

BUF Board of Trustees Meeting (in person and via Zoom)

Sept 22, 2022

Attendees: Murray Bennett, Drew Betz, Daria Haynes (President), Alex Gilman (Vice President), Henry Ohana, Sarah Pearson, Lew Phinney, Jim Reimer (VZ), Paul Beckel (Ex-Officio).

VZ= Via Zoom

Not Present (Excused): John Stewart (Secretary)

Other participants: Sky Hedman, Treasurer

Minutes by Sarah Pearson, Acting Secretary

Called to order and Chalice lighting: 7:04pm: Daria

Agenda Review/Changes:

- Note: Meeting Agendas are attached to Google Calendar. Alex will look into permissions
- Add: Paddle Call Choice (for auction)
- Add: Minster's Report
- Add: Last Sunday's incident
- Delete: SEJC concerns

Approval of last meeting minutes. Sarah: Minutes from the August 25th Board Meeting, merged with documents, were approved September 7th, 2022 by email.

The Covid Task Force recommended to the Board on September 2nd that the church re-open fully with no restrictions re Covid. Specifically, "we no longer require vaccinations and we impose no covid-related attendance restrictions on events held in BUF, either internal BUF events or rental events. Scheduled events will be able to use the kitchen and prepare and serve meals."

The recommendation was approved by the Board unanimously via email on September 7th.

Fiscal Sponsorship Update-Drew

- Lew, Daria, Henry, and Drew met with Wendy Bohlke and Brian Hansen re the proposed fiscal sponsorship contract on Zoom
- Wendy and Brian are no longer practicing attorneys and highly recommend a legal review of this contract since it involves possible liability and insurance issues
- Kirsten Barron of Barron, Smith and Daugert was suggested—does corporate law
- Church Mutual insurance policy may be interested in giving advice on it, Kathy could check

- Re how we settled on this contract, Community Foundation provided some examples to Finance Oversight Committee (FOC) but they were complex. The FOC ended up choosing one that was recommended by entity that supports fiscal sponsorship
- Arrangement is a risk to our non-profit status if rules aren't followed so arrangement needs to be monitored
- Decision was made for Daria to contact Barron, Smith and Daugert and find out how much it would cost to look at the contract and when they could do it

Treasurer's Report: Sky. Summary appended below.

- Pledge income so far this year is lower than projected (82% of budget)
- This will probably be Sky's last year. Is anyone in position to replace? John Stewart? Claire Lending is retiring in June? (Murray reported post-meeting that Claire will be unable to do this.) Sky could still mentor next year.

Administrative Council Report: Kathy: Report appended below.

- Endowment is shrinking, due to \$20 K disbursement for HVAC last year and losses due to stock market this year
- Current capital project in basement kitchen is progressing. Starting with floor and wall on 5th of October. Then can install dishwasher.

Security Ad Hoc: Lew, Jim

- Proceeding with full system use of alarm.
- Only 8 people (Paul, Kathy, Genia, Kevin Jed, Jim, Lew, Kim (primary renter) will have code to arm or disarm security system.
- Many more than 8 will be assigned door codes, unique to each individual and can't be shared.
- Alarm system mostly will be on at night. Default will be for it to arm automatically at 11pm if not armed sooner.
- If alarm is armed, it means all exterior doors are closed. We don't have motion detectors within building yet due to supply chain.
- There is no indication from the exterior whether building is armed or disarmed.
- They are working out details

Report of Recent Incident: Murray and Paul

- Claire was doing Vote project in flex room last Sunday after church.
- When it came time to lock up, Murray asked a woman who had been hanging around to leave when they do. She was "hiding" in a 3rd floor room but they were aware of her. She refused. Murray got Kathy. Kathy was also unable to persuade her to leave. Woman threatened to bear spray Kathy. Kathy called police for support. When they arrived, woman still refused to leave willingly so Kathy gave permission for them to press charges, enabling them to arrest her and take her to station.
- Brings up questions:
 - Who has authority to ask police to press charges?
 - How do people know what to do? What if staff had not been present?
 - Do we need a training session for selected folks on dealing with crises?

Ministers Report: Paul

- Paul thanks the Board for being so present in congregational life
- Reminder that Board@Buf.org is internal—congregation doesn't know it exists. Consists only of Sky, Paul plus Board. Don't copy extra people on it.
- Find your place at BUF is Oct 9 after church. Board will have presence.
- All church potluck is Oct 2
- Adult classes on UU and anti-racism being offered
- There is a lack of enough volunteers and/or replacements, especially on building/grounds, admin, chalice circle facilitators, AV team, celebrants, and pastoral care
- Paul had loss of data on computer but it was retrieved. IT team also found that malware was present on Kathy's computer.
- Paul has jury duty and a writing workshop on zoom in mid-October.

Budgeting Timeline:

- Just a general timeline so far. To find, go to governance, board procedures, budget preparation
- Time now to brainstorm financial and organizational goals
- By early next year, inform stewardship committee of Board's goals
- Start goal process by looking at last year's budget goals that were not met.
- Ideas so far:
 - May need second person similar to Walt's position
 - May need to replace Kathy's computer
 - Last year considered social media and outreach membership person.
 - Consult the reserve study and plan out needs
 - Restore automatic contributions to all reserve funds
- Lew offered to gather additional inputs/ideas from the community

Paddle Call: What does Board recommend as an auction paddle call item? Approx 5k range

- Provide accessibility to the chancel/stage
- Chairs to replace pews
- Fun rental for an all community retreat
- Auction committee can make the decision

Board Ideas for group auction donation?

- Harbor cruise with board?
- Be thinking about something you could offer that rest of Board could pitch in on

Task force for All Church Workshop on Jan 21

- Henry, Genia, Paul and Sarah are getting initial planning done this month

Other:

- Henry announced that the Beloved Community group could use a Board liaison. They meet the 2nd Tuesday of the month.

Next Meeting Date: Thursday, October 27 2022 at 7pm

Meeting adjourned at 8:55 pm.

Summary of Action Items:

- Kathy will check with Church Mutual insurance policy to see if they have an opinion on the arrangement.
- Daria will contact Barron, Smith and Daugert and find out how much it would cost to look at the contract and when they could do it
- All: plan for treasurer replacement for 2023-24 and think about group auction donation

Attachments: (below)

- **Treasurer's Report**
- **Admin Report**

Board Report from Administration Council 22 September 2022

Endowment: Current chair is Gil Baker with two volunteers. No operational budget. The committee met two times during past 12 months and approved a disbursement of \$20,206.

Total endowment assets equal **\$151,196.88** at 31 August 2022 compared to **\$193,587.02** at 30 June 2021—a 22% decrease due to large disbursement of \$20,206 and net loss on investment of \$22,184.

All disbursements from Endowment are for non-operating projects.

2019-20 endowment disbursement \$1,871 Defibrillator (installed in social hall, at bottom of stairs from Sanctuary)

2020-21 endowment disbursement \$1,980 Streaming video equipment

2021-2022 endowment disbursement \$20,206 Sanctuary HVAC upgrade

Administration, Bookkeeping and Database and Communication Management:

Actual Expense 2021-22 \$15,427 compared to budget \$14,910 Current Budget \$15,398

BUF financial records, timely reporting, compliance reports, membership database, website and Zoom online meeting and streaming applications, are maintained by the Administrator, with technical support from the IT team, the data management team (*Brian Quick and Scott Heise*) and the zoom host team (*Walt Ellis, Rory McLeod and Jeff Copeland.*) And also supported and overseen by the Financial Oversight Committee, led by *Treasurer Sky Hedman* and other volunteer members *John Stewart, Brian Quick, Pam Ives, Cathy Campbell, Frank McDonald, Lew Phinney and Sue Sayegh.*

2021-22 was the first full year with the consolidated Administrator/bookkeeping function. Combining those two positions was dependent upon saving time through 1-moving most of the MWU production to a volunteer editor (*Patricia Conover*) and 2-converting payroll to an online application for both compensation and payroll taxes and tax reporting.

Rental operations slowly began ramping up in the spring of 2002. Natural Learning Center continues as a 4 day per week school, and we provided a facility

for two League of Women Voters events, for Red Cedar Zen Meditation, the Waldorf School graduation ceremony, and several memorials and smaller events. Total revenue for the fiscal year was \$16,298 vs budgeted \$24,350.

Breeze (the church database) and Zoom communication tools have been critical during the pandemic, including service streaming, virtual church activities and meetings, virtual fundraising and donations, and during the May 2022 Congregational Meeting.

- Hospitality and Admin used Breeze to publish an updated photo directory in the Fall/Winter of 2021-22 with excellent volunteer support from *Judy Kasper and Sue Sayegh*.
- We purchased an OWL hybrid meeting device, which greatly enhanced small and mid-sized meetings with both in person and on-line attendees. New rental agreements include expanded use of the OWL and a second device was purchased in the summer of 2022.

MidWeek Update Patricia Conover has volunteered to take over this publication and has made major improvements in design and content. We have formed an oversight committee to review potential upgrades in publication and distribution of our weekly newsletter (*Stephanie Sarver, Grace Nyblade, Barbara Ellis-Quinn, Kathy Wahto and Patricia Conover.*) The focus is on better distribution and improvements on website and use of social media to publicize BUF events.

Internal Financial Review: The team of *Haven Silver, Rick Krouskop and Jeff Copeland* are currently completing the 2020-2021 fiscal year review. FY 2021-2022 will also be reviewed later in 2022, either through the internal review team or by an external review provided by Larson,Gross.

Financial Oversight Committee (board committee) Met monthly to discuss funding and budget recommendations to the board, and refine and document BUF financial priorities, including the 'fiscal agent' proposal, review potential financial opportunities and consider how to further streamline accounting and reporting procedures. FOC weighed in or made recommendations on the capital needs assessment, the Sanctuary HVAC project, other HVAC improvements, the building security project and the upcoming kitchen/dishwasher project.

Payroll and Employee Benefits: Payroll and payroll taxes and reporting successfully outsourced in July 2021 to OnPay. Employees are on-boarded through HR module, many useful support features including state and federal tax reporting and direct deposit payments to employees.

We submitted for another federal program (Employee Retention Credit) providing for reimbursement of a portion of qualified payroll expense in the first, second and third quarters of 2021. So far, we have received \$64,000 in ERC qualified credits.

Fiscal Support for One Time Fundraising: Provided accounting and reporting support for:

- the Anti-Racism Project (grant funded),
- the Hungarian Church refugee emergency,
- the Afghan refugee project,
- the BLM memorial project,
- the Lummi mural and
- the Lummi canoe journey project

Building and Grounds: \$3,645 actual expense compared to budgeted \$5,117. Current 2021-22 budget is \$8,350 Annual expense included steam cleaning (entire building) replacement of locks in front door, small electrical and plumbing projects, painting projects, new phone system (not yet installed) maintenance contract for HVAC and filters with Feller and innumerable trips to recycling, landfill and Restore as we cleaned out all storage areas.

- We are in full compliance with Bellingham Fire Department, including elevator, fire alarm system, fire doors, fire exits, signage.
1-Need to move Loxbox at some point to front of building, update keys.
2-replace external dry sprinkler heads on front porch and
we still have not received a full compliance status from WA State L&I, re the elevator-which has received its 5 year safety inspection and passed with flying colors.

List of upcoming projects attached to this report.

Design Team-subgroup of Building and Grounds, not currently meeting.

Yard and landscape-subgroup of Building and Grounds. Spring and fall work parties were very productive, with 15 to 20 volunteers. All volunteer work parties, organized by *Ron Quinn*.

Volunteer *Peter Luton* faithfully mowed our lawn and cleaned sidewalks all spring and summer (and fall.)

Much less problem with transient use of the front porch and back yard due to locking power outlets and water faucet, though we had isolated instances of damage, including social hall window (\$1600 replacement) and Wayfarer's Pulpit was kicked down and will need to be replaced by a stronger installation in the upcoming year.

Safety progress to report. See capital projects report

IT Team, AV Committee Many audio and microphone improvements needed to support streaming Sunday services. Solved innumerable challenges around equipment, planning and use of software and apps. A purpose-built cabinet was designed and installed in sound room, to more easily use the audio and zoom equipment. (Volunteers *Mike Betz, Jed Reynolds, Mark Allyn and Albert Snow*.)

IT operating budget (sub budget of admin category) for 2021-22 for software and hardware was \$4,600 with \$3,673 in actual expense. 2022-23 budget is \$3,000.

Memorial Garden: Not currently meeting.

Reserves at 30 June 2021

While we didn't set aside reserves as a monthly expense in either 2020 or 2021, we were able to move to our building, emergency and sabbatical reserves the following:

- \$25,000 to building reserves from the balance of the insurance claim (water damage in Feb 2021)
- \$31,000 to emergency reserves from the ERC direct payment of credits and
- \$27,000 to sabbatical and building reserves from past FY operating profit.

We drew down reserves during the year for \$6500 in sabbatical expenses and \$20,242 for a planned board training, the elevator 5 year safety inspection, the capital needs assessment, as well as for capital projects around building security, installation of cameras and some HVAC improvements in the filtering and air exchange components in the new part of the building.

The Sanctuary upgrade didn't draw on reserves but was paid for through the use of the Building acct (left over from the 2010 building addition) and from the endowment disbursement.

Reserves total at 30 June 2021	\$84,840.81
Reserves total at 30 June 2022	\$142,486.78
Increase	\$57,645.97 or 68%

2022-23 Building Projects:

Complete approved capital project to replace dishwasher, related improvements

Full installation of security system, including motion sensors, training in use, updated door codes

Install sliding window between sanctuary and sound room

Move lox-box to Ellsworth entrance

Replace sprinkler heads on front porch

Replace recalled electrical panels in basement and furnace room

Improve kitchen ventilation

Continue to replace can lighting with LED cans

Identify failed exterior lighting on sides and back of building, repair and improve for safety

Replace front corner sign

Complete replacement of shattered social hall window

Safety signage and evacuation procedures

Improve recycling signage and receptacles throughout building

Install new phone hardware, with additional 5 portable phone sites

Monthly Treasurer's Summary Report to the BUF Board of Trustees
August 2022 Financials (16% of the fiscal year)
Prepared for the September 22, 2022 Board Meeting

Overview of current and projected status:

- **Final financial reports for 2021-2022** are attached to this report.
 - Final Net Ordinary Income for 2021-2022 is \$3,437.
 - This total reflects contributions to Building & Maintenance Reserve and Sabbatical Reserve.
- **Month of August, 2022:**
 - Pledge income was \$18,845, 77% of budget.
 - BUF received \$1,420 in rent for August, 2022.
 - Net Ordinary Income is \$-10,981 for the month of August.
- **Year to date (July, 2022– August, 2022)**
 - Pledge income is 82% of budget for year to date.
 - Net Operating Income is \$2,697 year to date (July-August), which is 11% of the yearly budgeted amount. BUF is 16% into the fiscal year.
- **Cash on Hand for August, 2022:**
 - As of August 31, 2022, BUF has Cash On Hand of \$26,142.
 - BUF's Emergency Operating Reserve is \$73,135.
 - BUF's goal is to have reserves to cover three months operating expense, or \$99,722.
- **Reserves**
 - Building Repair & Maintenance Reserve: \$61,779
 - Emergency Operating Reserve: \$73,135
 - Sabbatical Reserve: \$7,575
- **Board is asked to approve the Fiscal Sponsorship proposal**
- **Issues requesting Board involvement:**
 - Board is asked to review and approve the Fiscal Sponsorship proposal.

Income and Expense	<i>Year-to-date</i>	<i>% of budget to date</i>
<i>Pledge Income</i>	\$ 60,287	82%
<i>Total Donations</i>	\$ 63,918	82%
<i>Fundraising Income</i>	\$ 5,514	100%
<i>Rental Income</i>	\$ 2,080	39%
Total Income Year to Date	\$ 74,064	89%
Total Expenses Year to Date	\$ 71,366	121%
<u>YTD Op. Income</u> minus Expense	\$ 2,697	11%

Cash on Hand

	This month	% Change	Prior month	Prior month
Checking balance	\$ 41,801	-48%	\$ 80,984	\$ 93,051
Cash assets under Board control	\$222,277	- 5%	\$ 234,386	\$ 247,333
Cash on Hand	\$ 26,142	-30%	\$ 36,636	\$ 27,365

Funds Activity Report

Funds Activity	This month	Prior month
Total Restricted Investment Funds	\$ 55,228	\$ 55,228
Total Restricted Bank Account Funds	\$ 128,908	\$ 129,999
Total Designated Program Funds	\$ 75,454	\$ 75,455
Total in all funds	\$ 259,761	\$ 261,537

Fundraising Summary

Fundraising Event	Income YTD	Income Goal for year	% of Goal
Dinner Auction/Gala	\$ 296	\$ 20,000	.15%
Other Fundraising	\$ -	\$ -	-%
Pandemic Grants & Income	\$ 5218	\$ 0	100%
Total Fundraising	\$ 5514	\$ 20,000	27%

Members of the Financial Oversight Committee are Sky Hedman (Treasurer), John Stewart, Frank McDonald (Assistant Treasurer), Brian Quick, Pam Ives (Assistant Treasurer), Cathy Campbell, Sue Sayegh and Lew Phinney.

Treasurer's Summary Reports and selected Financial Reports generated by Administrator are placed Administrator in BUF Workroom.

Cash On Hand reports:

***Assets** that are available to Board under normal operating conditions: Checking, Savings, 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

Year End Balance Sheet (June 30, 2022)

YTD Income and Expense (July 2021 through June 2022.)