

The Community Church of Chapel Hill
Minutes for the Board of Directors' meeting December 13, 2011
Board member of the month: George Thompson
Guest Secretary: Ruth Gibson

Present: Mariana Fiorentino, Bob Weston, Maggie Scarborough, SAM Brooks, Josh Socolar, Paige Smith, Kari Andrade, Steve Marshall, George Thompson

Absent: Jim Siplon, Eleanor Armstrong

Guests: Newly –elected Board members Becky Waibel, David Klibanow, Elsbeth Van Tongeren, Andrew Strahs-Hennesey, and guest secretary Ruth Gibson

Ex Officio: Rev. Maj-Britt Johnson, Nathan Hollister, Laurence Kirsch, Scott Provan

I. WELCOME:

George lit the chalice and offered an opening reading, a part of which charges us “Each morning expect a miracle---be astonished---do not be afraid to die today but expect life.”

Board Sharing of joys and concerns followed.

II. ANNOUNCEMENTS:

- Paige invited all to attend the end of the year party and passed around a sign-up sheet for any wishing to contribute food or drink.
- Maria announced that church member Jay Miller received the Citizen of the Year Award from the Carrboro Chamber of Commerce.; the ceremony was attended by some members of our congregation as well as his family.
- Maggie distributed a new item for the agenda regarding an anonymous gift to the church.
- Kari distributed copies of the book Governance and Ministry, by Dan Hotchkiss, to the newly elected members; outgoing members are welcome to keep their copies but if they no longer wish to, Kari asked that they be returned to her for the use of future Board members. The book Governing with Grace will also be given.

III. BOARD LEARNING: Vision Process Update --Kari Andrade

Over 100 people attended the 2 church wide retreats; half of those attending the second retreat had been at the first. More than 100 people completed the vision survey. After the retreats task force groups were formed to work on the wording of each part of the vision, some of these 25 volunteers may go on to lead the strategic planning. The Board is asked to approve the draft vision on or before December 15, 2011.

Three Town Hall meetings will be held early in January for the congregation to review the Vision Statement before it is brought to the Congregational Meeting on February 4, 2012.

The following time line assumes that the draft vision is approved at each step.

- 12/10 Vision Block due
- 12/12 Conference call to wordsmith blocks into a draft
- 12/13 Meeting to finalize draft of vision
- 12/13 Present Draft Vision to BOD
- 12/15 Draft to vision block task forces for approval after approval from BOD
- 12/20 email draft vision to congregation. Publicize town hall meetings
- 1/1 Tabling after service
- 1/8 and 1/9: 3 town hall meetings
- 1/10 BOD approves Vision
- 1/20 Mailing of vision to congregation and packet for congregational meeting
- 2/3-4 Board retreat 2/5 Congregational meeting

Discussion: Board members noted that

- This is a really long process but is worthwhile in order to give the congregation opportunities to participate all along. And the congregation has been very engaged in the process so far.
- A sentence fragment was noted, probably due to a cut-paste error; the missing part of the sentence will be added.
- The present wording has inconsistent grammar, some parts of the vision being in the present tense and parts in the future. Question—is it an intention for the future? Response—it is stronger than that—is meant to be the link between our mission and our strategic plan.
- Maj-Britt suggested that a lead-off statement could clarify that this vision statement reflects the reality we want to see ten years from now.

Bob Weston moved and SAM Brooks seconded that the Board approve the process and timetable, and the motion was approved with 9 affirmative votes; Kari abstained as she was the presenter.

IV: CONSENT AGENDA: the Consent agenda approved included the

- Executive Committee Minutes—included the following action items:
 - A. The Executive Committee recommends providing \$500 for Marion from the Clyde Long Fund and requested that the Finance review the named restricted funds and make a recommendation to the board regarding policies and procedures for the use of these funds.
 - B. Per the Endowment Committee by-laws the Endowment Committee requests that the Board of Directors appoint Allen Spalt interim member. This appointment will be presented to the Congregation for final approval at the next congregational meeting.
- the annual evaluation of the church manager,

- Pledge update
- Mortgage Refinance Decision
- Endowment Committee Minutes, September 2011

V. OPEN DISCUSSION--ANNUAL VISION of the MINISTRY: once there is a strategic plan in place, that will guide the ministry and be reflected in the Annual Vision. For this year Paige and Maj-Britt have identified two priorities:

1. Development of a strategic plan that emerges from an INCLUSIVE process. It is critical that our final strategic plan incorporates ideas and wisdom from across the congregation and has the full support of the congregation.
2. Envisioning a process for PEOPLING our vision – given the likelihood that we will not be able to afford new staff we need to develop and sustain the volunteer leadership and pool we need to move forward on our vision.

Discussion:

- The vision can only be embodied insofar as the congregation is involved.
- We might recognize, and seek pledges for, volunteer commitments. Once we have hired the Volunteer Coordinator, we will better be able to do this.
- Committee leaders need to be alerted to include participation in the Strategic Planning process among their annual goals, as they may already be working on these.
- The roles of the Board and of the congregation, the relationship between the Vision Statement and the Strategic plan, need to be clear .
- Once the 10 year plan has not been developed, the work would best be broken down into three-year chunks, according to Hotchkiss.

VI. BUSINESS:

A. Past Business:

Finance Policies 2nd reading: Maggie led the board in the second reading of the Proposed Finance-Related Revisions to the Board Policy Book. (see appendix A).

Discussion: In order to forecast replacement costs of “major facilities” as required in the Maintenance section, Bob Weston has made an inventory of all such equipment and identified current replacement costs; Laurence Kirsch has organized this information on a spread sheet.

SAM Brooks moved, and Bob Weston seconded, that this policy be affirmed; all approved.

B. NEW BUSINESS

1. **Unrestricted memorial gifts policy: First reading**

IV Management -- B. Powers Reserved to the Board -- 3. Gifts to the church.

Date Adopted:

Suggested Date of Review:

Donors may designate that their gifts go to the Endowment Fund, to any existing fund, or to any new fund that the Board of Directors may choose to create. The Endowment Committee shall determine the acceptability of gifts to the Endowment Fund, and the Board of Directors shall determine the acceptability of all other gifts.

Bequests: Bequests include a bequest, trust, or life insurance payout. Unless otherwise designated by the donor, all gifts received from bequests shall go to the Endowment Fund.

Memorial Gifts: In the absence of designation by either the family or the donor, memorial contributions shall go to the Endowment Fund. If a family designates that memorials for a family member go to a specific fund, all gifts identified as being given in honor of that person shall go to the specified fund unless the donor states otherwise, in which case the donor's designation shall determine the fund to which the gift goes.

Other: In the absence of a designation to a specific fund, gifts that are not bequests or memorial gifts shall go to general operating funds, unless there is a current capital campaign and the gift exceeds \$2,500, in which case the gift will go to the capital campaign.

Background: This policy proposal represents a compromise between the Endowment and the Finance Committees, each of whom had different policies for gifts to the church. The goal of the Endowment Committee is to encourage people to give to the Endowment Fund, rather than to a restricted purpose. If adopted, this policy would mean that any undesigned bequests and memorial gifts will automatically go to the Endowment Fund. Even if the church has another financial need, these gifts cannot be directed to the operating budget. If someone wishes to give money for a specific restricted purpose, and the gift is not a bequest or memorial gifts, it will be up to the Board to decide whether to accept the gift along with the conditions that restrict the use of the funds.

Discussion:

- In response to a question, the definition of "bequest" was clarified, to mean a gift that is given after the death of the donor.
- Some parts of this policy are required by law, for example, if the terms of a gift restrict the use of it, the recipient is generally not free to use the money for any other purpose. It would be helpful to have some indication of which parts of the policy conform to legal requirements (so could not be changed by a future Board decision) and which parts of the policy proposed are a matter of choice (and could therefore be changed by a future board.).

- Laurence noted that the substantive issue addressed here is, what happens to unspecified gifts. The proposed policy clarifies this matter and the two committees proposing it are in agreement.

Regarding the concern about use of the Endowment for Operating expenses in the event of an emergency it was noted that the Endowment Charter requires that 2/3 of the Congregation must vote to take money from the Endowment Fund. The Endowment Committee says that at the spring Congregational Meeting they will request that this wording be changed to 2/3 vote of quorum present at Congregational Meeting. This proposed change to the Endowment Charter will allow access to Endowment in case of emergencies that the congregation doesn't cover out-of-pocket.).

- It is reasonable to assume that money left to the church in a will was intended for the long –term benefit of the church, unless the donor has attached a restriction to the gift.
- It’s good to have the policy in place—although this board had been fiscally prudent, others might not be.

3. Delegation of management policy revision: First reading

IV Management -- 3. Delegation of Management

Date Adopted: April 13, 2010

The recommendation is to add “building and grounds” (shown below in red) to the existing policy.

The Chief of Staff shall lead and direct the programmatic and administrative work of the congregation. The Chief of Staff has the authority and responsibility to make day-to-day decisions, allocate designated resources (both financial, **building and grounds**, and human), and adopt administrative practices except as specifically limited by Board of Directors policies. The Chief of Staff will designate a substitute during his or her absences. The Chief of Staff will report to the Board of Directors.

Background: The policy, intended to free the board from dealing with minor details, has been in place and is working well; however questions come up from time to time about whether a group can be allowed to use church space for free. Under the old policy, the Board would have to consider each individual request; in our new governance, such decisions are delegated to staff.

Discussion:

- Question –what constitutes a “designated resource” – where is the boundary between those designated resources within the purview of the CEO and those things that do have to come to the Board? Response: There are a number of limitations on the CEO already in place; the CEO is free to act within those limitations.
- The issue isn’t a matter of clarifying “designated resources, but rather , to include the building and grounds among the resources about which the CEO has authority.

It was agreed that, in addition to adding “building and grounds “ to the policy, the word “designated” would be removed.

VII: BOARD-CONGREGATION COMMUNICATION PROCEDURES

What is the best way to inform the congregation about new policies? The Executive Committee recommends the following:

1. The board secretary will write the monthly board report for the newsletter (eliminating this as a responsibility of the board member of the month).
2. The board secretary will include new policies in the newsletter (the board representative to the governance committee will provide instructions): the entire policy could be put into the newsletter or a link provided to the wiki
3. The Board secretary will send to Office Manager (Muncie) the new policy who will incorporate it into the on-line board policy book
4. Congregants will be asked to send comments to governance@c3huu.org
5. The Office Manager will update policy book both hard and electronic copies.

Discussion:

- Would this mean that the Board Member of the month no longer writes about the board doings for the newsletter? While some board members confessed they'd not mind having that task lifted, all agreed that its important not to loose this point of contact with the congregation. Past board members who presented poetic and rap reports were remembered with awe, yet it was agreed that whatever one's gifts for creative writing or lack thereof might be, there is value in having each board member take a turn at communication twith the congregation in his or her own voice.
- Noting that the post of Board Secretary will be held for short terms this year, Martha Jordan serving from January to April, and Sandy Young beginning in May, Kari and Paige agreed to design a template that the Secretary can use for policy announcements.

The Guest Secretary did not catch a motion, a second, or a vote on this proposal, but reports there was general agreement to it with the exception that the Secretary will only be asked to report in the newsletter on new policies; Board members will continue taking turns to write reports for the newsletter. Guest Secretary also offered to draft a report on the new policy adopted, and send it to Paige for corrections, in time for the upcoming newsletter.

VIII BOARD SELF-EVALUATION

A. We introduced some new board practices this year: (a.) board sharing and (b) Process observer. Do you think that these practices help us in our work and in living out our board covenant? Were these practices worthwhile? Should we keep them? What could we do to improve these practices and/or our meetings?

- Steve approves the new practices, and finds that the board Learning underscores the spiritual importance of Board work.
- Scott finds the process excellent and says this in one of the best functioning boards he's ever experienced.
- SAM agrees; even though the Board Sharing isn't her favorite part, she appreciates the way it serves to make the Board aware of its humanity.
- Laurence and Josh find the Board Sharing is a good process.
- Josh has doubts about the usefulness of the Process Observer role—the report, coming at the end of the meeting, is often not well attended to.
- Kari wondered if it would be more helpful for the PO to comment during the meeting than to report at the end.
- Bob wishes the PO could have a gong or chimes.
- Steve finds value in the spiritual discipline of taking your turn to pay attention to the process –we sometimes get so caught up in our own thoughts, we forget the larger purpose. He likes the idea of the PO being able to intervene and thinks it might also be helpful to the Chair to have someone else noticing whose hand is up.
- Someone noted that the Board learning sometimes goes on for so long, there's not time for all the rest of the agenda.
- Kari is inclined to move the Board Learning to the end of the meeting.
- Josh noted that when the Learning is facilitated by a guest, it's not fair to put them off till the end of the meeting, and then perhaps not even have enough time for them to do as they planned.
- Nathan : If the Board Learning helps us function more effectively, it might be more important than the agenda.
- Laurence: some Board Learning isn't helpful at all.
- Maj-Britt: some Board Learning is really important – considering open questions keeps us visionary, and that's best done when we are fresh.

B. The minutes at our board retreat list the priorities we set out for ourselves: how well have done?

1. Develop plan for and finalize a vision statement with the congregation
 - The Visioning Task Force rocks!
2. Develop a plan for and complete a five-year strategic plan
3. Develop and implement a plan for evaluating the Minister and COS
 - Our evaluation process was conducted well, but we are also supposed to recommend procedures, and that has run into some complications and isn't finished.
4. Continue to work with Minister on Vision of Ministry
 - See #1
5. Develop a Publicity and Communication plan for how the Board will communicate with the congregation, leaders, and prospective members, via all avenues of communication, about changes in procedures and policies and Board actions during the Trial Year
 - It's a challenge to communicate the value of all these changes to the congregation, especially the transformation involved –this isn't just another meeting; there is real spiritual value and growth in this way of serving the congregation, at least, when we pay attention and stay engaged.

6. Continue the work of the Finance Task Force

- Lots of work well done on Finance and Budget, creating clarity, removing uncertainty*

7. Track governance issues in the Trial Year.

8. Coordinate Board activities in year-round stewardship * See #6

9. Consider role of Stewardship Committee in relation to Board * See #6

General comments:

- Board members are generally very pleased with the changes—glad to be spending time on meaningful matters, feel there is more clarity about work of the board and work of the staff.
- Even when we weren't sure what they were supposed to be doing, the new governance policies helped us ask questions freely, and then figure out what to do; before the new governance we weren't asking so many questions, didn't even know what to ask.
- People seem to be doing a good job of remembering and following policy.
- Learning to look on lay leadership as a spiritual practice, paying more attention to the spiritual values in our work, means we don't get so bogged down.
- I am less focussed on how to get others to agree with me, and paying more attention to helping us find our way together.
- The Learning and Sharing help to lift me out of "business as usual" mode.
- Knowing the Board was so well organized made it easier for me to agree to serve on it, and it has only gotten better.
- The role of the President of the Church/Board Chair is more important now, has more spiritual depth, and this should be more widely recognized.

It was suggested that it might be good for the Board to participate, and be recognized, in a worship service, lifting up the spiritual value of the work and sharing their insights with the congregation.

IX MOTION TO CREATE A TEMPORARY RESTRICTED FUND.

Background: On Dec. 7, 2011, Andrea sent the following email to the Chief of Staff, Board Chair and Finance Committee Chair: "Today I received a check from a donor requesting anonymity. The check for \$1000 is a gift designated towards a "Capital Building Project (construction of new building or renovation of existing building.) " I need to know how to account for this donation. The woo5-09 Building fund was closed and currently we do not have a similar type fund."

Motion: The Board authorizes the creation of a temporarily restricted Capital Campaign fund to which donations for capital campaigns shall be credited, and which shall be used to fund the church's next capital campaign.

Discussion:

- Can a temporarily restricted fund be kept indefinitely? (No, this violates our policy.)
- Why would the fund need to be temporarily restricted? Can we have a permanently restricted fund?

- What has actually happened to the check? (Andrea can't deposit it without putting in into the proper fund. Since we don't have a fund for this kind of money, she has accounted for it by putting it into a Miscellaneous Fund for now, and she is keeping very good account of what else is in the Miscellaneous Fund.

The matter was referred to the Finance Committee for further discussion; they may need to review the policy to see what needs to be done in order for us to legally accept the gift. The policy may need to be re-worded.

X. ANNUAL ELECTION: Treasurer and Vice Treasurer, and Board Member at large

Paige moved on behalf of the Executive Committee, Steve seconded, and the Board approved that: Scott Provan shall serve as Treasurer, Laurence Kirsch as Assistant Treasurer, and Joshua Socolar as Member at Large. Paige noted that, in accordance with a policy previously adopted, the member at large is an officer of the church. This will require a by-law change later.

XI Action items

Topic	Action	Who	When
Items from Consent agenda	<ul style="list-style-type: none"> • Notify Marion of approval of Clyde Long Fund request • Notify Allen Spalt of Endowment Committee Appointment 	Kari & MBJ	ASAP
Communications	Put Annual Report on Wiki	SAM Brooks	ASAP
Finance committee	Consider issues in creation of a fund for capital campaign	Maggie	By Jan 15

XII. Process Observation: A reminder that Board Meetings now start at 7:15

XIII. Closing: George offered closing words and extinguished the chalice.

Appendix A: Finance-Related Revisions to the Board Policy Book

IV. MANAGEMENT

B. Powers Reserved to the BOD

1. Debt

Date Adopted:

Suggested Date of Review:

Only the Board of Directors may incur new debt on behalf of the Church and congregation. Only the Board of Directors may authorize refinancing of debt.

3. Budget

Date Adopted:

Suggested Date of Review:

The Chief of Staff shall submit a Church budget for approval by the Board of Directors. The Board of Directors may amend or ask for changes to the budget. The Board of Directors will approve an annual Church budget prior to the beginning each fiscal year.

Unless specifically limited by the Board, the Chief of Staff is authorized to shift a total of up to 1% of the budget among line items during the fiscal year, with the exception of staff salaries and benefits, as needed to handle changes in facilities and program funding. The Chief of Staff shall report such shifts to the Board at the next Board meeting, keeping track of all changes made during the fiscal year.

Budget transfers exceeding 1% of budget, or transfers related to staff salaries and benefits, need to be approved in advance by the Board. Any Board-approved budget transfers will not be included in the 1% transfer limit.

The Chief of Staff will provide the Board with financial reports on a quarterly basis and at such other times as the Board may request. If a deficit is projected at any point during the year, the Chief of Staff will present a revised budget with recommendations for balancing the budget. The Board of Directors may amend the budget at any time.

4. Investments

Date Adopted:

Suggested Date of Review:

Only the Board of Directors can authorize: a) the purchase or sale of real estate; and b) investment in any instrument other than bank savings accounts and other secure investments in which the investment principal is not at risk.

C. Care for Resources

4. Financial Reserves

Date Adopted:

Suggested Date of Review:

Financial Reserves equal Total Current Assets minus Total Current Liabilities minus Temporarily Restricted Funds minus Permanently Restricted Funds (e.g., Endowment Funds). Financial Reserves are the sum of such subsidiary reserve funds as the Board may establish, which shall initially include Operating Reserves, Maintenance Reserves, and Sabbatical Reserves.

Operating Reserves are held for the purpose of dealing with variations over time in cash flow and with contingencies that are not covered by other reserves. By definition, the change in Operating Reserves during a time period equals Total Income minus Total Expenses minus capital expenditures (e.g., payment of principal on debt) during the period. At the end of each fiscal year, Operating Reserves shall have a target value equal to one-twelfth of the completed year's budgeted expenditures. The Chief of Staff and the Board shall attempt to set budgets to eliminate any difference between the actual and target values of Operating Reserves within no more than three years.

Maintenance Reserves are held for the purpose of replacing major facilities at the ends of their useful lives, where "major facilities" are those having a forecast replacement cost of at least one thousand dollars (\$1,000). Maintenance Reserves shall be maintained as a fund to which the Board allocates, in each fiscal year, a percentage of forecast Total Income for the fiscal year. The percentage shall be 3.0% by default. In every calendar year ending in a zero (0) or five (5), the Board shall review the appropriateness of this percentage in light of the current Maintenance Reserves balance and of foreseeable major facilities expenditures for at least the next ten years, and may revise it for the ensuing five-year period if necessary.

Sabbatical Reserves are held for the purpose of paying for substitute staff when regular staff members are on paid sabbatical. Sabbatical Reserves shall be maintained as a fund that saves for foreseeable expenditures on a five-year forward basis.

5. Temporarily Restricted Funds

Date Adopted:

Suggested Date of Review:

The Board of Directors creates Temporarily Restricted Funds for programmatic and outreach projects and for other purposes in keeping with the mission of the Church. The Board shall maintain Temporarily Restricted Funds equal to the unexpended amounts that have been contributed, by Church members, the Board, or other persons, for the specific purposes of those funds. Temporarily Restricted Funds that are inactive for more than two years shall be closed and the monies therein will revert to Financial Reserves.