

BUF Board of Trustees Meeting  
January 31, 2019

Attendees: Kara Black (President), Rory McLeod (Vice-President), Sky Hedman (Secretary), Paul Beckel (Ex-Officio), Angie Lindquist, Murray Bennett, Frank McDonald, Beth Nyblade

Absent: David Curley, Rod Haynes

Other participants: Michael Knapp, Memorial Garden Committee, Ann Newman, Treasurer, Barbara Gilday, Human Relations Committee.

Minutes by Sky Hedman, Secretary.

Chalice lighting 7:00 pm

Approval of last meeting minutes. Minutes from December 20, 2018 meeting were approved.

Check Ins

Memorial Garden: Michael Knapp from the Memorial Garden Committee presented initial plans and a drawing of the proposed Memorial Garden. The Committee wants to accommodate use of the space also by children since the Memorial Garden is planned for an area used by children to play. Phase 1 involves a proposed wall to include plaques, container for ashes (together or separate). A block wall will be connected to concrete (already existing). Wall will be 5'11", to avoid permit process. Less than 500 sq ft of digging also precludes storm drainage code restraints. Enhancements of landscaping in the area further from the existing building are planned. One suggestion is to include Oregon Grape in landscaping. Benches along back wall of building are planned. The cost for phase 1 (Oregon Grapes and one wall (8-9 ft long)) would be \$1000. The concept is modeled after the Memorial Garden at University UU in Seattle. Money would be charged for plaques. Next meeting of Memorial Garden Committee is Feb. 20th, 2019.

Treasurer's Report: Ann Newman, Treasurer presented her Treasurer's Report.

Motions:

KaraBlack moved to immediately transfer \$25,000 from the CC+ account at NCCU to pay down the principle on the mortgage loan at WECU. The motion was seconded. Motion passed unanimously.

Frank McDonald moved that all remaining funds in the CC+ account at NCCU be transferred to pay down the mortgage principal loan at WECU upon either of the following:

- a. The chair of the CC+ Endowment committee, Rick Steele, declares the campaign over and all pledges collected, or
- b. No later than April 1, 2019

The motion was seconded. Motion passed unanimously.

Capital Fund: The Board discussed the Capital Fund, a savings account at NCCU titled "Building Account" which contains \$28,337. Anne Newman referred us to the BUF Treasurer's Handbook, Fund and Category Documentation.

"BUILDING/CAPITAL FUND (CONGREGATION)

A. Purpose: The Building /Capital Fund was established for the purpose of accumulating money to build additional RE classrooms, meeting spaces, restrooms and other needed facilities for BUF. The Building/Capital fund contains a running total of donations to capital campaigns, prior real estate transactions, excess mortgage principle, etc. This fund is not for building repair and maintenance or minor enhancements.

B. Sources of income: Sources of money for the Building Fund include pledges from the Capital Campaign, interest on accrued principle, excess mortgage loan, and special fundraisers.

C. Eligible expenditures: Expenditures from the Building Fund must be recommended by the Board or Board delegated task force."

Kara Black reflected that the Board could decide what to do with the money. The fund is designated, not restricted.

The Board discussed using that fund to upgrade and renovate the kitchen. Anne Newman recommended a larger plan for the kitchen.

Discussion followed about designating this money. Beth indicated that the Board cannot spend that much money without approval of the congregation. Frank emphasized that an architectural plan should be made.

Board is looking for a proposal from the Operations Team for kitchen remodel. Frank McDonald and Beth Nyblade volunteered to be on team. Paul will pass this on to the Operations Team. The purpose of the Kitchen Team is to make a proposal to present to the congregation at the congregational meeting.

Audit: The board discussed resources for Audit process. Anne Newman requested help. This year's audit review (2018-2019) is of our policies and procedures and the focus is not on the actual books. Kara Black indicated that we need to set up an Audit Committee of the Board for the upcoming year (2019-2020). Anne Newman indicates that we need a certain level of financial expertise on that Audit Committee. Anne Newman estimates that a full CPA's audit would be \$6000-8000. Anne Newman will continue to search for help with this year's audit.

An executive session was called at 7:56 pm. Executive session ended at 8:07 pm.

Budget goals: Kara Black led the board on a discussion of budget goals. The stewardship committee wants to know the target for an increase in pledges and what that will buy. This information is needed by February 15th because the canvas starts March 1, 2019. Consideration was given to a major salary review and RE Gift reports. The board considered a list of budget items that were proposed in November meeting. General discussion of proposed budget followed. Clarifications of Paul's proposed spreadsheet were recommended.

Motion: Kara moved that we forward these Board set goals for 2019-2020 Stewardship campaign. Motion was passed unanimously.

UUA payroll 5% \$13000 (no RE)

Membership co-ordinator going from ¼ to ½ time for full year \$15000 plus benefits.

Principal of mortgage \$12000

Minister's professional expense \$1000

Memorial garden \$1000

Taize service \$3000

RE increase will be \$3000. Other changes will come from RE gift.

Youth leader is middle school and high school.

RE Assistant

Top tier DLL ("Leverage the RE Gift for a sustainable RE program into the future")

\$48,000 is total of wish list

Goal for Stewardship is an increase of 16%. Kara will communicate with Stewardship.

Nominating Committee Barbara Gilday presented a report from the first meeting of the Nominating Committee. Barbara shared a list of people to ask to be on the Board, people to ask to be on the Nominating Committee, and a few names to consider for Treasurer. Frank McDonald volunteered to lead the search for a new Treasurer.

Motion: Sky Hedman made motion to approve Kathy Fonte as a new member of the HR Committee. Motion passed unanimously.

Board Fundraiser: Beth Nyblade updated the board about the prospective ideas for the booth at GA. Three people are donating items to take to GA (books and CDs, posters from Rod). Beth is test marketing raspberry dream liquor (questions were raised about whether this item could be sold at GA because of its alcohol content), considering smoked salmon, buttons, protest sign cover. Beth will send us list by email.

Motion: Kara moves that Beth's proposal for GA fundraising be the Board's fundraiser. The motion passed with one abstention.

Congregational Meeting Date

Motion: Kara proposed the date for the Congregational meeting to be May 19, 2019. Motion was passed unanimously.

Minister's Report: See Minister's Report (see attached.)

Meeting was adjourned at 10:10 pm.

Next Board Meeting: February 28, 2019, 7:00 pm

**Attachments:**

Minister's Report

BUF Budgeting Timeline

RE Gift Report follow up

**Attached as separate document:**

Simplified RE Gift Projection

January 2019 Minister's Report to  
the BUF Board Rev. Paul Beckel

**RE Gift** A follow-up report from the  
task force will be sent separately.

### **Membership Coordinator Hiring**

The HR Team has established the  
following timeline:

- Job Description - done
- Job to be advertised internally, starting with the January 16 MWU and subsequent orders of service/pulpit announcements - done
- Applications due January 31
- Applications to be screened by Judy Kasper, Kathy Wahto, Paul Beckel, and Barbara Gilday, who will then conduct interviews the first week of February.

**DLL Hiring** The HR Team has established the following timeline:

- The job description is being refined by the RE committee, who will then send to HR committee and to the Board
- Barbara EQ will write the job advertisement, which will be posted in early February
- The ad will be posted at BUF via MWU, order of service, and verbal Sunday announcements.
- The ad will be posted to the UUA and UUA Regional job boards, also to the Liberal Religious Educators' Association website (the latter is the likeliest source for nationwide applicants)
- Applications will be due March 15
- Screening of applications, and interviews, will be done by Barbara EQ, Paul, Anne Lackland, Roz Reynolds, and Charlotte Gazak (subject to change).
- Interviews will be conducted April 10-20
- Hiring is expected July or August 1<sup>st</sup>

**Job Source "Intern"** Last month I notified you that Job Source had placed with us, at their expense, a part time custodial employee named Zitri. Zitri did a good job for us for a few weeks, then unexpectedly quit due to medical concerns. We're disappointed; Job Source says they may have another person for us down the road.

**buf.org Website** New energy is going into the new edition of buf.org with the assistance of Jeff Copeland, Pam Ives, and Carol Sheppard (advised by Scott Heise).

**Diversity Goal** Genia has pointed out to me that with only one exception, our regular RE teachers are women *over age 50*. Setting aside gender (for now) that certainly demonstrates our lack of age diversity within that major BUF program. We (the Board) have talked about diversity being of value in a number of ways; Genia points out something that I'd never thought of: intergenerational activities and intergenerational Sunday services are significantly hindered by our having such a big age gap between kids and the average BUFsters.

**Operations Team-Budgeting Timeline** I sent the Board a second draft of this document in early January. Since then I've shared it with the Stewardship Committee, who have suggestions that I'll bring to the next Board meeting.

The new draft adds items for clarity, and advances the deadline for most tasks. All of that makes sense and will be valuable for our budgeting process in years to come. For this year, most tasks of the Board, HR, and Operating Team (from late fall thru January) are yet to be completed.

Scheduling for the Op Team has gotten out of synch. By the time I see you in person I will have more to report to you about that team's plans and work.

**Sabbatical Request** I appreciate the work being done to update my working agreement with BUF. One thing that's been a UUA standard for decades is the provision of sabbatical time for ministers. The language in our current agreement is typical: one month is earned per year of service, to be taken no sooner than after 5 years, and no later than after 7 years. For a variety of reasons I have not taken a sabbatical in my 23 years of ministry. I'll complete my fifth year with BUF this spring.

I credit BUF for putting money into a sabbatical fund each year in order to cover expenses while the minister is away (primarily used to pay guest Sunday service leaders \$250-300 per Sunday). Our fund currently has \$6,750.

Sabbatical time is intended to be win-win for congregation and minister. It's my understanding that, with strong congregational buy-in, this is almost always the case. We should go into this more as my proposal develops. This initial memo is simply intended to begin the conversation. I would like to take a sabbatical in the winter of 2019-20 (less than 5 months).

Sabbatical planning has to begin well in advance. It would include, for example, provision of Sunday service leadership, Pastoral Care, and anticipating additional pressures on staff and volunteers. I would be deeply involved in the planning, but the win-win comes from having a strong group of volunteers determined to make this work, and enjoying the learning and doing.

At your request, a more formal proposal will go into more detail.

**Budget Priorities** In addition to other items we've talked about for the coming year, I think our continuation of the Taize service, if possible, should be given budgetary support. These Monday evening services, once per month, were initiated on an experimental basis. After three months now we've seen attendance of 40, then 60, then another 60. Taize is providing

something quite different from our other programs, services, and classes. Costs are now being managed within our current budget, but that's not going to be feasible for an entire year. An off-the-cuff estimate of what it would take to continue once per month for 12 months is \$3,000. This is primarily for musical accompaniment, but also includes childcare, set up and cleanup, materials, printing, and admin. However, until I explore this further with Tessie, I won't know if we'd have enough support to keep it going, or if the present format would be suitable for the long-term (or would we do this twice a month or...?). Tessie and I will meet in February.

Thank you for your ongoing service and generosity to BUF.

### BUF Board Budgeting Timeline

2<sup>nd</sup> DRAFT 1-4-19

CC: Board

Final draft to be distributed to:

Committees of the Board: Financial Oversight, Human Resources, Stewardship  
Operations Team, All Staff, Committee/Team/Group Leaders

*All reports and recommendations are to be delivered to the Board President prior to that month's Board meeting (unless otherwise noted).*

August	Board	sets the date for a Congregational Meeting next May
	Board	appoints a task force to <ul style="list-style-type: none"> <li>● bring initial budget recommendations to September Board retreat</li> <li>● attend all relevant meetings below</li> <li>● communicate regularly with Op Team, Financial Oversight, HR, and Stewardship</li> <li>● report on costs and benefits of major budget goals (in January)</li> </ul>
September	Stewardship	sets canvass dates for next spring
	Board	holds a retreat to brainstorm both financial and organizational goals
October	Board	identifies major budget goals for further review by its task force
November	HR	recommends major goals re salary/benefits/staffing
	Op Team	solicits input from all committees re next year's budget
	Op Team	begins to advertise a date in January for congregational input re major budget goals
January	HR	makes final budget recommendation re salaries/benefits/staffing
	Op Team	holds meeting to receive congregational input about <i>major goals</i> for the upcoming canvass (a second meeting soliciting input about the Op Team's

actual budget recommendation to be held in March)

	Task Force	reports on costs and benefits of major budget goals
	Board	chooses major budget goals, communicates these to Operations Team, Financial Oversight, Human Resources and Stewardship
February	Op Team	provides their first budget draft to the Board (which may include more expense than income)
	Op Team	begins to advertise a date in March to receive congregational input on their first budget draft
March	Stewardship	begins the canvass
	Op Team	holds meeting to receive congregational input on their first budget draft
	Fin Oversight	provides comments/suggestions in response to Op Team's first draft
April (extra Board budget meeting)		
	Stewardship	provides initial pledge income estimate to Op Team by April 1 and then weekly
	Op Team	provides their final budget recommendation (not necessarily balanced)
	Board	attempts to balance/finalize budget
April	Board	finalizes their budget recommendation to the congregation
	Board	arranges to have their final recommendation made available to the Congregation two weeks in advance of the Congregational Meeting

May (Cong Meeting)

Treasurer presents Board's final budget recommendation to the Congregation

### **BUF RE Gift Task Force Report to the Board**

Follow-up, January 2019 Rev Paul Beckel Task Force:

Beth Nyblade, chair

+ Carl Nyblade, Ann Lackland, Livi Lackland-Henry, Roz Reynolds, Liam Reynolds

The BUF Board received the initial report from this task force at its December 2018 meeting. Grateful for their work, the Board, as a follow-up, has asked for the budgetary assumptions to be spelled out in narrative form in order to clarify the following:

How much will we need to *increase our overall income* each year in order to ensure that, when the gift is depleted, we will *smoothly transition* from dependence on the large gift *without any disruption* to our RE program or annual budget?

## **PAYROLL**

## EXPENSES

Q1 Please provide a quick summary of the specific recommendations from the RE Gift Task

Force. A1 Set aside \$10,000 for future program initiatives or equipment. Hire a new DLL at the highest credentialing level. Set DLL compensation to parity with other staff. Hire a part time RE Assistant and a part time Youth Leader.

Q2 Where can we find the details? A2 The attached files include (page 1) a five year projection of costs, income, and gift

depletion, and (page 2) a five year retrospective of BUF income. Attachments are in both excel and pdf.

Q3 How do we intend to compensate our settled DLL? A3 HR will advertise nationally for a UUA certified, Masters level DLL. While we may hire

someone with lesser credentials and compensate them at a lower rate, the projected budgets account for the highest possible expenses.

Q4 Do we intend to follow the other terms of UUA Compensation Recommendations? <sup>1</sup>  
A4 In year 1, we plan to pay our DLL up to 91% of the UUA midpoint, which is comparable

to compensation for other BUF staff.

<sup>1</sup> In reference to the UUA Recommendation tables, Bellingham falls into geo-index 3 (the range is 1-7 lowest to highest, based on prevailing wages in our region, not cost of living). Because BUF is on the cusp of "Midsize 1" and "Midsize 2" we use the mean of the recommendations in these two size categories. We are not anticipating growth into a Midsize 2 congregation (for which salary recommendations are higher).

We intend to continue to provide the following benefits to eligible staff:

Retirement contribution, Health Insurance Contribution, and Long Term Disability Insurance. Budget assumptions also account for payroll taxes.

Q5 Do we intend to pay for DLL professional expenses? A5 Yes, while the UUA recommends this, there is no specific amount. This plan calls for an

increase from the current \$2,000, to grow to and level out at \$3,500.

Q6 Describe the whole picture of RE staffing. A6 Full-time DLL; RE Assistant (10 hours per week, 40 weeks per year, \$17 per hour);

Youth Leader (10 hours per week, 40 weeks per year, \$17 per hour). All to begin in the 2019-20 fiscal year. The plan does not call for any paid teachers.

Q7 How does this fit into the long term projections of the HR Committee? A7 These recommendations are consistent with recent BUF HR practices and with HR's goal of moving all employees toward the UUA midpoint ... and, over time, for employees with significant years of professional experience and service to BUF to move beyond the midpoint.

Q8 By what percentage do we need to increase our compensation budget? A8 This plan calls for a 5% annual increase across our entire payroll, beginning with the

2020-21 fiscal year, in order to account for general inflation + health insurance inflation + incremental growth toward UUA recommendations.

Q9 Is that enough for the upcoming year? A9 We'll need the HR Team's projection/recommendation for the upcoming budget. That

should be available in early February.

## **NON-PAYROLL RE EXPENSES**

Q10 How much will be spent on new programs, equipment, training, or other initiatives for

RE? A10 \$10,000 is set aside in the first year. We do not have any specific program proposals so

this money may remain available for use in the following

years.

Q11 How much will be spent on the ordinary things we already do? A11 We anticipate a 3% annual increase to the ordinary RE budget.

## **NON-PAYROLL NON-RE EXPENSES**

Q12 Does this plan anticipate other major pressures to our budget in the coming years? A12 We anticipate two new categories of expenses:

1) Major maintenance: To account for the large expenditures that are likely as our building ages, we have included \$2,500 in 2019-20; this eventually increases to \$4,000 per year.

2) Long term funding for staff transitions: These have been costly in recent years. Also, ministerial transition can cost \$20-30,000, so we understand the need to build this fund over several years. We have included \$2,500 in 2019-20; this eventually increases to \$4,000 per year.

Q13 What about the rest of the budget? A13 We anticipate 3% growth for all other expense categories.

## **INCOME and TIMELINE**

Q14 What period does this plan cover?

A14 Five fiscal years, beginning July 2019

Q15 How much do you plan for our income (pledging + other) to increase? A15 From previous yr to

'19-20	+\$24,000	5.2%	'20-21
	+\$25,000	5.1%	'21-22
	+\$26,000	5.1%	'22-23
	+\$28,000	5.2%	'23-24
	+\$29,000	5.1%	

Q16 How much has our income increased in recent years? A16 Using actual (not budgeted) figures including pledging, other donations, fundraising, and

rental income (not CC+ or misc internal transfers):

From previous yr to total pledges '14-15  
+9% +12.9% '15-16 -10%\* +0% '16-17  
+2.5% -0.6% '17-18 +6% +9.6% '18-19  
+7% +5.7%

\*The large decrease into '15-16 was due to fundraising falling from \$46,000 to \$9,000. The '18-19 figures are estimates based on the first half of the current fiscal year.

Q17 What becomes of the \$100,000 gift? A17 With the additional income noted above, our total operating budget will exceed expenses,

in round numbers,

'19-20	-\$30,000
'20-21	-\$19,000
'21-22	-\$16,000
'22-23	-\$11,000
'23-24	-\$8,000

\$16,000 would be left after five years.

## OTHER

Q18 Do you have a crystal ball? A18 Our financial assumptions are based in conversations with the following committees:

Financial Oversight, Human Resources, Stewardship, RE, Buildings and Grounds, plus the Board, and Staff.

Q19 Are these numbers the same as on last month's initial report? A19 Probably

not. Since then, in addition to simplifying the form, I (Paul) have tinkered through many scenarios in an effort to come up with projections that keep to the intent of the Task Force as a whole and the input from other committees, and don't deplete the gift too quickly, while reducing what had been, per initial board discussion, highly optimistic projections of annual pledge increases.

**Q20 What are the primary and immediate questions the Board needs to consider?** A20 1. Are projected increases in income from year to year reasonable?

2. Are the inflation assumptions reasonable (especially re health insurance)? 3. Is this projection in line with HR's payroll projection for the coming year?

**Q21 If needed, what further adjustments would make for safer projections?** A21 The most straightforward adjustments would be to delay the hiring of the Youth Leader

for a year, reduce the amount of the initial \$10,000 set-aside, or reduce the budget for major-maintenance and/or staff transition funds.

**Q22 When does this need to be settled?** A22 With both canvass and advertising for the DLL position approaching quickly, it would be helpful to for the Board to respond quickly ... then share this report and the Board response with the Stewardship Team, HR Team, Financial Oversight Team, Operations Team, and RE Committee if further input or action is needed.