

**UUA Board of Trustees Meeting
DPA Observer Notes
April 16-19, 2009**

Pre-Meeting Activities

On April 16, committees and working groups met throughout the day and evening to prepare reports for presentation to the Board.

On April 17, the Board heard feedback from its members on the responses they had received from district boards, congregations and others regarding the Ends Statement that the Board drafted at its January meeting. The responses were varied, but generally positive, with considerable differences regarding nuance and detail. All in all, it appears that a good start has been made by the Board in its “linkage” efforts.

Next, Susan Stratton, a governance consultant, made a presentation and led a discussion regarding the role of committees under policy governance, with emphasis on the different roles of Board committees and operational committees. Generally, Board committees should be concerned with assisting the board in carrying out its functions of governance, linkage and monitoring. There will be further study and discussion before the Board is ready to determine the committee structure of the Association under policy governance. The Board also heard the results of its self-assessment survey. The principal areas of concern included the need to make Board meeting packets more user-friendly and clarification of Board members’ roles regarding stewardship and development leadership. The Board also discussed its monitoring function under policy governance.

Jose Ballester led a multicultural training session which included consideration by small groups of problems based on actual situations. Each group reported its deliberations and solutions back to the entire Board.

Board Meeting, April 18

The Board began its meeting with opening words and chalice lighting by Dan Brody, UUA Financial Advisor.

The consent agenda, which included Board minutes from January 2009, Executive Committee minutes from March 2009 and revisions to governance policies, was approved.

Secretary’s Report

Paul Rickter reported that only 50 congregations had failed to certify for the 2009 General Assembly. Because it now possesses the technology to do so, the UUA will scan the ballots cast

in the presidential election rather than hiring an outside firm. Paul is developing a workshop on the election to be presented at GA.

First Vice Moderator's Report

Jacki Shanti reported the the Coordinating Council would meet on Sunday and would consider draft guidelines for use of technology at Board meetings.

Governance Working Group Report

John Blevins led a discussion of motions that the working group intended to make on Sunday (see below) to implement policy governance in the Association effective July 1, 2009. There was additional discussion of these topics later in the day.

Our Association Working Group Report

Tamara Payne-Alex presented the working group's recommendations for changes to the election process and terms of office for the President and Moderator, in anticipation of making a motion (see below) on Sunday to put proposed bylaws amendments on the 2009 General Assembly agenda, with a view to holding a vote on the amendments at GA 2010. There was considerable discussion and the topics were revisited later in the day.

Fifth Principal Task Force

Denny Davidoff gave a status report on the work of the task force regarding the future of General Assembly. The task force believes that the status quo is not an option and is exploring the possibility of biennial governance conferences to do the work of the Association. There are many options under consideration for the program aspects of General Assembly if the governance aspects of GA are separated.

Treasurer's Report

Tim Brennan reported that investments of both the retirement plan and the common endowment continue to decline. From December 2008 through March 2009 the retirement plan dropped in value from \$135 million to \$127 million and the common endowment dropped from \$94 million to \$87 million. Tim pointed out that the drop in the endowment was attributable in part to withdrawals by the UUA and congregations and said that the funds were actually outperforming their benchmarks by a small amount.

The retirement plan is currently in the process of choosing an administrator. The two candidates are Fidelity (the current administrator) and TIAA-CREF. In response to UUA concerns, TIAA-

CREF recently changed its policy regarding investments in companies that do business in Sudan. One reason for opening up a contest for administrator was dissatisfaction with Fidelity's policies regarding Sudan. The UUA is retaining a consultant to help in making the choice.

Tim also described changes in the way the common endowment reports information which will provide greater access and clarity. Phil Murphy, formerly CFO of Wellington Management has been hired as endowment manager.

A motion (see below) will be presented authorizing officers of the Association to take necessary steps to register the common endowment under state securities laws where required. There is an ongoing review regarding these requirements.

The Annual Program Fund is almost on budget for this fiscal year. However, Friends of the UUA contributions are down substantially.

Revenue for the 3rd quarter was down 8.8% and expenses were down 8.1%.

Financial Advisor's Report

Dan Brody reported that while APF contributions for FY 2009 are close to budget, it is expected that contribution will be down considerably in FY 2010. The received budget for FY 2010 called for \$7.4 million from APF and the current estimate is \$6.6 million. The big drop in Friends contributions is expected to continue in FY 2010. Dan reported that unrestricted bequest income is actually up for the current fiscal year and it is anticipated that the surplus will be used to help close the shortfall in the operating budget. He said he would like to get away from the practice of including bequest income in the budget.

Dan also described proposed whistleblower and conflict of interest policies that would be the subject of motions (see below) on Sunday. There was considerable discussion around these policies.

Process Observations

Susan Stratton gave observations of the Board's activities from a policy governance standpoint.

Tamara Payne-Alex gave general process observations.

Health Plan Update

By conference telephone, Paul Bluestein gave a report from the trustees of the UU Employee Benefits Trust. The plan is financially sound and has a high level of member satisfaction.

Congregations Working Group

Eva Marx reported that the working group would make a motion (see below) to welcome a new congregation, Unitarian Universalists of Central Delaware, Dover, DE. Two congregations, in Aspen, Colorado and Woonsocket, Rhode Island, have dissolved.

The working group will sponsor a workshop entitled “What is a Congregation?” at GA. The Growth Working Group will be co-sponsor.

Living Our Faith Working Group

Tom Loughery reported on meetings with the Mosaic Project, the Journey Toward Wholeness Transformation Committee and the Director of Advocacy and Witness (Susan Leslie).

Growth Working Group

Doug Gallagher reported that the working group had received a report from the Youth Ministry Working Group and spoke about the GA workshop “What is a Congregation?” to be co-sponsored with the Congregation Working Group.

He described a motion for a bylaw change (see below) regarding the relationship of community ministers and congregations, to be presented on Sunday.

ARAOMC Monitoring and Assessment Team Report

Joan Lund and Charlie Burke stated that a motion (see below) would be presented Sunday for adoption of the Board Code of Conduct Regarding Interpersonal Relationships that was originally discussed at the October 2008 meeting. There was discussion regarding how to improve this policy and coordinate it with the proposed whistleblower policy.

Finance Committee

Lynn Conley described motions (see below) that the committee planned to present to the Board for adoption on Sunday.

The committee is forecasting a deficit of \$180,000 in the operating budget (excluding GA), caused primarily by lower projected Friends income (down \$200,000 from the January forecast). Unrestricted bequest income may exceed budget by \$150,000.

The Association has made cuts in spending with minimal disruption to services. Thirteen FTE staff positions have been cut. Other cuts include reduction of print materials, cuts in District

programming expenses, less travel and more use of technology. Stewardship and Development is down 20%. However Veatch increased funding for the UU Funding Program by 20%. Staff morale is good.

The GA Planning Committee has eliminated \$160,000 from the budget for GA 2009. Registration is running close to 2005 (Ft. Worth) numbers and the current projection is for 3,600 registrants. There will be childcare, but it will be entirely on site this year. Young Fun will be shortened by a day at a savings of \$20,000.

The Facilities Conditions Assessment report shows that over the next seven years the Association will have to invest approximately \$4 million in its buildings to keep them in current condition. The FY 2009 budget calls for spending nearly \$1 million less than the FCA calls for, but facilities are being closely monitored and preventive maintenance is being performed.

The APF projection is close to budget. Friends of the UUA giving remains a concern due to the economy and a general drop in responses to telephone and direct mail campaigns across the nonprofit world. Legacy giving has exceeded its budgeted amount.

The “Now is the Time” campaign will soon end. It has pledges of \$20 million in cash and \$30 million in bequests. The UUA has raised \$91 million in the last five years.

The APF Task force recommends that the APF formula not be changed for the next three years. It will continue to study the issue.

Unrestricted bequest income has exceeded budget by over \$150,000. It is anticipated that the administration will use the excess to close the budget deficit this year.

Beacon Press is projecting a deficit of \$150,000-\$175,000. There will not be a separate Beacon Press booth at GA, but it will combine with the UUA Bookstore booth. CFO John Wong is resigning to take another position.

General Assembly Planning Committee

Beth McGregor reported that attendance in Salt Lake City is expected to be between the levels of Ft. Worth (2005) and Portland (2007) and not as low as Ft. Lauderdale (2008). Attempts are being made to integrate adults and youth into each other’s programs. There will be a “Prom for All” on Friday night that will be free of charge to the LGBT community, although participants must have either a ticket or a GA badge. A security professional and ushers will be in attendance. Board members are encouraged to attend. Melissa Lacewell-Harris of Princeton University will give the Ware Lecture. The Native American author and activist Winona La Duke will deliver the Ware Lecture in Minneapolis in 2010. The service project for GA 2009 will be the Utah Pride Center. The committee plans to propose a motion (see below) on Sunday to designate Louisville, Kentucky as the site of GA 2013.

Ministerial Fellowship Committee

Jackie Shanti summarized the committee's work with candidates seeking preliminary fellowship. Members of the committee participated in a workshop with Paula Cole Jones focused on multicultural competency. The committee denied a request by the Society for Community Ministry for a rule change allowing community ministers to affiliate with organizations other than congregations. In response to the charge from the Board passed at its January 2009 meeting that the committee "coordinate willing partners to address concerns regarding 'ministerial cultural, UU growth and the impact of credentialing' as identified at the Excellence in Ministry Summit," the committee presented a proposal to the Board to appoint a Ministerial Fellowship Review Group to undertake a comprehensive review of the UUA's credentialing process and our means for encouraging excellence in our ministers and in our ministry to the multicultural world in which we live.

Process Observations

Doug Gallager gave ARAOMC process observations.

Executive Session

The Board went into executive session.

Board Meeting, April 19

Roger Comstock led the worship service. Jackie Shanti did the chalice lighting reading. Linda Laskowski presented the Charles B. Ortman Memorial Coat of Many Colors to Nick Allen. Linda and Nancy Loughery played "Spirit of Life" on their iPhones.

President's Report

Bill Sinkford described a year of "lasts" for him. He felt his most important legacy would be to be remembered for what we can accomplish together, i.e., that "ministry is not a solo act."

Recognizing that the new President of the UUA will have his/her own vision and priorities, Bill listed the following priorities where he believes momentum must be maintained: youth ministry, excellence in ministry, lay leadership and spiritual deepening, making Unitarian Universalism available to those yearning for a liberal spiritual home and moving into a multicultural future.

He noted that our theological education is significantly underfunded. In the lay leadership area, he talked about the success of UU University and suggested that to encourage spiritual deepening the denomination needed something between congregational committee work and ordination, perhaps something like a deaconic.

With respect to making UUism more available, he described the shift following the Knoxville tragedy to a values-based visibility campaign, and pointed specifically to “Standing on the Side of Love”, aimed at championing LGBT rights, freedom to marry and immigrants’ rights. The emphasis going forward will be less on paid advertising and more on getting our message out through news outlets, talk shows and the internet.

Bill talked about the Mosaic Project report on ministry to youth and young people of color and reported that there are now 40 ministers of color serving UU congregations, up from 19 eight years ago. Both Association Sunday 2009 and the new Sinkford Fund will be dedicated to supporting theological education for persons of color. He also talked with enthusiasm about a project, headed by Tracy Robinson-Harris, that is examining the government-sponsored interactions of Unitarian ministers with the Ute tribe in the nineteenth century. There will be a workshop and display about this at GA in Salt Lake City.

Bill reported that he has asked for acceleration of the process of choosing the administrator of the UUA retirement plan because he cares deeply about the situation in Darfur.

Following his report, Bill received a standing ovation from all present.

Executive Vice President’s Report

Kay Montgomery reported two new hires: Rev. Lisa Presley as District Executive for the Heartland District and Tim Griffin as Web Manager.

In response to a resolution passed at GA 2008 asking the UUA to create a reporting system for the next three General Assemblies dealing with progress in the area of youth and young adult ministry, Kay said that a questionnaire had been sent to all 1,050 UU congregations. There were 200 responses that indicate we are at the very beginning of this work. The results of the survey will soon be posted on the website.

Kay passed out a new staff organization chart and said that further organizational changes are in the works.

ARAOMC Monitoring and Assessment Team Reports

Charlie Burke, Lyda Adair and Joan Lund each described their personal journeys and progress in their districts.

Motions (see minutes for exact language)

Congregations Working Group:

To admit the Unitarian Universalists of Central Delaware, Dover, DE to the Association (passed).

Our Association Working Group:

To introduce proposed amendments to bylaws regarding elections and terms of office of President and Moderator for discussion at GA in 2009 (passed).

Governance Working Group:

To adopt the Ends Statement for inclusion in the Governance Policy Manual (passed).

To adopt the Global Governance Commitment (Sources of Authority and Accountability) for inclusion in the Governance Policy Manual (passed).

To adopt the annual monitoring calendar for inclusion in the Governance Policy Manual, with monitoring reports to commence in September 2009 (passed).

To adopt the entire Governance Policy Manual, including amendments adopted under the consent agenda and amendments to Section 4.3 (changing the word “instruct” to “direct”) and Section 2.7.1a (requiring a balanced operating budget for each of the segments of the Association’s business) (passed with one vote in opposition by Burton Barley, due to open items). The minutes will reflect that there are items in the Governance Policy Manual, including the committee structure and delegation of responsibility for dealing with clergy misconduct, which are still under discussion.

Living Our Faith Working Group:

To receive the report of the Mosaic Project for study and discussion (passed).

Growth Working Group:

To receive the Recommendations for Youth Ministry Report (passed).

To amend Bylaws Rule 4.9.2 to read “(3) is in affiliation with the congregation” to reflect the current practice for relationship of community ministers to congregations (passed).

ARAOMC Monitoring and Assessment Team:

To adopt the Board Code of Conduct Regarding Interpersonal Relationships (passed).

Audit Committee:

To adopt the Whistleblower Policy (passed).

To adopt the Conflict of Interest Policy (passed).

GA Planning Committee:

To approve Louisville, KY as the site for GA 2013 (passed).

Finance Committee:

To approve the FY 2010 operating budget (passed).

To receive the FY 2011 operating budget (passed).

To approve the 2010 GA budget, with the understanding that there will likely be changes following the results of GA 2009 (passed).

To approve the FY 2010 capital expenditure budget (passed).

To approve a uniform form of corporate resolution for registering the UU Common Endowment Fund under state securities laws where required (passed).

To rescind the motion adopted in January 2009 designating the beneficiary of the “ask” at GA 2009 (passed).

To designate the “ask” at GA 2009 for the joint benefit of The President’s Freedom to Marry Fund and the Sinkford Fund (passed).

To appoint the Financial Advisor, the President and the Treasurer to oversee the UUA Employee Benefits Trust (passed).

Proposed Amendments to Article II of the Bylaws (Principles and Purposes):

To place amendments recommended by the Commission on Appraisal on the agenda of GA 2009 for discussion (passed).

Committee on Committees

There followed a discussion of a new working group structure and new Board assignments. Anna Olsen will be the new chair of the ARAOMC Monitoring Team. Joan Lund will join the Committee on Committees, replacing Doug Gallager. The Congregations Working Group will merge with the Growth Working Group. The Governance Working Group will continue, but its “linkage” duties will be transferred to other working groups, specifically a Linkage Working

Group (for congregations), a Connections Working Group (for organizations other than congregations) and an Excellence in Ministry Working Group.

Task Force on Role of the Chief Governance Officer

There followed a discussion of the future role of the Moderator, including the issue of compensation.

Executive Session

The Board went into Executive Session.

Notes prepared by
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