

Unitarian Society of New Haven
Minutes of the Annual Meeting of the Society
June 7, 2015

Approved November 1, 2015

Attendance: 80 Members

President Mary Donohue called the Meeting to order at 11:30 AM and Peggy Rae recorded the minutes. A quorum of Members was present, and the Meeting proceeded with M. Donohue presiding.

Approval of Minutes of Previous Meetings

Minutes of these Meetings were approved as presented:

Oct. 20, 2014 Fall Meeting

Dec. 7, 2014 Special Congregation Meeting on the Budget

May 3, 2015 Special Congregation Meeting to call Settled Minister

MOTION by Gwen Heuss-Severance, to approve the three sets of Minutes; **SECONDED** by Dick Platt; **PASSED** unanimously without dissent or abstention.

Election of Officers, Trustees, and Members of the Nominating and Endowment & Legacies Committees

Patricia Duff, co-chair of the Nominating Committee, presented the following slate of candidates for positions on the Board and the Nominating and Endowment & Legacies Committees.

Officers: Holly Hawkins, President; Dan Gelperin, Vice President; Pam Miller, Secretary

Trustees at large: John Manning, Bernice Marie-Daly, Bobbi Pace

Nominating Committee: Anne Sommer, Ellen Greist

Endowment & Legacies Committee: Linda Mehta, John Watson

MOTION by Tracy Navarra-Davis, to elect slate as presented; **SECONDED** by Sophie Tworkowski; **PASSED** unanimously without dissent or abstention.

Terms of newly elected and continuing members of the Board and committees are as follows.

BOARD OF TRUSTEES

Holly Hawkins	President	2015-2016
Dan Gelperin	Vice President	2015-2016
Mary Losee	Treasurer	2014-2016 (2 nd yr. of 2-yr. term)
Pam Miller	Clerk	2015-2017 (2-yr. term)
Mary Donohue	Past President	2015-2016
Suzanne Miller	Trustee	2013-2016
John Manning	“	2015-2016*
Russell Heinrich	“	2014-2017
Merrily Kaplan	“	2014-2017
Bernice Marie-Daly	“	2015-2018
Bobbi Pace	“	2015-2018

*Completing term of Dan Gelperin

NOMINATING COMMITTEE

Randall Spaulding	2014-2016
Paul Trotta	2014-2016
Greg Feeley	2014-2017
Tina Santoni	2014-2017
Ellen Greist	2015-2018
Anne Sommer	2015-2018

ENDOWMENT & LEGACIES COMMITTEE

Fred Morrison	2013-2016
Jeremy Hill	2014-2016
Bob Congdon	2014-2017 (2 nd term)
Linda Mehta	2015-2018
John Watson	2015-2018
Mary Beth Congdon (Non-Voting Advisor)	2014-2017

Treasurer's Report on FY2014-2015 Budget

Treasurer Mary Losee reviewed the state of the FY2014-15 budget, referring to a detailed spreadsheet that was distributed at the Meeting and which is attached to these Minutes. The budget spreadsheet shows actual year-to-date figures as of May 31, 2015 and the difference between actual and approved amounts. Among the items where actual figures differ significantly from budgeted amounts are pledge income, which is lower than budgeted, and total facility expense, over-budget due to snow removal costs that exceeded budgeted amounts despite a more favorable contract this year. Expenses in several other categories have been lower than budgeted, and at present the budget shows a positive balance. A number of expenses remain to be paid, however, and although additional income from pledges is expected, at this point it is difficult to project if the budget will retain a surplus or be in deficit at the close of the fiscal year.

Approval of the FY2015-2016 Budget

The Management Team's proposed FY2015-16 budget was distributed at the Meeting and is attached to these Minutes. The budget sheet includes the amounts approved for the FY2014-15 budget, the budget amounts set as pre-pledge targets for the FY2015-16 stewardship campaign, and the Management Team's proposed budget, which takes into account actual amount pledged at this time.

Management Team member David Jones presented the proposal and pointed out that it meets goals espoused by the Congregation in budget meetings earlier this year: payment of 100% of Fair Share UUA and district dues, conversion of the Director of Religious Education (DRE) position to full-time, 2% COLA raises for staff, and a salary for the new minister that meets UUA recommendations. As in FY2014-15, the budget includes income from the Emerson & Senn Funds to support Religious Education expenses (including a portion of the DRE salary), as well as income from Endowment proceeds; this year, it also includes a transfer of unrestricted memorial funds currently managed by but not part of the Endowment.

The budget, as proposed, has a deficit of \$18,328. The Management Team does not expect the deficit to remain at this level. A second stewardship request is currently underway and should result in additional pledge support, and the presence of a new minister may increase pledges and donations during the year. D. Jones explained that if necessary, the Management Team will look at cutting back on some expense items to bring the budget into balance. As a last resort, it will consider requesting that support from the Endowment be increased from the current 2% level to 3%.

During discussion, several Members indicated unease at the idea of paying 100% of Fair Share UU dues, which represents a \$12,000 increase over the amount in this current year's budget; several suggested that the

percentage should be increased incrementally over more than one year rather than adding to a possible deficit this coming year. Several other Members spoke in favor of the 100% figure, however, noting in particular the service the UUA provided USNH in its search for a new minister, interim ministers, and DRE.

Other budget topics raised during discussion included questions about moving expenses for the new minister, the capital budget, and suggested additions to future budgets. Management Team member Sandy Frawley explained that as part of the agreement between Megan Lloyd Joiner and USNH, a relocation allowance of \$5,000 has been set aside for her use if/when she moves from her New Haven apartment. S. Frawley noted that the Management Team plans to work out a capital budget over the next 6 months; it has already created a spreadsheet on facilities that outlines things needing to be done. Suggestions for future operating budgets included adding a line for UUSC (Unitarian Universalist Service Committee) dues in the Denominational Affairs category and providing financial assistance to USNH members attending the UUA General Assembly as delegates. A Member recommended better oversight of fundraising activities.

M. Donohue asked for a motion to approve the proposed budget.

MOTION by Jean Rosenthal, to approve the USNH 2015-2016 budget proposed by the Management Team; **SECONDED** by Bill Goward.

Before a vote was taken on the motion, Ellen McCarthy proposed an amendment to the motion.

AMENDMENT TO MOTION by Ellen McCarthy, to amend the budget proposal to pay UU dues at 75% of the Fair Share amount, rather than 100%; **SECONDED** by Tracy Navarra-Davis.

Discussion on the amendment ensued. In response to a question from another Member, E. McCarthy clarified that payment was to be limited to 75% even if funds were available to pay more. A motion to end discussion and call the question passed without objection, and a vote was taken on the amendment.

AMENDMENT FAILED: 13 for, 66 against, 1 abstention.

A vote was then taken on the original motion, and the budget was approved as presented.

MOTION PASSED: 77 for, 2 against, 1 abstention.

Right Relations Report and Approval of Covenant

Chair of the Right Relations Work Group (RRWG) Bobbi Pace reported on the group's successful efforts to develop a congregational covenant of right relations and define a charge and structure for an ongoing right relations committee, as was proposed at the Oct. 26, 2014 Congregational Meeting. A handout containing the proposed covenant and committee description was distributed at the Meeting and is attached to these Minutes (see Unitarian Society of New Haven Covenant of Right Relations and USNH Permanent Committee on Right Relations).

The covenant was created using input from more than 60 Members of the congregation who attended two Right Relations Community Conversations facilitated by the RRWG this past winter. A draft version was published in the USNH newsletter for comment and modified in response to feedback, leading to the Covenant of Right Relations presented at this Meeting for affirmation. RRWG member Nancy Lesh read the covenant aloud, and the covenant was affirmed by congregational vote.

MOTION by Greg Feeley, to affirm the Unitarian Society of New Haven Covenant of Right Relations as presented; **SECONDED** by Meredith Fahey; **PASSED** unanimously without dissent or abstention.

President's Report

(The complete text of President Donohue's report is attached to these Minutes).

M. Donohue spoke about success in meeting two Board goals for the year. One goal was to improve the Congregation's understanding of the budget and increase its involvement in setting budget priorities. Budget meetings with Members during the Fall and Winter proved fruitful and helped shape the FY2015-16 budget, as did meetings with the Council of Chairs (chairpersons of USNH committees) this spring.

The second major goal, having to do with the transition to Policy Governance, was to have executive team structure and basic governance policies in place by the end of this congregational year. As an experiment, the Board set up a 3-member Management Team to oversee and coordinate USNH operations December-June to determine if this type of executive structure would work for USNH. The team consisted of Interim Minister Fritz Hudson and two lay members appointed by the Board, David Jones and Sandy Frawley, who are familiar with Policy Governance and USNH finances. On the basis of this 6-month trial, the Board has decided to continue with a Management Team next year, incorporating input from Minister Megan Lloyd Joiner. For now, lay members will be appointed by the Board for 2-year terms.

After months of work, the Board successfully adopted policies needed to operate under Policy Governance and has compiled them in the first USNH Governance Policy Book, which is posted on the USNH website. M. Donohue remarked that the purpose of a policy book is to focus on ends (the congregation's mission-centered goals) and to clarify responsibilities while leaving room for implementers to find the best way to achieve them. The policies delineate how responsibilities and authority are delegated to the Management Team and how the Board will maintain accountability from the Management Team. They also speak to the Board's accountability to the Congregation. Because they are meant to be living documents, policies will be reviewed by the Board on a regular schedule and are expected to evolve through further amendments and/or expansions.

In closing, M. Donohue noted, "This policy book does not change the fundamental responsibilities of, or relationships between, the congregation and the Board. Instead it clarifies how the Board will carry out responsibilities that have been entrusted to the Board through the congregation ... [which includes] delegating its responsibility to achieve the best results."

Endowment & Legacies Committee Report

Bob Congdon reviewed the Endowment's recent history, status, and investments, referring to a written report distributed at the Meeting. Full details of his presentation can be found in this report, which is attached to these Minutes.

The Endowment totaled \$938,167 as of April 15, 2015. A bit over half (\$479,226) represents principal permanently restricted by the donors, with the remainder (\$458,941) reflecting accumulated interest, dividends, and appreciation.

Since a Bylaw change in June 2012, a portion of Endowment earnings has been used to fund operating budgets or other purposes approved by the Congregation. The Endowment & Legacies Committee has recommended \$16,255 of the earnings be distributed for FY 2015-16; this represents 2% of the rolling average of the total Endowment value for the previous 13 quarters.

In the first year of the 10-year Endowment Campaign, which aims to increase the Endowment to \$2.5 million by 2024, the Committee mounted an educational effort to acquaint the Congregation with how to make gifts to the Endowment and to stimulate giving. Thirty-six USNH Members joined the newly formed Legacy Society for USNH, a key component of the Campaign. Legacy Society members have included USNH in their estate plans, or have contributed \$10,000 or more to the Endowment.

Committee members are working with members of the Finance Committee to review liquid funds held by USNH and to explore investment possibilities for a portion of them. At present, USNH has about \$400,000 in checking and money market accounts (these are not part of the Endowment). The accounts earn less than 1% interest, and the group is considering ways to achieve a greater return at an acceptable risk. The resulting cash management plan will be presented for Board review and approval.

B. Congdon acknowledged the invaluable contributions of two Committee members, Thea Bourke-Martin and Carol Cheney, whose terms expire this year and who are leaving the Committee.

Minister's Report

Interim Minister Fritz Hudson referred Members to the 2014-2015 Annual Report for his summary of activities for the year, then reflected on his experience at USNH. He commented that the phrase "learning by leading" was very apt both for himself and for USNH leaders this past year, particularly during the process of developing policy governance and a formal right relations structure. From today's Congregational Meeting, he believes USNH Members are already living out the Right Relations Covenant approved today.

With some humor, he noted that on Aug. 1, USNH will begin a new covenant with a minister who is younger than his son, and indeed is as young as, or younger than, the children of many USNH members; this will be a true partnership across generations.

Dedication of Legacy Society Plaque and Adjournment

Following the Rev. Hudson's remarks, Members moved to the lobby for the unveiling and dedication of a plaque recognizing Legacy Society members. Patricia Duff led Members in a round of applause thanking Fritz for a wonderful year.

A motion was made by Robb Camm to adjourn the Meeting, seconded by Mary Losee. The motion passed unanimously, and the Meeting was adjourned at 1:20 PM.

Attachments to the Minutes

1. FY2014-15 Budget Status 5/31/15
2. USNH 2015-16 Budget Proposal from Management Team
3. Covenant of Right Relations
4. Description of the USNH Permanent Committee on Right Relations (in full)*
5. President's Report
6. Endowment and Legacies Committee Report

*The printed copy distributed at the Meeting was missing p.2 and p.4.

USNH FY2014-15 Budget Status 5/31/15**USNH Congregational Meeting****7-Jun-15**

	Income as of May 31, 2015	Actual	Approved	Difference
1	Pledges	428520	464000	-35480
2	Collection Plate	23072	22660	412
3	Donations: Misc., Coffee, Flowers,	17573	3300	14273
4	Other: Misc., Interest & Investment Income	1201	900	301
5	Rental income Total	57278	59920	-2642
6	<i>Long-term rental</i>	<i>49043</i>	<i>52520</i>	
7	<i>Incidental rent</i>	<i>8235</i>	<i>7400</i>	
8	Fund Raising Income	14296	18000	-3704
9	Religious Educ. Income	970	1240	-270
10	From Reserved - Gift for MSC	10168	10042	
11	From Emily Emerson Fund	7000	7000	
12	From Senn Fund	3000	3000	
13	Transfer from Endowment	15233	15233	
14	Total Income	\$578,311	\$605,295	
15	Total Expense	\$531,364	\$638,509	
16	Income minus Expenses	\$46,947	-\$33,214	
17				
18				
19	EXPENSES	Actual	Approved	Difference
20	Facility Total	79720	71550	8170
21	Contracted Services	28635	19800	8835
22	Custodial Supplies	4493	4400	93
23	Property Management & Landscape	1686	1000	686
24	Maintenance and Repair	8324	15000	-6676
25	Heating oil	14743	10350	4393
26	Utilities	21838	21000	838
27	Office/Communications/Media Total	16720	19525	-2805
28	Internet Service/ Support, phone	3724	3300	424
29	Office Supplies	1231	1800	-569
30	Postage	735	1150	-415
31	Office Contingency		600	-600
32	Office Service Contracts	10696	11000	-304
34	Software license & support	214	1200	-986
35	Web site hosting	120	475	-355
36	Denominational Affairs Total	14647	14647	0
37	UUA Program Fund	10619	10619	0
38	Clara Barton District Dues	4028	4028	0
39	Financial Affairs Total	94481	101253	-6772
40	Mortgage	79184	83853	-4669
41	Insurance	6730	9500	-2770
42	Accountant's Review	4475	4500	-25
43	Paypal fees	536	250	286
44	CT sales tax	58	200	-142
45	Quickbooks hosting service	500	600	-100
46	Misc. finance expense	380		380
47	Roof loan interest	600	600	0
48	Endowment & Legacy	886	500	386
49	Stewardship	871	1000	-129
50	Pledge EFT fees	198	250	-52
51	Financial Affairs - Other	65		65
52				

		Actual	Approved	Difference
53				
54	Member Services Total	1734	3445	-1711
55	Right Relations Task Force	126	2000	-1874
56	Small Group Ministry Workshop		85	-85
57	Library, History, Archives	63	85	-22
58	Welcoming Table, Literature	173	1275	-1102
59	Coffee hour food & drink	411		
60	Hospitality	777		
61	Members Services - misc.	185		
62	Music Program Total	3220	3230	-10
63	Accompanist for Memorials		255	-255
64	Paid Instrumentalists	800	680	120
65	Piano Tuning/Repair	670	595	75
66	Sheet Music/Library	771	680	91
67	Training, Conference	880	850	30
68	Dues, Tapes, Misc.	100	170	-70
69	Rental Expense Total		400	-400
70	Religious Education Total	1926	4803	-2877
71	CYRE Discretionary Fund	72	425	-353
72	Adult RE	376	425	-49
73	CYRE-Teacher Training & Support	249	425	-176
74	Affirmations Class Trip		1020	-1020
75	CYRE Curriculum, Supplies, Eqpt	976	1105	-129
76	YRUU Support	-129	638	-767
77	Family Multigen. Activities	382	510	-128
78	Teacher / vol bgd checks		255	-255
79	Social Justice Total	10226	13600	-3374
80	Kids Service Team	435		
81	Peace Task Force	550		
82	Social Justice Council	25		
83	Immigration Rights	875		
84	Abraham's Tent	495		
85	Columbus House	-30		
86	Waverly Project Task Force	7125		
87	Anti-Racism Task Force	750		
88	Worship Total	1904	2900	-996
89	Speakers' Fees		2000	-2000
90	Audio Tapes, Fuel, Supplies	371	200	171
91	Sunday Flowers exp	1533	700	833
92	Ministerial Search Committee	10655	20000	-9345
93	Governance R&D for BOT	2925	3000	-75
94	Salaries - Total	207516	273228	-65712
95	Child Care Services	2964	3500	-536
96	Benefits and Other - Total	84652	103428	-18776
97	Medical Insurance	29430	28672	758
98	Disability Insurance	1790	2262	-472
99	Dental Insurance	212	1162	-950
100	Life Insurance	1005	1653	-648
101	Pension Expense	15797	21263	-5466
102	Payroll Tax & Administration	17340	23102	-5762
103	Expense Allowance	7783	13490	-5707
104	Workers Compensation Ins.	3639	3234	405
105	Moving expenses	7656	8590	-934
106	Total Expenses	\$531,364	\$638,509	-\$107,145

USNH 2015-16 Budget

Management Team Proposal to Membership Meeting - June 7, 2015

	2014-15 Approved Budget	2015-16 Pre-Pledge Request	2015-16 M-Team Proposal	Notes Explaining Proposal
INCOME				
PLEDGES	464,000	515,280	467,829	*Actual Pledges & 2nd Ask Gifts received to date
Donations	3,300	3,300	3,300	
Rentals	59,920	59,920	59,920	
Collection Plate	22,660	22,000	23,000	Reflects 2014-15 expected actual receipts
Fund Raising	18,000	17,000	14,000	Reflects 2014-15 expected actual receipts
Interest	900	1,000	1,000	Reflects 2014-15 expected actual receipts
RE Income	1,240	900	900	Reflects 2014-15 expected actual receipts
Emerson & Senn Gifts Transfer	10,000	3,000	15,000	For RE support; 7/1/15 fund total \$67,000
Ministerial Transition Fund	10,042	0	0	
Endowment Income Transfer	15,233	16,255	16,255	* 2% of total holdings; See Endowment report
Unrestricted Reserve Transfer			15,123	Memorial gifts; for 7/1/15 total see Reserve report
TOTAL INCOME	605,295	638,655	616,327	
EXPENSES				
Infrastructure Support				
Facility	71,850	75,560	75,560	
Communication, Media	19,225	19,650	15,650	
Finance (Mort, Int, Insur, Tax, Fees)	99,753	97,383	97,383	
Rental Advertising	400	400	400	
Denominational Affairs	14,647	26,568	26,568	100% of Fair Share Dues to UU Association
Infrastructure Support Subtotal	205,875	219,561	215,561	
Committee Support				
Stewardship/Canvass Committee	1,000	2,000	2,000	
Endowment & Legacy Committee	500	2,000	2,000	
Sunday Morning Team (Kitchen, Lit)	1,275	2,000	2,000	
Library, Archives	85	100	100	
Small Group Ministries	85	300	300	
Right Relations Task Force	2000	2,000	2,000	
Membership Committee	0	1,000	1,000	
Music Committee	3,230	3,800	3,800	
Children & Youth Religious Educati	4,378	6,850	6,850	
Adult Education Committee	425	600	600	
Social Justice Council	13,600	16,000	16,000	
Worship Committee	2,900	2,900	2,900	
Lay Ministry Team	0	200	200	
Trustees Research & Development	3,000	3,000	3,000	
Committee Support Subtotal	32,478	42,750	42,750	
Personnel Salaries & Wages				
Interim Minister 1 M	85,900	7,158	7,158	
Senior Min 11 M		87,083	87,083	UUA Recommended Mid-point
Director of Religious Education	43,000	53,900	53,900	Full-Time @ UUA Midpoint; Emerson/Senn funded
Music Director	21,476	21,906	21,906	2% Cost of Living Increase
Associate Music Director	14,089	14,371	14,371	2% Cost of Living Increase
Congregational Administrator	42,000	42,840	42,840	2% Cost of Living Increase
Sexton	22,620	23,072	23,072	2% Cost of Living Increase
Office Assistant	18,031	18,392	18,392	2% Cost of Living Increase
Childcare Providers	3,500	3,500	3,500	
Personnel Taxes, Benefits & Supp	87,650	104,122	104,122	
Personnel Subtotal	338,266	376,344	376,344	
Transition				
Minister Search	20,000	0	0	
Minister Moving	8,590	0	0	
Transition Subtotal	28,590	0	0	
TOTAL EXPENSES	605,209	638,655	634,655	
NET INCOME/EXPENSE	86	0	(18,328)	* above = sources proposed to balance budget

Unitarian Society of New Haven

COVENANT OF RIGHT RELATIONS

We covenant together to create and nurture a culture of respect and kindness, and to engage in the spiritual and everyday practice of loving more generously. While the following words express our intentions in writing, our true covenant lives and breathes in our actions.

To this end we will strive to:

Be Open

to new ideas, experiences, and change; to create space for all opinions; and to warmly welcome newcomers into our community.

Value Differences

by welcoming diversity in all its forms; celebrating the unique qualities and gifts of every individual; and by honoring the diversity of our spiritual paths.

Listen Deeply

and honor others with our full attention, seeking to understand, and assuming good intentions.

Use Kind Language

speaking with care and consideration; being gentle with one another; and remembering there is power in silence and reflection.

Speak our Truths

by sharing personal stories that build trust and community; by speaking our truths with courage and encouraging others to do the same, especially in difficult times.

Work with Conflict

addressing differences with honesty and compassion; requesting support when needed; making and receiving authentic apologies; being willing to forgive.

Seek Humor and Joy

remembering that these qualities can enrich all that we do; and by holding things lightly when we are able.

USNH Permanent Committee on Right Relations

The purpose of the Permanent Committee on Right Relations (PCRR) is to create and nurture a culture that is aligned with the vision outlined in the USNH Right Relations Covenant, adopted by the membership, and to be available to help facilitate conflict resolution within our congregation.

Membership

The PCRR will be made up of 5 members. Members will serve a minimum of 2 years and are encouraged to serve more than 2 years up to 5 years. The initial group will have staggered term limits. Ideally, only one member will rotate off the committee each year. There will be an annual open invitation to members of USNH to apply for membership on the PCRR. Current members will also recruit nominees based on identified skills and interests. Former members may return to the PCRR after a period of two years has elapsed since completing their last term.

Responsibilities

The responsibility of the PCRR is to support the development of a Beloved Community in the following ways:

- Participating in training program(s) focused on building congregational skills in right relations and facilitating conflict resolution.
- Working with existing groups and congregational leadership to encourage behaviors that will lead to community harmony.
- Offering education and training for members of the congregation in skills related to implementing the Covenant of Right Relations, including listening attentively, speaking kindly, assuming the good intentions of others, valuing differences, (other topics in the RR Covenant).
- Coordinating a Winter Institute (or similar program) on Building Right Relations and Conflict Resolution for those in positions of leadership, including the BOT, minister(s), staff, and committee chairs.
- Creating a culture where members are encouraged and equipped to talk directly to each other when feelings are hurt or conflict occurs.
- Identifying issues that have the potential to lead to conflict and determining an appropriate response.
- Working with the Book Cart to acquire resources on right relations, communication skills, active listening, and conflict resolution.

- Developing printed and electronic materials describing the Policies on Right Relations and the USNH Right Relations Covenant.
- Managing financial matters related to the PCRR.
- Reviewing requests for conflict resolution and provide support, if request falls within the committee's scope of responsibility, using the process described below or another comprehensive process selected by the PCRR.

Conflict Resolution Process

USNH acknowledges that conflict is a normal part of human interaction and community life. Therefore USNH commits to the development of resources to assist with conflict resolution and the restoration of relational harmony. When conflict arises between individuals or groups of individuals at USNH, they are offered, and will be encouraged to use, a four step Right Relations process. The process involves assessment, consultation, and mediation as described below.

Scope of Responsibilities for Conflict Resolution:

- Conflicts between members of USNH.
- Conflicts between members and staff.
- Conflicts involving a minor with parental consent.

The PCRR is also available for the following conflicts, if invited:

- Conflicts with minister (Invited by the minister or by the Committee on Ministry).
- Staff to staff conflicts (Invited by the Personnel Committee).

The scope of practice of the PCRR excludes the following:

- Conflicts involving policy (to be handled by the Board of Trustees).
- Conflicts that arise outside of our congregation.
- Issues needing professional services (mental health issues, marriage therapy, threats of violence or any illegal activity).

Step One: Self Assessment

Individuals or groups experiencing conflict are encouraged to consider the following criteria before taking any action.

- Did my (our) experience create a level of discomfort and dis-ease that needs attention? Am I (are we) so upset or concerned about the experience that I (we) need to do something further with it?
- Is this conflict complicated by issues such as race, gender, class, or sexual orientation?
- Will saying or doing something likely lead to a positive outcome?
- Will taking action help me (us) heal or restore harmony to this relationship?

After reflection on these questions, the individual (or group) may decide to speak directly to the other person to try to resolve the conflict. Or, the individual may decide not to pursue the matter any further. The individual may also decide to consult with a member of the Right Relations Team.

Step Two: Consultation and Support

The individual (or group) may initiate a request for support with any member of the Right Relations Team. The request will be brought to the PCRR where, after gathering information about the conflict and determining that it is within their scope of practice, a team member will be chosen to work on this concern.

All participants are involved on a strictly voluntary basis. The Team member will endeavor to provide a safe and structured environment serving as a sounding board, offering support, and/or helping the individuals determine an appropriate course of action. The content of any consultation with a member of the Right Relations Team is confidential. What the individual shares will be held in trust by that team member, unless the person poses a danger to him or herself or to others.

As a result of the consultation, the individual (group) may decide to pursue a meeting with the other person. The individual may decide to speak with the person alone. Or, the individual may ask the member of the Right Relations Team to accompany him/her to speak with the other person. The individual may also decide not to pursue the matter any further. PCRR members will debrief the conflict resolution process with one another in confidence.

Step Three: Team Consultation and Discernment

If the individual is not satisfied with the outcome of the consultation with one member of the Right Relations Team, or is not satisfied with the subsequent meeting with the other person, the individual may request a confidential meeting with the Right Relations Team by contacting any member of the Team. A minimum of three Team members must be present. This meeting will involve thoughtful dialogue about the issues, exploration of alternative remedies, and possible next steps.

The individual (group) may then decide to:

- Meet with the other person alone (this may be the second such meeting).
- Ask a Right Relations Team member to participate in a meeting with the other person in one of three ways: serve as a supportive presence; facilitate the meeting; or, mediate the conflict.

In response to the individual's decision, the Right Relations Team member may decide to attend the meeting and serve in the capacity requested, offer an alternate approach, or conclude that no additional team intervention is appropriate.

Step Four: Mediation

If the individual (group) requests mediation assistance, a Right Relations Team member will contact the other party to secure an agreement to participate in mediation. If the Team member is successful, the Team will arrange the logistics of the meeting.

The mediation process, however, is voluntary. In order for the mediation to proceed, all parties must agree to the mediation process.

If a party refuses to mediate the conflict, or if after mediation the conflict has not been satisfactorily resolved or the parties have not reconciled, then the Right Relations Team may recommend:

- Asking for help from the minister(s).
- Asking appropriate staff or lay leaders for help. For example, if the conflict involved a parent or a teacher and the Director of Religious Education, the Right Relations Team might recommend asking the chair of CYRE for help, or vice versa.
- Using the services of an outside mediator.
- Meeting with the Clara Barton District Executive or other UUA resource.
- Other creative steps to help reconcile the individuals (groups) involved.

The Right Relations Team will be responsible for contacting these resources and arranging any meetings.

When the conflict involves USNH staff or the minister(s), the procedures above should also be followed, except that the Right Relations Team may recommend using outside resources at an earlier stage in the process.

If all the steps above have been exhausted and the unresolved conflict poses a danger or a threat to the health of the congregational community, the Right Relations Team may review the situation with the President of the Board of Trustees and, at his or her request, report to the Board of Trustees.

President's Report

The Board had 2 goals this year:

1. To educate ourselves and the Congregation about the budgeting process and to obtain congregational input as to how to go about right-sizing our budget.

The Board also held several budget round-table discussions in the fall in which the Board tried to elicit opinions on the financial priorities for USNH. The results of these priority discussions were presented at a Special Congregational meeting that was held in December. In addition to the meetings held in the fall, the Board held more meetings in March to provide a forum for discussion about the budget.

The Management Team has involved the Council of chairs in the creation of the budget we just voted on, which has expanded the circle of leadership & responsibility in USNH's financial status.

We hope to continue this conversation with the congregation about budget priorities going forward.

Our 2nd goal was:

2. To define a proposal for the Executive Team structure we think could work for USNH and to have outlined and adopted the basic policies we need to have in place to operate in Policy Governance by the end of this congregational year.

We accomplished this goal by appointing a management team consisting of the minister, David Jones, & Sandy Frawley. This group was primarily chosen because we wanted folks who were familiar with Policy Governance and felt that financial experience was required.

They started their work in December. Although the initial 6 months was an experiment, in May, the Board & Management Team met to discuss the results of the experiment. The consensus of this group was that the Management team should continue. The next step is for this group to meet with Rev Lloyd Joiner to get her ideas and input on the management team. For now, the lay leaders of the team will be appointed by the Board for 2 year terms.

As far as the policies go, I am happy to report that the Board has completed its initial version of the USNH Governance Policy Book. The policy book has been posted on the website. You can find it by going to the "leadership" page, and clicking on "mission Statement" - you will be brought to a page where you can download the book. I also have a few printed copies here if you would like one.

The purpose of a policy book is to focus on the ends, clarify responsibilities, and leave room for implementers to find the best way to achieve them. The board has created an explicit statement of policies that reflects our common understanding of the ways we want to interact with each other and the world. It's a way to be clear and assign responsibility without ambiguity.

This policy book does NOT change the fundamental responsibilities of or relationships between the congregation and the Board. Instead, it clarifies HOW the board will carry out responsibilities that have been entrusted to it by the congregation. Operating responsibility has always been entrusted to the board through the By-Laws. The Board then decides how to act – including delegating its responsibility to achieve the best results.

What is also important in the policies is not only the delegation of responsibility and authority, but also a delineation of how the Board will maintain accountability from the Management Team and the Board's accountability to the congregation.

These policies are living documents that are meant to be reviewed, amended, and/ or expanded to meet the needs in an evolving process. The Board has committed to reviewing the policies on a regular schedule.

To wrap things up, I would very much like the opportunity to thank you for the trust and support shown to the Board, and personally to me this year. Your openness and willingness to walk with us down the path of trying new things has provided us with the energy and encouragement to continue to work towards fulfilling our goals. It has been an honor and a pleasure to serve you.

Mary Donohue

Endowment and Legacies Committee

Recent Endowment History

- Prior to 2011, the Endowment contained approximately \$310,000 in two separate funds, both of which were prohibited by USNH policy from making contributions to the operating budget. Distributions were made every 1 to 2 years for specific capital or program expenditures selected by the Endowment Committee.
- In 2011, a bequest from Jean and Horace Winchell of \$357,000 doubled the size of the endowment.
- In June 2012, the Congregation approved bylaws changes allowing endowment earnings to fund the operating and capital budgets or other purposes approved by the Congregation.
- The Endowment Committee began recommending for Congregational approval the amount of an annual distribution, based on a percentage of the total endowment value. These distributions have been in the range of \$15,000-\$35,000. For FY 2015-16, the Committee is recommending a distribution of \$16,255, 2% of the rolling average for the previous 13 quarters.

Endowment Campaign

- At the June 2014 Congregational meeting, the Congregation approved a 10-year Endowment Campaign to grow the endowment to \$2.5 million by 2024, based on the goal of having an endowment three to five times larger than the operating budget.
- As of April 2015, the endowment totaled \$938,167. The Endowment principal, the portion that was permanently restricted by the donors, totals \$479,226. The remaining unrestricted portion, \$458,941, represents the accumulated interest, dividends and appreciation.
- The Endowment Committee has begun an educational campaign to make members aware that only an individual donor can permanently restrict a gift for endowment by restricting the gift in writing, and to encourage endowment gifts during lifetime or as part of an estate plan.
- Growing the membership of the Legacy Society for USNH is an important component of the Endowment Campaign. There are 36 members of the Legacy Society for USNH who have contributed \$10,000 or more to the endowment, or have included USNH in their estate plans. We thank all the members of the Legacy Society for their foresight. After the meeting, we invite you to gather in the lobby for the unveiling of the new Legacy Society plaque.

Endowment Fund Investments

- \$734,952 is invested with Olson Mobeck and \$214,102 is invested in the UUA Common Endowment Fund. For our Olson Mobeck holdings, we are moving from actively managed mutual funds to Exchange Traded Index Funds, thereby lowering our costs from 1.6 to .8 basis points. The Index Funds include Large-Cap, Mid-Cap, Small-Cap, Foreign and Bond index funds. If we had invested this way for the past 10 years, our return net of all fees would have been approximately 7.53%.
- We are currently evaluating the management cost of our funds invested in the UUA Common Endowment Fund, and finalizing the endowment Investment Policy Statement.

Developing a cash management plan for Board review and approval

Representatives of the Endowment and Legacies Committee and the Finance Committee have been meeting to review liquid funds held by USNH and explore alternatives for investing a portion of these funds to achieve a greater return at an acceptable risk. USNH has approximately \$400,000 in liquid funds (checking and money market accounts) that earn less than 1% interest. In addition, we will receive approximately \$150,000 in unrestricted funds from Arthur Rickel's estate this year. Not having some of these funds invested represents a significant "opportunity cost."

Acknowledging Committee Members

We want to acknowledge the work of two members whose terms are expiring this year, Thea Bourke-Martin and Carol Cheney. Thea, an attorney, provided the committee with valuable information regarding estate planning and monitored estates in the probate court in which USNH was a beneficiary.

Carol, a two-term committee member, functioned first as committee Chair, and most recently, as Secretary. Carol provided invaluable endowment development promotional materials and planning.