

The Community Church of Chapel Hill

UNITARIAN UNIVERSALIST

106 Purefoy Road, Chapel Hill, NC 27514 • 919-942-2050 • c3huu.org

BOARD OF TRUSTEES

Meeting Minutes

May 14, 2019

Members: Russ Bowen Barb Chapman (arrived 7:15)
Steve Day Scott Edinborough B. Rodriguez
Caroline Sherman Doug Shier Jenny Warnasch

Ex Officio: Thom Belote Dan Sommer Andrew Wright

Chalice Lighting/Opening Reading (7:00) - Jenny Warnasch read passage on “Being Busy” by Amy Kraus Rosenthal. Doug Shier lit the chalice.

Mission Reading (7:03) - R. Bowen read mission statement.

Check-in (7:04) - Each member checked in and gave a brief update on their personal life.

Consent Agenda (7:09) - R. Bowen handed out copies of the agenda and pointed out the addition of the Board Nominating Committee Appointments since the time it was emailed to BoT members. He also requests adding the Approval of the Minutes from the closed session in March 2019. D. Sommer highlighted small adjustments to the April 2019 minutes since they were emailed to BoT members.

- Approval of Agenda (attached)
- Approval of April Minutes
- Approval of March Closed Session Minutes
- Minister’s Monthly Report (attached)

R. Bowen motions

J. Warnasch seconds

All in favor with none opposing or abstaining

Board Nominating Committee Appointments (7:11) - R. Bowen reported that two people were recruited for this committee, Laura Gilliom and George Thompson, and presented the following motion. Jane Provane and Abby Beasley Crombie will remain on the committee.

Motion:

The Board of Trustees shall appoint Laura Gilliom and George Thompson to serve on the Board Nominating Committee for a two-year term beginning July 1, 2019.

R. Bowen motions

B. Rodriguez seconds

All in favor with none opposing or abstaining.

Guest in the Manse Report (7:14) - D. Shier told the history of the church becoming a sanctuary church. He reported that a refugee from Cuba is staying in the Manse. There are volunteers staying with her in rotation. The church is also poised to welcome a sanctuary-seeking immigrant and is committed to this for a 6-month period (until her work permit is approved). Anyone interested in volunteering can contact Doug Shier or Ruth Gibson.

Pre-school Move Out Report (7:24) - R. Bowen reported that the Pre-school went over the plan that was laid out in April (June 23rd move-out date and logistics) with Brad and Marion. They are pleased with the plan and will follow-up.

Building Task Force Report (7:26) - J. Warnasch reported that they still plan on a late summer start. Brad will know more details by the end of May. She reiterated that there will be no ground breaking at the June Congregational meeting. The Task Force would like to hold a regular open-house. They will hold sign-up for volunteers at the congregational meeting. The question of food at the congregational meeting arose; it was decided that kids need snacks, but adults do not.

Authorization for Signing Loan Documents (7:33) - R. Bowen presented the following motion (also printed on back of the agenda) and invited discussion.

Authorization of the Board President to sign loan documents for the new building project:

Motion:

The Board of Trustees authorizes the Board President, Russell Bowen, to sign loan documents for the new building project.

B. Chapman motions

C. Sherman seconds

All in favor with none opposing or abstaining

Open/Closed Meeting Policy Amendment (7:35) - B. Rodriguez passed out a [draft](#) containing the changes. BoT members discussed the purpose of the closed session, as well as refining the language around closed session. S. Day will rewrite the last paragraph of the draft. The committee will continue to work on these changes.

Endowment Committee Report (7:45) - B. Chapman reported that the committee is pleased with the meeting with Mark Ewert. She passed out and reviewed the minutes of the April 16th meeting (attached). The Endowment Committee would like to use the rest of M. Ewert's time working together with other committees. There have already been several grants filled out and \$7K in grants not yet filled out. B. Chapman passed out (attached) packet containing page 30 from the BoT Policy Book (Stewardship Committee), Bylaw 9 (Endowment Fund), and the Amended Resolution to Implement the Endowment. She discussed potentially using Endowment-like funds for different purposes ~~instead of taking directly from the principal~~; one example was funds for maintenance.

Planned Giving Committee (7:59) - B. Chapman suggested talking with those who wish to leave a gift for the church in order to find out their wishes. Currently, the BoT has the authority to make the final decision as to how funds are used. T. Belote explains the differences between "End of Life" and "Planned" giving. There is a possibility that the BoT will work with M. Ewert. B. Chapman will get potential meeting dates from M. Ewert and inform the BoT.

2019/2020 Budget Revision (8:13) - T. Belote passed out the [budget](#) and reviewed. Pledges have increased. Staff compensation was adjusted. Maintenance reserves were removed; this was discussed with Brad and he was OK with this. BoT members discuss maintenance projects and priorities. There

will be a talk with HR and the Finance Committee with a focus on the long-term financial health of the church.

Annual Fund Drive Chair Follow-up (8:27) - B. Chapman reported she met with Bill Rote and Mary Beth Powell. They thanked the BoT for the card and would like to have a debriefing with T. Belote.

June Congregation Meeting (8:29) - R. Bowen asked about award. T. Belote answered that the staff receives nominations from church members, the staff decides and makes the awards, and finally the BoT presents them during the Congregational Meeting. R. Bowen proposed the following items for the meeting:

Awards
Endowment Business
Church Year in Review
(No Budget because of May 19th Town Hall Meeting)

BoT members sign up for meeting duties.

Governance Quiz (8:35) - R. Bowen gave a short verbal quiz to the BoT. Fun was had by all.

Process Evaluation (8:40) - J. Warnasch led. Many BoT members noted overall improvement in communication.

Chalice Extinguishing/Closing Reading (8:45) - J. Warnasch read passage by Ethel Waters. D. Shier extinguished chalice.

The Community Church of Chapel Hill

Unitarian Universalist

May 14, 2019

7 pm - 9 pm; Straley Room

Board Member of the Month: Jenny

Item	Responsible Person	Time
<u>Chalice Lighting/Opening Reading</u>	Jenny	7:00 - 7:02
<u>Mission Statement Reading</u>	Russ	7:02 - 7:04
<p>Inspired by the wisdom of diverse religious traditions and our own history of ethical engagement, we strive to nurture spiritual growth, support and care for each other, and effect change through our love for the world.</p>		
<u>Check-in</u>	All	7:04 - 7:15
<u>Consent Agenda</u> <ul style="list-style-type: none">• Approval of Agenda• Approval of April Minutes• Minister's Monthly Report	Russ	7:15 - 7:17
<u>Board Nominating Committee Appointments</u>	Russ	7:17 - 7:22
<u>Guest in the Manse Report</u>	Doug	7:22 - 7:30
<u>Pre-school Move Out Report</u>	Russ	7:30 - 7:35
<u>Building Task Force Report</u>	Jenny	7:35 - 7:40
<u>Authorization for Signing Loan Documents</u>	Andrew	7:40 - 7:45
<u>Open/Closed Meeting Policy Amendment</u>	Bianca	7:45 - 8:00
<u>Endowment Committee Report</u>	Barb	8:00 - 8:05
<u>Planned Giving Committee</u>	Barb	8:05 - 8:15
<u>2019 - 2020 Budget Revisions</u>	Thom	8:15 - 8:30
<u>June Congregational Meeting</u>	Russ	8:30 - 8:40
<u>Governance Quiz</u>	Russ	8:40 - 8:45
<u>Nonviolent Communication Exercise</u>	Russ	8:45 - 8:50
<u>Process Evaluation</u>	Jenny	8:50 - 8:58
<u>Chalice Extinguishing/Closing Reading</u>	Jenny	8:58 - 9:00

Appointment of Laura Gilliom and George Thompson to Board Nominating Committee:

Motion:

The Board of Trustees shall appoint Laura Gilliom and George Thompson to serve on the Board Nominating Committee for a two-year term beginning July 1, 2019.

Authorization of the Board President to sign loan documents for the new building project:

Motion:

The Board of Trustees authorizes the Board President, Russell Bowen, to sign loan documents for the new building project.

May Minister's Report
Rev. Thom Belote
April 9, 2019

Since Last Report (April 9, 2019)

- Preached and led worship on 4/14.
- Preached and led worship on 4/21.
- Attended services and assisted Worship Associate at Choir's "Misa de Buenos Aires" worship service on 5/5.
- Will preach and lead worship on 5/12.
- Attended meeting of Worship Ministry on 5/7.
- Attended meeting of Committee on Ministry on 4/17.
- Led orientation and training for Caring Ministry on 4/11.
- Attended meeting with Caring Ministry on 5/9.
- Attended meetings of Sanctuary & Immigrant Support Ministry on 4/29 and 5/6.
- Led weekly staff meetings.
- Co-led Exploring Membership classes with Rachel Rose on 5/2 and 5/9.
- Attended New Member Reception on 4/14.
- Completed teaching 5-session Preaching Practicum class. Worked with 6 different members of the church on their summer sermons / worship services. (See below.)
- Co-led last session of Covenant Group on 5/2.
- Met with Andy Hencke, Steve Warshaw, and Sindy Barker to discuss Capital Campaign follow-ups.
- Met with Bonnie Nelson and Andy Hencke to discuss "Bridging the Gap" campaign.
- Attended webinar between Mark Ewert and members of the church Endowment.
- Attended annual Music Gala with a "Seven Deadly Sins" theme.
- Led session of the Coming of Age class on 5/5. Talked about membership and played stump the minister.
- Approximately 20 members of our community joined me in attending "White Ally Toolkit" anti-racism training with Dr. David Campt at Kehillah Synagogue.
- Attended monthly meeting of UU ministers from central North Carolina.

Summer Worship Schedule (June-August 2019)

June 2	Rising Up with Marion Hirsch and Rev. Thom Belote
June 9	Alison Mercer-Smith
June 16	Eric Bannan
June 23	Susan Blanchard
June 30	Karen Abbotts
July 7	Amy Glazier

July 14 Trey Kennedy
July 21 Rev. Jordinn Nelson Long (Fairhaven, MA)
July 28 Rev. Thom Belote
August 4 Rev. Jim Magaw (Pittsburgh, PA)
August 11 Rev. Thom Belote
August 18 Rev. Thom Belote
August 25 Gathering of the Waters Multigenerational service with Rev. Thom Belote

C3HUU Endowment Committee Meeting with Mark Ewert
April 16, 2019 4-5:30 Inpm
Bowen Learning Network Conference Room
Minutes

Present: Thom Belote, Russ Bowen, Polly Johnson, Scott Provan, Doug Shier, Mike Gilliom, Barb Chapman, Katie Heineman
Conference In: Mark Ewert

- Introductions
- Mark began by mentioning that we may not have time to discuss everything we need to today (end of today would be 5.5 hours of his 8 hour contract).
- The first question (of those we had sent him) that Mark addressed was, in congregations with mature governance model, where does the endowment fit in, and to what entity does it report?
 - Mark pointed out that in our documents there is some confusion about the actual fiduciary of the endowment. As per the law regarding 501 (c) 3's, the board is the ultimate fiduciary. We need to understand this because for example, the board could accept an endowment gift that the committee recommends against.
 - Polly read the updated extensive list of governance positions covered in our Board and Directors Insurance Policy. According to that, as a committee we are covered. The implied question is doesn't that mean we have some fiduciary responsibility?
 - **Recommendation:** We go through documents and revise so that it's explicitly clear that the board is the fiduciary.
 - Regarding whether the endowment reports to the congregation or the board, Mark's interpretation is that since the board is responsible legally for the financial health of the congregation, we report to the board. He said that tension between managers of the endowment and the board is common. We should be clear and transparent in order to reduce that tension.
 - **Recommendation:** Make sure that the congregation understands the board is the ultimate decision maker regarding financial aspects of the church and its operation. The endowment committee may seek congregational input and advice, but we need to recognize the authority of the board.
 - Mark also stated that the board should follow its own policies, including those pertaining to the endowment. Scott pointed out that the board may need to follow its own policies, but the congregation, not the board, set the endowment's governing policies. Mark restated that is why we have to be clear with the congregation about which entity has final responsibility.
 - **Recommendation:** Make sure endowment documents don't reinterpret any board policies in its policies. Only quote and cite directly.

- Mark mentioned that he likes the granting program, but as the endowment gets larger, it might begin to interfere with the board's fiduciary.
 - Cautions regarding the grants program:
 - Ensure funded projects align with the ministries of the church and support the work of the church's minister.
 - Ensure grant funded project don't have hidden costs that put the church's budget at risk.

- Mark said we might want to establish multiple funds for multiple purposes as the endowment grows. However, we should be mindful to ensure there is flexibility for each fund – we don't want to end up legally committed to an issue that is no longer of concern. Our set up needs to last for centuries – it should be set up for long-term stewardship.
 - He cited the example of the Providence RI congregation, which has a great program serving those who with food insecurity. However, its endowment has the restriction that funds can only pay for food itself, not the infrastructure needed to implement the program. This means that the congregation has to put in a lot of effort to raise the funds for the infrastructure, which takes away from other endeavors of interest to the congregation.
 - Another example is from the congregation in Newburyport, MA. That church has a large endowment for the orphans of Newburyport, however, Newburyport has become a wealthy community with no orphans, so now the congregation will have to expend resources on legal fees for going before a judge to break that donor intent.
 - Ultimately, specific funds provide clarity regarding donor intent.

- What's the right size for the endowment?
 - Endowments can be too large and can overshadow the congregation. A very large endowment can make it very difficult to run an annual campaign, which leads to congregants feeling less connection to the congregational community in general.
 - **Recommendation:** the endowment committee and board should be discussing the goal for the endowment fund. Factors to consider include:
 - Needs for buildings and grounds
 - Size of membership
 - Congregational ambitions
 - The All Souls endowment is >\$25M. They make about \$100,000 in grants outside of church annually, and they have used endowment funds to pay for part of a social justice minister. He mentioned this as an example of why we might not want to state outright that the endowment cannot cover operational expenses (or we could endow specific positions).

- Most UU congregations take endowment to mean a permanent endowment, but because the board has ultimate responsibility for how the endowment is used, they

really have quasi-permanent endowments. Because we never want our congregants (i.e. donors) to have cause for becoming unhappy, it is vitally important to be clear and transparent with them about this (and their heirs, who might come after the church if they see donor's wishes are not being honored).

- **Recommendation:** Develop and use a donor intent form. Donor intent forms not only make it easier to ensure a donor's wishes are being followed, but can open a negotiation between a donor and the congregation.
- **Recommendation:** Review and rewrite our gift policy so it can be used as a tool for donors to share with their financial advisors.
- **Recommendation:** Be careful not to talk about only "end of life gifts". Reframe as "estate planning" (Eventually we'll want to include other giving tools).
 - Considerations for how the church is included in estate plans include how long someone has been a member of the congregation (not how much he/she's been giving), does she/he have kids, is he/she single, are his/her children successful?
- **Recommendation:** We need to think about, establish (if not already in place), and make known systems related to administering the endowment. These tasks fall to church administration not the board:
 - Who keeps list of intended donors
 - In what form – is it in the database
 - How do we implement anonymity
 - Whose keeps track of outreach and response to potential donors
 - Who keeps tabs on intent forms
 - Who keeps tabs on acknowledgements
- Mark said that when he did the feasibility study for the building campaign, out of 49 households, more than 20 said they would consider including the church in their estate plans.
 - He recorded information about who has already named the church in their plans, as well as other information the endowment committee has been interested in collecting.
 - **Recommendation:** Figure out how that information can be shared with the endowment committee for follow up.
- Mark said that often congregations have a planned giving committee separate from their endowment committee. As the endowment committee is under board fiduciary, often its members are part of finance team answering to the board, or it might be its own board committee (especially if a larger endowment). On the other hand, the planned giving committee is usually part of stewardship. The two shouldn't be siloed but its two different skill sets – accounting and development.
 - He will probably recommend to us that we establish a "set up" planned giving committee to get new infrastructure in place for the endowment fund, and then a longer-term committee to keep things going year to year.

- It is important to review current policies and make changes/fill in gaps now, before the endowment gets to large. Gift acceptance should be guided by the strategic plan and policies, and it is important to have those in place, before the promise of a gift might pull the church off mission.
 - **Recommendation:** Ensure we have a gift acceptance policy, and that it includes a release of use clause.
 - **Recommendation:** Policies related to the endowment (including the gift acceptance policy) should be online, along with language that a congregant can give to his/her lawyer for inclusion his/her estate plan.

- **Recommendation:** The endowment committee should go to the board and ask, what is ours to decide, ours to recommend to you, and yours to decide? But there needs to be some board education before that's done.
 - Set time to speak with board: these our are documents, this is what Mark recommends, this is all about long term stewardship so we have to be thinking about consistency and commitment to that stewardship. And we have to have the relationships with those that might take over

- **Recommendation:** An explanation of the endowment fund, its purpose and importance for long-term stewardship should be part of new board member orientation.

- **Next steps for Mark:**
 - Prepare and conduct a zoom webinar for the board and the endowment committee. It's not unusual for congregations to need education about endowments.
 - Outcomes from the webinar might include a plan for how the two entities can move forward with a plan for reviewing and revising existing policy documents and education for the congregation (short term) and start the plan for establishing new infrastructure (planned giving committee separate from endowment committee) to support the growth of the endowment fund (long term).
 - Provide us with examples of how the endowment committee should be interfacing with other stewardship efforts in the church.
 - Forward to us a short list of congregations and their planned giving policies for our review and education.

Stewardship Committee

Date Adopted: October 13, 2015

Mission

Financial stewardship is a year-round activity that seeks its inspiration from our mission. Stewardship is crucial to our church's ability to carry out our mission and is best viewed by the Board, staff, and congregation as a form of spiritual practice that comes from, and can deepen, our individual and collective connection to the church, our community, and our mission. The Stewardship Committee is therefore a year-round committee that is responsible for leading financial stewardship activities and the design and implementation of the annual operations pledge campaign.

Membership

The membership consists of a Chair appointed by the Board, the Minister, and such other members as are approved by the Board. At least one of these additional members shall be a member of the Board. Appointments shall be for two-year staggered terms, coincident with the fiscal year, except that the Board member(s) shall serve on a calendar year basis.

Tasks

The Stewardship Committee shall:

- develop and deliver communication strategies year-round that seek to develop financial stewardship as spiritual practice;
- collaborate with the Minister in communicating the annual vision of ministry and the proposed budget to the membership through the annual operations pledge campaign;
- develop and accomplish procedures for interacting with all members of the congregation and with all others who potentially will initiate or renew their pledges;
- evaluate year-round financial stewardship and the annual operations pledge campaign and report to the Board the results of that evaluation; and
- regularly consider various models for financial stewardship and for organizing an annual operations pledge campaign, and make recommendations to the Board for how we can strengthen our stewardship program.

- ANNUAL OPERATIONS
- FUNDS (INCLUDING ENDOWMENT)
- CAPITAL CAMPAIGN

Bylaws of The Community Church of Chapel Hill
Unitarian Universalist
As Amended Through June 12, 2016

9. ENDOWMENT FUND

An Endowment Fund, whose purpose, governance, and operational procedures have been defined by special resolution adopted by the congregation, shall be established.

AMENDED RESOLUTION TO IMPLEMENT THE ENDOWMENT FUND

WHEREAS, stewardship involves the faithful management of all the gifts we have been given--time, talents, the natural world and money, including accumulated, inherited and appreciated resources; and

WHEREAS, we can support the mission and work of this congregation 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:

THEREFORE this congregation, in a special congregational meeting assembled on December 14, 2008, approved and established on the records of the congregation a new and separate fund known as THE COMMUNITY CHURCH OF CHAPEL HILL UNITARIAN UNIVERSALIST ENDOWMENT FUND, (hereafter called the "FUND");

BE IT FURTHER RESOLVED, that the purpose of this FUND is to enhance the mission of The Community Church of Chapel Hill Unitarian Universalist apart from the general operation of the congregation; that only in particular, temporary, difficult circumstances, and where integrity of gift restrictions permit, may this congregation, by action in meeting assembled, use FUND distributions for its own operating or support services;

BE IT FURTHER RESOLVED, that the PRINCIPAL of the FUND is defined as the inflation adjusted value of contributions to the FUND and that this PRINCIPAL shall remain untouched except in special circumstances as approved by a 2/3 majority vote of the members voting at a duly constituted congregational meeting;

BE IT FURTHER RESOLVED, that the Endowment Committee (hereinafter called the "COMMITTEE") is the custodian of the FUND;

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