

## BUF Board of Trustees Meeting

April 14, 2022

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

VZ=Via Zoom

Not Present (Excused):

Other participants: Sky Hedman, Treasurer

Minutes by John Stewart Secretary.

Meeting called to order at 7:04 pm; Drew

### Approval of recent meeting minutes.

- Minutes from the 03/24/2022 meeting were approved by email on 4/11/2022.

### Discussion of Annual Meeting: Drew

- Volunteers solicited from Board and others to run meeting.
- Meeting will be in person and via Zoom.

### Operating Budget Presentation: Sky. (draft budget appended)

- Income
  - Projected pledge and non-pledge donation income declining
  - RE Gift income being reduced as per original plan.
  - \$20,000 fundraising goal. An aggressive increase from current year.
  - Projected facilities (rental) income increasing, although not yet projected reach pre-pandemic levels
  - Overall, projected total income reducing from \$458k to \$392k
- Expenses
  - Small increases in Stewardship Expenses
  - Utilities and other building expenses are increasing commensurate with increased use of the building as we reopen
  - Staffing expenses will not increase.
  - Financing costs (mortgage interest) decreases slightly, offset by an increase in mortgage equity payments.
  - Net ordinary income must be positive by at least the amount of the required mortgage equity payment in order to properly service the mortgage loan.
- No Board or other budget goals can be entertained, based on draft budget presented, including accruing BUF reserves.
- BUF Reserves remain reasonably healthy and the Building Maintenance Reserve has increased over the current year, as a result of the insurance settlement.
- Employee Retention Credit, when received, will be added to the Emergency Reserves, which will be used to provide approximately \$32k to the Operating Budget
- Active discussion about how to reverse declines in pledging, encouraging younger families to begin attending, how to re-engage congregation.
- **Law moved and Sarah seconded that the presented Operating Budget be adopted and recommended to the congregation at the Annual Congregational Meeting. Motion passed unanimously.**

**Welcome Back Meeting for Paul and Lay Leadership: John**

- Barbara Gilday has offered to host the event as a garden party on May 21 at her home. In case of rain, the event will be held at BUF.
- Paul will provide a list of attendees to Heather Higgins, who is organizing the event.

<b>Next Meetings:</b>	<b>April 28</b>	<b>Regular Board Meeting</b>
	<b>May 15</b>	<b>Annual Congregational Meeting</b>
	<b>May 21</b>	<b>Paul's Reintegration Retreat</b>
	<b>May 26</b>	<b>Regular Board Meeting</b>

**Meeting adjourned at 8:24 pm.**

**Future Meetings:**

- Fundraising Policy vote
- Discussion on creation of Governance Committee as standing committee.
- Capital Needs Assessment
- Kitchen Upgrade

**Summary of Action Items:**

- Lew moved and Sarah seconded that the presented Operating Budget be adopted and recommended to the congregation at the Annual Congregational Meeting. Motion passed unanimously.

**Attachments: (below)**

- Operating Budget
  - Concise Proposed Budget
  - Category Detail
  - Board Priorities
- BUF Reserves 2021-2022

Concise Proposed Budget 2022-20

Bellingham Unitarian Fellowship (Linked to draft)  
Draft 2022-2023 budget Summary

Ordinary Income/Expense	Current fiscal year		Comparison	Comments:
	Projected 2022-2023	Projected 2021-2022		
<b>Income</b>				
STEWARDSHIP INCOME				
Total DONATIONS	339,985	360,844	Decrease	BUF pledges are projected to be less than last year's (-\$8,900 less).
Total FUNDRAISING	20,000	43,325	Increase	
Total STEWARDSHIP INCOME	359,985	404,169	Decrease	
OPERATIONS INCOME				
Total FACILITIES PROGRAMS	31,900	17,915	Increase	BUF rental income is projected to increase(+ \$13,985).
Total PROGRAMS	0	35,518	NA	
Total OPERATIONS INCOME	31,900	53,433		
Total FINANCING	200	289	Decrease	
Total Income	392,108	457,937	Decrease	
<b>Gross Profit</b>	<b>392,108</b>	<b>457,937</b>		Total income is projected to be less than current year.
<b>Expense</b>				
Total STEWARDSHIP EXPENSES	27,495	26,276	Increase	UUA dues will increase.
OPERATIONAL EXPENSES				
Total FACILITIES	27,027	26,240	Increase	Custodial expenses and utilities will increase.
Total UTILITIES / BUILDING SERVICES	29,022	24,513	Increase	
Total ADMINISTRATIVE EXPENSES	15,398	14,266	Increase	
Total PROGRAM EXPENSES	17,016	63,540	NA	
Total OPERATIONAL EXPENSES	88,463	128,560		
Total STAFFING EXPENSE	296,230	296,323	Decrease	
Total FINANCING (Reserves) EXPENSE	-29,359			BUF income deficit to be countered by \$32,028 projected benefit from Employee Retention Credit.
Total Expense	382,829	449,534		
Net Ordinary Income	9,279	8,403		Positive result will cover mortgage principal payments.
Non-Operating Expense				
Mortgage Equity Payment	9,623			

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Category detail

Bellingham Unitarian Fellowship (Linked to draft)  
 Draft 2022-2023 budget Summary

Ordinary Income/Expense	Current fiscal year		Comparison
	Projected 2022-2023	Projected 2021-2022	
<b>Income</b>			
STEWARDSHIP INCOME			
DONATIONS			
Pledge Income	300,000	308,900	Decrease
Non-Pledge / Friends Donations	25,007	30,026	Decrease
Cash Donations and Misc.	2,321	2,321	
RE Gift	12,656	19,596	Decrease
Total DONATIONS	<b>339,985</b>	360,844	Decrease
FUNDRAISING			
Other Fundraising Income	20,000	14,000	Increase
Covid Grants & Income	0	29,325	***
Total FUNDRAISING	<b>20,000</b>	<b>43,325</b>	Increase
Total STEWARDSHIP INCOME	<b>359,985</b>	<b>404,169</b>	Decrease
OPERATIONS INCOME			
FACILITIES			
Rental of Building	31,900	17,915	Increase
Total FACILITIES	<b>31,900</b>	<b>17,915</b>	
PROGRAMS			
LLL INCOME			
LLL - RE Income	0	0	
Total LLL INCOME	0	0	
SEJC INCOME			
SEJC - Special Collections	0	0	
SEJC-General	0	0	
SEJC - Fairtrade Coffee Sales	0	0	
SEJC - Family Promise	0	0	
SEJC - Anti Racism Project	0	0	
Total SEJC INCOME	0	0	
Total PROGRAMS	0	0	
Total OPERATIONS INCOME	<b>31,900</b>	<b>17,915</b>	Increase

Category detail

FINANCING			
Interest Income	200	289	Decrease
Total FINANCING	200	289	
Total Income	392,108	457,937	
Gross Profit	<b>392,108</b>	<b>457,937</b>	
<b>Expense</b>			
STEWARDSHIP EXPENSES			
Denominational Dues			
UUA Dues	25,970	24,226	Increase
Total Denominational Dues	<b>25,970</b>	24,226	
Stewardship Fundraising Expense			
Auction - MayFaire Expense	1,025	1,025	
Other fundraising expenses	0	0	
Stewardship Expense	500	0	Increase
Total Stewardship Fundraising Expense	1,525	1,025	
Total STEWARDSHIP EXPENSES	<b>27,495</b>	<b>26,276</b>	
OPERATIONAL EXPENSES			
FACILITIES			
Building Maintenance & Repairs	8,000	6,523	Increase
Insurance - Bldg/Liability Expe	8,208	7,498	Increase
Mortgage Interest	10,319	11,051	Decrease
Permits & Licenses	500	1,168	Decrease
Total FACILITIES	<b>27,027</b>	<b>26,240</b>	
UTILITIES / BUILDING SERVICES			
Custodial Contractors	5,700	3,690	Increase
Custodial -Supplies	2,700	1,593	Increase
Electricity	7,600	7,228	Increase
Elevator	2,036	2,007	Increase
Garbage/Recycling	2,196	2,076	Increase
Gas	3,450	2,418	Increase
Security Monitor/ Requird Tests	1,540	1,953	Increase
Water/Sewer	3,800	3,548	Increase
Total UTILITIES / BUILDING SERVICES	<b>29,022</b>	<b>24,513</b>	
ADMINISTRATIVE EXPENSES			
Office / Administrative	4,800	4,181	Increase
IT - Equipment	1,000	823	Increase

Category detail

IT - Software/Subscriptions	3,000	2,963	Increase
Service Charges & Fees	1,882	1,882	
Telephone	4,716	4,417	Increase
Volunteer Appreciation	0	0	
<b>Total ADMINISTRATIVE EXPENSES</b>	<b>15,398</b>	<b>14,266</b>	
<b>PROGRAM EXPENSES</b>			
Choir	1,700	2,881	NA
CND & Coffee Hour	0	0	NA
LLL - Childcare Contractors	2,000	690	Increase
LLL EXPENSE	0	0	NA
LLL - OWL	0	156	NA
LLL - RE General	3,016	3,016	NA
<b>Total LLL EXPENSE</b>	<b>3,016</b>	<b>3,172</b>	NA
Membership & Hospitality	100	100	Same
SEJC EXPENSES*			*SEJC is funded by Adele Herrman endowment
SEJC - Spec Coll Dispersements	0	0	NA
SEJC-Fair Trade Coffee	0	0	NA
SEJC Expense - General	0	0	NA
SEJC - Anti Racism Project	0	0	NA
<b>Total SEJC EXPENSES</b>	<b>0</b>	<b>0</b>	NA
Staff Train/Devel Expenses			
Prof Expense - Minister	2,500	4,618	Decrease
T&D for Dir LLL	2,500	3,100	Decrease
T&D for Music Director	1,000	1,200	Decrease
T&D for Music Staff	100	200	Decrease
T&D for Comm Minister	200	200	
<b>Total Staff Professional Expenses</b>	<b>6,300</b>	<b>9,318</b>	Decrease
Leadership Training & Developmnt	2,000	3,600	Decrease
Human Resources	0	217	Decrease
Pastoral Care	200	594	Decrease
Worship Arts	1,800	4,716	(sabbatical)
<b>Total PROGRAM EXPENSES</b>	<b>17,016</b>	<b>63,540</b>	
<b>Total OPERATIONAL EXPENSES</b>	<b>88,463</b>	<b>128,560</b>	
<b>STAFFING EXPENSE</b>			
Minister Salary & Housing	88,608	88,608	Same
Admin Salary & PTO	54,998	54,998	Same
Director of Lifelong Learning	48,960	48,960	Same

Category detail

Music Director	25,752	25,752	Same
AV Tech	3,734	3,734	Same
Bookkeeper	0	0	Same
Building Steward	5,110	5,110	Same
Childcare Coordinator	450	450	Same
Keyboard Artist I/Choral Assist	7,060	7,060	Same
Keyboard Artist II	5,325	5,325	Same
RE Assistant	1,271	1,271	Same
Taize Leadership	2,400	2,400	Same
Benefits			
Health Insurance Supp	14,364	12,564	Increase
LTD Payroll Expense	2,094	2,701	Decrease
Pension Payroll Expense	21,038	21,038	Same
Total Benefits	37,496	36,303	Increase
Payroll Taxes			
Medicare Expense	2,290	2,290	Same
Social Security Expense	9,788	9,788	Same
Paid Family Medical Leave	349	349	Same
State of WA L&I Expense	2,640	3,137	Decrease
Total Payroll Taxes	15,067	15,563	Decrease
Payroll Expenses	0	0	Same
<b>Total STAFFING EXPENSE</b>	<b>296,230</b>	<b>296,323</b>	
FINANCING (Reserves) EXPENSE			
Building & Maintenance Reserve	0	0	
Emergency Reserve (1% budget)	-32,028	0	
Sabbatical reserve	0	0	
<b>Total FINANCING (Reserves) EXPENSE</b>	<b>-29,359</b>		
<b>Total Expense</b>	<b>382,829</b>	<b>449,534</b>	
<b>Net Ordinary Income</b>	<b>9,279</b>	<b>8,403</b>	
Non-Operating Expense			
Mortgage Equity Payment	9,623		

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Board Priorities

2022-23 Operating Budget Goals

Priority	Cost	Description	Notes	Request Source
	\$ 300	Hospitality Team	Use for brochures and handouts at greeter table and welcome kiosk	Judy Kasper
	\$ 4,000	Restore Emergency Reserve Contribution	Restore contribution eliminated during prior year's budget for Emergency Reserves (1% of gross revenue)	Sky/John
	\$ 4,785	Restore Building Maintenance Reserve Contribution	Restore contribution eliminated during prior year's budget for Building Maintenance (15% of rental)	Sky/John
	\$ 1,500	Restore Sabbatical Reserve Contributions	Restore contributions eliminated during prior year's budget for Sabbatical Reserves @ \$125/mo	Sky/John
	\$ 8,277	Performance/Cost of living increases	This would represent an across the board 3% salary increase (Kathy's portion is \$1650, if that were to be eliminated)	HR Team
		Staff bonuses		
	\$ 1,500	DRC Conflict Resolution Training	Should we continue conflict resolution training? WDRC cost \$1,400 for Board training	Board
	varies	Leadership Development Training		Board
	\$ 1,700	GA Delegates	Fund scholarships to attend GA in Pittsburgh	Deb Cruz
	\$ 20,800	Social Media Coordinator Membership Coordinator	Develop and administer a membership program: re-encourage participation, re-engagement of members AND getting new folks interested and involved. Develop social media program. This number represents a position (whether combined or just one or the other) at \$20 per hour 50% time. This may be a future goal rather than this year.	Lew/Kaitlin Davis
	\$ 148	Increase choir budget 10%		Paul
	\$ 1,000	Training and Development for Affiliated Community Ministers = \$1,000		Paul
	\$ 1,000	Pastoral Care Team Training and Development = \$1,000		Paul
	\$ 1,000	Healthy Relationships Team	Renew existing budget item. Actually a new item	Kaitlin Davis
	\$1,000-\$3,000	Beloved Community Steering Committee	Anti-racism training & facilitation. Under Adult RE	Kaitlin Davis



Board Priorities

**2021 - 2022 Capital Budget Goals**

Priority	Cost	Description	Notes	Request Source
		Kitchen Remodel	Jim adds "Kitchen / dish washer replacement" on B&G project list	
High		Security for old doors	Lock-smith	Jim Reimer
Medium		Outside lights & cameras	Elec & signal pro	Jim Reimer
Low		Roof Solar Panels	Solar pro	Jim Reimer
High		Improved temperature	HVAC pro	Jim Reimer
Medium		Revise exit ramp on I st side	Sweat eq + pro mason (code or welcoming issue)	Jim Reimer
Low		"Paul's" basement remodel	PE + general contractor	Jim Reimer
Low		Expanding entry cover for	Carpenter (Kevin suggests)	Jim Reimer
High		Replace the social hall doors	Carpenter	Jim Reimer
		Technical Development	Continue to improve audio/video capabilities	

**2020 - 2021 Operating Budget Additions**

Priority	Cost	Description	Notes	Request Source
		Staff bonuses	\$6,500 to be disbursed in first part of 2022	Melissa/HR