

CLUUC BOT MEETING MINUTES**November 17, 2015****Agenda:****Board Activities: "Finances"**

1. Brief review of May 2015 FPC Report major points
2. Review of FY16 finance developments
3. Recommendation for funding the HVAC renovation
4. Discussion of Forum presentation and HVAC funding recommendation
5. Report from Development/Fund Raising
6. Discussion of Staffing Analysis: What recommendations do we want to pursue?

ATTENDANCE:

All Board Members were Present: Jim Anderson; Rebecca Bond; Maryann Dillon; Maureen Donnelly; Dave Hawver (Chair Elect); Emily Mellgren (Assistant Secretary); Lyn Peters (Chair); Melissa Reichley; Jack Rodgers (Treasurer); Kate Simon (Secretary); Michael Thoryn (Communications); Gwen Warman; Jack Welch (Assistant Treasurer)

Staff Present: Rev. Abhi Janamanchi; Sara Deshler

Others Present: Paul Strella, Chair of Financial Policy Committee and former Treasurer of the Board.

Opening: The meeting convened at 7:30 p.m. with centering words, the chalice lighting and covenant reading.

Approval of Consent Agenda:

Appendix A Minutes of the October 20, 2015 Board Meeting

Appendix B Mosaic Makers Mission Statement

Appendix C Proposal from Cedar Lane Legacy Society

Appendix D Report from the Senior Staff

Appendix E Report from Interim Minister

Appendix F Report from Endowment Committee

Dave Hawver moved, and Melissa Reichley seconded, the approval of the Consent Agenda; it was approved by unanimous voice vote.

Board Activity: Presentation and Discussion of "Finances"

1. Treasurer Jack Rogers presented a brief review of FY16 finance developments.

There is reason for continued concern and caution regarding the finances.

- The number of pledge units in November 2015 is 12 units lower than November 2014.
- The amount of pledge levels is slightly rising, compared to last year.
- However, our estimated total pledge income is \$31,000 less than our budgeted income.
- The actual pledge income is 3-4% behind last year.

2. Financial Policy Committee (FPC) Chair, Paul Strella, presented a review of May 2015 FPC Report.

The information included in this high level summary and analysis (drafted in May 2015) has been used to inform the congregation of its financial status at the June 7, 2015 Congregational meeting, used to inform the Board when creating the budget for FY16, and used to inform the staffing analysis process.

- Cedar Lane (CL) has a significant deficit that is probably not sustainable. The deficit has been developing gradually over the last ten years. Expenses are rising faster than our income. CL has been "saved" by several generous bequests. However, CL is spending these accounts rather quickly, resulting in the funds not being available for other purposes. The report postulated

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that the reason for the significant deficit is a sustained decline of pledge units. Although our pledge levels have risen slightly over time, the number of pledge units has declined and our expenses are continuing to rise and are at a level typical for a 900-member church. (CL is currently in the mid-700 level for membership.) Compared to similar congregations, our pledge levels are in the middle of the pack. The number of members per full time staff (~70:1) is high compared to similar congregations (~60:1).

- The FPC Report includes three paradigms to resolve the deficit issue.
 - Growth in number of members and pledge units
 - Cuts in expenses
 - Combination of growth and cuts

The Board engaged in a deep conversation regarding the contents of the report, what is not included (e.g. demographic data that could be used to predict pledge units, departures, etc), the necessity of pledges in order to make predictions and create budgets, the historical record that the report presents and the unlikely nature that the trends would change with updated (current) financial figures. The Board discussed the need to develop a system to monitor the collection of pledges. Currently, the staff sends overdue notices on colored paper to members who have not completed their pledges. Abhi recommended that the Board “shine a light (on our fiscal needs) and invite the congregation to be generous” in making a special gift this holiday season.

One Board member reflected on previous long range plans of increasing membership that have not come to fruition. Another Board member expressed a desire to know about what is happening at CL now regarding membership growth. Membership could be a topic for a future Board meeting and might include a presentation from the Membership Director with concrete strategies and advice of how to increase the number of visitors returning to CL and eventually becoming pledging members. Growth will be a topic of discussion at next month’s Board meeting, led by the Strategic Direction Team.

The Board expressed deep gratitude to the FPC for creating such a thorough and detailed high-level financial analysis.

3. The Board had previously sought direction and guidance from the FPC regarding how to pay for the immediate capital expenses (apron, roof and HVAC renovation). Paul Strella, on behalf of the FPC, offered the following recommendation to the Board:

- Apron and roof: finance through the capital budget over the next 3-4 years.
- HVAC: finance with \$500,000 from the Endowment Fund. The principal of the Endowment Fund would not be touched, only earnings from investments. \$450,000 - \$500,00 of earnings would remain in the Fund. The one-time expense would result in a reduction in the annual disbursement of \$25,000, putting stress on the annual budget. The Blumenthal funds would remain untouched for future projects.

The Board discussed several other alternatives for financing the capital projects including securing a commercial loan and borrowing from the Endowment Fund, instead of the one-time withdrawal without intent of repayment. Concern was raised as to whether the congregation would be able to both pay back a loan as well as increase pledge levels to a sustainable amount. One person responded that there has been a long-standing pattern of protecting the congregation from being invested in the solutions to the financial concerns. If we do not ask the congregation to shift and take more responsibility for the financial solutions, we may never get out of this rut.

The Board did not take any direct action at this meeting on the recommendations from the FPC, as exact cost of the HVAC project is not available yet. (Update on design status: requests for bids are out and five firms have indicated interest. Bids are due by November 30. The designs will most likely be delivered in January 2016.)

4. The Board received an initial report from the newly-formed Development/Fundraising Committee (DFC), led by Melissa Reichley. Regina Dull and Bob Harrison are also committee members. The DFC is continuing to look for new members and will put out another “help wanted” ad in the eNews and the monthly newsletter. The DFC is looking to create a structure and policies regarding development and fundraising. Bob Harrison prepared a proposal titled “The Cedar Lane Legacy Society” (approved in the consent agenda) detailing different ways to encourage planned giving. The Board shared additional ideas for the committee to explore, including conducting an “ask audit” detailing the various ways CL asks for and collects money, reviewing fundraising processes at nearby churches, and discussing and considering the benefits and costs of hiring a professional development director. This last item may be a discussion item with David Pyle and Pat Infante, who are in the process of conducting a staffing analysis at CL.

5. The Board engaged in a discussion of the Forum presentation, as the Board will be leading the Forum discussion on Sunday, November 22, 2015. Jack Rodgers will present information from the FPC report to the congregation, including an update on CL’s finances and the recommendation for funding the upcoming capital projects. Jack Welch, Assistant Treasurer, is also preparing an

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eNews article, with a link to the FPC report to be published before the Forum. These are part of an ongoing commitment of the Board to communicating in a variety of ways with the congregation.

Board Activity: Discussion of the Phase 1 Staffing Assessment Report

The Board discussed several recommendations presented in the report. (Rec. #3 regarding the shift of the responsibility of social justice work, faith development as well as religious education to the MLRE, Rec. #5 regarding partnering and connecting with a smaller congregation through a shared minister.)

In addition to a general discussion and agreement of moving forward with the development of Phase 2 for all nine recommendations, several comments were lifted up:

- One Board member shared that it is an unusual process asking the Board to provide feedback and recommendations at this point in the process.
- The Board briefly considered and decided against ranking the recommendations at this point.
- The Board is very interested in knowing projected costs associated with the recommendations. Costs could include financial costs, time, desirability, change etc.
- The Board requests a new organizational chart with relative FTE costs compared with what we have now. This is different than the retrenchment, a comparison after the proposed consolidation of positions.
- The Board will follow up with David and Pat through a letter/email detailing the conversation.

The Board voted and passed a motion expressing its desire to continue to Phase 2 of the staffing analysis around all nine recommendations.

Board Decisions (include motions passed):

Motion: The Board will continue to explore all nine recommendations of the staffing analysis presented by David Pyle and Pat Infante and recommend moving ahead with Phase 2. The Board also requests the staffing analysis include an examination of the comparison of costs associated with current FTEs and proposed FTEs/staffing structure. The Board requests that the retrenchment option discussed at the November 11, 2015 meeting also be included in the final report.

Gwen Warman moved, and Maureen Donnelly seconded the approval of the motion; it was approved by unanimous voice vote.

GBP Process Check

Pro	Con
Stayed on time	Did not include the Check-in. Was missed.
Engaged	
Action items on task	
We are getting better at this.	

Closing words read by Melissa.

Adjournment at 9:40 PM

Calendar Items

Nov 21 Falling for Cedar Lane Auction.

Nov 22 Forum- presentation by Jack R., Jack W. and Maryann

December 2 Executive Committee Meeting

December 8 Packet materials due to Kate

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December 9 AIM event Child First and Housing
 December 10 7 PM Black Lives Matter 101
 December 15 Board Meeting "Strategic Direction"
 December 19 Board and Senior Staff Holiday gathering at Maryann Dillon's home
 February 21 (snow date 2/28) Board Pancake Dinner (auction item)
 February 28 Stewardship Sunday

Suggested timeline for Board Draft Items (Monthly Plan)

- 1st Wednesday of month- Executive Committee (EC) meets. Discusses agenda, packet items.
- Friday after the 1st Wednesday- Secretary shares EC notes, draft agenda, draft titles of packet items and draft minutes of previous month's meeting to whole Board.
- The next Tuesday- **Deadline for feedback and submissions for packet items, draft minutes and EC notes. (All Board members and staff should honor this deadline.)**
- The next Thursday- Secretary sends packet to Board.
- The next Sunday- Agenda is finalized and Secretary sends the Agenda to the Board.
- 3rd Tuesday of the month- Board Meeting

Action Items:

Add Growth to Retreat and to next month's agenda.	Lyn	December 2 Executive Committee meeting
Write Letter from Board requesting increased generosity. Year end appeal.	Melissa, send to Lyn, Michael and Dave, Abhi for edits	Early December
Financial report with link to enews paper copies for Sunday, link to FPC report.	Jack W	Friday
Publish want ad for development/fundraising committee in various CL publications	Lyn send to Melissa	
Write letter to David and Pat indicating Board's recommendation	Dave and Lyn	ASAP
Publish the FPC	Jack R, Kate, Jack W.	11/18- 11/19
Board Share with Gwen items regarding next month's meeting. ??	??	??