

Board of Trustees

MEETING: April 10, 2023, 7:00 pm, Eastern Time

Pursuant to notice duly given, this meeting of the Board of Trustees of the Unitarian Universalist Association was held via Zoom conferencing.

MEMBERS PRESENT: Kathy Burek, Chris Chepel (Co-Financial Advisor), Barbara de Leeuw, Charles Du Mond (Co-Moderator), Suzanne Fast, Susan Frederick-Gray (President), Sherman Logan, Elizabeth Mount, John B. Newhall, JeKaren Olaoya, Meg Riley (Co-Moderator), Adam Robersmith, Justine Sullivan, David Stewart (Co-Financial Advisor), Sam Trumbore, Bill Young (Secretary)

ADDITIONAL PARTICIPANTS: Carey McDonald (Recording Secretary & Executive Vice President), Andrew McGeorge (Treasurer), Stephanie Carey Maron, Danielle Di Bona (Board Chaplain), Shige Sakurai, Gianni Fogliano, Ebony C. Peace, Sofia Betancourt, Michael Tino

Observers - 7

Meeting Minutes

Co-Moderator Du Mond opened the meeting at 7:00. Chaplain Danielle Di Bona offered an opening reading, and participants did a check-in in small groups.

Consent Agenda

The consent agenda, which included the March meeting minutes, was unanimously approved.

Ministerial Fellowship Committee

Michael Tino, as a member of the Ministerial Fellowship Committee (MFC)'s Executive Committee, presented a current proposal to transform the preliminary fellowship process. They were joined by Trustees Justine Sullivan and Sherman Logan, as the Board's liaisons to the MFC.

Michael noted that the current preliminary fellowship process, requiring three years of approved renewals for newly fellowshipped ministers, receives many waiver requests from ministers and can create barriers to beginning a ministerial professional pathway. The MFC's goal is to create a preliminary fellowship system that is more developmental than evaluative, supporting ministers' growth in their early careers. The proposal would shift the MFC's focus in renewal applications from evaluations to the minister's professional development plan written with the guidance of a mentor, allow more types of ministry settings to qualify for renewals, and create flexibility for ways to create a committee on ministry or ministerial formation team.

Discussion on the proposal to transform preliminary fellowship noted the following points:





- This is aligned with the MFC's goals to widen pathway to ministry, as recommended by the Commission on Institutional Change in their 2020 report *Widening the Circle of Concern*.
- Proposed changes will rely more on mentors, so there will need to be more training, support, and expectations for mentors.
- Appreciation for the focus on professional development, which all professionals need to grow and thrive.
- An essential piece of the recommendation to expand the number of ministry settings which qualify for renewals is to remove the requirement that ministry must be compensated at 25% of a full-time position. Especially for ministers working in marginalized communities, ministry may not be compensated in this way, or may be in multiple settings.
- The high number of waivers requested by minister in preliminary fellowship is an equity barrier, since a minister must be very familiar with the details of the UUA and MFC process to even know to submit one. Policies should have more built-in flexibility.
- While not currently a part of the MFC's proposed changes, it is worth re-examining the "three year rule" which requires a three year break between an individual holding professional roles in a congregation, including internships. This rule was developed to ensure there is fair competition for ministerial positions. However, it may not match the current sense of economic pressures on lower-paid professionals, ministerial shortages in many parts of the country, and the reality that people are less mobile.

The Board and MFC agreed to continue conversation about these changes.

FY24 Operating Budget

President Susan Frederick-Gray gave an overview of the budget, noting this has been the hardest budget cycle of her presidency. The UUA's annual operating budget is \$31 million for FY24, which prioritized retaining existing staff positions and addressing inflation. The UUA, like many congregations, is experiencing many financial pressures at the same time: investment income is down since markets are slow, book sales have receded, inflation pressures are raising healthcare premiums and the need for salary cost of living adjustments, and congregational budgets are down as a lagging indicator of the COVID pandemic. Requested contributions from congregations to the Annual Program Fund are based on congregations' prior year budgets, so the FY24 ask is lower than FY23 because it is based on the lowest year congregational expenses during the pandemic. The FY24 budget proposal also continued the calculation from the FY23 approved budget to utilize received prior year surplus from FY21, projected over a four-year period.

Treasurer/CFO Andrew McGeorge and Executive Vice President also helped present the budget proposal. The UUA administration had presented a preliminary budget to the Values & Resources group with a \$480,000 deficit. In the following weeks, the budget proposal reduced an additional \$100,000 in expenses, raised campaign income projections, looked for other savings, increased the expected employee turnover offset (turnover was very low during the pandemic), and closed the gap to a \$152,000 deficit.

The FY24 budget proposal includes small deficit to model transparency and be clear about the UUA's financial realities in alignment with UU congregations. This represents about 0.5% of income. While there are many trends that could have a potential financial upside next year, (e.g. fundraising with a new president, increased income from new building leases), these have too much uncertainty to include in the budget.

Investments in the budget are focused sustaining the implementation of recommendations from the Commission on Institutional Change implementation continues, which included a number of new positions and projects in FY23. No new positions or major ongoing program investments are planned for FY24. The only new investment is in one-time funds to upgrade legacy data systems, which will be essential for a digital-first organization.

UUA Presidential Nominee Sofia Betancourt shared that she holds no concerns about this budget, that she believes this proposal creates room for excitement and possibility, and that she supports in transparency in budgeting.

Barbara de Leeuw moved, Sherman Logan seconded, and the Board unanimously approved an exemption to the policy requirement for the Administration to submit a balanced budget for FY24.

Financial Secretary Sam Trumbore moved, Elizabeth Mount seconded, and the Board unanimously approved the FY24 and pro-forma FY25 operating budgets.

Co-Financial Advisors Chris Chepel moved, and David Stewart seconded, suspending the policy to require presentation of the capital/consolidated budgets in April. The Board unanimously approved this motion with the expectation that the capital/consolidated budgets would be presented in May.

General Assembly

Business Agenda

Discussion on the proposed business agenda made a clarification about the process on Actions of Immediate Witness, and agreed to include opening words for each general session.

Kathy Burek moved, Suzanne Fast seconded, and the Board unanimously approved the revised business agenda for General Assembly 2023 (Attached).

Article II Proposal

Over 100 submissions had been received so far through the Board's Article II ideas and suggestions form. These are being tagged by section of the Article II proposal, and uploaded in batches to discuss.uua.org for public review.

Commission on Social Witness

John Newhall reported back from the Commission on Social Witness (CSW) as the Board's liaison. With only one current member of the CSW with three others currently nominated to take office next year, the Board agreed to ask if some nominees might be willing to be appointed early to help with GA 2023.



For Actions of Immediate Witness this year, the CSW will try to streamline the process. This includes receiving proposals through a online form, and doing more limited work with proposers based on the CSW's screening criteria.

Business Resolution on Climate Divestment

Treasurer/CFO Andrew submitted a memo on the operational and financial impact of the proposed business resolution on climate divestment. He noted that the resolution shifts the term "fossil fuel companies" from companies that own fossil fuel reserves to include a range of banking and utility companies that have a relationship with fossil fuel companies. The memo noted that it would be very difficult for the UU Common Endowment Fund to comply with the terms of the resolution, since it calls for using types of funds that are not currently available on the market. The resolution would likely raise costs, lower returns, and destabilize the UUCEF. Additionally, the requirement to carve out \$14 million from the UUA's endowment would cost the equivalent of seven full-time positions.

Co-Financial Advisor David Stewart reviewed the Investment Committee's ongoing work on the 2014 resolution on divestment. This year, the IC has now decided to end shareholder advocacy with fossil fuel companies, and have ordered managers to sell UUA shares, as they are working on broader climate action strategy. The IC is also working to pressure banks on fossil fuel financing, and does not believe that leaving this coalition work to sell bank shares would have much impact for UU values on these banks' operations. The IC will share updates with UUCEF investors on quarterly calls in April.

Trustees agreed that the Board needs to talk more about reparations portion of the resolution, since the Board and UUA staff have been working on this behind the scenes in the past year. The UUA's approach to reparations is to follow the recommendations from the 2020 *Widening the Circle of Concern* report, which is different from the separate group proposed by the resolution.

EVP McDonald noted that the UUA had reached out to proposers of the resolution and have been in discussion with them.

The Board agreed to revisit the discussion and consider taking a position on the resolution in the May meeting.

Closing

Chaplain Danielle Di Bona shared a closing reading. The meeting ended at 9:00 pm.

Respectfully submitted,

/s/ Carey McDonald

Recording Secretary



Attachment

General Assembly 2023 Business Agenda

General Session I

Wednesday, June 21, 2023

- Call to Order
- Welcome
- Business Review and Voting Process Video
- Presenting the Rules of Procedure
- President's Award for Volunteer Service
- Angus H. MacLean Award for Excellence in Religious Education
- Unitarian Universalist Service Committee Report
- Unitarian Universalist Women's Federation Report
- Introduction and Welcome to International Leaders
- Introductions
 - Youth & Young Adult Leadership
 - Systemic Justice Team
 - Safety Team
 - Chaplains
 - Covenant Team
 - Accessibility & Inclusion Team
- Reflection
- Closing Words
- Announcements & Recess



General Session II

Thursday, June 22, 2023

- Call to Order
- Opening Words
- Update from the GA Care Team
- Preliminary Credentials Report
- Reflection
- Co-Moderator / Board Report
- Break
- Presentation of Article II and Discussion of Amendments
- Music
- President's Report
- Commission on Social Witness Presents Actions of Immediate Witness
- Closing Words
- Announcements & Recess

General Session III

Friday, June 23, 2023

- Presidential Candidate Forum
- Break
- Call to Order

- Opening Words
- Update on the Results of Yesterday's Ballot
- Update from the GA Care Team
- Reflection
- Discussion of Amendments to Article II
- Discussion of Amendments to Business Resolution: "Complete Divestment from the Fossil Fuel Industry and Subsequent Reparations"
- Closing Words
- Announcements & Recess

General Session IV

Saturday, June 24, 2023

- Call to Order
- Opening Words
- Update on the Results of Yesterday's Ballot and Election Results
- Update from the GA Care Team
- Reflection
- Final Discussion of Article II Amendments
- Final Discussion of Business Resolution: "Complete Divestment from the Fossil Fuel Industry and Subsequent Reparations"
- Break
- Discussion of Actions of Immediate Witness
- Responsive Resolutions
- Closing Words
- Announcements & Recess



General Session V & Closing Celebration

Sunday, June 25, 2023

- Call to Order
- Opening Words
- Update on the Results from Yesterday's Ballot and Final Credentials Report
- Final Report from the GA Care Team
- Marking the End of the Presidency of the Rev. Dr. Susan Frederick-Gray
- Final Reflection
- Award for Distinguished Service to the Cause of Unitarian Universalism
- Recognition of All Who Made General Assembly Possible
- Installation of Newly-Elected Leaders
- Installation of the Rev. Dr. Sofía Betancourt as UUA President
- Invitation to General Assemblies 2024 and 2025
- Closing Words & Adjournment
- Music and Celebration!