

**UUA Board of Trustees Meeting
DPA Observer Notes
January 15-18, 2009**

I. OBSERVATIONS OF PRE-MEETING BOARD ACTIVITIES, JANUARY 15-16

Policy Governance

On January 15 and 16, the Board, with the continuing assistance of Unity Consultants, worked on creating “Vision Ends” and “Strategic Direction Ends” to complement the Global Ends Policy which it adopted in October. The Global Ends Policy reads as follows: **“Grounded in our covenantal tradition, the UUA will inspire people to lead lives of humility and purpose, connection and service, thereby transforming themselves and the world.”** The draft Vision Ends and Strategic Direction Ends, which will be considered for adoption by the Board at its April 2009 meeting, read as follows:

“Our ENDS are growing Unitarian Universalist congregations that...

Unlock the Power that Transforms Lives

In our congregations, people deepen their spiritual lives. They:

- Develop a personal spiritual practice
- Participate in meaningful worship
- Learn and practice empowered leadership and generosity
- Find their ministry in the world

Our congregations are:

- Vibrant – joyful and excited about their ministries
- Intentionally multi-generational and multi-cultural
- Networked with each other

Congregations are:

- Active participants in ministerial preparation and development
- Shared ministries
- Agents of mission and extension

Invite people into congregations that live out covenant through:

- A strong, articulated sense of UU and community identity
- High expectations of their members
- Full participation in Associational life
- An open and inclusive outreach and welcome
- Embracing and struggling with issues of oppression and privilege

Move toward sustainability, wholeness and reconciliation through ministries, partnerships, and alliances

Our congregations answer the call to ministry and justice work

Grounded in the communities in which they live
Nationally, internationally
With interfaith partners and alliances
The public engages in meaningful dialogue and takes action informed by
our prophetic voice and public witness

These are all at equal priority and are to be achieved within a justifiable cost.”

The Board also approved the following **Sources of Authority and Accountability:**

Our member congregations
Current and future generations of Unitarian Universalists
The heritage, traditions, and ideals of Unitarian Universalism
The vision of Beloved Community
The Spirit of life, love, and the holy

The Board also discussed the recommendations of the Governance Working Group for disposition of committees under Policy Governance. All committees and working groups will continue in existence until the Board takes action or, if required, the bylaws are amended. The bylaw-created committees are Investment, Audit, Executive, Finance, Ministerial Fellowship and RE Credentialing. Until the bylaws are amended, these committees will continue to perform their current operational and governance roles. The Governance Working Group recommended that the Audit Committee should be a committee of the Board and that the role of the Finance Committee should remain “as is” for the foreseeable future. The Board was in agreement with these recommendations.

The Governance Working Group also recommended that the Investment, Ministerial Fellowship and RE Credentialing Committees should be placed under the authority of the president as soon as possible and that the president should work with those committees to make the transition. This recommendation was the subject of considerable discussion and widely differing viewpoints. It will be discussed further at the April meeting.

On January 16, Susan Stratton led a Board discussion about the monitoring process under policy governance.

Other Matters

On January 15, Debra W. Haffner of the Religious Institute on Sexual Morality Justice and healing led a discussion on creating a sexually healthy and responsible denomination. There is a pending proposal for Veatch funding for the development of criteria for

sexually healthy and responsible denominations which would use the UUA as a model. She also critiqued the Board's draft Code of Conduct on Interpersonal Relationships which was presented by the ARAOMC Working Group in October. As a result, further work will be done on this draft.

Clark Olsen made a presentation on a 2007 Pew survey of religious attitudes in America and facilitated input by Board members and observers on how UUs might respond to the findings. On January 17, he presented the results of this input. The items that elicited the greatest interest were the prevalence of "religious tolerance" in America, the presence of large minorities of Americans who do not believe in a personal God or are uncertain about God's existence, religious practices with children in our homes and sharing our faith with others. The Board discussed how it might weave these topics into its agenda for next year. Clark agreed to facilitate a workshop based on this survey at General Assembly in 2009.

Clark Olsen also shared his experience with James Reeb in Selma in 1965 and his contacts with Rev. Reeb's daughter. Clark was instrumental in the UUA's decision to send yellow roses to Rev. Reeb's widow and also to the families of Viola Liuzzo and Jimmy Lee Jackson on election day 2008.

II. OBSERVATIONS OF BOARD MEETING, JANUARY 17-18

On January 17, the Board meeting began with opening words and chalice lighting by Nick Allen. As a housekeeping matter, Dan Brody reported that the Audit Committee is drafting a whistleblower policy to present to the Board at a future date. The Consent Agenda was approved.

Secretary's Report

Paul Rickter reported that absentee ballots for GA will be sent to congregations in early May and must be received back one week before the commencement of GA. Congregations must certify by February 2. There are still 846 congregations that have not certified. There may be a proposal to amend the bylaws at some point in the future to allow electronic voting. Paul has received a letter from the Board of Review requesting that the UUA's fundamental documents provide that at least one member of the Board of Review should be a lawyer. It is unclear at this time where such a requirement should be enshrined.

Paul also reported that approximately 30 congregations, mostly smaller ones, will not be eligible to vote at GA because they failed to make a contribution to make any financial contribution to the UUA for the fiscal year ended June 30, 2008.

First Vice Moderator's Report

Jackie Shanti reported that the Coordinating Council would meet on Sunday following conclusion of the Board meeting.

Financial Advisor's Report

Dan Brody said that in light of the substantial drop in the UUA's endowment during the current economic crisis, the Board should consider amending the UUA's endowment spending policy to lessen the impact of future downturns. Currently, endowment spending is based on a 13 quarter rolling average which will result in reduced endowment spending of approximately \$500,000 in FY 2010 and perhaps another \$500,000 in FY 2011. Dan has investigated a hybrid spending policy, used by many large universities, which takes into account inflation as well as changes in market value. Under such a policy, spending is not as high when the market is up, but the institution is setting aside money to deal with future downturns. Dan will continue to investigate this possibility as well as other spending policies and may propose a change to the Board at a future date.

Audit Committee Report

Audit Committee chair Chris Reece reported that the committee hopes to recommend a conflict of interest policy to the Board in early 2009. He also noted that a whistleblower policy is under development. He stated that the efficiency of financial reporting has improved under Tim Brennan. There will be a rebid for the external auditor of the UUA with an RFP going out for the 2010 audit. This is a standard practice every few years. The committee will assist the Employee Benefits Trust Health Plan in its selection of an audit firm. It also recommends consideration of converting that plan from ERISA to a Church plan because it will be easier to audit. The committee has worked with Tim to reconfigure financial statements to clarify reporting of operating and non-operating components. The external auditor (KPMG) is issuing a clean opinion for FY2007 and FY2008. There have been some issues with KPMG regarding issuance of its Management Comments Letter which the committee does not consider significant. However, it is premature for the committee to comment to the Board in detail on this. The committee is also considering a recommendation for giving its report to the Board in the future at the October meeting rather than the January meeting.

Commission on Appraisal Report

Orlanda Brugnola and Barbara Child presented a detailed report of the work of the commission relating to its mandated 15 year review of Article II of the UUA's bylaws, the principles and purposes, including a draft revision. Under the bylaws, the Board may choose to accept the report and put the proposed revision up for vote at GA in two consecutive years. If it passes by a majority vote in the first year and by a 2/3 vote in the second year it will become effective. In this process, amendments to the proposal will not be allowed and the vote must be up or down. After consulting with legal counsel, it was determined that the Board may make revisions to the draft before submitting it to the delegates at GA. There was considerable discussion about how to proceed and it was agreed that the Board would vote the next day.

Treasurer's Report

Tim Brennan reported that the value of the UUA Retirement Plan's investments declined from \$175 million in January 2008 to \$135 million in December 2008, and that the Common Endowment declined from \$135 million to \$94 million (net of distributions) during the same period. Revenues for FY 2009 are now expected to be down by 7.5% and expenses are being cut by a like amount. APF fundraising will like be short of projections by approximately \$100,000 for FY 2009. Other sources of income (Friends of the UUA, capital campaign fundraising and book sales) are down by more significant amounts.

Pat Solomon gave process observations for the morning and the Board went into executive session.

Executive Vice President's Report

Kay Montgomery reported that Ken Griffin is the new website manager. She talked about two new books, one a history of UU antiracism work that will be ready by GA and the other a children's book for Earth Day. The *New York Times* website picked up a column by Meg Barnhouse that had appeared in *UU World* online. Kay handed out lists of African-Americans who have served on the UUA Board since 1961, as well as African-Americans who have served on the Commission on Appraisal and the Nominating Committee. She is working on similar lists of Hispanic/Latino and Asian/Pacific Island members.

Action Reports

Working groups and committees previewed motions they intended to submit to the Board for consideration on Sunday. The Our Association Working Group, Congregations Working Group, Governance Working Group, Finance Committee and Ministerial Fellowship Committee all reported that they would bring motions. There may also be motions regarding having a mandated lawyer member on the Board of Review and for the credentialing of UU musicians. (See below for motions)

President's Report

Bill Sinkford noted that forecast income for FY 2010 is down 10%. In light of that, emphasis must be given to what are the mission-based priorities for which spending must be maintained, rather than what are the mission-based priorities for additional spending. The UUA will be guided by three mission-based priorities: support for healthy and vital congregations, making UUism available to those yearning for a liberal religious home and being a credible voice for liberal religious values. The UUA will also strive to provide those services which are of highest priority to our congregations: education, credentialing and support for ministers and other religious professionals, provision of RE curricula and resources for all ages, support for church administration/leadership, public visibility/witness, and support for congregational growth. The UUA will place priority

on continued investment in major initiatives that are already underway: the “Tapestry of Faith” curriculum, the Diversity in Ministry initiative, Public Visibility campaigns, and Youth/Young Adult Ministry. Of these, all but the last have external funding. Bill expects that the Board will receive a recommendation from the Youth Ministry Working Group in April.

Steps taken to reduce costs include: a hiring freeze and a projected 30% staff reduction at GA, going to electronic-only versions of *Interconnections*, *Religious Leader*, and the Directory (2010), and holding fewer face to face meetings.

Bill reported that his trip to Africa in the fall was a great success and included meetings with many UU congregations.

In May, the UUA will participate in a Ford Foundation sponsored conference on Christian theology and its strengths and shortcomings in the modern world.

Bill reported on the Diversity in Ministry initiative, which assists with tailored searches for congregations who wish to call ministers of color. Two ministers of color are currently in settlement process under this initiative. The UUA is also working with other congregations who have called ministers of color to foster long settlements. All ministers of color who have been credentialed in recent years are employed in UU positions. There were 33 UU ministers of color in 1999 and 57 in 2008 (including Hispanic/Latino ministers).

Bill planned to go to Washington, D.C for the Obama inauguration. He noted that we are being invited to sit at policy tables from which we were previously excluded, and that this will require a transition of mindset from being critics to having a constructive voice.

Finance Committee Report

Much of the committee’s report had already been covered by the Treasurer’s report. Other items covered by Lynn Conley included plans to recommend a Friends ask at GA with a “Standing on the Side of Love” theme, a freeze of APF fair share at the current \$56 per member for FY 2009-2010 and proposed cuts in the Board travel budget to help cope with the revenue shortfall.

The UUA health insurance plan is in good financial shape. Its reserve balance and number of participants are both up. There has been a delay in completion of the 2007 audit because it was selected for peer review, which requires additional procedures. However, the numbers will not change. This has also delayed completion of the 2008 audit.

Nothing has been done so far regarding use of electronics to reduce the Board’s carbon footprint, which was the subject of a motion passed in October.

Beacon Press is projecting a loss of \$250,000 due to the economic downturn, which has adversely affected sales of books. This is within the maximum allowable loss under the plan for Beacon. There will be a reduced Beacon Press staff presence at GA and no Beacon Press booth in the exhibition hall. It is hoped that Beacon Press books will be sold in the general exhibit hall bookstore.

General Assembly Planning Committee Report

Lynn Conley and Beth McGregor reported on recommendations of the Finance Committee to GAPC for cutting costs at GA in 2009. These include not hiring outside consultants to monitor elections, making the Annual Report available electronically only (although the Notice of Meeting will still be mailed to congregations), reducing the budgets for advertising to the host community, subsidized childcare, staffing for the Youth Caucus, live streaming, and photography. Further cuts may be required. The committee is running two budgets, one assuming 4,100 registrants and one assuming 3,500 registrants.

The GAPC is considering whether changes should be made to the scholarship program from GA, specifically whether it should be used to increase participation by particular populations, such as young adults, or used to make GA more economically accessible for those with no resources to attend GA.

Eva Marx and Beth reported that starting in 2010 the UUMA plans to separate CENTER, the continuing education for ministers that precedes GA, from Ministry Day and will offer a midwinter institute instead. Ministry Day will continue to precede GA. The GAPC will seek to use our presence in Salt Lake City to demonstrate that we are a community that welcomes LGBTs. Plans include a Friday night dance that will be open to the local LGBT community.

The Ware Lecture will be given by Melissa Harris-Lacewell of Princeton University.

ARAOMC Assessment Team Report

Joan Lund reported that the competency assessment was not ready for distribution. The Board will undergo multicultural training in April and the assessment will be issued after that has taken place. The team is working on improvements to its process observations form. Chuck Wooldridge reported on his work with the Evangelical Lutheran Church of America board of trustees to help them develop a process observation method.

In keeping with new policy, three Board members will give ARAOMC reflections at each meeting. Tamara Payne-Alex, David Friedman and Jackie Shanti shared their reflections.

Fifth Principle Task Force

Jose Ballester gave a brief progress report and stressed that the task force is not yet ready to make specific findings or recommendations.

Roger Comstock gave process observations for the afternoon. He specifically addressed the use of laptops by Board members while people are speaking.

On January 18, Joan Lund led the worship service. Charlie King did the chalice lighting reading.

Report of the Panel on Theological Education

Tamara Payne-Alex led a discussion on the Excellence in Ministry Summit, which was convened by the Panel in Seattle in December. The Summit process yielded eight priorities for excellence in ministry:

Ministerial Culture, UU Growth and Impact on Credentialing Process

Whose are we?

ARAOMC Resistance

Collaborating for Collegiality and Continuing Education

Lay Theological Education

Fostering Emotional Maturity and Spiritual Depth

Right Relationship between the UUA and Theological Schools

What is the Model of the Church We are Assuming for Leadership Training?

The Summit assigned each of these priorities to different bodies for further development. The last two have been assigned to the Board.

Minutes of the Summit have not yet been published. There is more detailed information about the Summit on the UUA website.

There was considerable discussion by the Board on the dynamics/results of the Summit. Much work remains to be done.

Motions Passed by the Board (see minutes for exact language)

To receive the report on Article II of the bylaws from the Commission on Appraisal.

To amend the last paragraph of Section C-2.2 of the draft of Article II received from the Commission on Appraisal to read as follows: "Grateful for the traditions that have strengthened our own, we seek to engage cultural and religious practices in ways that call us into right relationship with all."

To place the draft of Article II received from the Commission on Appraisal, as amended, on the agenda for the 2009 General Assembly.

That the Board will no longer accept new Independent Affiliate applications as of June 2009.

That the Board will no longer accept or renew Independent Affiliate applications as of June 2010 contingent upon the UUA staff creating a strategy to honor and harness the incredible talent, passion and experience present in this large group of dedicated UU volunteers. Further, that the Board encourages these important organizations to partner with the staff to create best practices for engaging with congregations, districts and staff in carrying out our vision for Unitarian Universalism and the hope we have for healing the world.

That the Board will initiate a relationship with the Boards of each of the UU Theological Schools.

That the Board request the UUA President and the Congregations Working Group to facilitate a full Board conversation on highlights from the conference in May and working group discussion on “What is a congregation?” as soon as the Board agenda will reasonably allow.

That the Board charge the Ministerial Fellowship Committee to coordinate willing partners in addressing the theological education priority of “Ministerial Culture, UU Growth and Impact of Credentialing” identified at the Excellence in Ministry Summit in December 2008.

That the Board have a full discussion in April 2009 to determine the exact changes desired to the election process for President and Moderator, and that the changes be voted on at the April 2009 meeting.

The changes will be forwarded to Ned Leibensperger to craft bylaw language for the Board to review at the October 2009 Board meeting and voted on at the January 2010 meeting for placement on the General Assembly 2010 Agenda.

That the Board select a subcommittee consisting of a member from each of the Association Working Group, the Finance Committee and the Governance Working Group to explore what the job of Moderator/Chief Governance Officer would look like under Policy Governance and what a reasonable compensation/per diem stipend or honorarium might be, how many days per year would be considered work days, etc. Further, that the subcommittee will present its findings and recommendations at the April 2009 Board meeting.

To accept Foothills Unitarian Universalist Fellowship of Maryville, Tennessee as a member congregation of the UUA.

That the Board request the General Assembly Planning Committee to authorize a collection in plenary at GA 2009 to support the Association’s work “Standing on the Side of Love” with half the funds raised supporting advocacy work and half designated to the President’s Freedom to Marry Fund, for grants to congregations and districts in support of marriage equality.

That for FY 2010, the amount made available for expenditure from the Association's endowment shall be computed over the 13 calendar quarters ending on December 31, 2008. Further, that this policy applies to all UUA endowed funds including unrestricted, restricted and campaign funds.

That the Board will hold the Annual Program Fund Fair Share contribution for FY 2009-2010 at the current rate of \$56 per member and will hold the percent of budget option for large congregations at the 2008-2009 level.

To make changes/additions to rules 13E and 19 regarding, respectively, "Continuity of Ministry of Preliminary Fellowship" and "Ministers in Plural Standing and disciplinary issues", as recommended by the MFC.

Notes prepared by
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