

**MINUTES OF ANNUAL MEETING
UNIVERSITY UNITARIAN CHURCH
JUNE 14, 2020 (Via ZOOM)**

Please note that these minutes are in draft form. They will be presented for approval at the UUC annual meeting in June, 2021, before which they are to be used for informational purposes only.

Moderator Sheila Capestany opened the meeting by asking for grace and acknowledging the great challenges of these times. Related to these challenges, Sheila noted the importance of UU values including the worth and dignity of all human beings. With respect to our online annual meeting, Sheila referenced Gov. Jay Inslee's proclamation that allows us to use a virtual approach for this meeting. Sheila then provided a brief overview of Roberts' Rules, which define the procedures used in our annual meetings. She also covered Zoom meeting specifics for this meeting, including muting of participants and use of raised hands, chat, and online voting. The meeting was called to order at 10:21 a.m.

OPENING

Appointments. The Moderator appointed Dave Mentz as Secretary, Eric Valpey as Parliamentarian, and Sarah Walker as Teller.

Quorum. The Moderator asked if we have a quorum attending the meeting. The Teller responded affirmatively, noting that there were 172 participants/members in good standing, exceeding the required quota of 50 members for this meeting.

MOTION: *Approve the agenda for this annual meeting.*

The Moderator called for a motion to approve the agenda for this meeting. The motion was made, seconded and approved with no objections or abstentions.

MOTION: *Approve the minutes from the annual meeting held June 9, 2019.*

The Moderator called for a motion to approve the minutes of the annual congregational meeting held June 9, 2019. The motion was made, seconded and approved with no objections and three abstentions.

REMEMBRANCE: Senior Minister Jon Luopa rose to recognize those members who have died since our last annual meeting. They are as follows: Jim Ball, Nan Bentley, Sharon Bergman, Roger Harris, Bill Keller, Jim Kelly, Maggie Kitchell, Alene Moris, Trudy Pemberton, Virginia Stout, and Liesel Van Cleeff. We hold their memories in our hearts.

MOTION: *Approve Paycheck Protection Program Loan [Grant]*

The Moderator stated that the Board has recommended ratification and approval of the Payroll Protection Plan (PPP) loan in the amount of \$181,805. The Moderator introduced Rosemary Daszkiewicz, UUC Board Member, who described the PPP loan provisions and the process used by the Board to discern whether to apply. UUC's bylaws require congregational approval of loans at \$50,000 and above, not an option earlier with the PPP due to the very tight loan application deadline. The Board

authorized the Exec Team to pursue the PPP loan provisionally and present it at this meeting for ratification and approval. UUC applied for the Loan on April 8. We were informed of approval on April 28 and received the funds on May 1. Regarding the PPP provisions, if a large portion of the funds are used for compensation within May and June per the terms of the program, we can apply to have the loan forgiven and converted to a grant. Gayle Childers, Board President, affirmed the Board's process and expressed confidence that the loan would become a grant.

The Moderator invited questions.

Members posed questions as follows (Rosemary Daszkiewicz provided responses):

What is the money needed for?

Response: The proceeds have and will continue to be used to cover payroll expenses for two months.

Were funds from the operating budget not expended for this same purpose?

Response: That is correct.

With no further questions, the moderator called for a motion to approve the Payroll Protection Plan loan. The motion passed with no objections or abstentions.

MOTION: *Approve the proposed 2020-2021 annual operating budget.*

The Moderator called on Board Treasurer Mike Kasprzak for an overview of the proposed budget.

Mike offered several points: The budget was formed amidst economic tumult. It is balanced and was built with appropriate caution. The expectation is a pledge revenue level of about \$946,000. Thus far, pledge revenues have remained strong amidst the pandemic. Expenses are projected to be about 2.5% lower than in our current year, largely due to the church operating remotely at least through the fall. Some salary reductions are planned; these are aligned with our remote operating mode. The budget includes draws from the Jones endowment and Knavold quasi-endowment funds. These draws are aligned with procedures recommended by the finance committee and adopted by the board. We will revisit this budget quarterly and, if need be, adjustments will be made. Given what we know, we believe that this is an appropriate and realistic budget.

Questions were invited by the moderator and included (responses were offered from Mike Kasprzak, Jon Luopa and Byron Krystad, Director of Operations):

\$25,200 is planned for denominational pledges. Is this our fair share level for the UUA?

Response: No, it does not represent the fair share level as defined by the UUA. Our UUA disbursement will remain unchanged from the current year and a bit less than 50% of UUA's defined fair share level for our congregation. This has been a source of concern for the board, but given economic uncertainties this has been deemed to be the correct decision.

Is there a plan for getting to the fair share amount for UUA dues?

Response: This remains a priority for the board; we hope to find a way to pay at the fair share level.

Regarding the savings from the furloughs of part time employees--with the PPP proceeds, will we start paying those employees?

Response: No furloughs have occurred through June 30, the period of time for which the PPP assistance was designed to address. In the coming budget year, we will rely on pledges for our revenues, not PPP

proceeds. All of the employees who were furloughed were paid for almost four months of no work through June 30, and there will be no work for them until we reopen.

The Moderator asked for any other questions. A motion to approve the budget was advanced and seconded.

The Moderator opened the floor for discussion. Additional questions were posed:

Please clarify the status of the custodians not paid after June. I understand they won't be eligible for unemployment compensation.

Response: Like most churches, UUC has not participated in the unemployment insurance (UI) program, but under the federal CARES Act there are some provisions allowing those not typically eligible for UI to apply. Our furloughed custodians have other full time jobs; this may or may not have an impact on their eligibility for Unemployment Insurance.

With donations not decreasing and in receiving the PPP, don't we have the money to pay the part time cleaning staff?

Response: We have been able to avert staff reductions in May and June with the PPP. The PPP bought us breathing space for May and June so that we didn't need to draw further from operating reserves. And we anticipate bringing back the furloughed employees when we reopen. We would have had a deficit budget if the reductions hadn't occurred (\$80K in total).

Has other income been lost due to COVID?

Response: In the very short term, we have not seen significant reductions in income. In the coming year's budget, we're planning for very little in rental income due to the building closure.

If pledge income is staying steady, why would we need to draw down operating reserves?

Response: The current year's budget assumed \$1M in pledge donations; we'll come in at \$940-945K. For this coming year, we're planning a realistic balance of revenues and expenses. A reduction in operating reserves has been averted due to the PPP. We have a generous congregation, but revenues have been not quite enough to cover expenses. The Board, Finance Committee and Exec Team will continue to work on creative solutions.

Last year we approved a deficit budget; this year that's not the case. Could you verify?

Response: Yes, the board is determined to bring forward a budget that is realistic and not aspirational.

This year, we haven't operated on the level the budget was intended (during the remote period); I would hope our operating expenses would be less while on remote mode.

Response: There are some savings within program expenses by operating virtually, though less than one might expect. And program expenses don't account for a large share of the total budget. More than 80% of our budget is tied to staff compensation and benefits. The savings from not using the building are nominal; ongoing investment in building maintenance is still required.

I believe budgets for past couple of years have been balanced, but have been optimistic about pledge donations. The deficit has occurred due to pledge donations not materializing.

At this point, a member called the question (calling for a vote on the motion), ending discussion. The motion to call the question was seconded and approved with no objections or abstentions.

The Moderator then invited members to vote on the FY20-21 operating budget as proposed. The motion carried to adopt the budget, with one objection and two abstentions.

RECOGNITION

The Moderator yielded to Gayle Childers, Board President. Gayle read a passage from Phyllis B. O'Connell about volunteer leadership service – "Reading for the Standing Committee". Gayle then recognized the following leaders for their service. All are completing their term(s):

Sheila Capestany, Moderator

Dan Lathrop, Geoff Sears, Eric Valpey and Claudia McNeil, Leadership Development Committee Members

Rochelle Coffey, Kathleen Crompt and Rosemary Daszkiewicz, Board Members. It was noted that Rosemary and Kathleen are candidates for a second term, and that Rochelle is completing a second board term.

NOMINATION AND ELECTION OF TRUSTEES, LDC MEMBERS AND MODERATOR

The Moderator read the names from the slate of candidates:

Moderator: Sarah Walker

LDC: Kathy Englert, Becca Fishaut, Jerry Gillmore, Judith Leconte

Board: Kathleen Crompt, Rosemary Daszkiewicz, Tim Vos

The motion to approve the slate of candidates was made, seconded and approved with no objections and one abstention.

NEW BUSINESS

The Moderator asked if there are any other new business items. None were raised.

CLOSING WORDS

The Moderator called on Jon Luopa for closing words. Jon reflected that our last strategic plan called for us to develop a culture of abundance and generosity. We've seen many examples of this today including the large number of people joining the meeting and the talented people coming aboard into leadership roles. Jon thanked the Moderator, LDC and Board. He expressed that we live in heartbreaking times, with much being expected of us to respond to these challenges and to live into our responsibility. Jon ended by expressing gratitude to all members and with a reminder that we must care for ourselves and each other.

ADJOURNMENT

The Moderator called for a motion to adjourn. The motion to adjourn was made, seconded and approved with no objections and one abstention. After inviting any objections to adjournment and receiving none, the Moderator adjourned the meeting at 11:36 a.m.