

**First Unitarian Church of Toledo Board of Trustees
Monthly Meeting Minutes, May 13, 2021
7:00 pm, via Zoom**

Meeting called to order by President Sandra Kosek-Sills

Opening Words -- Rev. Tim

Roll Call by Tom Sheehan, Secretary

All other board members present at the start: Mike Davisson, Arun Nadarajah, Treasurer Hydie Ralston, Mary Souther, and Vice President Krista Schneider. Rev Tim attended as a non-voting member of the board.

Colette Córdova and Teresa Betts-Cobau arrived shortly after the start.

Phil Teitlebaum and David Strickler attended as guests.

Approval of the Minutes of the April 8, 2021 Monthly Board Meeting ⇒⇒ **Motion:** to approve by Mary, seconded by Arun. Minutes approved unanimously.

Report on Committee on Shared Ministry (CoSM) – Phil Teitlebaum

The CoSM has two mandates: 1) to review all the component ministries of the church and 2) to be available to help resolve any complaints that may come up.

No complaints came up this year.

Phil had positive comments about the Stewardship Committee, which consisted of only Mike Davisson and Chris Stockwell, and which ran a very successful campaign. He said that the CoSM was concerned with the lack of activity in most committees this year because of COVID-19. The lack of a membership committee is a very serious problem, he said.

Sandra asked if the CoSM had anything to say about a process for filling leadership roles in the Membership Committee, but Phil said that that is not the CoSM's function. Rev. Tim said that he had made some calls to see if anyone has been wanting to reimagine what a membership committee might be like.

Rev. Tim is working on his own personal vision for the congregation, which will be made public in August.

Sandra asked about CoSM members. Phil and Bonnie Rowe are ready to come off the committee, this according to the committee's own bylaws. Sandra said that church bylaws call for the existence of the CoSM, and that the board might help fill those positions; perhaps a current board member who is leaving the board would like to step up. Phil pointed out that the CoSM represents the congregation, not the board.

Krista asked about the purpose of CoSM, and why it was necessary in a church our size. Phil said the idea was to replace the old ministerial relations committee. Phil said that the function of handling complaints is important, even though there were no complaints. Phil said that CoSM also gives committees face-time with the Minister.

Sandra recognized Phil and Bonnie Rowe for their service. She asked Board Members coming off board next month to think of who might step up.

⇒⇒**Task:** Rev. Tim and Sandra will work on finding two people to serve on the Committee for Shared Ministry.

Investment Report -- David Strickler -- See the full report at [click here](#)

On May 6, 2012 Sandra Kosek-Sills, David Strickler, Diane Ohns (Trust Executive at Trust Company), Matthew Sheets (Investment Executive at Trust Company) and Treasurer Hydrie Ralston met via computer to discuss the 3 accounts, the current investment allocation and Distributions. David reported that The Trust Co. representative made some recommendations for both the Operating Reserve and the Restricted Funds.

TFCO Proposal for Asset Allocation for Operating Reserve & Restricted Funds

	<u>New Target</u>	<u>Previous Target</u>	<u>Actual 13-May-2021</u>
Targeted Mutual Funds	-	20%	-
Total Market Index Funds	-	23%	-
Large Cap Equity	36%	-	
Small/Mid Cap Equity	14%	-	
International Equity Funds	18%	5%	7
Socially Responsible Funds	5%	5%	
Total Equity	73%	53%	71.5
Domestic Fixed Income	25%	45%	25.6
Cash and Money Market Funds	2%	2%	3.2%

Congregant Nick Conrad has made a recommendation as well for the Operating Reserve only.:

Nick Conrad proposal for Operating Reserve

	<u>New Target</u>	<u>Previous Target</u>
Targeted Mutual Funds	-	20%
Total Market Index Funds	-	23%
Large Cap Equity	25%	-
Small/Mid Cap Equity	14%	-
International Equity Funds	14%	5%
Socially Responsible Funds	10%	5%
Total Equity	63%	53%
Domestic Fixed Income	35%	45%
Cash and Money Market Funds	2%	2%

Krista recommended an increase in socially responsible funds. We are now at 5%. Nick Conrad recommended doubling that; Krista would like more. She said that there is little risk involved with that.

Krista said she liked the idea of staying aggressive because we are in this for the long haul. Asked if UUA makes recommendations, David said the UUA manages a common endowment fund, according to participating congregations' wishes -- for a fee. David thinks that they are all socially responsible. David said that we manage our own operating reserve because we have been a congregation for a long time.

⇒⇒ **Motion:** Krista moved that we adopt the proposal that Nick Conrad has made for investments in the operating reserve. For the restricted endowment, she moves that we adopt the proposal of the Trust Co. Also she moves that the Investment Committee would have some flexibility to work with the Trust Co. advisors on making final decisions.

Second: Teresa Approved unanimously.

Treasurer's Report – Hydie Ralston

Total year to date pledge income is \$178,473. Over budget \$16,344.

Total year to date income is \$204,354. Over budget \$3,858.

This includes a distribution from the Endowment fund of \$7,789.94. The remaining distribution will be transferred in May.

Total year to date expenses \$193,788. Under budget \$11,740.

Huntington checking account \$77,067.24.

TEALL balance is \$19,729.

Trust accounts total value on 4/30/21 was \$466,539: Endowment \$382,445, Capital Campaign \$53,947 and Restricted \$30,147.

On May 6, 2012 Sandra Kosek-Sills, David Strickler, Diane Ohns (Trust Executive at Trust Company), Matthew Sheets (Investment Executive at Trust Company) and I met via computer to discuss the 3 accounts, the current investment allocation and distributions.

In discussion:

- There was some concern about the cost of the Minister's benefits. Sandra said that we would continue keeping an eye on that.

Minister's Report

Full report at click here [click here](#).

- Rev. Tim reported that we are planning one outdoor service per month through summer. People can attend live and on YouTube. Rev. Tim did not know if we were going to make any adjustments given the governor's changes in health policy for the state.
- Two staff changes. Saroya King is stepping down 6/15 as interim director of religious education. Bonnie will step down as accompanist at the end of summer, so we need to make arrangements. Rev. Tim is thinking of suspending kids' RE for the summer, and wonders if we might do better not to have a curriculum, but to allow kids to form bonds with church friends through playtime. Their lessons would be through story time during church services.
- Mickey will start looking for an accompanist, hoping to find someone who lives in the area permanently. This would help us avoid having to get a new accompanist every two years.
- All staff members are now fully vaccinated.

Finally, Rev. Tim has not done anything about General Assembly at this time. Sandra said Melissa Jeter and David Strickler are delegates. Rev. Tim also has a slot.

President's Report - Sandra

Sandra is still doing coffee hours weekly. Most of her work this past month has been behind the scenes getting the ballot ready, and getting ready for the annual meeting.

Annual Meeting Prep

Amending the Bylaws

Tom said that he had been concerned because our current bylaws, which were amended in 2018, have no language about how we can amend those same bylaws. In a previous board meeting, Sandra mentioned that the State of Ohio has regulations for not-for-profits regarding this. Tom looked it up and found this language, which he believes applies to churches.

(C) Unless the bylaws provide otherwise, any bylaw may be adopted, amended, or repealed by a majority of the member votes cast on the adoption, amendment, or repeal.

[Section 1729.16 | Adoption, amendment, or repeal of bylaws.](#)

Rev. Tim said that a review of the bylaws might be a good idea to be sure that anything that got overlooked in the 2018 revision can be put into the bylaws.

⇒⇒**Task:** Tom and Mary will count the ballots before June 30.

New Business

New Phone System

Mike and Krista plan to proceed with the recommendation they made last month. Rev. Tim urged focusing only on basic services, and not going for all bells and whistles. Sandra asked that we take care of this in June because Mike is coming off board. Could be before the next meeting, and it might be possible for Sandra just to make an executive decision about it without board action.

⇒⇒**Task:** Mike and Krista will make a recommendation on the phones.

COVID-19 Subcommittee Report

AA groups want to do picnics, and Covid subcommittee has approved outside picnics. Participants may use restrooms. They must sanitize anything they use from inside. The kitchen is not available to them. AA groups may also use grounds for regularly scheduled meetings. Fee will be ½ of the usual fee. These decisions may change if health conditions warrant changes.

Committee will meet again the first week of June. May consider if we want to meet in person before Sept date. Services will be dual-mode, and this will entail just as much of a learning curve for the Sunday-morning team.

Colette asked about having parking lot services using short-range FM, but Rev. Tim said that we are beyond that. Teresa said that the CDC has said no masks are needed by vaccinated people. Rev. Tim said that we would have to make a decision about mask use in a service.

Rev. Tim said that no matter if we open up, we might decide to shut down again later.

Arun said that if we have immuno-compromised people (who cannot get a vaccine) at our May 30 outdoor service, we may want all present to wear masks to protect them. In any case, we will have Zoom, so no one needs to attend in person.

⇒⇒**Task:** Rev. Tim will take lead on revising guidelines on reopening, sending guidelines to Sandra and Teresa (board member).

Other Committee Liaison Report(s)

Colette said that she was planning to have monthly Spiritual Adventures sessions on the proposed 8th principle.

Summary of Next Tasks

- Sandra will continue to prepare for the annual meeting.
- Tom will prepare for the annual meeting.
- Tom & Mary will schedule when to count the ballots for the annual meeting, between June 12 and June 30.
- Rev. Tim will take lead on revising guidelines on reopening, sending guidelines to Sandra and Teresa (board member).
- Sandra will send information to the board about the next meeting, which will be held in person at her house.
- Rev. Tim and Sandra will work on finding two people to serve on the Committee for Shared Ministry.
- Mike and Krista will make a recommendation on the phones.

Closing Words -- Rev. Tim

Next meeting: June 10, 2021.

----- Attachments -----

MINISTER'S REPORT -- MAY 2021

Over the past month, we've had Sunday services focused on Ramadan, Earth Day, Green Sanctuary (led by Judy Trautman, with a skit she wrote that involved a few church members as performers), prayer, and feasting. Coming up, this Sunday will be the annual flower

service—angled a bit differently because of the pandemic—as well as our annual meeting, then Commissioned Lay Minister David Strickler will lead a Sunday, followed by Blade food editor Mary Bilyeu for our first outdoor service, and on June 6 I'll continue my series on Jesus from a humanist perspective with "Healing Jesus."

The public aspect of ministry has been active. We received television coverage on a couple of stations for our "Anti-protest Protest" calling attention to the limits to free expression being considered by the Ohio Legislature. And, through connections with Judy Trautman and the MultiFaith Council of NW Ohio, I participated in the Zoom MultiFaith banquet, the citywide Peace Gathering (organized largely by Sierra Webb), and the monthly Universal Worship service.

I've been in contact with a few church members and supporters, reaching out in case pastoral care might be helpful, and my perception is that people are doing fine, along with being hopeful for positive social return with vaccinations.

For Sundays through the summer, I'm planning one monthly, in-person outdoor plus livestream service with the other Sundays continuing to be on YouTube only. We hope that conditions will permit us to return to in-person, while continuing with YouTube, beginning with Ingathering September 12.

Saroya King, our Interim Religious Educator, has let me know that she will end her service in that position on June 15. The RE Council and I have not yet formally met to discuss what's next and how we might search for a new educator beginning in the fall. My thought is that over the summer the only "dedicated" RE time will be the story in the service, most times I expect chosen by me. With budget and other factors, perhaps especially the limited hours we allot for the religious educator position, it could be difficult to find a dedicated staff member. I have not received feedback from parents/caregivers about the packets Royya had developed, and is still developing, as our current way of trying to provide some RE with distance during the pandemic. It didn't work well for our congregation just before the pandemic to rely heavily on parents for teaching and leadership. I wonder if we might continue in the fall with Sunday service stories being the "teaching" and the in-person RE being focused more on developing connections and play so our congregation kids can develop a cohort of church friends, then later if bonding has developed, we can then introduce a teaching curriculum again.

Bonnie Rowe, our accompanist, has said she'll end that role in the fall. Our music director Mickey Emch will put word out through BGSU connections and try to find someone local rather than a current student so there might be more continuity in the position. I can't think of any "in-congregation" possibilities. We'll hope, but not require I expect, that the new hire would be able to play piano and organ, and to bring a wide repertoire for their own solo playing.

All of our staff members are now fully vaccinated against Covid-19.

Respectfully submitted,

Rev. Tim

EXCERPTS from Investment Policy of First Unitarian Church on next page

EXCERPTS from Investment Policy of First Unitarian Church of Toledo

I. Introduction

1.a. Purpose

manage its investment portfolio with goals of

- (1) providing income to support current functions,
- (2) generating capital appreciation to expand the real purchasing power of the principal of the portfolio.

1.b. Definitions

For the purpose of this Policy, the Investment Portfolio shall include all the funds of the First Unitarian Church of Toledo:

- (1) the Operating Reserve Fund (15301000) which was formerly described as the Endowment Fund,
- (2) the Capital Campaign Fund (15301001),
- (3) Restricted Endowment Fund (15301003).

The Investment Committee of the First Unitarian Church of Toledo shall be defined:

- Committee appointed annually by the Board of Trustees.
- The Chair of the Investment Committee, who shall be appointed by the President of the Board of Trustees of the First Unitarian Church of Toledo, shall be the primary contact for the management company selected to be the active manager of the Investment Portfolio.
- An alternative contact may be named in the event the Chair of the Investment Committee is not available. Said alternative contact shall be a member of the Investment Committee.

1.c. Master Trustee:

Trust Company Family Offices, 1630 Timberwolf Dr., Holland, OH 43528.

II. Investment Policy

2.a. Investment Goal

growth, income, and preservation of capital via a blend of active and passive management,

2.b. Spending Policy

Support for current functions from the Operating Reserve shall be limited to the lesser of

- (1) 5% return on the Operating Reserve portfolio or
- (2) the actual investment income generated from the Operating Reserve Fund portfolio.

Operating Reserve.... not to exceed 5%, will be budgeted annually to be contributed by the Operating Reserve to the First Unitarian Church of Toledo.

Propose change to 'based on average of trailing 3 years or 12 quarters'.

Funds from **the Capital Campaign Fund** will be spent on projects **approved by a majority of the membership** of First Unitarian Church of Toledo.

Funds from the Restricted Endowment Fund (15301003)... *the *annual* income would be spendable. ... each year, the unspent earnings would become 'vested' and raise the amount considered principal.*

2.c. Risk Posture

2.d. Measurement of Investment Results

2.e Asset Allocation

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Nick Conrad proposal for Operating Reserve

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Socially Responsible Funds	10%	5%
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Capital Campaign Fund:

Asset Allocation for Capital Campaign Fund

	<u>Target</u>	<u>Range</u>
Domestic Fixed Income	60%	20% - 80%
Cash and Money Market Funds	40%	20% - 80%

III. General Equity Guidelines

The following investment directions are intended to apply to the investment of the equity portion of the investment fund. The Investment Committee may shift assets between the different equity allocations as economic and market conditions dictate. It is expected that mutual funds will be selected that ensure adequate diversification. The following investments are prohibited either directly or through mutual funds:

- Venture Capital
- Private Placements
- Unregistered or restricted stock
- Options and futures, except for hedging
- Warrants
- Margin Trading
- Commodities
- Limited Partnerships
- Short Selling
- Oil and gas wells
- Real estate

All other investments for which there is a very limited secondary market (or no secondary market) or for which there is an unusually high level of risk are prohibited.

- 3.a. Guidelines for Domestic Equities
- 3.b. Guidelines for International Equities
- 3.c. Guidelines for Socially Responsible Funds

For the Socially Responsible Funds portion of the allocation, there is the goal of exceeding the return on an index measuring the overall performance of all socially responsible funds.

IV. Guidelines for Fixed-Income Securities

V. Evaluation and Review of the Investment Policy

At least annually, this investment policy shall be reviewed and ratified by the Investment Committee. The Investment Committee shall recommend to the Board of Trustees such changes to policies and objectives as are appropriate, reasonable, and achievable.

Presented to the Board of Trustees on May 13, 2021.

Summary of Issues

Redefine oversight committee/council for Investments (Board)

Operating Reserve Spending policy

- Stay at 5% or reduce to 4%
- Define trailing average

Restricted Fund

- Define spending policy: distribute annual income and increase principal basis each year.
- Confirm that Congregational approval required.

Asset Allocation for Operating Reserve and Restricted Funds:

- Fixed income: 45% down to 35 or 25
- Total Stock Allocation: 53% up to 63 or 73
- International Equity: 5% up to 14 or 18
- Socially Responsible: 5% up to 10 or more

Long Term Planning

- Example: when Operating Reserve > 2x Annual Operating Budget, move excess to Restricted Funds.