



CEDAR LANE

WHERE **LOVE** WORKS

CLUUC Board of Trustees Meeting Minutes December 20, 2022

Attendance

Officers: Bob Essink (President), Sandy Dawsey (Secretary), Sandy Stalzer (Treasurer), Nancy Janssen (Assistant Secretary), Jack Rodgers (Assistant Treasurer)

At-Large Members: Sandy Shaw, Nancy Floreen, Marilyn Emery, John Dunn, Eduardo Hernandez

Absent: Roger Santodomingo (President-Elect), Nate Hultman (Past President), Stephanie Williams, Mmamohau Tswaedi

Staff: Abhi Janamanchi (Senior Minister), Jennifer Morley (Executive Director)

Guests: Maryann Dillon, Mary Means, Jack Welch, Shira Elrich, Larry Stalzer, Richard Nugent, Kathleen Knepper

Opening

The meeting began at 7:00pm. Rev. Abhi provided the centering words. Bob Essink read the Vision/Mission statement and Marilyn Emery read the Board of Trustees' Covenant.

Consent Agenda

Sandy D asked if there was any discussion of the Consent Agenda, but there was none. Nancy Floreen made a motion to approve the Consent Agenda, and Sandy Shaw seconded it. *All in favor.*

Discussion of the Renovation Project

Maryann Dillon reviewed the Cash Required for the Renovation Project (Appendix D-4). Both the Balance to Pay through the Construction and the Available and Planned Funds equalled \$4.8 million, but the Available and Planned Funds included \$876K in expected funds that are not yet in hand (\$208K in outstanding Capital Campaign pledges, \$200K in an outstanding

anticipated bequest, \$200K in expected additional contributions to the Capital Campaign, and \$268K that would require financing). She said that it was the recommendation of the Construction Task Force that the Board approve up to \$500K in financing, probably in the form of a line of credit, if needed to complete the project.

Bob then listed six possible sources of income which could make the \$268K financing less of a borrowing requirement, including increased additional contributions to the Capital Campaign, less than budgeted contract contingency funds required, the Board and Congregation approving a portion of the special programs fund for construction, the Giovanelli family agreeing to use part of the Giovanelli maintenance fund to pay for replacing the current (broken) fire alarm system, receipt of additional bequests that can be used for construction, and the Board and Congregation approving the use of other Cedar Lane fund balances.

Jack Rodgers stated that borrowing \$268K was not consistent with the requirements of the Nov 3, 2019 Congregational vote that approved the renovation project. Sandy D then read the two stipulations in the Nov 3, 2019 Congregational vote, namely "That the cost of the renovation will not exceed \$5.3 million" and "That the total costs of the renovation will not exceed the funds expected from the Capital Campaign." Jack Welch said that he was on the Board in 2019, and this second stipulation meant that the church wouldn't agree to spend more than the cash we had in hand, and he thought we should now go back to the congregation for approval (i) to go forward with the project, and (ii) to borrow up to \$500K in financing.

Nancy Floreen said that this discussion has been going on for 5 years now, and every minute we delay, the costs go up, so we should now move forward without any more discussion. Sandy Shaw said he agreed with Nancy, and that those attending the December 6 Board Workshop on this issue were unanimous in their opinion that this project could and should be done and that the remaining financing, if needed, could be covered. Eduardo said that he agreed to go forward, but that we should not use funds set aside for special programs or money from other Cedar Lane funds. Maryann noted that the Construction Task Force had gone over the same figures, including the estimated need for \$268 in financing, at the the December 11 congregational information session, and there was no protest about this amount of financing. Marilyn said that it is the responsibility of the Board of Trustees to make such decisions, and not go back to the congregation on every issue.

Abhi said that it would be good to discuss the planned construction with the congregation again at the planned January 8 Congregational Meeting, explain the amounts still to be raised and the plan to cover this up to \$500K with a line of credit, if needed, and ask for their support. He said, however, that it is extremely rare in UU circles for a church to raise 100% of a building project's cost before starting construction - he said that most churches start construction when their fundraising reaches 40% of the expected cost. He reiterated that the longer we wait, the more the project will cost, and he said that he thought that the current plan, as presented by Maryann, was well thought out, with reasonable challenges. He agreed with others that using funds set aside for special programs and using Giovanelli maintenance funds would not be good ideas.

Nancy Floreen made the following motion: *“I move that the Board approve a contract with Whitener and Jackson, our general contractor, to complete the renovation of the Cedar Lane Unitarian Universalist Church facility. The contract will be signed by the Board President contingent upon the Board’s Construction Task Force determination that all conditions and requirements have been agreed to by the parties.”* John Dunn seconded the motion. The Board voted 8-1 to approve this motion, with Jack Rodgers voting no.

Nancy Floreen also made a second motion: *“I move that the Board approve financing, in a principal amount or amounts not to exceed \$500,000, to supplement, as needed, available cash for completion of the renovation.”* Marilyn Emery seconded the motion. The Board voted 8-0 to approve this motion (Sandy Shaw was away from his monitor during this vote).

Discussion about Engaging an External Auditor

Sandy Stalzer said that we had originally planned to engage an external auditor to audit Cedar Lane this church year, but she would like to propose tabling this until next church year. She said that the staff and Board members that would be involved in such an audit were already too busy working on the Financial Sustainability Task Force and plan, and that there was no money in this year’s budget to pay for such an audit.

Nancy Floreen said she thought it was extremely important to have outside audits of Cedar Lane, to show that we are in compliance with our 501c3 nonprofit status. She said it was something that the nonprofit that she runs does every year, even though it definitely is an expense (~\$15-20,000). Jack Rodgers said that we still have ongoing internal auditing by Tom Nixon, so we have always had an external audit only periodically (every 5-10 years), and in his experience such audits could be even more expensive (~\$50,000). The last external audit of Cedar Lane was performed in 2017. Nancy Floreen said that the cost of this audit should be in the budget for FY2024, and Eduardo said it was OK with him to put it off one year if we definitely plan to have an external audit in FY2024. Richard Nugent indicated in the chat room that it was unusual for UU churches to have a full, external audit.

Sandy Shaw made the following motion: *“I move to table the engagement of an external auditor until FY2024.”* Jack Rodgers seconded the motion. The Board voted 8-0 to approve this motion.

Financial Sustainability Task Force Update

Jean Moyer and Sandy Stalzer presented the Board with the Financial Sustainability Task Force Final Report (Appendix E), which is the product of several months of concentrated work. Jean explained that the TF felt that its main purpose was not to rehash the membership and financial challenges that Cedar Lane faces, but rather to develop new ideas to reverse these trends that are forward-thinking, feasible, and will have the most impact. She said that the TF predicts that the hardest thing will be for the Board and the congregation to implement real change.

The TF identified that the key to future sustainability hinges on four key areas:

- A. Visibility and bringing in more members/participants
- B. Evaluating and enhancing member engagement
- C. Growing additional revenue sources to offset falling pledge revenue, and
- D. Addressing current costs as compared to revenue sources

And they described observations/perceived problems and recommendations addressing each of these areas. They also listed other recommendations that they considered but rejected.

Nancy Floreen said that two ideas that were mentioned in the report, developing a full-time Cedar Lane-run day-care center and selling part of the land to construct affordable housing, would not be revenue generators. She suggested that we need to think more about marketing our center for non-church events, and we should consider spending money on an advisor who knows the local scene. Jack Rodgers said that we also need to consider specifics for what to do in the short term, and how we live with \$300K deficits for the next 5 years while we change our long-term trajectory. Richard Nugent said that both the UUA and Cedar Lane are currently in a liminal time, and the next few years will be crucial - will members return, or will we keep on losing membership.

Bob Essink said that it is very important for all Board members to read and consider this report. We will schedule two Board workshops, in late January and early February to discuss it in detail and attempt to come up with a plan to move forward in this area. He also noted that Mary Mean's friend Elaine Carmichael, a pro bono consultant, will also be working with some members of this Task Force, other Cedar Lane members, and Cedar Lane staff to evaluate revenue development possibilities for the renovated Cedar Lane campus, and we should have her input in mid-late February. All of these information sources and insights will be used in the workshops.

Generosity Team Update

Bob said that a new Generosity Team has now been identified, with many new members, and its first meeting has already taken place. The new team will be introduced to the congregation in the eNews, and will be coached by veteran members Mary Means and Marilyn Emery.

January 8 Congregational Meeting

Bob asked whether it was too much for the meeting to include both a discussion and vote on a Name Change and a discussion and possible vote on approving the borrowing of funds for the Renovation Project. John, Marilyn and Nancy Floreen all said that we could and should do both. Kathleen Knepper mentioned that in the UU church in Columbia, MO, where she had previously attended, they were considering a contentious issue with an evenly split congregation and they took a vote to support the result of the contentious vote before they took the vote on the contentious issue itself, and this helped diffuse potential resentment after the second, substantive vote, and she thought we might consider that here.

Shira Erlich asked how the meeting would be advertised, besides in the eNews, and Jen replied that there would eBlasts sent out next week and the following week (the week just before the meeting), there would be announcements in the Sunday services, and there would be notices placed around the church. Bob said that there will also be information/discussion sessions on Jan 3 and Jan 5 to engage interested members of the congregation on these topics.

Closing

The Participant Observer, John Dunn, observed that the meeting went well, with lots of give and take on major issues, and it finished on time. Marilyn Emery then read a poem for the closing words. The meeting was adjourned at 9:00 pm.