

MINUTES

BOARD OF TRUSTEES UNITARIAN UNIVERSALIST ASSOCIATION

January 22-23, 2005

Pursuant to notice duly given, a meeting of the Board of Trustees of the Unitarian Universalist Association was held on January 22-23, 2005 at 25 Beacon Street, Boston, Massachusetts.

MEMBERS

PRESENT: Adair, Allen-Thompson, Arnason, Ballester, Blevins, Carley, Conley, Courter, Dame, Dowdell, Lund, Marx, McGavin, McIntyre, Olson Peebles, Ortman, Payne-Alex, Redd, Rickter, Saunders, Shanti, Solomon, Stukey, Wight, Wilde, and Sinkford

MEMBERS

ABSENT: Ladd

ALSO

PRESENT: K. Montgomery, J. Gabert, N. Lawrence, J. Sharp, and observers

Gini Courter, Moderator, called the meeting to order at 8:30 a.m. on Saturday, January 22, 2005. Joan Lund provided opening words. It was announced that Judi McGavin would lead Sunday's worship service. Trustees and visitors were introduced and the agenda was approved.

APPROVAL OF OCTOBER 2004 BOARD MINUTES

The minutes of the October 2004 meetings of the Board of Trustees were approved as written.

APPROVAL OF EXECUTIVE COMMITTEE MINUTES

The minutes for the Executive Committee Meeting held on December 3-4, 2005 were approved by members of the Executive Committee and ratified by the Board of Trustees.

MINISTERIAL HOUSING ALLOWANCE

The Board received a memo from the Treasurer dated December 15, 2004 reporting housing allowances for ministers employed by the Association that had been approved by him by authority of Board action of January 25-26, 1997, said allowance having been approved by him prior to the effective date.

PRESIDENT'S REPORT

President William Sinkford reported on the fiscal year 06 budget, saying that it included a number of changes, including reducing the publication of the *UU World* magazine from six to four issues each year and the beginning of a regular web magazine. He noted that a consultant was working on "branding" for the UUA, that plans were underway for a meeting to discuss ministry to and with youth, that Beacon Press would, this year, complete its three-year "test" period with far better performance than anticipated.

Sinkford noted that there were a number of growth initiatives underway, with a marketing effort about to begin in Houston and discussions regarding regional growth active in a number of areas and that the growth team intended to identify four "breakthrough" congregations to be highlighted at the Fort Worth General Assembly. He concluded by saying that he felt privileged to be doing the work of the Association.

EXECUTIVE VICE PRESIDENT'S REPORT

Kay Montgomery, Executive Vice President, noted that district staff changes were planned for the Mountain Desert and Mass Bay Districts, with searches underway for District Executives. She also announced that Mary Miles, Annual Program Fund Director, would be retiring this summer.

The Religious Coalition for the Freedom to Marry has announced that they will be presenting the Association with their Peace and Justice Award, given to an organization that has displayed a long-standing commitment to bisexual/gay/lesbian/transgender issues. The Friends of the UUA program is working with a consulting firm and new fundraising letters are planned.

Montgomery reminded trustees that the UUA and the Unitarian Universalist Service Committee had hired a consultant to work with the two organizations with the goal of moving toward more and better staff collaboration. The final report will be available by the time of the April meeting of the Board of Trustees and there has been dramatically increased collaboration including, most notably, the work on fundraising for the tsunami disaster which has raised, to date, \$925,000.

SECRETARY'S REPORT

Wayne Arnason, Secretary, reported that there would be two contested elections at General Assembly; he encouraged trustees to follow up with congregations that had not yet certified; and he said that he would be bringing board policy changes to the Board in April for approval.

REPORT OF OUR ASSOCIATION WORKING GROUP

Members of the Our Association Working Group reported on their discussions, saying that they would be bringing salary range recommendations for ministers and staff to the Board in April for a vote, that the Consultation on Ministry to and with Youth was planned for February, that the Independent Affiliates Task Force continued in their conversations about the conditions and understanding about Independent Affiliates and that the discussion on redesigning ministerial fellowship continue. Recommendations were made held concerning Bylaw changes concerning the Religious Education Credentialing Program, the Ministerial Fellowship Committee Rules, and recommendations from the Panel on Theological Education.

Religious Education Credentialing Bylaw Changes

M (Rickter), S, and

VOTED: To place the following proposed bylaw changes on the agenda of the 2005 General Assembly:

Section 8.9. President.

The President shall be the chief executive officer of the Association and shall be a member, ex-officio, without vote, of all standing committees of the Association, except the Nominating Committee and the Board of Review, and of all standing committees of the Board except the Ministerial Fellowship Committee **and the Religious Education Credentialing Committee.**

Section 4.8 Delegates.

- b) Minister Delegates and Religious Education Director Delegates. Each certified member congregation is also entitled to be represented at each General Assembly by the ordained minister or ministers in full or associate ministerial fellowship with the Association settled in such congregation, and by **the director or directors of religious education having achieved Credentialed Religious Educator - Masters Level status by the**

Association and employed in such congregation. In addition, each certified member congregation is also entitled to be represented at each General Assembly by any minister emeritus or minister emerita of such congregation in ministerial fellowship with the Association and by any director of religious education emeritus or emerita having achieved Credentialed Religious Educator - Masters Level status by the Association. designated as such by a vote at a meeting of the member congregation not less than six months prior to the " General Assembly, provided that **any** such minister has been settled previously in such congregation, and **[by the] any such** director of religious education who **[is accredited by the Association and] has been previously** employed in such congregation.

Ministerial Fellowship Committee Rules

M (Stukey), S, and

VOTED: To approve the following changes to the Ministerial Fellowship Committee Rules:

1. Wherever “*Department of Ministry*” appears in both Rules and Policies, it shall be changed to Ministry and Professional Leadership Staff Group (or just Ministry and Professional Leadership), to reflect current nomenclature.

RULES:

4. EXECUTIVE COMMITTEE

“There shall be an Executive Committee consisting of the MFC Chair, MFC members appointed by the Chair, and, as non-voting members, the MFC Executive Secretary, **Professional Development Director**, and the (*Ministerial Education Director*). **Ministerial Credentialing Director**. The Executive Committee shall meet before each full MFC meeting to review the MFC agenda, and make recommendations to the MFC concerning business items.”

(Adds these two positions to the Executive Committee)

9. APPLICATION PROCEDURE

”Application for membership in Ministerial Fellowship shall be submitted to the Committee (*in writing in such form as the Committee shall determine*) **following the process outlined in the Preparatory Stages listed in the MFC Policies.** Before an application is filed, the applicant shall be furnished a copy of the Rules of the Ministerial Fellowship Committee, and as part of his/her application, he/she shall agree in writing to be bound by said Rules and amendments thereof. Upon the recommendation of the Ministry and Professional Leadership Staff Group, persons deemed to be very unsuitable for the Unitarian Universalist ministry will by vote of the Executive Committee be ineligible to receive financial aid or to appear before the full Committee.”

(Adds the RSCC process. See Policy 13)

15. PRELIMINARY FELLOWSHIP

A. PRELIMINARY FELLOWSHIP:

Paragraph 4:

“A minister who accepts a position whose duties belong primarily to a category of Fellowship other than the one he or she holds must apply (*within 6 months*) **in a timely manner** for Preliminary Fellowship in the new category. This application shall include a plan of continuing education and the name of a mentor who holds Final Fellowship in the new category. The MFC may require an interview. If Preliminary Fellowship in the new category is granted, review and renewal shall proceed in the usual way. Ministers in Preliminary Fellowship may remain in that status indefinitely while serving in another category of ministry.”

(Adds a more realistic time line for documentation of changes in category of ministry.)

MINISTERIAL FELLOWSHIP COMMITTEE POLICIES

AMENDMENT, December 2004 (No Board vote necessary).

#13. PREPARATORY STAGES (Replaces current language)

The following outline describes the stages of preparation for UU ministry and some of the policies and procedures associated with each stage.

APPLICANT STATUS

Applicants are those who have:

1. Contacted the Ministerial Credentialing Office or a Regional Subcommittee on Candidacy (RSCC) office indicating intent to pursue fellowship as a UU minister. The local RSCC office will maintain a record of applicants.

ASPIRANT STATUS

A person in Aspirant Status has submitted the following forms to the RSCC office:

1. Initial Inquiry Form (RSCC-1)

2. Interview Forms from a UU minister and a UUA Field Staff member or designee (RSCC-2)

3. Essay on ministerial aspirations and relevant biography (1-2 pages) in which they say something about who they are and the ministry they feel called to do.

4. Transfer/Plural Standing Form (if applicable) (MFC-7 – Consent form for release of background information)

5. Evidence of acceptance to a theological school or another approved program, or graduation from theological school.

CANDIDATE STATUS

In addition to 1 through 5 above, a Candidate has also:

6. Completed an approved career assessment program and released the report to the RSCC, Ministerial Credentialing Office and the MFC. (The report should be mailed to the RSCC only.)

7. Completed at least one year of theological education

8. Agreed in writing to abide by the Rules and Policies of the Ministerial Fellowship Committee and

9. Agreed in writing to defer accepting any ministerial position other than internships and student ministries unless approved by the Ministerial Credentialing Director. (Violation of this policy shall render the candidate ineligible for an interview with the Ministerial Fellowship Committee or Ministerial Fellowship for four years from the commencement of the position.)

10. Been interviewed and approved for Candidate Status by the RSCC. Persons who entered the process prior to July 1, 1999, and see the MFC prior to December 2006, are not required to be interviewed by the RSCC. An interview is, however, recommended. Those who have not seen the MFC by December 2006 will be required to have an RSCC interview before coming before the MFC.

Theological Education Trust Fund Grants

M (Payne-Alex), S, and

VOTED: To approve the following grants from the Theological Education Trust Fund, recommended by the Panel on Theological Education:

Starr King School	\$244,400.00
Meadville Lombard	\$257,230.00
Harvard Divinity School	\$40,581.00
	\$542,211.00
MPL/Renaissance	\$10,000.00
Andover-Newton	
Theological Seminary	6,000.00
UU Scholars	22,360.00

Internship Clearinghouse	15,000.00
Expenses	<u>8,000.00</u>
	61,360.00
Total	\$603,571.00

EXECUTIVE SESSION

The Board voted to go into executive session to discuss legal and personnel matters and, when it returned to regular session, announced that those matters would remain confidential.

REPORT OF THE COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING

Joan Cudhea, Jim Sherblum, and Sydney Morris of the Committee on Socially Responsible Investing reported on the recent work of that committee.

APPROVAL OF INDEPENDENT AFFILIATE

M (Conley), S, and

VOTED: The following organization was approved for Independent Affiliate renewal status for the period beginning July 1, 2004 and extending through June 30, 2005:

Interweave

GENERAL ASSEMBLY PLANNING COMMITTEE REPORT

Pat Solomon and Kathryn McIntyre, Board members on the General Assembly Planning Committee, reported on plans for the 2005 General Assembly and on recent work of the Planning Committee.

M (Solomon), S, and

VOTED: To approve Salt Lake City, Utah as the site of the 2009 General Assembly.

M (McIntyre), S, and

VOTED: To affirm the General Assembly Planning Committee's efforts to reapportion General Assembly workshops to reflect current UUA priorities.

M (McIntyre), S, and

VOTED: To request a report from the Our Association Working Group in April on the Independent Affiliate structure, particularly as it affects General Assembly.

REPORT OF THE LIVING OUR FAITH WORKING GROUP

Members of the Living Our Faith Working Group reported on their conversations, including discussions of the Commission on Social Witness Review Panel recommendations, a public policy statement sample, a review of the new curriculum project, and the Journey Toward Wholeness Transformation Committee report. Additionally discussion was held concerning proposed changes in non-discrimination language in the Bylaws and Rules of the Association; it was agreed that the Bylaw change would be placed on the General Assembly agenda and that the Rule changes would be considered at the time of the April board meeting after legal counsel had proposed new language.

M (Olson Peebles), S, and

VOTED: To place the following proposed bylaw change on the agenda of the 2005 General Assembly:

Section C-2.3. Non-discrimination.

The Association declares and affirms its special responsibility, and that of its member congregations and organizations to promote the full participation of persons in all of its and their activities and in full range of human endeavor without regard to race, ethnicity, **color, sex**, gender, **gender expression/identification**, disability, affectional or sexual orientation, age, language, citizenship status, economic status, or national origin and without requiring adherence to any particular interpretation of religion or to any particular religious belief or creed.

FINANCE COMMITTEE REPORT

M (Conley), S, and

VOTED: That Appendices A and B of the Investment Policies and Guidelines be amended as presented in the December 15, 2004 report of the Committee on Socially Responsible Investing with two additional modifications: Appendix A,, Section E: tools, subsection 3, Community Investing, replace the current language:

Direct the CSRI to develop a plan to a) monitor the financial health of the CDFIs in which UUA invests, as well as their social efficacy, and ***b) request the congregations and districts to demonstrate that they remain cognizant of their matched investments and social efficacy.***

With:

b) Encourage congregations and districts to remain vigilant in monitoring the social efficacy of their matched investments.

And

Appendix B. Section 3, Customer Impact, replace the **current language:**

AVOID COMPANIES THAT:

Are major weapons manufacturers (top 50) or with weapons sales 5% or more of total sales

With:

AVOID COMPANIES THAT:

Are major weapons manufacturers (top 50)

It was agreed that perfecting language would be made to delete references to “weapon sales of 5% or more total sales” and that appropriate anti-racism and anti-oppression AR/AO language will also be added. The Board recognized that the Investment Committee must address these changes in light of its fiduciary responsibility concerning risks and expected returns on capital, and that including responsibility as well as return and risk investment criteria requires a planned, multi-year strategy.

The Board therefore requested that that the Investment Committee respond a)with an overall strategy and high-level timetable for implementation of these guidelines at the April 2005 Board meeting and b) provide the Board with a more detailed

implementation plan including risks, issues and assumptions at the October 2005 meeting.

M (Saunders), S, and

VOTED: To authorize the UUA Treasurer and/or the Executive Vice President to increase the Eastern Bank line of credit to accommodate the Congregational Properties and Loan Commission Building and Site Acquisition Program (the so-called Member Lending Credit line) with Eastern Bank to \$6,000,000 from \$4,000,000 and the extension of the maturity date of the agreements to November, 30, 2006.

M (Conley), S, and

VOTED: To approve the FY06 Capital Expenditure Budget dated January, 20. 2005.

M (Conley), S, and

VOTED: To approve the FY06 Operating Budget dated December 17, 2004.

M (Conley), S, and

VOTED: To set the FY07 Annual Program Fund Fair Share “ask” at \$53 per member with the option for congregations with 550 members or more to alternatively contribute 4.2 percent of their operating budget.

M (Conley), S, and

VOTED: To set the FY08 Annual Program Fair Share “ask” at \$54 per member with the option for congregations with 550 members or more to alternatively contribute 4.2 percent of their operating budget.

M (Conley), S, and

VOTED: That (a) the UUA continue to own and operate Beacon Press, under the financial requirements established in the

three year plan approved by the Board of Trustees at its April 21-22, 2002 meeting and (b) that the Administration maintain and report to the Board annual and five year “rolling average” performance for Beacon.

M (Dame), S, and

VOTED: The UUA Board commends Helene Atwan, Director, and the staff of Beacon Press for their continuing dedication and their unwavering attention to meeting and exceeding the three-year plan for ensuring the Association’s ongoing commitment to Beacon Press. For maintaining the high quality of the books that Beacon publishes while managing the bottom line, we thank you.

REPORT OF THE CONGREGATIONS WORKING GROUP

Members of the Congregations Working Group reported on their conversations concerning recent growth strategies, the Church of the Younger Fellowship, and a district alignments summit meeting to be held at General Assembly. The working group distributed a copy of a report they had written to all district presidents and district staff, written in response to a query about growth from the Central Midwest District; the document was entitled “Plans and Progress Update: UU Identity and Growth.”

M (McIntyre), S, and

VOTED: To ask the Secretary to write letters of thanks to representatives of the Free Church Movement, to those who have imagined and supported the establishment of Covenant Groups in our congregations, and to Nancy Warren-Oliver of Uni-Uniques.

M (Marx), S, and

VOTED: To invite District Presidents, selected administrative staff, and others to be determined to join the Board of Trustees at an Alignment Summit on the evening of June 22, 2005 to explore the alignment of vision, mission, and ministry related to the role of districts.

Acceptance of New Congregations

M (Blevins), S, and

VOTED: To approve the application of and accept into membership in the Unitarian Universalist Association:

Northeast Iowa Unitarian Universalist Fellowship
DECORAH, IOWA

REPORT OF THE GROWTH WORKING GROUP

Members of the Growth Working Group reported on their discussions, including the Growth Team's four breakthrough congregations to be announced at General Assembly and discussed the coordination of growth efforts in a rapidly moving organization. They reported that they had discussed changes in strategies supporting congregational growth with President Sinkford.

AUDIT COMMITTEE REPORT

Will Saunders, member of the Audit Committee, reported on that committee's work.

M (Saunders), S, and

VOTED: To delegate the selection of a firm to conduct the Association's annual financial audit, acting on recommendation from the Audit Committee, to the Executive Committee of the Board of Trustees.

M (Saunders, S, and

VOTED: To approve the following charter for the Audit Committee:

RESPONSIBILITY AND AUTHORITY

The Board of Trustees of the Unitarian Universalist Association established the Audit Committee at its meeting on April 26-27, 2003 with the following vote:

“VOTED: To authorize the establishment of an Audit Committee as a Committee of the Board to oversee the annual audit of financial statements by a public accounting firm and to monitor the review, establishment, and implementation of accounting policies and internal

controls. The Audit Committee shall consist of the Financial Advisor, one member of the Finance Committee appointed by the Finance Committee, and three other persons, none of whom shall be members of the Board of Trustees.”

The Audit Committee will consist of

- Three individuals who are appointed by the Board of Trustees to staggered, two year terms. These individuals are eligible to serve up to four continuous terms, for a total of eight years. These individuals shall not be members of the Board of Trustees nor hold a salaried position with the Unitarian Universalist Association. In this document, these individuals are referred to as the “independent” members.
- The UUA Financial Advisor (with vote)
- A member of the Board of Trustees’ Finance Committee selected by the Finance Committee (with vote).

The Chair of the Audit Committee shall be selected by the Board of Trustees according to the board’s usual procedures for making such appointments. Except under unusual circumstances, the Chair shall be chosen from among the three independent members.

FUNCTIONS AND RESPONSIBILITIES

The Board of Trustees of the UUA has full authority and ultimate responsibility for the stewardship and management of all resources entrusted to the UUA.

The Audit Committee has been established by the Board of Trustees to oversee the annual audit of financial statements by a public accounting firm and to monitor the review, establishment and implementation of accounting policies and internal controls.

The Audit Committee shall assume the following responsibilities to accomplish its charge:

Reviewing and updating the Audit Committee’s charter annually or as deemed necessary.

Recommending to the Board of Trustees the selection and retention of the independent public accountants for the Organization.

Recommending to the Board of Trustees, when the Audit Committee deems it advisable, that specialists be engaged by the Association regarding financial and/or risk-management matters.

Reviewing annual financial statements, including any adjustments to those statements recommended by the independent public accountants, and any significant issues that arise in connection with the preparation of those financial statements.

Recommending to management inclusion of financial disclosures in audited financial statements, consistent with financial accounting and reporting standards and the mission of the Association.

Reviewing, as appropriate and in consultation with appropriate independent advisors, accounting policies, internal controls and procedures of the UUA as well as any management responses to comments relating to those policies and procedures.

Insuring, when the audit committee deems it necessary, that improprieties or potential improprieties in the UUA's operations are investigated and resolved.

Meeting at least annually with the Executive Vice President, the Vice President for Finance, and other staff as appropriate to discuss any issues arising from the Audit Committee's responsibilities, including management's evaluation of the work performed by the independent public accountants or other external advisors retained by the Audit Committee and/or Association.

Meetings at least twice annually with the independent public accountants, or more frequently as circumstances require, to discuss any issues arising from the Audit Committee's responsibilities. The Audit Committee may request the presence of members of management or others to attend meetings and provide pertinent information as necessary. Other matters which should be given consideration for discussion would include:

1. Significant findings during the year, including the status of prior year management letter recommendations.
2. Any difficulties encountered in the course of performing audit work including any restrictions on the scope of activities or access to required information.
3. Significant revisions or adjustments to the auditors' workplan as initially approved by the Audit Committee.
4. Inquire as to the auditors' independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and the clarity of the financial disclosure practices used or proposed to be adopted by the UUA.
5. Confirm and assure the independence of the independent public accountants, including a review of any advisory services and related fees provided by the independent public accountants.

Recommending to the Board of Trustees a Conflict of Interest Policy, recommending changes as needed, and ensuring the UUA's compliance with its policy on at least an annual basis.

Recommending to the Board of Trustees a Code of Ethical Conduct, recommending changes as needed, and ensuring that a system has been established to enforce this Code for all staff and volunteers.

Recommending to the Board of Trustees changes in structure, policies, or procedures that would minimize business risk and/or optimize business opportunities for the Association.

Obtaining the advice of outside consultants and professionals (including but not limited to retention of special legal counsel) to advise the Audit Committee on matters within the scope of its charge.

Submitting the minutes of all meetings of the Audit Committee to the Board of Trustees in a timely manner.

Reporting to the Board of Trustees, either in writing or in person, at least once a year.

REPORT OF THE BEST PRACTICES COMMITTEE

John Blevins, chair of the Best Practices Committee, reported on the work of that committee.

EXECUTIVE COMMITTEE

The Board voted to go into executive session to discuss committee appointments and, when they returned to regular session, entered those appointments into the regular minutes of the meeting.

COMMITTEE ON COMMITTEES' REPORT

M (Stukey), S, and

VOTED: To approve the following committee appointments for the period beginning immediately and extending through December 31, 2005:

Journey Toward Wholeness Transformation Committee
Carolyn Cartland

Board Representative to Consultation on Ministry to and with Youth
Paul Rickter

Board Mission, Vision, Ministry and Right Relations Task Force Coordinator
The Rev. Will Saunders

CLOSING

Julian Sharp provided closing words and the meeting was adjourned at 3:25 p.m. on Sunday, January 23, 2005.

Respectfully submitted,

/s/ Kathleen Montgomery
Recording Secretary

FUTURE MEETING DATES

Board Meetings

April 15-17, 2005
June 22-23 & 28, 2005
October 14-16, 2005
January 20-22, 2006
April 21-23, 2006
June 20-21 & 27, 2006
October 20-22, 2006
January 19-21, 2007
April 20-22, 2007
June 20-21 & 26, 2007
October 19-21, 2007
April 20-22, 2007

Finance Committee

April 14, 2005
October 13, 2005
January 19, 2006
April 20, 2006
October 19, 2006
January 19, 2007
April 19, 2007
October 18, 2007
April 19, 2007

General Assembly

June 23-27, 2005 – Fort Worth, Texas
June 22-26, 2006 - St. Louis, Missouri
June 21-26, 2007 – Portland, Oregon
June 25-29, 2008 – Fort Lauderdale, Florida
June 24-29, 2009 – Salt Lake City, Utah

Deadline for materials to be included in Board Packets:

2005 - April Board Packet Deadline – March 15, 2005
2005 - April Late Board Packet Deadline – April 11, 2005
2005 - October Board Packet Deadline – September 13, 2005
2005 - October Late Board Packet Deadline – October 12, 2005
2006 - January Board Packet Deadline – December, 27, 2005
2006 - January Late Board Packet Deadline – January 17, 2006
2006 - April Board Packet Deadline – March 21, 2006
2006 - April Late Board Packet Deadline – April 17, 2006
2006 – June Board Packet Deadline – May 23, 2006
2006 - October Board Packet Deadline – September 18, 2006
2006 - October Late Board Packet Deadline – October 16, 2006

2007 - January Board Packet Deadline – December, 19, 2006
2007 - January Late Board Packet Deadline – January 15, 2007
2007 - April Board Packet Deadline – March 20, 2007
2007 - April Late Board Packet Deadline – April 16, 2007