**Board Minutes, November 12, 2013**

Attending: Andrew Strahs-Hennessy, Becky Waibel, Dave Klibanow, Eleanor Armstrong, Elsbeth van Tongeron, Kari Andrade, Peter Bird, Laurence Kirsch, Sally Freeman

Guests: Cecilia Warshaw and Hank Rodenburg (ECO committee); Ivy Brezina (settled minister search committee)

**Welcome**

Becky lit the chalice at 7:00.

Opening: Eleanor is board member of the month and did a reading on Peace.

**Board Sharing & Announcements**

1. November Birthdays: Pete, 4th

2. Settled Minister Search Committee Forum, 12/8/13, 12:45

3. End of year potluck celebration before Dec 10 board meeting at 6pm. Bring something to share.

4. Becky’s new non-SAS email: bbwaibel@gmail.com

5. Ongoing Board of Trustees elections. General board candidate: Mike Vann

Vice-President candidates: Cathy Cole, Bill Rote

**Consent Agenda**

Receipt:

Executive Committee Minutes Quarterly Report

Minister’s ReportChurch Council Minutes for Oct

Approval:

There will be two sets of board minutes when the Board discusses settled minister compensation or negotiation issues—one for public display and one to be kept in the office.

Acceptance of October 2013 minutes and receipt of items were approved unanimously in a motion by Elsbeth and second by Kari.

Minutes will be posted on this webpage:

<http://www.c3huu.org/our-board-of-trustees.html>

**New Business**

**1. ECO committee Taskforce on Community-funded Solar Panels**

Hank Rodenburg and Cecilia Warshaw reported on the community-funded solar panel roof project for the church. In advance of the board meeting, they sent ahead a 3-page “Solar Panel Feasibility Study Report to Board” in a question and answer format. Two key Q-and-A’s from that document provide context for the board discussion:

**Q 7. Why use a Community Model for acquiring solar panels?**

*A: It’s great to donate to a good cause like solar but that’s not what this is. This is a way to buy solar energy and then have your money return in the form of tax credits so you can use that money to support the same nonprofit or other good cause. Nonprofits are not eligible for tax credits but individuals are. Taking advantage of this can benefit both the nonprofits and the individuals involved. Implemented properly, this funding model will not diminish financial reserves of donors to the nonprofit.*

**Q 9.** **Why form a Limited Liability Corporation (LLC)?**

*A: An LLC appears to be the simplest, least costly ($150 to register) and the most flexible (tax-wise) vehicle to accomplish the objective to finance the solar project through federal and state tax credits. An LLC was the vehicle used for two area community-funded solar projects and the one recommended by several attorneys whom Mary Hulett contacted on our church’s behalf for this feasibility report.*

Board discussion points:

* LLC to get tax credits. Does the LLC need to be registered as a security?
	+ Only know that it needs to be registered with state, Duke Energy, and national registry. The firm doing the roof will be doing the registration. ECO needs to verify that it is done.
* How will you know when you will you get out? After 6 or 7 years you determine whether people have made enough money to get out?
	+ Need to wait until it is profitable. Investors decide when to hand it over to the church, evaluating if the LLC can get more income by continuing another year or if depreciation has been completed.
* Let’s call investors Period 1 and when the church gets the roof Period 2. Will the church incur any costs in Period 1?
	+ No. LLC assumes all costs, including insurance and maintenance, in Period 1.
* Let’s say roof collapses. LLC assumes the costs?
	+ Yes, or liability will be on installer because the roof has a 25-year guarantee.
* How many members will make up the LLC?
	+ That leads to our questions for the board.
	+ LLC hands out $2000 shares. Need about $60,000 in all. 30 shares if each buys 1 share.
	+ We can set up LLC so someone with 1 share has same voting power as someone with 10.
* You may want a manager.
	+ LLC can decide on a committee or Executive Committee to run it.
	+ Do we stay inside the church for shares?

 Board:

* + - Stay within church if there is enough response.
		- Opportunity to reach out to community, such as Kehillah or Preschool.
		- Is there a downside to opening it to non-church investors?
			* + We want to make sure that decisions are in best interest of the church. LLC could choose to not donate it. To avoid that, set a 10-year lease that reverts back to church at end of lease.
	+ We are not calling it an investment because it isn’t designed to be a money-making endeavor. There is a possibility to break even and get tax write-offs. The goal of the LLC is not to make a profit.
* Will members who donate lower their donation pledge to the church?
	+ We will make it clear that we do not want that.
* Will you ask for a lump sum?
	+ Yes, it has to be an upfront lump sum to pay the contractor.
* What if it goes over budget?
	+ Once we get a firm price from contractor, we will know how many shares we need. Tax credits are protected . We could pay annual costs from income.
* Could tax credits for solar energy be phased out?
	+ The tax credits will definitely be there for two years. Depreciation values change each year. We also don’t know what Duke Energy will pay for electricity.

Additional Q and A’s from ECO committee’s document:

**PATH FORWARD** *(upon Board approval to proceed to determine the level of interest)*

**Q 14. Is there a preliminary timetable for the informational meetings?**

*A: ECO envisions that publicity would occur in December ’13 with informational meetings to be held in January ‘14. After that, the timetable will be dictated by the level of interest and response shown by church members and associates.*

**Q 15. Who will steer the process?**

*A: ECO recommends forming a separate taskforce to move the process forward, from board approval of progressing to information sessions until the LLC is formed or insufficient funds cause the effort to end, at which time the taskforce would disband. Taskforce member do not necessarily have to become LLC members.*

*The taskforce might possibly consist of:*

* *3-4 ECO representatives,*
* *1 Building and Grounds representative,*
* *1 Finance Committee representative,*
* *1 Board representative, and*
* *legal assistance as needed.*

**Q 16. What happens after the LLC donates the solar panel system to the church?**

*A: The church will most likely change to “net metering.” (Net metering means that the meter turns forward if energy is supplied to the grid and backward if electricity is consumed.) The church will get full benefit of future energy savings. It will also be responsible for future operating, maintenance and insurance costs which are projected to be minimal. The amount of energy savings depends largely on the cost of electricity at that time.*

***“Carbon Footprint” Notes***

*The church will be more sustainable.*

*The church will keep about 200 metric tons (440,000 pounds)*

*of CO2 out of the atmosphere over the life of the panels.*

Dave moved and Elsbeth seconded that we accept the motion in the board packet, approving the ECO committee’s creation of a separate taskforce to move the solar panel process forward.

Board discussion: Will taskforce require any funds? (no) Who will be on it? (3-4 people)

Passed unanimously.

**2. Annual Report**

AR will be completed for next month’s meeting.

**3. Fellowship Ministry**

The Fellowship Ministry does not need to report to the Board.

They should pick one person or group to report to (e.g., minister).

Becky moved and Peter seconded that we approve the Fellowship Ministry charter with amendments. Passed unanimously.

**Old Business**

**4. Letter of Call**

The board discussed various aspects of the Letter of Call.

Dave moved that we accept the Letter of Call as is with no modifications. Pete seconded. Passed unanimously.

**5. Policy revisions**

As representative of the Governance Committee, Dave reviewed the proposed policy revisions that had been sent to board members in advance of the meeting. In its discussion, the board proposed these additional changes:

B. Board of Trustees Covenant

Change *Covenant* to *Pledge to Congregation* because the congregation is not participating in this covenant. Make change in headings and introductory sentence:

The Trustees *pledge to* ~~covenant with~~ the congregation to fulfill our duties as Board members:

Delete “also” from this sentence: Each year the individual Trustees will also adopt a covenant with each other.

C.3 Since “non-voting ex officio” is redundant, let’s delete *ex officio*. Also no one knows what *ex officio* means. Replace *ex officio* with “non-voting” in this section.

Board Monitoring Role section, Stewardship, Finance Committee, Accounting, Benevolence Fund will be done in December because there are two versions.

Table the “senior minister” discussion until Mary is here.

Becky moved that we adopt changes brought forward from the Governance Committee with this evening’s changes. Kari seconded. Passed unanimously.

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**Action items:**

1. Approved lettor of Call.

2. Approved ECO task force.

3. Approved policy governance.

4. Becky will contact fellowship committee about their charter.

**Process observations:**

1. Accomplished a lot.

2. Good to see non-unanimous votes (pre-motion stage).

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**Closing**

Eleanor did a closing reading related to blessings.

Adjourned at 9:05 p.m.

Respectively submitted by

Sally Freeman