

BUF Board of Trustees Meeting (virtual, via Zoom)
July 22, 2021

Attendees: Bharti Kirchner (President), Drew Betz (Vice-President), Daria Haynes, Alex Gilman, Henry Ohana, Sarah Pearson, John Stewart (Secretary), Melissa Swift, Paul Beckel (Ex-Officio)

Not Present (Excused):

Other participants: Sky Hedman, Treasurer; Lew Phinney, Jim Reimer.

Minutes by John Stewart Secretary.

Chalice lighting 7:02 pm; Checkins

Approval of last meeting minutes. Minutes from the 06/24/2021 meeting were approved by email on 7/22/2021.

Proposed New Board Member:

- Bharti introduced Lew Phinney who is proposed to join the Board to complete the unexpired term of Debbie Boots, who recently resigned.
- Lew introduced himself and gave a brief biographical sketch.
- **John moved and Drew seconded that Lew Phinney be appointed to the Board to complete the unexpired term of Debbie Boots. Motion passed.**

Update on the Ventilation Project, Jim Reimer

- Jim and Sky held an informational meeting which was attended by about 15 participants. Most questions were technical in nature, primarily answered by Sky, and no opposition was voiced.
- The contractor is applying for a permit and refining the bid to be something that we can actually consider for action.
- Hoped-for timing is September – November.

Election of Board Officers: Sarah/Henry

- **Sara moved and Henry seconded that the following officers be appointed for the current year until June 30, 2022.**
 - **Bharti Kirchner** **President**
 - **Drew Betz** **Vice President and Moderator**
 - **Sky Hedman** **Treasurer**
 - **John Stewart** **Secretary**
- Motion passed.**

Treasurer's Report: Sky Hedman. Summary appended below.

- 6/30/2021 fiscal year-end preliminary reports have been received; however various adjustments are anticipated. Estimated surplus is at least \$5,000.
- Sky proposed that the surplus be transferred to the Building and Maintenance Reserve.
- **Henry moved and John seconded that \$5,000 be transferred to the Building and Maintenance Reserve. Motion passed.**
- Sky reminded the Board that 15% of rental income is set aside in the Building and Maintenance Reserve fund but is concerned that it might not be sufficient.

- Sky proposed that the Board consider commissioning a Reserve Study to analyze how much BUF should be setting aside for major repairs/replacements.
- Daria has experience with Reserve studies and volunteered to research the idea and the associated costs. John also volunteered.
- Sky reported that the Kathy Wahto's transition to combine the bookkeeping duties with her administrator duties is ongoing. Separation of duties is a consideration and it is no longer appropriate for Kathy to be a check signer. There are also other changes in signers required with the election of new Board members.
- **Henry moved and Sarah seconded that Bharti as president and John as a Board member are to become authorized to sign checks, Sky is to continue as a signer, Murray Bennett and Kathy Wahto are to be removed. Motion passed (see attached document for complete wording of resolution).**
- Sky reports that Pam Ives and Frank McDonald have been performing the function of Assistant Treasurer in that they are approving disbursements and asked that they be confirmed in that position.
- **John moved and Drew seconded that Pam Ives and Frank McDonald be appointed as Assistant Treasurers. Motion passed.**

Minister's Report: Paul

- Offices are pretty quiet and the number of meetings has declined dramatically. Paul is in the office about twice a week.
- There are two recent deaths: Ivy Merrill (memorial service and of August) and Jean Lehman.
- 5 inquiries about membership!
- Paul has moved back into his office from the conference room.
- The Beloved Community project has received an \$8,000 grant to be used with Skagit and Blaine UU congregations.
- Paul is planning with Genia assuming that in-person services will resume in the fall.
- Paul has changed his email address to minister@buf.org
- Board@buf.org has been updated to reflect the recent Board changes.
- Paul has been in discussions with Barbara ten Hove about performing ministerial duties when Paul is on sabbatical this winter. He sent out a draft agreement with Barbara. Questions about the agreement/arrangement should be sent to Bharti for consolidation and delivery to Paul.

Update on Water Damage Report: John

- Drywall and painting is complete
- Cannot find flooring that will closely match the existing bamboo – may wind up with quartz tile
- Waiting for bid for ceramic tile we selected for bathrooms.
- Still hoping for completion date of end of July.

Report on Congregational Meeting: Bharti

- Meeting was well-attended with 87 participants.
- Good audience participation.
- Henry reported that he knew that there were some members who couldn't get into the Zoom.
- The proposal to the congregation passed with a wide margin.

Board Calendar: Bharti

- Board will continue to meet on the 4th Thursday of every month with the following exceptions:
 - November 18 (Thanksgiving the following week)
 - December 16 (too close to Christmas)
 - April 14 (to discuss the annual budget) and April 28.
- Board retreat and potluck – a poll will be sent out to determine the date. Henry volunteered to host the potluck.
- Meetings will continue via Zoom.

Next Meeting Date: August 26, 2021

Meeting adjourned at 8:38 pm.

Summary of Action Items:

- John moved and Drew seconded that Lew Phinney be appointed to the Board to complete the unexpired term of Debbie Boots. Motion passed.
- Sara moved and Henry seconded that the following officers be appointed for the current year until June 30, 2022.
 - Bharti Kirchner President
 - Drew Betz Vice President and Moderator
 - Sky Hedman Treasurer
 - John Stewart SecretaryMotion passed.
- Henry moved and John seconded that \$5,000 be transferred to the Building and Maintenance Reserve. Motion passed.
- Henry moved and Sarah seconded that Bharti as president and John as a Board member are to become authorized to sign checks, Sky is to continue as a signer, Murray Bennett and Kathy Wahto are to be removed. Motion passed (see attached document for complete wording of resolution).
- John moved and Drew seconded that Pam Ives and Frank McDonald be appointed as Assistant Treasurers. Motion passed.
- Daria and John volunteered to research Reserve studies and the associated costs.

Attachments: (below)

- Treasurer's Report
- Signers Resolution

Monthly Treasurer's Summary Report to the Board of Trustees
June 2021 Financials (100% of the fiscal year)
Prepared for the July 22, 2021 Board Meeting

Overview of current and projected status:

- This report reflects a preliminary summary of the fiscal year 2020-2021. Final report will be available in August
- Preliminary results indicate a small surplus for this fiscal year.
- BUF's finances continue on a positive trend with a slight decrease in cash on hand.
- Net Income for fiscal year (2020-2021):
 - Month of June, 2021:
 - Pledge income increased 28% from May.
 - Net Operating Income is -\$3,386 for the month of June.
 - Year-to-date (July 2020-June 2021, 100% of fiscal year):
 - Pledge income is 102% of the year-to-date forecast.
 - Non-member donations are 135% of forecast.
 - Rental income exceeds the forecast.
 - Income exceeds budget by 8%.
 - Expenses exceed budget by 7%.
 - Net Ordinary Income for the year is **\$5,963**.
- Cash on Hand for June:
 - As of June 30, 2021, BUF has a Cash On Hand of **\$29,644**.
 - BUF's Emergency Operating Reserve remains at **\$43,474**.
 - BUF's goal is to have reserves to cover three months operating expense, or \$99,722.
- **Requests for action from Board of Trustees:**
 1. Financial Oversight Committee requests that the Board of Trustees authorize a transfer of \$5,000 from the 2020-2021 budget to the Building and Maintenance Reserves in anticipation of identified maintenance that has been deferred because of Covid:
 - 5 Year major elevator inspection, Washington Alarm expenses and Fire suppression system updates
 - Sprinkler System repair

2. Financial Oversight Committee requests that the Board form a committee to assess the adequacy of BUF's Building and Maintenance Reserves. Possible activity of this committee:
 - Change the amount set aside for Building and Maintenance Reserves (currently 15% of rental income)
 - Complete a capital reserve study to identify and place a value on BUF's physical assets
 - Create a depreciation schedule for BUF's physical assets

3. With the transition of adding Bookkeeper duties to the Administrator position, the Administrator can no longer authorize, approve or sign checks.
 - Financial Oversight Committee requests that John Stewart or another Board member be authorized to sign checks.
 - Financial Oversight Committee requests that the Board of Trustees appoint the two Assistant Treasurers: Frank McDonald and Pam Ives.

Income and Expense:

Income and Expense	<i>Year-to-date</i>	<i>% of budget</i>
<i>Pledge Income</i>	\$ 307,646	102%
<i>Total Donations</i>	\$ 364,010	104%
<i>Fundraising Income</i>	\$ 10,429	70%
<i>Rental Income</i>	\$ 4,795	13,700%
Total Income Year to Date	\$ 410,504	108%
Total Expenses Year to Date	\$ 404,539	107%
YTD Op. Income minus Expense	\$ 5,963	

Cash on Hand

	This month	% Change	Prior month	Prior month
Checking balance	\$ 57,308 (includes Insurance claim payment)	-12%	\$ 69,896	\$ 59,160
Cash assets under Board control	\$220,577	3%	\$ 215,101	\$ 210,569
Cash on Hand	\$ 29,644	-12%	\$ 33,740	\$ 32,078

Funds Activity Report

Funds Activity	This month	Prior month
Total Designated Board Funds available	0	0
Total Restricted Investment Funds	\$ 108,520	\$ 106,460
Total Restricted Bank Account Funds	\$ 90,741	\$ 90,769
Total Designated Program Funds	\$ 25,346	\$ 26,307
Total in all funds	\$ 224,607	\$ 223,536

Fundraising Summary

Fundraising Event	Income YTD	Income Goal for year	% of Goal
Dinner Auction/Gala	\$ 6,975	\$ 8,000	87%
Other Fundraising	\$ 0	\$ 0	0%
Paddle Call 2018	\$ 0	\$ 0	0%
Pandemic Grants & Income	\$ 3,454	\$ 6,954	50%
Total Fundraising	\$ 10,429	\$14,954	70%

Other Status Updates/Requests/Documentation:

1. Members of the Financial Oversight Committee are John Stewart, Frank McDonald, Brian Quick, Pam Ives and Cathy Campbell.
2. Treasurer's Summary Reports and selected Financial Reports generated by Bookkeeper are placed by bookkeeper in BUF Workroom.

*Notes on Cash on Hand: BUF's goal remains an average of 2 month operating cash flow or \$70,000 Cash On Hand.

Cash On Hand reports:

Assets that are available to Board under normal operating conditions: Checking, Savings, TIAA CD, Building Account and Accounts Receivable. (It does not include Endowment, Humanitas, A. Herrmann Social Justice Account.)

Equity that is subtracted from Assets are those that are not available under normal operating conditions: Restricted Funds and Designated Program Funds. Liabilities are adjusted to include only one month of the Principal payment for the mortgage.

Financial Reports attached:

Monthly I&E Comparison

Cash on Hand Report

Balance Sheet Prev Year Comparison

Funds Activity Report

I&E YTD Annual Budget Comparison

RESOLUTION

At a meeting of the Board of Trustees of the Bellingham Unitarian Fellowship on Thursday, July 22nd at 7:00 pm via Zoom link, at which a quorum was present, a motion was duly made, seconded and unanimously carried and the following resolution was adopted:

We the Trustees of this Board resolve that the Bellingham Unitarian Fellowship has a checking account with Whatcom Educational Credit Union (WECU) and the following designated individuals are now authorized to sign for and on behalf of the Fellowship any and all checks, drafts of other orders with respect to funds of the Fellowship in the checking account:

Bharti Kirchner, President

Sky Hedman, Treasurer

John K Stewart, Secretary

The following individuals are removed as signers:

Murray Bennett

Kathy Wahto

Dated: July 22, 2021

Signed: _____

Bharti Kirchner, President of the Board

John K. Stewart, Secretary