate measures of important things than of details of un-important things.
• References to aging congregation, then comments about lack of support for young adults.
• We’ve asked for measures against elements and that’s what this is.
• Element for RE needs to be more aspirational.
• How do we change where we’re lacking. Ideas in report would be helpful.
• Way we’re operating with each other - use the work from our last retreat (norms).
• Want to hear ET focus recommendations. One report/year to help drive board for year. Mid-year - update only.
• Process that begs for teamwork - don’t see how Carver (PBG) helps toward that. Need progress as a group.

Five Year Church Goals comments:
• How do we honor diversity we disagree with?
• Comfortable and accepting of diversity - reach out to families
• Spirituality is connectedness, we’re good at programmatic content. Help people make connection to community
• Revisit & redefine governance structure of First Church
• Family & youth connectedness
• Governance reflects how we want to be with each other
• Way to support & encourage generosity. Need resources to do our work to grow and expand
• Robust on-line congregation
• Support youth & families
• Next vision for our facilities/block - capital growth

These boiled down to categories:
• Governance types
• Look to future - virtual - engage families, young adults, neighborhoods
• Financial generosity
• Physical plant

Foundation Questions discussion - in preparation of meeting with Foundation Board at March board meeting:
• Link to our 5 year church goals.
• Big ticket items like paying off Buchan building, understanding our long term building maintenance plan.
• Looking at our block as an asset and future needs like parking.
• We need to be clear on why we’ve invited them to meet with us.
• Their mission is to support the mission of the church.

Communications Check: No additional items from the meeting. Do need to respond to Arnie Picar’s letter.

Process Observer: Maryann saw everyone engaged, seemed artificial to go around the group for comments, still need to watch how much each of us talks, met our time constraints.

Alan had closing words on Behaviors by John Dietrich
Adjourned at 9:00 pm

Respectfully submitted, Kathy Ludlow, Secretary
Board of Trustees Norms
From June, 2015 Board Retreat

Norms Summary:

We are all Acting in good faith, Honoring roles of everyone around the table, Respecting and Caring for each other in our words and actions.

We do this by Really Listening to Everyone, Fostering Safe expression of diverse opinions and creative ideas, and Supporting our ministers and staff.

Assumptions: Each person is

- Acting in good faith
- Honoring roles of everyone around the table

Behaviors:

- Listen, pause, restate, seek understanding/clarifying questions, share briefly
- Hear from everyone before speaking again
- Hear all voices: marginalized groups (color, gender, age, etc)
- Encourage times of creativity and spontaneity
- Foster safe expression of alternative opinions
- Allow/support moderator’s leadership of conversation/meeting
- Honor norms through peer support
- Keep norms in mind: Post in board meeting room, put on agenda
- Only criticize outside the meeting if you have talked about it in the meeting

Preparation Process:

- Start & end on time
- Maintain professionalism & confidentiality in Email discussions
- Use a clear process to get agenda topics to BOC or Committees
- Be prepared: review materials, respond as needed before meeting
- Do board work in committee, no re-do in board meeting
- Acknowledge competing demands for time
- Express differing opinions, discuss, move-on
- When possible - make decisions by consensus
- Use meeting evaluation grid based on these norms
- Observer comments - frank (truth in love)

Spiritual Process:

- Start with a reading/prayer
- Read Vision Statement, light chalice

Outreach Congregation:

- Represent congregant perspectives
- Be an active, immersed part of our church
- Support board decisions publicly
- Share norms with the nominating committee

Interaction with Staff:

- Board work impacts staff - Be mindful of workload
BOARD COVENANT OF LEADERSHIP
From Appendix of Policy Handbook

Our promises of spirit
We promise to
- pray and be mindful of Spirit, alone and together
- be thankful for and continue to strive to deepen our spiritual lives
- look within our hearts for help and listen to the answers that come to us.

Our promises to our church community
We promise to
- demonstrate our leadership and commitment to our church by our example
- support our church ministers and the staff so that their efforts can be most productive
- try to discover what is best for our church as a whole, not what may be best for us or for some small group of the church
- listen with an open mind and heart to the words and ideas of the members of our church community
- communicate openly, acknowledge and appreciate others, act with heart and integrity, and cultivate relationships within our church community

Our promises to the ministers and to each other on the board of trustees
We promise to
- respect and care for each other
- honor the fact that our ministers are called, not hired
- treat our time on the board as an opportunity to make an important gift to our church
- listen with an open, nonjudgmental mind to the words and ideas of the ministers and each other on the board
- discuss, debate, and disagree openly in board meetings, expressing ourselves as clearly, honestly, and courteously as possible so that we are certain that the board understands our point of view
- support the final decision of the board, whether it reflects our view or not.

We pledge to observe these promises, to do our best to trust that others are also observing them, and to be forgiving when we inevitably make mistakes. We accept the accountability implied in these promises.”
Statement to First Unitarian Church Board by Teri Martin, 2-5-16

I am here to speak about two questions that have been on the Board’s and its Policy Evaluation Committee’s agenda for a while, the first of which is slated for discussion this evening:

1) What is the optimal use of an external consultant at this juncture in our congregation’s evolution?
2) How should the church’s governing policies be revised to better support effective governance by the Board, ET and congregation?

I offer you my thoughts on these questions, as an organizational development consultant and a committed long-time congregant.

1) The scope of the consultant’s work should not be focused simply on how many of what types of staff our church will need to move into the future (though this is an important element). We should also ask the consultant to look at how best to sustain a working environment that supports current and new staff members’ growth and encourages their long-term commitment to First Church. The church’s written personnel policies, which provide the framework for ensuring the welfare of staff, should be reviewed by the consultant, and recommendations for their improvement (and for fine-tuning of management practices as advised by the consultant) should be a deliverable requested by the church.

The consultant who is engaged to analyze and offer recommendations concerning church staffing and personnel management must be seen as neutral by all who are concerned with this study: the ET, other church staff, the Board and the congregation. Selection of the consultant therefore should be a collaborative process, involving at least the Board/PEC, the ET, and staff representatives.

The consultant should be asked to obtain input from a variety of sources, including not only the ET and Board, but also church staff at all levels. Congregational input should be sought through a variety of methods, including a survey as well as at least one discussion/workshop designed to obtain congregants’ views on how church staffing can best reflect their collective goals, values and priorities for First Church. Transparency and inclusivity of the information-gathering process should be a guiding principle for the consultant’s work.

Staffing concerns have been on the minds of many congregants, and the Board should use this consultancy as an opportunity to gather information and obtain objective feedback and recommendations from a neutral consultant that will be shared with the congregation.

2) Regarding revision of the church’s governing policies, I believe that now is not the time to engage in this complex task. The first draft of policy-based governance policies took several years to complete, and a comprehensive review should be expected to take more than a few months. The review and revision process should offer opportunities for congregant input, and involve a diverse range of members of the congregation beyond the Board who have expertise and experience in financial management and policy-based governance. Both covenants and governance policies are vital to sustaining a healthy congregation.
First Unitarian Church Portland
Board Officer’s Committee Meeting - February 17, 2016
Draft Meeting Minutes

Attending: Ameena Amdahl-Mason, Michael Cunningham, John Hutzler, Maryann Roulier, Rev Tom Disrud,
Kathy Ludlow
Absent: Rev Bill Sinkford, Randy Russell

A quorum is present.

Minutes of the January meeting were approved with the following change: $50,000 to meet AFD goal will come from pledges of new members.

Line of Credit:
Agreed authorized officers to sign include: Darin Stewart, Randy Russell, Kathy Ludlow.

ET Update:
• Sunday Soul - 4th Sunday upcoming. Since beginning 400 have watched.
• Music Search Committee has created a timeline and meetings with congregants. Bill and Tom have talked to candidates for Interim Music Director.
• We have a draft contract from the consultant for our 3 year review.
• Block party June 12 to celebrate the end of our 150th Anniversary will happen after a special one-service Sunday.
• ET has begun the calendar for next year.
• Yearly ET report vs two times per year short discussion - happen in fall, then update as needed in January. Might tie into Board annual survey schedule.

Block Party - proposal to have board members grill hot dogs for sale. Good opportunity to be a visible part of celebration. Will take idea to whole board if we’re sure John Boelling, who is providing other food offerings, is OK with our idea. Kathy will follow-through.

Outside Consultant:
• John T, Ameena, and ET have met to discuss. Dr David Keyes, suggested consultant, did phone interviews and provided an overview for our review.
• He will visit in March, coinciding with our March Board meeting.
• We’ll need board approval for expenditures.
• We anticipate the Board Survey will be available for his use. We hope the Cafe Conversations in early April will be helpful as well.
• Maryann moved and Michael seconded we approve the contract for his services. All in favor.

Ameena and the ET have postponed the meeting with the Foundation Board at our March board meeting. We don’t have agreement on our 5 Year Church Goals and think those are an important part of our discussion. Meeting is postponed until the fall.

Upcoming Dates:
• Board retreat June 3, 4 - Evie, John T, and Kathy as possible venues.
Board Norms:
• Communications Comm shared a consolidated list of norms.
• Agreed to use outline as a new evaluation grid for our board meetings. Include good pieces of existing grid.
• Kathy will make suggested changes to the norms for discussion at the March board meeting.

Annual Survey:
Review of draft survey questions. Comments:
• Move music questions to second, so, swap section 1 and 2.
• Change wording - ...What current Church programs and activities that you participate in.....
• Move LGBTQ to Affinity Groups
• Take Beloved Community out of Social Justice programs (has evolved)
• Use new element statements for those that have been agreed upon. Check with John T.
• Q 10 - Change wording - What new ways can the church communicate with you?
• Double check for typos
• Beta test, then live with March 1st goal.

Board Planning is still in progress

March Board Meeting:
• 5 Year Goals
• Conversation with David Keyes from 5pm - 6pm.
• Pull out discussion and comments to ET Monitoring Report to discuss priorities, whose job it is to do specific items, other work needed.

Meeting adjourned at 6:00pm

Respectfully submitted,
Kathy Ludlow, Secretary
Notes from the PEC Meeting 2/11/16

1. **Presentation of Cindy Cumfer’s analysis of the pros and cons of the Carver Model:** We had a brief presentation from Cindy Cumfer to start our meeting (attached).

2. **Round Table Discussion of How to Proceed in Our Charge:** We followed Cindy’s presentation with a round table discussion. As the discussion progressed, it became clear that there are multiple views on how our version of policy based governance should be interpreted. Teri Martin presented her thoughts on the intent she felt was present when the Governing Policies were initially written (attached). While Andy Parker could not attend because he was sick, he offered his thoughts to the group in a piece which was read (attached). Those PEC members present (Randy Russell, John Hutzler, John Thompson, Ameena Amdahl-Mason, and Cindy Cumfer) all offered their thoughts as well. A wide spectrum of opinion was present on how much of Carver’s model was actually encompassed in our current Governing Policies, and how much should be. We concluded that a primary goal of our efforts in revising the policies should be clarity on how the board, ministers, and congregation should be operating together. Two basic ideas emerged as was discussed how we might create a clear shared understanding. We could proceed as we did with part 3 of the Governing Policies by going through each policy in parts 1, 2, 4, 5, 6, 7, and the appendices one by one, simplifying or adding to them as necessary to create clarity and strengthen them. An alternative idea proposed by Cindy Cumfer was to rewrite parts 2 and 4 of the Governing Policies, and parts of part 3. The first approach might be more appropriate if the desire of the board is to strengthen aspects of the basic Carver model as proposed by Teri Martin. The second might be a better method if the intent of the board is to move away from those aspects of the Carver model which are seen as problematic in the analysis presented by Cindy Cumfer. Several areas that should be addressed by either approach were also clear. While everyone present felt the idea of delegation of authority to manage was a good, how accountability should be paired with authority needs to be better understood and articulated. Another area that needs to be examined is how our covenantal relationship with each other is expressed in our governance. John Thompson presented his thoughts on this topic to the group in written form (attached). Finally, if authority for decision making is delegated, how does our desire for democratic process and transparency fit into the process, and how do the board and congregation relate with the ministers in making decisions? We concluded that it would be helpful to go back to the board for direction on the approach to take.
COMMENTS ON THE CARVER MODEL AND FIRST UNITARIAN’S CHURCH GOVERNANCE

Cindy Cumfer

I’m making these comments to clarify the value of the Carver model, its challenges for our church governance, and how we might think conceptually about what we are doing as we go forward. In this memo, I’m focusing on the aspects of the Carver model (primarily the policies in Parts 2 and 3) that pertain to the board/executive relationship, rather than how the board sees its responsibilities to manage itself in the governance process.

THE CARVER MODEL

The essence of John Carver’s model is that it provides a conceptual framework in which the board delegates all management authority of the corporation to an executive, subject to such limitations as are contained in board policies. The model then charges the board to monitor compliance with its policies as one of the mechanism by which the board meets its responsibilities of good governance.

The Carver model grew out of work in the for-profit corporate sphere and (as far as I know) is used primarily by some business corporations, by some governmental bodies, and a few nonprofits (very few in Oregon). The system assumes that boards exist to “own” an organization on behalf of identifiable “owners” who are not seated at the board table. The board governs on behalf of those people. The model assumes that in churches the members are the “owners.”

In Carver’s model, the board is the entity that articulates corporate values. Board policies are intended to express the board’s values, visions, and perspectives that should underlie corporate action. Along with the bylaws, the policies are intended to include everything that the board has to say about the values and perspectives that underlie all organizational decisions, activities, etc.

The Carver model describes the highest level of values developed by the board as the organization’s “ends,” that is, essentially an expression of its mission. The board decides how much detail it needs to elaborate in stating its values by “nesting” smaller values in larger ones. It then delegates the responsibility to carry out those values to the executive or, in the case of governance matters under the board’s purview, to the board chair.

Carver believes that the organization’s activities are “means” rather than “ends,” since the ends were defined by the board. Carver urges boards to resist telling the executive how to carry out the ends established by the board. To Carver, the board policies set the boundaries, letting staff know what means are unacceptable, but the policies grant the staff complete freedom to develop means within those parameters to carry out the ends.

This is a fairly simplified explanation of Carver. The model has many complexities.

THE VALUE OF THE CARVER APPROACH

Most writers and consultants on the duties of the nonprofit board other than Carver tend to focus on “legal” duties—the requirements that the board act with due care, with loyalty to the corporation, and in consonance
with the corporate mission. These approaches describe certain legal standards related to board oversight and decision-making, but offer little guidance for what the board actually does and how to separate board duties and executive duties. Consequently, many nonprofit boards struggle to understand what the board’s responsibilities are and what decisions should be left to staff. For some time prior to 2002, our church used several versions of a “shared governance” model that left board and staff responsibilities murky, confusing, and disputed. This is what encouraged the church board in 2002 to consider the Carver model.

The Carver approach offers some important conceptual ideas about board/staff relationships.

- The approach clarifies the board/executive relationship, recognizing that board authority is supreme, but that the time and expertise to manage the corporation is on the management side and should be left to management.
- The approach points to the importance of policies as the mechanism for delineating what responsibilities the board keeps and what responsibilities it delegates.
- The model provides a mechanism for oversight. The review of the executive is done strictly on the grounds of compliance with the board policies. The executive is held accountable only in ways spelled out in the board policies.

**CHALLENGES OF THE CARVER MODEL FOR NONPROFITS**

The Carver model has serious drawbacks for nonprofits of all types:

- **Too Conceptually Dense for Most Nonprofit Boards.** In the for-profit sphere, board members often are business people or professionals who serve long tenures and many are shareholders with a financial stake in the business. Most are paid for their board service and are accustomed to a regulatory environment. In the nonprofit sphere, almost all board members are volunteers who serve on the board because they support the nonprofit mission. Many have little business experience. For nonprofit board members, the Carver model is too conceptually dense. It relies on a specific understanding of a relationship between board and executive that is not particularly intuitive or commonplace. It is hard to understand and apply. This means that a board spends a great deal of time educating itself about the scheme and attempting to apply it.

- **Too Wearing on Board Members.** Nonprofits deal with much more frequent board turnover than do for-profits (where one study shows that the average board tenure is over 8.5 years). Board turnover means that each unpaid new board member must attempt to learn and follow the dense conceptual Carver scheme. Many excellent board members may have no such interest in the details of policy governance and find this de-energizing. Some may even be deterred from joining a board where an important expectation is that they learn and apply the Carver system.

- **Wastes Board Time Trying to Predict the Future.** The Carver approach requires the board to articulate in advance any limitations it wants to place on executive actions. The approach fails to fully appreciate that the world is dynamic and changing. It is a waste of board time to try to imagine all of the limitations it needs to place on management, because time is then spent on items that may never become an issue.

- **Cuts Board Input Out of Unforeseen Important Decisions.** At the same time, it is very likely that the board will fail to foresee some issues (no one is prescient). Because failure to specify a limitation means that the executive has complete authority to take any reasonable action in that area, the board may be fenced out of decision-making on items on which the board would have wanted input.
Although the board can, of course, amend its limitations, the change is not retroactive. In contrast to Carver, most boards would expect discussion between the executive and the board over significant executive actions, whether or not the board thought to require it.

- **Cuts Board Input Out of Important Values’ Discussions.** In spite of Carver’s efforts to place the board in the position of determining values, many management decisions have explicit and implicit values embedded in them, the latter of which are often invisible to both board and management. In addition, management must often choose between competing values, particularly where the organization cannot afford to fully realize all of its values. The Carver model’s rigid insistence that the board spell any values it wants enforced in advance gives management little guidance and the board little input in these very common situations.

- **Wastes Board Time on How to Apply the Model.** Use of the Carver model leads to “technical” discussions over words and concepts like “ends,” “management limitations,” “authority,” “nesting,” and “responsibility.” The words are important if an organization follows this model because they reflect deeper, “buried” concepts. These discussions are often a waste of board time.

- **Wastes ET Time Certifying that Board Policies Are Followed.** Carver’s “monitoring” requirement of the policies is awkward. The word “monitoring” suggests more than the oversight generally utilized by nonprofit boards. In addition to providing financial and executive reports, policy monitoring requires staff to devote time to showing compliance with specific board policies. This is an atypical practice among nonprofit organizations, who generally assume that management follows board policies unless there is a reason to believe otherwise.

- **Fails to Provide for Important Board Policies.** In spite of the extensive focus on board policies built into Carver’s scheme, the model fails to provide for a number of policies that state and federal regulators and many nonprofit commentators require or advice in nonprofit, tax-exempt organizations, such as a conflicts of interest policy (which in c3s include compensation reviews of the minister, ET, and conceivably other staff), a whistleblower policy, and a record retention policy.

**ADDITIONAL CHALLENGES OF THE CARVER APPROACH FOR CONGREGATIONAL CHURCHES**

In addition to the difficulties nonprofits generally encounter with the Carver model, churches, especially congregational churches, have some very specific disconnects with Carver’s approach. The minister/board/member relationship in a congregational church is very different from the board/executive relationship envisioned by Carver. I’ll focus here on how this plays out in our church:

1. **Ministerial Role.** Ministers are called by the congregation, not hired by the board, as the executive is in the Carver model. This critical distinction has some major implications:
   - The called ministers are not board employees. The board does not exist “over” the ministers and does not have the power to hire or fire a called minister.
   - Based on spiritual principles, the ministers and board work covenantally with each other and with the Nominating Committee. The ministers and board operate side-by-side to realize the church’s mission.
   - Only members can remove a called minister, so the board should carefully consider actions that create such discord with a senior minister that might lead to a resignation. If that occurs, the board is, in effect, removing a minister without member input, and this should only occur in extreme situations. While the board may be familiar with administrative challenges that lead to tension with a minister,
members may find the worship, spiritual guidance, and pastoral services provided by the minister so important that they would prefer to keep a minister even though he or she is weak in the administrative area. This kind of discernment is precluded if conflicts over administration between board and minister persuade a minister to resign.

As part of the side-by-side relationship, the board does not evaluate the ministers’ performance as it would that of an executive director but evaluates the ministry of the church with the ET.

Unlike executives in the Carver model, ministers are not called for their administrative skills but for their spiritual gifts. In the Carver model, the board determines the competency of the executive at the time of hire. Our church board needs mechanisms in place to ensure that the ET includes personnel competent carry out the administration of the church.

2. Values’ Articulation. The Carver model supposes that the board is the body charged to describe the values of the organization (and that is the case in most nonprofits). However, in a church, the minister has a very critical role in articulating values and is best positioned to do this. Ministers undergo a great deal of training about UU values and discernment about how to live out values. The rigorous process by which ministers are called by the congregation is intended, in part, to allow prospective ministers and congregants to determine if the match is a good one from the standpoint of values. Because we are a church, we expect our ministers to inspire us around values and challenge us to live up to our values. Our ministers are given freedom of the pulpit for this very reason. The important role of ministers in promoting congregational values makes the Carver model, which sees values as the board’s sole purview, a poor fit.

3. Members’ Interests. Members are not “owners” of the church, at least not in the for-profit sense. In theistic churches, the church exists “to serve God, not mammon.” UU churches would rarely claim that, but many would see the church as something other than a member-serving nonprofit—that is, the church is not like a labor union, business league, country club, hobby club, sorority, or fraternity, nonprofits that do exist to serve members. Many would contend that the church exists to serve a higher purpose—in fact, a purpose that often requires ministers to challenge the members. From this perspective, the board does not exist to represent the interests of current “owner” members, as Carver imagines, but to advance the highest values aspired to by the church as an institution.

4. Evolving World. As noted above, the Carver model challenges the board to articulate all limitations on executive action in advance. But as liberal religious people, UUs believe that the world is constantly changing and evolving. Although policies can of course be changed, the Carver model is based on the requirement that the board imagine and address challenges in advance and that, if it does not, the executive has the authority to act based on current policies. This is another awkward fit with the UU theology of an evolving world.

PROPOSAL FOR HOW OUR CHURCH SHOULD USE (AND MOVE BEYOND) CARVER

My suggestion is that the board policies articulate a variation of Carver’s wisdom that sees board policies as a means to clarify authority to manage the church, but that the board should revise its policies to make them more responsive to our theology and to the concerns raised by this memo.
1. **Governance as Covenantal Work.** Governance should be understood as spiritual work, not as a process in which “member owners” through their board representatives place limitations on ministers, whose job it is to advance the interests of the members. Our governance policies should detail how the ministers and board work together in moving the church toward its mission. The policies should describe and be grounded in the covenantal relationship between the board and ministers and in the institution’s interest in advancing the church’s higher purpose. I’d suggest that Part 2 be retitled something like “GOVERNANCE RELATIONSHIPS AND CHURCH MANAGEMENT” and that it begin with a policy describing the covenantal relationship.

2. **Board’s Roles.** The policies should articulate the board’s roles as (1) to engage in generative thinking with the ET about how the church advances toward its mission; (2) to consult with the ET about major values-based decisions involved in the administration of the church; (3) to provide oversight of the delegation of the church management to the ET; (4) to engage in two-way communication with members about issues of importance to members: and (5) to satisfy other legal requirements imposed on nonprofit boards. I’m not sure whether this would go in Part 2 or Part 4, though I lean toward seeing this as a “high-level” Part 2 description of the board’s broader role in governance.

3. **Delegation of Administration to ET.** The policies should generally assign authority to manage the church’s activities to an Executive Team created by the senior minister (as now in 2.1 but with a bit of re-writing).

4. **Oversight.** In order to provide oversight, the policies should include the following:

- It is critical to the concept of delegation that the board reasonably believes that the ET to whom it delegates management is competent to handle the responsibilities that are delegated. The board should evaluate the ET at such time it is constituted and when it changes personnel to ensure competency to run the church in the areas of finance, programming, employee and volunteer management, and administration. If the board has personnel with the type of business or nonprofit experience that would allow the board to determine whether the ET has such competency, then the board can make the evaluation itself. If it does not have the personnel to make this determination, the board, in consultation with the senior minister, should obtain a consultant to coach the board or to assist in the evaluation. If there are significant gaps in competency, the board and ET should work together to address them.

- The policies should clarify that the ET is to bring any issues that could significantly impact the church and any decisions that involve significant and undiscussed value-based decisions to the attention of the board—for example, potential lawsuits by employees, serious union problems, adverse financial occurrences, major program or personnel changes, major values’ assumptions and choices built into financial budgeting, and any serious variations from board policies. This is an important informational source through which the board is informed of issues and choices that may seriously impact the church. It allows the board to provide input to the ET and to determine whether and how to get member/congregant input on the issue.

- The policies should provide for oversight by means of regular financial reports, by ET reports at board meetings, and, if the board so decides, by annual reviews or audits.

- The evaluation of the church ministry might include any items that the board and ministers feel need to be addressed to ensure responsible management of the church.

- The policies should provide for additional investigation if the board believes that there are significant
problems that necessitate such action (as I believe the policies now state).

There should be no routine “monitoring” of the policies—that is, a requirement that the ET certify that it is following the policies. The board should assume that its policies are followed unless the ET reports otherwise or information of significant noncompliance comes to the board’s attention.

These policies should replace or allow the board to eliminate, rewrite with language that reflects a more covenantal approach, or greatly simplify most of the policies in Parts 2 and 3 of the current Governing Policies.

5. Other Policies. The board should retain its policies related to conflicts of interest, executive compensation, and similar responsible policies reasonably expected of good boards.
Policy Governance (the Carver model) and First Unitarian Church Governance
by Teri Martin

I offer these observations as one of the First Unitarian Board members who collaborated with its Ministers to implement policy-based governance (see below for a definition) more than ten years ago, and who has continued to learn about its strengths and challenges, both in our congregation and in other UU churches. I ask that the PEC and Board take under advisement a range of views regarding the utility and applicability of policy-based governance (not the “pure” Carver model, which our church never claimed or intended to adopt) before embarking on a review and fine-tuning of Board governance policies.

The Carver Model

Carver explicitly states that the model is intended for use by governing boards of organizations of all sorts, not just for-profit corporations. In fact, its origins are based on Carver’s experience as Executive Director of the Mental Health and Mental Retardation Authority of Harris County, Texas.1 A key reference by the Carvers discussing its use in nonprofit (NGO) and governmental organizations was published in 2001: “Carver’s Policy Governance® Model in Nonprofit Organizations”.2 Others who have studied its implementation point out that “this model meets external legal requirements and has become a familiar and comfortable framework for many non-profit organizations over the last few years.”3 There are also a number of UU congregations that have adopted policy-based governance in the past decade, and continue to adapt its concepts to their contexts.

Ends, in policy-based governance, are not simply the mission of the organization; they are specific types of goals that define the results for which the organization exists, the recipients or beneficiaries of those results, and the worth of the results for recipient groups.4 Or, as another large congregation, First Unitarian Society of Madison, puts it in its 2013 policy-based governance policies, “the good that the congregation means to do, whom it hopes to serve, and how it answers the question ‘Whose lives do we intend to impact and in what ways?’”

Regarding the nesting of policies, another large UU church defines this policy-making process as one in which “the board delegates details and concentrates on why those details matter. Instead of setting the number of staff vacation days each year, for instance, the board decides that fair and competitive staff treatment is a congregational value. The board then leaves it to the executive team (exec team or ET) to interpret its words. Or, the board may go to the next level of specificity.”5

Policy limitations are boundaries that define what is outside of them (unacceptable), which then allows the executive (ET) freedom to choose the means they will use to accomplish agreed-upon ends. The Cooperative Grocer Network, a consumer-owned non-profit, offers this simple example that shows why defining limits allows for more creativity than prescribing specific means: “Do not think of limitation policies as a way to tell the general manager what to do, just using negative language. Rather, think of them as saying, in advance, what’s not OK. “It’s not OK if ________.” In a recent session, a director offered up this example of use of

2 http://www.carvergovernance.com/pg-np.htm
4 Adapted from http://www.carvergovernance.com/faq5.htm
   Unity-Unitarian Church of St. Paul, MN
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limitation policies: Just tell the child, “It’s not OK to throw the blocks.” It’s easier and more effective than providing directives if the goal is for the child to have fun with the blocks.\textsuperscript{6}

In policy-based governance, Board monitoring of the ET is focused on the expectations written in Board policies (including the ends and limitations). This approach ensures that the ET knows in advance the values, standards or goals against which the ministry of the church will be measured, and that the Board has a set of criteria that it can apply fairly and uniformly.

A successfully implemented and maintained policy-based governance:

- Calls for the congregation and its Board to determine what the spiritual community wants to do in the world (ends).
- Clarifies congregational governance roles and responsibilities.
- Specifies how, when, and to whom decision-making power is delegated by the Board.
- Structures accountability for the use of that power.
- Empowers Board to be stewards (guardians) of vision, resources and policies.

**Challenges of Policy-Based Governance**

There are always challenges that arise in implementing and sustaining effective policy-based governance, and indeed any form of governance. A few that I have observed at First Unitarian, and in other organizations working to implement policy-based governance, include:

- Separating delegation of power from accountability for its use.
- Minimizing the important of collaborative executive (ET) and Board decision-making and strategic planning for the congregation
- Micromanaging through “unnecessarily” (this term must be carefully defined consistent with ends and limitations policies) detailed policy limitations/requirements
- Executive inattention to clarifying its reasonable interpretations of Board policies
- Lack of attention to transparency in governance

I do not agree that the policy-based governance model is “too conceptually dense” or “too wearing” for volunteer board members to comprehend or use. A number of large UU churches currently using policy-based governance have robust annual training for new and continuing Board members as well as other interested congregants. There are many references that provide concise and informative overviews, including “Policy Governance in a Nutshell” piece available on the Carver website.\textsuperscript{7} The UUA website also provides many articles and links to other churches currently using policy-based governance (as does the UUA itself). The Board need not be mired in “technical” discussions of the definitions of terms used in policy-based governance if a comprehensive, agreed-upon glossary of terms is included in written policies; see FUS Madison’s policies for one example.\textsuperscript{8}

Policy-based governance streamlines the work of Board members by freeing them from responsibility for making day-to-day management decisions. It does NOT require that the Board try to predict the future or anticipate every possible intersection of values and decisions to be made. Governance policies under any model are always written in light of possible futures that an organization wishes to avoid or to aim for, and drafted in the anticipation that they are living documents that will be revised as experience suggests and circumstances require.

If unforeseen challenges not explicitly referenced in policies arise, the ET is currently required to bring them to the attention of the Board for its consideration and input. The Board should have the opportunity to provide input both on “unforeseen decisions” and on “values discussions.” The policy-based governance requirement that the executive define its “reasonable interpretations” of Board policies when it reports decisions and their outcomes is intended to ensure that the Board can weigh in on the values underlying executive decisions.

Under policy-based governance, Board monitoring of ET/ministry performance is tied to the criteria specified in policies. Therefore, as Carver notes, “data provided by the executive need be “only enough to answer the question, unobscured by incidental information . . . The reported data should be as brief as possible and maintain a razor-sharp connection to the policy-based criteria being monitored. If more interesting, explanatory information, other than that directly addressing the criteria, is desired by the board or offered by the CEO, it should not clutter the monitoring report, but be distributed separately.” Based on written policies, it should be possible for the ET to develop a streamlined “dashboard” that includes indicators that speak to criteria specified by the Board and agreed to by the ET. A monitoring schedule that specifies when reports relevant to particular policy areas will be provided further simplifies the ET’s job of providing policy relevant information to the Board, which must base its determination of compliance with policies not only on trust but also on verification.

Suggesting that policy-based governance doesn’t provide for certain important areas of Board policy is a red herring. The choice to provide for conflict of interest, whistleblower and record retention policies has nothing to do with the form of governance chosen. It is the responsibility of the Board and ET to ensure that such policies are part of First Unitarian’s governance structure, and many if not all of these issues are in fact already addressed in Board policies and their appendices.

“Actions that create discord with a senior minister that might lead to a resignation” (Cumfer p. 4) can occur under any form of church governance. So far, no First Unitarian minister has resigned since policy-based governance was implemented. In adopting a modified form of policy governance ten years ago, the Board acknowledged that it does not evaluate the ministers’ performance, but rather the success of the ministry of the church for which we all share responsibility.

In the UUA, congregational polity provides that each congregation is self-governing, choosing its own leadership (including calling its ministers) and handling its own finances. Thus members are in fact “owners” of the church in every sense of that word. Of course ministers bring their own values, have freedom of the pulpit, and challenge congregants to become their best selves, but members have a central role in defining the “values aspired to by the church as an institution.” (Cumfer p. 5)

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9 http://www.carvergovernance.com/pg-np.htm

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As noted previously, no system of governance or written policies can be expected to “imagine and address (all) challenges in advance.” (Cumfer p.5) It is certainly time for us to begin to examine how our policies can be fine-tuned to address current realities and adapt to changing circumstances. Policy-based governance is a flexible, tested approach to governance that should continue to be the basis for First Unitarian’s organizational structure going forward.
First Unitarian Church

Communications Committee Meeting

February 16, 2016

Draft Minutes

Attending: Kathy Ludlow, Alan Comnes, Ameena Amdahl-Mason, Maryann Roulier

Absent: Evie Zaic

The committee approved a thank you letter to go to Teri Martin, who spoke to the board at our January meeting.

The committee approved a summary of board norms determined at our June retreat. Next step will be to take them to the BOC and the board. Our thanks go to Kathy for her work on culling out the meaning from a lengthy discussion at the retreat.

Our thanks also go to Ameena, who has developed position descriptions for board officers and committees drawn from the board retreat and board policies. The completed descriptions include moderator, 1st vice-moderator, 2nd vice-moderator, and Communication Committee. These completed descriptions provide a model for those remaining, including treasurer, secretary, policy evaluation committee, and finance committee.

The committee revised the congregational survey material outlined by Alan, which now also includes questions about the music director position from the search committee. The draft will go to the BOC tomorrow for their input. In the coming weeks, we will ask others, including board members to Beta test the survey.

Our timeline calls for the survey to be conducted in March, probably before Spring break, which commences on March 19.

Meeting was adjourned at 5:50 p.m.

Submitted by Maryann Roulier
### First Unitarian Church

#### Year-To-Date Operating Summary 1/31/2016

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL OPERATIONS YEAR TO DATE</th>
<th>ACTUAL OPERATIONS YEAR TO DATE</th>
<th>ACTUAL VARIANCE YEAR TO DATE</th>
<th>BUDGET VARIANCE YEAR TO DATE</th>
<th>ANNUAL BUDGET</th>
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<tr>
<td></td>
<td>1/31/2016</td>
<td>1/31/2015</td>
<td>FY 2016 TO 2015</td>
<td>1/31/2016</td>
<td>1/31/2016</td>
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<tr>
<td><strong>Church Operations</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Operating Income</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Pledge Income</td>
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<td>17,423</td>
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<td>9,105</td>
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<td>-</td>
<td>106,712</td>
<td>120,000</td>
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<td>-</td>
<td>-</td>
<td>50,000</td>
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<td>Total Operating Income</td>
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<td><strong>Operating Costs</strong></td>
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<td></td>
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</tr>
<tr>
<td>Payroll Expenses</td>
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<td>19,544</td>
<td>778,708</td>
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<td>(48,573)</td>
<td>60,000</td>
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<td>153,625</td>
<td>(4,280)</td>
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<td>6,801</td>
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<td>13,242</td>
<td>(1,665)</td>
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<td>16,932</td>
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<td>997</td>
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<td>796</td>
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<td>(4,182)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>50,000</td>
</tr>
<tr>
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<td>49,085</td>
<td>178,917</td>
<td>(11,347)</td>
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<td><strong>Reserve Account Deposits</strong></td>
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<td>Annual Operating Reserve</td>
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<td>(1,516)</td>
<td>26,848</td>
<td>-</td>
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<td>Major Repair &amp; Equipment Reserve</td>
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<td>9,917</td>
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<td>8,500</td>
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<td><strong>Total Reserve Deposits</strong></td>
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<td>36,765</td>
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<td><strong>Net Church Operations After Reserve Deposits</strong></td>
<td>139,306</td>
<td>83,236</td>
<td>56,070</td>
<td>142,153</td>
<td>(2,847)</td>
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<td><strong>Investment Income</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend &amp; Interest Income</td>
<td>737</td>
<td>652</td>
<td>85</td>
<td>-</td>
<td>737</td>
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<td>Realized Stock Gain (Loss)</td>
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<td>(628)</td>
<td>576</td>
<td>-</td>
<td>(52)</td>
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<tr>
<td>Unrealized Stock Gain (Loss)</td>
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<td>(206)</td>
<td>(369)</td>
<td>-</td>
<td>(575)</td>
</tr>
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<td><strong>Net Investment Income (Loss)</strong></td>
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<td>(182)</td>
<td>292</td>
<td>-</td>
<td>110</td>
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<td><strong>Operating Surplus (Deficit)</strong></td>
<td>139,416</td>
<td>83,054</td>
<td>56,362</td>
<td>142,153</td>
<td>(2,737)</td>
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<tr>
<td>Buchan Principal Payment</td>
<td>16,500</td>
<td>-</td>
<td>22,167</td>
<td>(5,667)</td>
<td>38,000</td>
</tr>
<tr>
<td><strong>Net Cash Effect</strong></td>
<td>122,916</td>
<td>119,896</td>
<td>2,930</td>
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First Unitarian Church  
Monthly Operating Summary 1/31/2016

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<tr>
<th></th>
<th>ACTUAL OPERATIONS CURRENT</th>
<th>ACTUAL OPERATIONS PREVIOUS</th>
<th>OPERATIONS MO to MO VARIANCE</th>
<th>BUDGET CURRENT MONTH</th>
<th>BUDGET VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 2016</td>
<td>December 2015</td>
<td></td>
<td></td>
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<tr>
<td><strong>Church Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledge Income</td>
<td>130,640</td>
<td>208,018</td>
<td>(77,378)</td>
<td>122,413</td>
<td>8,227</td>
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<tr>
<td>Contributions</td>
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<td>38,254</td>
<td>(31,044)</td>
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<td>Program Income</td>
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<td>19,594</td>
<td>(1,191)</td>
<td>18,415</td>
<td>(12)</td>
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<td>3,245</td>
<td>22,686</td>
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<td>(1,038)</td>
<td>1,966</td>
<td>354</td>
</tr>
<tr>
<td>Justice Begins At Home</td>
<td>665</td>
<td>10,165</td>
<td>(9,500)</td>
<td>-</td>
<td>665</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
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<td>312,212</td>
<td>(116,905)</td>
<td>172,388</td>
<td>22,919</td>
</tr>
<tr>
<td><strong>Operating Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td>109,847</td>
<td>116,855</td>
<td>7,008</td>
<td>111,210</td>
<td>1,363</td>
</tr>
<tr>
<td>Justice Begins At Home</td>
<td>11,967</td>
<td>7,427</td>
<td>(4,540)</td>
<td>12,000</td>
<td>33</td>
</tr>
<tr>
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<td>1,850</td>
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<td>54</td>
<td>8,747</td>
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<td>5,426</td>
<td>(168)</td>
<td>5,667</td>
<td>73</td>
</tr>
<tr>
<td>Other Expense</td>
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<td>-</td>
<td>367</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buchan Principal Payment</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Costs</strong></td>
<td>179,472</td>
<td>186,866</td>
<td>7,394</td>
<td>191,909</td>
<td>12,437</td>
</tr>
<tr>
<td><strong>Net Church Operations</strong></td>
<td>15,835</td>
<td>125,346</td>
<td>(109,511)</td>
<td>(19,521)</td>
<td>35,356</td>
</tr>
<tr>
<td><strong>Reserve Account Deposits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Operating Reserve</td>
<td>3,835</td>
<td>3,835</td>
<td>-</td>
<td>3,835</td>
<td>-</td>
</tr>
<tr>
<td>Major Repair &amp; Equipment Reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,417</td>
<td>1,417</td>
</tr>
<tr>
<td><strong>Total Reserve Deposits</strong></td>
<td>3,835</td>
<td>3,835</td>
<td>-</td>
<td>5,252</td>
<td>1,417</td>
</tr>
<tr>
<td><strong>Net Church Operations After Reserve Deposits</strong></td>
<td>11,999</td>
<td>121,511</td>
<td>(109,511)</td>
<td>(24,773)</td>
<td>36,773</td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend &amp; Interest Income</td>
<td>101</td>
<td>125</td>
<td>23</td>
<td>-</td>
<td>101</td>
</tr>
<tr>
<td>Realized Stock Gain (Loss)</td>
<td>(52)</td>
<td>-</td>
<td>52</td>
<td>-</td>
<td>(52)</td>
</tr>
<tr>
<td>Unrealized Stock Gain (Loss)</td>
<td>-</td>
<td>(248)</td>
<td>(248)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net Investment Income (Loss)</strong></td>
<td>50</td>
<td>(124)</td>
<td>(173)</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td><strong>Operating Surplus (Deficit)</strong></td>
<td>12,049</td>
<td>121,387</td>
<td>(109,685)</td>
<td>(24,773)</td>
<td>36,822</td>
</tr>
<tr>
<td>Buchan Principal Payment</td>
<td>3,293</td>
<td>3,462</td>
<td>(169)</td>
<td>3,167</td>
<td>126</td>
</tr>
<tr>
<td><strong>Net Cash Effect</strong></td>
<td>8,756</td>
<td>117,925</td>
<td>(109,169)</td>
<td>(27,940)</td>
<td>36,696</td>
</tr>
</tbody>
</table>
## First Unitarian Church Dashboard Report January 2016

### CAMPAIGN MONTHLY TRACKING

<table>
<thead>
<tr>
<th>Pledge Drive Statistics</th>
<th>2016 Campaign</th>
<th>2015 Campaign</th>
<th>2014 Campaign</th>
<th>2013 Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As Of</strong></td>
<td>01/31/16</td>
<td>01/31/15</td>
<td>01/31/14</td>
<td>01/31/13</td>
</tr>
<tr>
<td>All Members--</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledge Goal</td>
<td>1,500,000</td>
<td>1,425,000</td>
<td>1,430,532</td>
<td>1,419,000</td>
</tr>
<tr>
<td>Pledges Received</td>
<td>1,466,000</td>
<td>1,374,644</td>
<td>1,326,455</td>
<td>1,320,695</td>
</tr>
<tr>
<td>Percent of Goal</td>
<td>97.73%</td>
<td>96.47%</td>
<td>92.72%</td>
<td>93.07%</td>
</tr>
<tr>
<td>Pledging Households</td>
<td>920</td>
<td>989</td>
<td>930</td>
<td>1,005</td>
</tr>
<tr>
<td>Average Pledge Received</td>
<td>1,593</td>
<td>1,390</td>
<td>1,426</td>
<td>1,314</td>
</tr>
<tr>
<td>Payments Received</td>
<td>265,150</td>
<td>253,802</td>
<td>251,566</td>
<td>240,266</td>
</tr>
<tr>
<td>Match Payments Received</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Justice Begins At Home - Match Challenge

| Percent of Pledge     | 18.1%         | 18.5%         | 19.0%         | 18.2%         |

### Attendance

<table>
<thead>
<tr>
<th>*January '16</th>
<th>January '15</th>
<th>January '14</th>
<th>January '13</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the month</td>
<td>3,548</td>
<td>3,342</td>
<td>3,387</td>
</tr>
<tr>
<td>Total for the Church Year</td>
<td>16,561</td>
<td>17,485</td>
<td>-5.28%</td>
</tr>
<tr>
<td>Average per Sunday for month</td>
<td>710</td>
<td>836</td>
<td>-15.07%</td>
</tr>
<tr>
<td>Average per Sunday YTD</td>
<td>753</td>
<td>833</td>
<td>-9.59%</td>
</tr>
</tbody>
</table>

** = 5-Sunday month

Note: 1st Sun - snow

| Christmas Eve | 2,230 | 2,201 | 2,035 | 2,025 |

### New Members

<table>
<thead>
<tr>
<th>Sep '15 - Jan '16</th>
<th>Sep '14 - Jan '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolled</td>
<td>29</td>
</tr>
<tr>
<td>Number of Pledges Received</td>
<td>22</td>
</tr>
<tr>
<td>Total Amount of Pledges Received</td>
<td>17,866</td>
</tr>
<tr>
<td>Average Pledge</td>
<td>812</td>
</tr>
</tbody>
</table>

### Plate Contributions

<table>
<thead>
<tr>
<th>FY15</th>
<th>Recipient(s)</th>
<th>FY15</th>
<th>Recipient(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>3,401</td>
<td>Reentry Trans Proj; Rebuild Churches</td>
<td>Jan</td>
</tr>
<tr>
<td>Aug</td>
<td>2,880</td>
<td>LUMMI Tribe</td>
<td>Feb</td>
</tr>
<tr>
<td>Sep</td>
<td>2,548</td>
<td>Northstar Clubhouse</td>
<td>Mar</td>
</tr>
<tr>
<td>Oct</td>
<td>3,572</td>
<td>Wisdom of Elders; UUUNO</td>
<td>Apr</td>
</tr>
<tr>
<td>Nov</td>
<td>3,700</td>
<td>Western Farm Workers Assn</td>
<td>May</td>
</tr>
<tr>
<td>Dec</td>
<td>7,499</td>
<td>FirstU Emergency Fund</td>
<td>Jun</td>
</tr>
</tbody>
</table>

Fiscal YTD: 27,753
## First Unitarian Church of Portland

### Cash/Securities Balances

#### December 31, 2015 January 31, 2016

<table>
<thead>
<tr>
<th>Dept</th>
<th>Fund Name</th>
<th>General Ledger Fund Balance</th>
<th>Change from Prior Month</th>
<th>General Ledger Fund Balance</th>
<th>1010 WF Business Checking</th>
<th>1011 WF Money Market</th>
<th>1020 UBS Investment</th>
<th>1035-10 WF SUI Deposit</th>
<th>1060 Federated &amp; Franklin</th>
<th>1012-10 Wells Fargo HYS</th>
<th>1060-42 Chas Schwab (MJS Lecture)</th>
<th>1014-10 Wells Fargo Tax Rebate</th>
<th>On Point Anniversary</th>
<th>1015-10 Justice Begins At Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Cash for Operation</td>
<td>147,142.20 (40,603.44)</td>
<td>106,538.76</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Total Operating Fund</td>
<td>147,142.20 (40,603.44)</td>
<td>106,538.76</td>
<td>106,124.98</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3412</td>
<td>Annual Operating Reserve</td>
<td>23,012.52</td>
<td>3,835.42</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3414</td>
<td>Major Donor Reserve Fund</td>
<td>70,000.00</td>
<td>-</td>
<td>70,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3415</td>
<td>Sabbathal Reserve</td>
<td>1,000.00</td>
<td>-</td>
<td>1,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3423</td>
<td>Special Projects Reserve</td>
<td>28,386.70</td>
<td>-</td>
<td>28,386.70</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3430</td>
<td>Major Repairs &amp; Equipment Reserve</td>
<td>159,653.63</td>
<td>-</td>
<td>159,653.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3413</td>
<td>Safety Reserve</td>
<td>90,235.22</td>
<td>50,000.00</td>
<td>140,235.22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1012-10</td>
<td>Required Loan Reserve</td>
<td>111,451.03</td>
<td>18.94</td>
<td>111,469.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1015-10</td>
<td>Justice Begins at Home</td>
<td>66,709.71</td>
<td></td>
<td>69,450.71</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3424</td>
<td>Reserve Tax Rebate</td>
<td>48,975.77</td>
<td>2.49</td>
<td>48,978.26</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1010-49</td>
<td>Program Designated</td>
<td>239,968.04 (1,350.37)</td>
<td>238,617.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Total Restricted Funds</td>
<td>223,652.23</td>
<td>55,247.48</td>
<td>894,640.10</td>
<td>238,617.67</td>
<td>426,123.49</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>111,469.97</td>
<td>-</td>
<td>48,978.26</td>
<td>-</td>
<td>69,450.71</td>
<td></td>
</tr>
<tr>
<td>1011-40</td>
<td>Commemoration</td>
<td>17,194.89</td>
<td>-</td>
<td>17,194.89</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Chesney (Intern Minister)</td>
<td>39,671.56 (320.55)</td>
<td>39,351.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>MJS Lecture Series</td>
<td>104,013.32 (3,206.82)</td>
<td>100,806.50</td>
<td>51.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Hessler-Deale (Women in Ministry)</td>
<td>24,936.89</td>
<td>62.88</td>
<td>24,999.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Anniversary</td>
<td>17,492.36</td>
<td>292.75</td>
<td>17,785.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1035-10</td>
<td>State Unemployment Insurance</td>
<td>20,343.21</td>
<td>3.23</td>
<td>20,346.44</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Total Restricted Funds</td>
<td>223,652.23 (3,168.51)</td>
<td>220,483.72</td>
<td>-</td>
<td>55,658.40</td>
<td>-</td>
<td>20,346.44</td>
<td>25,939.15</td>
<td>-</td>
<td>100,754.62</td>
<td>-</td>
<td>48,978.26</td>
<td>-</td>
<td>69,450.71</td>
<td></td>
</tr>
<tr>
<td>Total All Funds</td>
<td>1,215,307.28</td>
<td>11,655.53</td>
<td>1,226,962.81</td>
<td>350,042.88</td>
<td>482,195.67</td>
<td>-</td>
<td>20,346.44</td>
<td>25,939.15</td>
<td>111,469.97</td>
<td>100,754.62</td>
<td>48,978.26</td>
<td>-</td>
<td>17,785.11</td>
<td>69,450.71</td>
</tr>
<tr>
<td>Per Bank Rec.</td>
<td>1,215,307.28</td>
<td>11,655.53</td>
<td>$1,226,962.81</td>
<td>$350,042.88</td>
<td>$482,195.67</td>
<td>-</td>
<td>20,346.44</td>
<td>25,939.15</td>
<td>111,469.97</td>
<td>100,754.62</td>
<td>48,978.26</td>
<td>-</td>
<td>17,785.11</td>
<td>69,450.71</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>500.00</td>
<td></td>
<td>500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Lines of Credit**

**Operating**

<table>
<thead>
<tr>
<th>Dept</th>
<th>Fund Name</th>
<th>Ending Balance</th>
<th>Payments</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2120-10</td>
<td>Wells Fargo Buchan Loan</td>
<td>$1,528,516.92</td>
<td>($3,293.37)</td>
<td>$1,525,223.55</td>
</tr>
</tbody>
</table>
# First Unitarian Church

## Statement of Cash Flows

For the Month Ending 1/31/2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Cash &amp; Equivalents Balance</strong></td>
<td>$1,215,807.28</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
</tr>
<tr>
<td>Pledges &amp; Contributions Received</td>
<td>$137,849.78</td>
</tr>
<tr>
<td>Events/Weddings/Memorials</td>
<td>$2,735.00</td>
</tr>
<tr>
<td>Rents Received</td>
<td>$33,334.24</td>
</tr>
<tr>
<td>Program Receipts</td>
<td>$23,568.51</td>
</tr>
<tr>
<td>Special Events</td>
<td>$97.00</td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>$1,887.58</td>
</tr>
<tr>
<td>Interest/Gain-Loss on Investments</td>
<td>($3,413.99)</td>
</tr>
<tr>
<td>Increase/Decrease Accounts Receivable</td>
<td>($1,260.00)</td>
</tr>
<tr>
<td>Special Fundraising</td>
<td>$665.00</td>
</tr>
<tr>
<td>Restricted Fund Receipts</td>
<td>$90.00</td>
</tr>
<tr>
<td>Operating Receipts</td>
<td>$195,553.12</td>
</tr>
<tr>
<td>Buchan Building Receipts</td>
<td>$180.00</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>$195,733.12</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll/Taxes/Benefits</td>
<td>($109,846.84)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>($48,211.18)</td>
</tr>
<tr>
<td>Program Expenses</td>
<td>($15,215.22)</td>
</tr>
<tr>
<td>Justice Begins At Home</td>
<td>($11,967.12)</td>
</tr>
<tr>
<td>Special Events</td>
<td>($380.00)</td>
</tr>
<tr>
<td>Increase/Decrease Prepaid Expenses</td>
<td>$2,751.33</td>
</tr>
<tr>
<td>Acquisition of Property &amp; Equipment</td>
<td>$380.00</td>
</tr>
<tr>
<td>Increase/Decrease Accounts Payable</td>
<td>$1,794.61</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>($89.80)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>($180,784.22)</td>
</tr>
<tr>
<td>Wells Fargo Buchan Building Loan</td>
<td>($3,293.37)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>($184,077.59)</td>
</tr>
<tr>
<td><strong>Net Cash In/(Out)</strong></td>
<td>$11,655.53</td>
</tr>
<tr>
<td><strong>Ending Cash &amp; Equivalents Balance</strong></td>
<td>$1,227,462.81</td>
</tr>
</tbody>
</table>
Notes to Financials

January 2016

Operating Income

1. Pledge income exceeded budget for the month but still below budget YTD.
2. Contributions same as pledge income.
3. Program Income:
   a. Scrip 4,924
   b. Seminary for a Day 6,164
   c. Adult Programs 2,814
   d. Bookstore 2,013
   e. Parking Tags 1,770
4. Rental Income includes:
   Events 7,032
   Tenants Rent 26,302
5. Other Income –
   a. Sexton fees from rental events 2,122
6. Justice Begins At Home:
   Jan collection 665
   (to be transferred to account in Dec)

Operating Costs

1. Monthly payroll under budget for the month 11,967
   (based on FY15 budget; FY16 budget pending due to labor negotiation)
   Justice Begins At Home – includes Jan salary/pension/FICA adjustments for hourly
   employees, Jul-Dec FICA adjustments, non-union salary adjustments*
   *effective Jan 2016
2. Occupancy –
   a. Utilities 9,800
   b. Equipment Repairs 1,039
3. Program Expenses
   a. Musicians/other expenses 1,175
   b. Seminary for A Day (preliminary total) 2,950
   c. Scrip 3,640
   d.

Dashboard

1. Sept New members = 4, 2 pledges received
2. Plate recipient = Street Roots
3.

**Cash/Securities Balances**

1. Major Donor Reserve Fund - $30K donation received in Dec transferred from checking account to money market account (see increase); Distribution to be done in February
2. Buchan Bldg Loan Payment – ($3,293) taken out from Operating account.
3. Justice Begins At Home - change shows net between Dec payments deposit and withdrawal for payroll
4. Safety Reserve – (increase) - $50K transferred back from Operation
5. MJS Lecture Series (decrease) – investment loss
6. Chesney – (decrease) – investment loss