

UUA Board of Trustees  
June 19-25, 2012

**MINUTES**  
**BOARD OF TRUSTEES**  
**UNITARIAN UNIVERSALIST ASSOCIATION**

June 19-25, 2012

Pursuant to notice duly given, a meeting of the Board of Trustees of the Unitarian Universalist Association was held on Tuesday, June 19 through Monday, June 25, 2012 at the Hyatt Hotel, Phoenix, Arizona.

**MEMBERS**

**PRESENT:** Averett, Bartlett, Brody, Carlson, Courter, Cullen, Friedman, Greene, Grubbs, Harrison, Jackoway, King, Kreicker, Laskowski, Lund, Loughrey, Manley, Morrill, Phinney, Pupke, Raible-Clark, Ritchie, Shanti, Stewart, Tino, and Morales

**MEMBERS**

**ABSENT:** None

**ALSO**

**PRESENT:** Allen, Brennan, Janamanchi, Lawrence, Limpert, Montgomery and observers

Gini Courter, Moderator, called the meeting to order at 1:00 pm on Tuesday, June 19, 2012. David Jackoway provided opening words and Catherine Cullen read the Board Covenant. Trustees and visitors were introduced and the agenda was approved.

**APPROVAL OF BOARD MINUTES**

The meetings of the April 21-22 and May 24, 2012 meetings of the Board of Trustees were approved as written.

**TEMPORARY COMMITTEE APPOINTMENTS**

The following committee appointments, approved by two officers of the Association, were ratified in accordance with action of the Board of Trustees in April 2008:

Ministerial Fellowship Committee (for the September 2012 meeting of the MFC only)

The Rev. Deborah Raible  
Dr. Paul David Wadler

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Jesse King  
Davalene Cooper  
The Rev. Ken Sawyer

### **SECRETARY'S REPORT**

Tom Loughrey, Secretary, reported on plans for 2013 elections and welcomed trustees to his district. Discussion was held concerning Policy 2.13

M (Loughrey), S, and

VOTED AND PASSED: To amend Policy 2.13 by adding the following section:

3. Fail to provide to any individual who has been nominated for election as President, Moderator, Financial Advisor, or Trustee any information that is being provided to current Trustees, with the exception of materials related to matters for discussion in executive sessions of the Board of Trustees.

### **FIRST VICE MODERATOR'S REPORT**

Jackie Shanti, First Vice Moderator, in her role as Board representative to the General Assembly Planning Committee, reported on activities of particular interest to the Board at General Assembly.

### **DISCUSSION OF 2012 GENERAL ASSEMBLY**

Walt Wieder, Leslie Takahashi-Morris, and Sandy Weir reported on plans for the Phoenix General Assembly concerning local and national issues concerning immigration.

### **GOVERNANCE WORKING GROUP REPORT**

Lew Phinney noted that certain policy sections in the Governance Manual conflict with the individual plan documentation of the Employee Benefits Trust. The plan documentation establishes fiduciary responsibility and has been reviewed by legal counsel as complying with existing law and plan requirements. There is no requirement, he said, that fiduciary responsibilities be designated in policy.

Discussion was held concerning the monitoring report for Policy 2.14 and it was agreed with the Administration that it would be re-submitted in August.

M (Phinney) and S

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VOTED AND PASSED: To amend sections 3.6.2, 3.6.10, and 4.3.5 of the UUA Governance Manual as follows:

**3.6.2 Financial Advisor**

The responsibilities of the Financial Advisor are defined in the Bylaws in various sections of Articles VII, VIII, and X. ~~In addition to these responsibilities, the Financial Advisor shall serve as a fiduciary to exercise the Association's ongoing oversight of the UUA Employee Benefits Trust.~~

**3.6.10 Treasurer**

The responsibilities of the Treasurer are defined in the Bylaws in various sections of Articles VII, VIII, and X. ~~In addition to these responsibilities, the Treasurer shall serve as a fiduciary to exercise the Association's ongoing oversight of the UUA Employee Benefits Trust.~~

~~4.3.5 The Board delegates to the President and the Financial Advisor the responsibility to serve as fiduciary for the UU [Unitarian Universalist] Employee Benefits Trust.~~

**EXECUTIVE SESSION**

The Board voted to go into Executive Session to discuss legal matters and, when it returned to regular session, said that those matters would remain confidential.

**AUDIT COMMITTEE REPORT**

Jim Key, Chair of the Audit Committee, reported on recent matters considered by the Audit Committee including a proposal to change the schedule for monitoring reports; the Board deferred action on that proposed schedule. The Board thanked the Audit Committee for their work, asked them to elaborate on the proposed changes in the schedule, and agreed that they would return to the suggestions for changes in the schedule for monitoring reports in the future.

M (Brody) and S

VOTED AND PASSED: To amend Section 2.8 of the Board Policy Manual as follows:

**2.8 Financial Condition and Activities: UUA Governance Manual**

The President shall not cause or allow conditions that would jeopardize the Association's fiscal health.

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Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to cooperate fully with the annual audit of the Association's financial statements, or to sign the financial statements and certify that they fairly represent the financial condition and operations of the Association. Subject to the limitation that the audit does not provide absolute assurance because not all transactions are tested and because audit procedures are determined based on our risk assessments, the audit shall address whether:

--the financial statements have been prepared in compliance with Generally Accepted Accounting Principles (GAAP),

--financial procedures and staff responsibilities have been documented,

--any secured debt over \$50,000 has been issued without prior Board approval,

--Association resources, including staff time, have been used in such way as to be of primary benefit to a private purpose rather than to the Association and its mission,

--Association funds, funds received by the Association in connection with charitable gift annuities and similar instruments, and funds held in trust by the Association for the benefit of member congregations and other entities have been received, held, and disbursed in accord with applicable law, trust documents, and prudent financial management practices,

--Board-restricted funds have been used for purposes other than those specified by the Board,

--financial obligations have been met in a timely manner, and

--financial operations have been carried out in a way that complies with the requirements for maintaining the Association's nonprofit, charitable tax status under federal and state laws.

2. Use donor-restricted funds, including all income and appreciation therefrom, in a manner inconsistent with the terms of the donation, except that, to offset the costs of providing administrative services that support programs funded with restricted gift and endowment income, the President may charge an overhead fee of not more than 15% on all spending from restricted gift and endowment funds.

3. Fail to provide timely and transparent financial reporting at an appropriate level for the audience, including:

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- A. reports on the use of any budget surplus, including one due to unrestricted gifts and bequests that exceed the budgeted level,
  - B. reports on the number of employees on the Association's payroll, and
  - C. reports on income, expenses, and balances in restricted gift funds.
4. Fail to monitor revenues and expenses against the Board-approved budget, or fail to make timely reports on significant variances.
    - A. In the current operations budget segment, the President shall make every reasonable effort to avoid an operating deficit.
    - B. In the Beacon Press budget segment, the President shall follow the Beacon Press Financial

Policy (Appendix 2.F).

- C. In the General Assembly budget segment, the President shall make every reasonable effort to avoid an operating deficit (after taking into account the surplus or deficit carried forward from the prior year).
  - D. In the UU [Unitarian Universalist] Common Endowment Fund budget segment, the President shall follow the Investment Policy (Appendix 2.B) and the Endowment Spending Policy (Appendix 2.H).
  - E. In the Congregational Properties and Loan Fund budget segment, the President shall make every reasonable effort to avoid an operating deficit, and shall follow the Congregational Loan Policy (Appendix 2.A).
5. Permit the Association to accept gifts of tangible or intangible property (including financial assets) which expose the Association to financial, legal, or other risk; that are inconsistent with the Shared Vision (ENDS); or that violate the Association's Gift Acceptance Guidelines.
  6. Acquire, encumber, make significant renovations to, or dispose of real property, or lease significant amounts of space, without prior Board approval, except that the President may accept and promptly dispose of real property donated to the Association. Before requesting Board approval for any such action, the President shall not fail to provide to the Board a detailed proposal, including an assessment that compares proposed and current facilities, and a plan for communicating the rationale for property decisions to congregations. In preparing such an assessment, the President shall not fail to:

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- i. Explain how facilities support the Association's Shared Vision, including the benefits and impacts of facilities on stakeholders, and including but not limited to historically marginalized voices.
  - ii. Evaluate facilities needs within a long term strategic plan (at least 10-15 years).
  - iii. Analyze the financial impact of facilities, including any savings or costs associated with changes.
  - iv. Assess potential liabilities, including environmental remediation costs.
  - v. Ensure that facilities meet defined standards of accessibility, ease of logistics, and welcome.
  - vi. Consider the symbolic and historic value of facilities in balance with future needs.
  - vii. Assess the environmental impact of facilities.
7. Receive, hold, or disburse any funds that are not reported in the consolidated financial statements of the Association or the UUA Employee Benefits Trust.
8. Make payments for travel or other reimbursable expenses incurred by staff members or volunteers (including board, committee, or commission members), except as authorized by a travel and expense reimbursement policy.

### **REPORT OF FINANCE COMMITTEE**

M (Pupke) and S

VOTED AND PASSED: That the payout from the First Parish Unitarian Society of Gloucester Fund, calculated in accordance with the UUA's regular practices for trusts under its care, be designated for the benefit of the Independent Christian Church of Gloucester (Gloucester Unitarian Universalist Church) beginning July 1, 2012 until such time as the Board shall determine otherwise. Such designation shall be subject to the congregation agreeing that it has no claim on any past distributions from this fund.

### **BOARD BUSINESS AT GENERAL ASSEMBLY**

The Board discussed position statements on proposed Bylaw changes and their schedule and obligations for General Assembly.

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## **CONGREGATIONAL STEWARDSHIP TASK FORCE REPORT**

Jeanne Pupke, Kay Montgomery, Terry Sweetser, and Terasa Cooley reported on the task force that had met in December 2011 to discuss the relationship (covenantal, structural, and financial) between and among Unitarian Universalist congregations, districts and the Association itself. The Board discussed the questions raised by that group and agreed that they would, in the future, return to the discussion of covenant and that the District Presidents' Association would also be asked to consider this matter.

## **DISCUSSION OF RULE CHANGES**

Discussion was held concerning proposed Rule changes as a result of Bylaw changes broadening the definition of the word "congregations." After discussion, it was agreed that the Board would return to that discussion at the time of the October meeting of the Board of Trustees.

## **TRUSTEE QUALIFICATIONS EXPLORATION PROCESS TEAM**

Discussion was held concerning the Board's process for the appointment of four current trustees to the Board for terms beginning in 2013. Averett, Raible-Clark, Lund, and Morrill were appointed to a task force to create such a process.

## **BOARD DISCUSSION OF THE 2012 GENERAL ASSEMBLY**

The Board discussed their responses to the Phoenix 2012 General Assembly and agreed that it had been remarkably successful.

## **EXECUTIVE SESSION**

The board voted to go into Executive Session to discuss committee appointments and personnel matters and, when it returned to regular session, agreed that those appointments and decisions would be entered into the regular minutes of the meeting.

## **COMMITTEE ON COMMITTEES' REPORT**

M (Bartlett) and S

VOTED AND PASSED: To appoint the following persons to the Appointments Committee, effective immediately:

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Rev. Chris Bell, Chair  
Rev. Neal Anderson  
Duncan Teague  
Anne Ogden Vogt  
Carol Montgomery  
Tim Atkins  
Rev. Hope Johnson

M (Bartlett) and S,

VOTED AND PASSED: To appoint Katherine Allen to the Right Relations Monitoring Committee and the Governance Working Group, effective immediately.

Discussion was held concerning executive compensation. It was noted that Policy Governance advises that CEO compensation should be determined by the Board of Trustees.

M (Bartlett) and S

VOTED AND PASSED: To appoint Tom Loughrey, Natty Averett, Dan Brody, and Jeanne Pupke to the Executive Compensation Team charged with recommending policies and procedures related to executive compensation.

Averett, Brody and Loughrey asked that it be noted they had abstained from this vote; Pupke was not present when the vote was taken.

M (Pupke), S, and

VOTED AND PASSED:

- To approve President's compensation for FY 13 at the budgeted level.
- To renew the Board's responsibility for setting CEO compensation.
- To establish a pattern for periodic review and or adjustment of the President's salary.
- To develop policies necessary to implement consideration of this matter by the Board.
- To create a compensation task force/committee, authorizing that committee to inspect data used for recently setting CEO compensation and to examine outside sources for similar positions.
- To ask such task force to report to the Board in January of 2013 for implementation of CEO compensation policy and review.

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**CLOSING**

The meeting was adjourned at 12:08 pm on Monday, June 25, 2012.

Respectfully submitted,

/s/ Kathleen Montgomery  
Recording Secretary

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### **BOARD OF TRUSTEES SCHEDULE**

*The board normally meets as follows in **January** and **April**:*

**Thursday: Committee Day:** Right Relationship Monitoring Committee; Committee on Committees; and Finance Committee meet. Whole board activities begin with Thursday dinner.

**Friday:** Working Group Day

**Saturday:** Board meeting

**Sunday:** Board meeting followed by Coordinating Council meeting

*In **June**, the Board meets before and after the General Assembly. The schedule allows Board member participation in UU University and UUMA Ministry Days. Working groups normally do not meet at the June meeting. In election years (odd years), newly elected trustees must attend Anti-Racism / Anti-Oppression training for leaders following General Assembly.*

*In **October**, the Board meeting is one day longer, with Committee Day on Wednesday. In October of odd-numbered years (2009, 2011...) the Board meeting is preceded by a retreat for new board members beginning on Tuesday or Wednesday.*

#### **October 2012, Boston, MA**

Wednesday, October 17 - Committees

Thursday, October 18

Friday, October 19 – Working Groups

Saturday, January 20 – Sunday, January 21 - Board of Trustees meeting  
(Board packet deadline: **September 17, 2012**)

#### **January 2013, Philadelphia, PA**

Thursday, January 17 - Committees

Friday, January 18 – Working Groups

Saturday, January 20 – Sunday, January 21 – Board of Trustees meeting  
(Board packet deadline: **December 19, 2012**)

#### **April 2013, Boston, MA:**

Thursday, April 18 - Committees

Friday, April 19 – Working Groups

Saturday, April 20 – Sunday April 21 – Board of Trustees meeting  
(Board packet deadline: **March 18, 2013**)

#### **June 2013, Louisville, KY:**

Tuesday, June 18 – Wednesday, June 19 – Board of Trustees meeting

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Wednesday, June 19 – Sunday June 23 – General Assembly

Monday, June 24 – Board of Trustees meeting

(Board packet deadline: **May 20, 2013**)

**October 2013, Boston, MA**

Wednesday, October 16 - Committees

Thursday, October 17

Friday, October 18 – Working Groups

Saturday, January 19 – Sunday, January 21 - Board of Trustees meeting

(Board packet deadline: **September 17, 2013**)

**January 2014, TBD**

Thursday, January 23 - Committees

Friday, January 24 – Working Groups

Saturday, January 25 – Sunday, January 26 – Board of Trustees meeting

(Board packet deadline: **December 16, 2013**)

**April 2014 Boston, MA:**

Thursday, April 17 - Committees

Friday, April 18 – Working Groups

Saturday, April 19 – Sunday April 20 – Board of Trustees meeting

(Board packet deadline: **March 17, 2014**)

**June 2014, Providence, RI:**

Tuesday, June 24 – Wednesday, June 25 – Board of Trustees meeting

Wednesday, June 25 – Sunday June 29 – General Assembly

Monday, June 30 – Board of Trustees meeting

(Board packet deadline: **May 19, 2014**)