First Unitarian Church of Des Moines
Board of Trustees Minutes
Thursday, August 15, 2019
6:00 p.m.

In attendance:
Board Members: Bill Brauch, Scott Clair, Gene McCracken, Sue Huber, Sara Jensen, Heidi Mannetter, Patty Notch, Rev. Amy Shaw
Staff: Charles Lewis
Timekeeper: Patty Notch
Process Observer: Scott Clair

The meeting was called to order at 6:07 PM by Board President Sue Huber, at which time the Board shared reading the Board Covenant. The agenda was adopted, including the consent agenda approving the July Board Meeting Minutes as published on the church website.

Executive Report and Administrative Items
Charles Lewis submitted a written Executive Report. It is posted on church website. Charlie responded to questions.

Financials and Dashboard
DFA Charlie Lewis submitted a written financial report. It is posted on the church website. Charlie responded to questions.

Discussion Items

1. Rev. Shaw Housing allowance. Sara Jensen moved adoption of the proposed allowance (See below). The motion was seconded and approved via voice vote.
2. Board Governing Policies, Article II, Executive Limitations and comments to Policies A, B, C. Scott Clair reported on behalf of the Governance Committee and moved adoption of the revisions noted in the document below and acceptance of the Interpretations, as amended below. The motion was seconded. Following discussion the motion was adopted via voice vote.
3. Board Start-up Retreat with the Region (Lisa Presley). Rev. Shaw explained the benefits of the Retreat. Rev. Shaw asked Board members to check their calendars as to their availability for the Saturdays in November, looking at the 2nd, 9th, and 13th.
4. Ministerial Installation October 20th, 2pm. Rev. Shaw gave the details.
5. Water service September 9. Rev. Shaw reported on the elements of the service. She mentioned that she would like the service to include installation of the Board.
6. BoT orientation on August 24th. Sue reported, including asking continuing members to bring their folders from the 2018 Retreat. It will be held at church starting at 8:30 a.m.
7. Continue discussion of a Board gathering each month in addition to the monthly official Board meeting. The purpose of the additional meeting would be to focus on the Board’s vision, but other topics may also be discussed. This will be further discussed at the November Retreat.

8. Patty Notch moved that the Board go into closed session. The motion was seconded and passed via voice vote.

9. Bill moved that the Board go back into open session. The motion was seconded and passed via voice vote.

10. Sue moved that the meeting adjourn. The motion was seconded and passed via voice vote.

The meeting was adjourned at 7:55 p.m. (Submitted by Bill Brauch, Secretary)
FIRST UNITARIAN CHURCH OF DES MOINES
GOVERNING POLICIES
Interpretations and Comments
on Article II, Executive Limitations
with Recommendations for Revision

and
Charles Lewis, Director of Finance & Administration

Revised July 12, 2019 to Include Board Policy Amendments
(Original Proposed Interpretations March 28, 2019)

May 16 and June 27, 2019 Amendments to Article II:

II.A.5. Added (05/16/19) (emergency preparation)
II.B.4. Revised (05/16/19) (removed preferential treatment for “key” employees)
II.F. Adopted (05/16/19) (previously was a provisional policy)
II.H.7. Added (06/27/19) (duty to communicate with Board as a whole)

Revisions to Sections A thru C Proposed by Governance committee for consideration at
8-15-19 Board Meeting
Interpretations
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With respect to treatment of staff and volunteers, the Executive Team may not cause or allow conditions that are inhumane, unfair, or unprofessional. …

**Interpretation:** Neither the Executive Team nor anyone who is subject to the Executive Team’s authority is permitted to cause, engage in, or knowingly allow any practice, activity, decision, or condition that is inhumane, unfair, or unprofessional. The Executive Team is required to investigate immediately any reported experience of inappropriate treatment (or observation of it) and initiate appropriate remediation.

- Typo deleted a second ‘to’ previously read ‘required to to investigate’

**Definitions.**

*Practice* means the formal or informal application of First Unitarian policy by paid staff or volunteers. It includes, but is not limited to, a routine or repeated activity that may be a mis-application of policy.

*Activity* means the day-to-day behaviors, both required and voluntary, of supervisors, paid staff, and volunteers on church premises (or, if off-premises, in connection with church-sponsored events).

*Decision* means a conclusion or judgment of a supervisor or ministry team leader that affects the working conditions and performance expectations of paid staff and volunteers.

*Condition* means the daily circumstances that affect paid staff and volunteers. This term as used here is congruent with applicable government regulations, including the Iowa Occupational Safety and Health Act, Iowa Code Chapter 88 (The Act).

*Inhumane* means cruel or without compassion.

*Unfair* means without respect for principles of equity and justice.

*Unprofessional* means contrary to the ethical and behavioral standards expected of religious professionals, including the provisions encompassed in the Unitarian Universalist Ministers’ Association Code of Conduct (or, for non-minister professionals, equivalent ethical rules).

**Monitoring:** The Executive Team is required to:

(a) **Report** [quarterly] any instance of non-compliance with this policy together with the actions taken in response and the ultimate outcome.

(b) **Report** [annually] the results of a survey of paid staff and volunteers that solicits feedback about their experience of the policies, practices, and working conditions at First Unitarian, with particular emphasis on whether the survey respondents have experienced or observed policies, practices, or conditions that they consider inhumane, unfair, or unprofessional. If the survey identifies instances not already reported, the report must include the actions taken in response and the ultimate outcome.
[Policy II.A, con’t] Accordingly, the Executive Team may not:

1. **Discriminate (as defined by city, state, and federal laws) among existing or potential staff/volunteers on other than clearly job-related criteria, individual performance, or individual qualifications.**

*Change Policy A1 to read – “Unlawfully discriminate against existing or potential staff or volunteers.”*

**Interpretation:** Numbered paragraph (1) of Policy A prohibits any form of individual or profile-related discrimination. This prohibition echoes and encompasses the laws and regulations of the United States Equal Opportunity Commission; the Iowa Civil Rights Act; and the Des Moines Civil and Human Rights Commission. In faithfulness to Unitarian Universalist Principles, this clause is interpreted to include equity for nonbinary and transgender persons. Under this provision, the Executive Team must ensure that each staff member has a current and functional job description; in addition, the Executive Team must, at regular intervals, review each staff member’s performance in light of that job description. It is the responsibility of the Executive Team to ensure that each staff member both understands the job requirements and is supported appropriately to fulfill them. This clause requires the Executive Team to ensure that all paid staff and volunteers receive education about the various types of prohibited discrimination and that all written materials relative to hiring and evaluation stipulate that individual or profile-related discrimination is prohibited.

**Monitoring:** The Executive Team is required to:

(a) **Report** [annually] confirmation that (i) all paid staff and volunteers have received education about discrimination; (ii) have current written job descriptions; and (iii) have received recent performance reviews, or an explanation of any failure to meet this requirement.

(b) **Report** [annually] the results of a survey of paid staff and volunteers as to their experience of discrimination at First Unitarian. Compliance with Policy A(1) is interpreted as at least a 95% response of no experience of discrimination. If a response indicates noncompliance, the Executive Team must report the nature of the noncompliance, the actions taken in response, and the ultimate outcome.

*Delete highlighted section we would expect to know about all experiences of discrimination and do not agree with a 95% cutoff.*

2. **Subject staff or volunteers to unsafe or unhealthy conditions.**

**Interpretation:** This provision means that the Executive Team is to manage working conditions for paid staff and volunteers at First Unitarian so as to minimize undue stress, accidents, work-related injury, or disease. This policy is interpreted as congruent with generally accepted regulations such as Occupational Health and Safety Act, 1970, section 5 (OSHA), and the Iowa Occupational Safety and Health Act, Iowa Code Chapter 88 (The Act). The Executive Team must cooperate with government agency safety or health inspections (“outside” inspections) and conduct regular in-house inspections at least annually.

Should circumstances arise that create unsafe or unhealthy conditions, the Executive Team is required immediately to remediate the condition and to offer staff and volunteers alternative work locations until the problem has been resolved. If the unsafe or unhealthy conditions are expected to continue for longer than one week, or if the costs of remediation exceed the limits of
Policy II.E.6, the Executive Team is required to inform the Board immediately of both the condition and the remedial actions being undertaken or proposed.
**Monitoring:** The Executive Team is required to:

(a) **Report** [annually] whether all outside inspections since the last report have been passed and/or had any deficiencies; if there were deficiencies, what they were and the nature and timing of their remediation.

(b) **Report** [annually], with appropriate documentation, whether the in-house safety inspection of staff and volunteer workspaces occurred as scheduled; if there were any areas of concern, report what they were and the nature and timing of their remediation.

3. Withhold from staff a due-process internal grievance procedure.

4. **Prevent staff from grieving to the Board when:**
   (a) internal grievance procedures have been exhausted and
   (b) the employee alleges either that
      1. Board policy has been violated to his or her detriment, or
      2. Board policy does not adequately protect his or her human rights.

   • **Capitalize all instances where Board is used….**

**Interpretation.** Policies II.A.3 and II.A.4 mean that the Executive Team is responsible for ensuring that First Unitarian has a written internal grievance procedure about which staff are informed. A complaining staff member must follow the internal grievance procedure referred to in II.A.3 before taking a grievance to the Board and the Executive Team must allow a grievance to go to the Board if the requirements of Policy II.A.4 are met.

The essence of these policies is that the Executive Team must allow staff to express disagreement with church policies or a supervisor’s treatment without fear of reprisal; at the same time, staff must do so through the specified grievance process. The Executive Team is not permitted to retaliate against a staff member for expressions of dissent carried out through the specified process. Concomitantly, staff are not permitted to spurn the specified process and instead complain to the wider church community.

This policy encompasses but is not limited to State of Iowa’s [Whistleblower Protection Program](https://www.iowacourts.gov/DIVisions/Whistleblower-Protection-Program). Policies II.A.3 and II.A.4 also imply that the Board will affirm the decisions of the Executive Team as long as those decisions are consistent with Board policy and with the agreed-upon interpretations. The Executive Team is accountable to the Board for following the correct policies, process, and interpretations; the Board reviews Executive Team staff decisions in that light but does not re-decide the substance of a staff grievance.

**Monitoring:** The Executive Team is required to—

(a) **Report** [annually] a summary of grievances filed and the outcome thereof (for example, resolved, referred to another level of consideration, or pending/continuing).

(b) **Report** [annually] confirmation of an annual written acknowledgement by least 95% of paid staff that they are aware of and familiar with the internal grievance procedure.
5. Allow staff to be unprepared to deal with emergency situations.¹

_Interpretation_. An emergency situation is one that poses an immediate risk to health, life, property or environment, in which a reasonable person would conclude that urgent intervention is required to mitigate the harm that will otherwise occur. The Executive Team must ensure that functional, reasonable and adequate procedures exist for staff and volunteers to follow when they encounter emergency situations, and that staff and key volunteers are both informed and trained to follow them.

_Monitoring_. The Executive Team is required to:

(a) **Report** [annually] that functional, reasonable and adequate Safety Plan procedures exist for staff to deal with emergency situations, providing the Board with a summary of the procedures along with any training and updating that has been offered since the last monitoring report.

(b) **Report** [annually] that the Executive Team has received written acknowledgement from 100% of paid staff that they have received Safety Plan training and are aware of and familiar with the emergency procedures.

_[Executive Team’s Note:]* It takes approximately a year to develop a comprehensive safety plan, train staff and key volunteers, and implement the plan within all of congregational life. Currently staff and Faith Formation volunteers are informed of and trained in emergency evacuation procedures, but our goals is a more complete safety plan with wider congregational engagement and understanding. We plan to form a Safety Plan Task Force to create a comprehensive safety plan, and then to appoint a Safety Team to train key volunteers and manage the Safety Plan on an ongoing basis. We recommend budgeting approximately $1,000 for a Congregational Preparedness Workshop and Assessment, which the UU Trauma Ministry Response Team offers. The Executive Team would not expect the Board to hold us to this Policy II.A.5 and its interpretation until the Safety Plan is in place, instead expecting from us regular reports as to progress toward the goal._

¹ Policy II. A. was amended by the Board May 16, 2019 to add this policy 5.
Article II, Executive Limitations—Policy B: Compensation and Benefits

Adopted November 14, 2009; Amended May 16, 2019

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Executive Team may not cause or allow jeopardy to fiscal integrity or public image. Accordingly, the Executive Team may not:

1. **Change Senior Minister’s compensation, benefits, or allocated professional expenses as established by the Board.**

   - Capitalizing all instances of Board.

   **Interpretation.** The Senior Minister’s compensation and benefits are set by the Board. The Board has the authority to change the Senior Minister’s compensation and benefits. The Executive Team lacks that authority.

   **Monitoring.** The Director of Finance and Administration is required [annually] to affirm to the Board that the Senior Minister has not adjusted or requested to adjust their compensation or benefits from that specified by the Board and codified in the operating budget.

2. **Promise or imply permanent or guaranteed employment.**

   **Interpretation.** The Executive Team is not permitted to promise anyone permanent or guaranteed employment with First Unitarian, and additionally must not speak or write so imprecisely that an employee, contract worker, or consultant could reasonably understand their employment to be permanent or guaranteed.

   **Monitoring.** The Executive Team must certify [annually] to the Board:

   (a) That 100% of employees have received and signed for copies of the most recent edition of the church’s Personnel Policy. This policy specifies that FUCDM is an “at will” employer and that employment can legally be terminated at any time, for any reason, by either employer or employee.

   (b) That all contracts and consultant agreements engaged during the period stipulate the terms and duration of the agreement.

   (c) That both the Personnel Policy and any written employment contract or agreement stipulate that in the event of discrepancy between a written and a verbal agreement, the written agreement controls.

3. **Establish current compensation and benefits that:**

   a. **Deviate materially from the nonprofit or geographic market for the skills employed.**

      **Interpretation.** Compensation and benefits for each First Unitarian staff position must be compared annually to the most recent edition of the Unitarian Universalist Association compensation and benefits guidelines (“UUA Guidelines”) in light of the UUA’s position descriptions, and the current required level of skills and responsibility for each First Unitarian staff position, and the experience and skill level of the staff member. The Executive Team must set compensation and benefits in alignment with the UUA Guidelines, with the midpoint taken as the baseline unless a staff member’s skills, experience, or particulars of the job description justify a difference.

      **Monitoring.** The Executive Team is required to report [annually] to the Board that they have
conducted a compensation review. The report must document the correspondence between the compensation and benefits provided to First Unitarian staff employees and the UUA Guidelines. Deviation of 5% or less are taken as compliance; greater deviations must be explained.

* fixed typo change “he compensation” to “the compensation”

b. Create obligations over a term longer than revenues can be safely projected, in no event longer than one year and in all events subject to adequate revenue.

* Changed policy from ‘losses of revenue’ to ‘adequate revenue’

**Interpretation.** Compensation and benefits are determined on an annual basis and is subject to the congregation’s budget as adopted and to both anticipated and actual revenues for the next fiscal year. A commitment regarding compensation and benefits must be expressly conditioned on adequate revenues and must not extend beyond one year (and, typically, would be expressed in terms of the fiscal year). Compensation of a contractor or consultant is subject to budget constraints and the availability of revenues; an agreement with a contractor or consultant may not extend beyond one year.

**Monitoring.** The Executive Team will certify [annually] to the Board that First Unitarian is not bound by a contract or other obligation that would extend beyond the current fiscal year or 12 months from its start date.

4. Establish deferred or long-term compensation and benefits that:
   a. Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs.

* **Interpretation.** Same as Interpretation of II.B.3(b) (immediately above).

b. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited.

* **Interpretation.** The Executive Team is expected to specify and propose budgeting for core benefits for all full-time staff, taking into account the expected budgetary resources, the UUA Guidelines, the restrictions of the UUA benefit plans in which First Unitarian participates, the terms of the letter of agreement the UUA recommends for ministers and other religious leaders, and Unitarian Universalist principles. For example, the regulations of the UUA’s Retirement Plan specify that First Unitarian must make the same percentage contribution of salary on behalf of all employees who work half-time or more. This rule would not permit a full-time employee (whether minister or not) to receive a retirement plan contribution (measured as a percent of salary) that is greater that the contribution made on behalf of a half-time clerical worker.

**Definitions.**

**Encourage employment longevity** means that any differential benefits are designed as an incentive to retain long-term employees.

**Differential** means that the benefits are available at different rates or amounts depending

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2 Amended by the Board May 16, 2016, to delete the phrase “in key employees” after the word “longevity.”
on the length of an employee’s position and tenure (for example, vacation and sabbatical).

Monitoring. The Executive Team will report [annually] First Unitarian’s employee benefits for a position and its title and full time equivalent (FTE), highlighting any changes to the benefit policy and practice since the preceding report.

c. Allow any employee to lose benefits already accrued from any forgoing plan.

Interpretation. If there are changes in benefits or benefit providers, the Executive Team must ensure that employees retain benefits accrued prior to the change and, further, that if employees must take any actions to transfer accrued benefits to the new program or plan, they are informed in a timely way and with appropriate reminders. In the event of a reduction in benefit level, including but not limited to provisions for sick leave or vacation, the Executive Team must allow affected employees to retain the benefits already accrued, with the recognition that future accrual shall be at the reduced level. For example, if the number of days of paid time off is to be reduced, staff members must be allowed to retain the days of paid time off accrued prior to the date of the change in policy.

Monitoring: The Executive Team is required to report [annually] whether any change of benefit provider or benefit level has been undertaken since the previous report. If a change has taken place, policy compliance requires that 100% of employees warrant that they clearly understood the change, the required actions if any, and that they received any needed support arising from these changes.
Article II, Executive Limitations—Policy C: Financial Planning

Adopted November 14, 2009

With respect to planning fiscal events, the Executive Team may not jeopardize either programmatic or fiscal integrity of the organization. …

**Interpretation.** In creating single or multi-year operating budgets, spending plans within those budgets, and other planning relating to the expenditure of First Unitarian’s financial resources, the Executive Team is not permitted to put at risk the integrity of either the church’s programs or its financial base. In this sense, “integrity” means that spending plans must be grounded in the Ends Statements and accountable to current needs and expectations.

**Monitoring.**

(a) Annual Operating Budget. The annual operating budget the Executive Team presents to the Board for approval is the primary vehicle for the Board to acknowledge that financial planning is in accord with Ends. If there is apparent noncompliance, the Board can ask the Executive Team to alter specific aspects of the budget that it presents to the congregation at the Annual Meeting.

*Added missing words confirmed with Charlie previously.

(b) Monthly Financial Report. Through a monthly financial report (a statement of revenues and expenses and a balance sheet), the Executive Team shows the current degree of compliance with the approved operating budget.

Accordingly, the Executive Team may not cause or allow fiscal projections that:

1. **Contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent trails, and disclosure of planning assumptions.**

Change wording of policy to better reflect intent to “Contain too little detail to enable reasonably accurate projection of revenues and expenses, fail to separate capital and operational items, fail to adequately describe cash flow and subsequent trails or fail to disclose planning assumptions.”

**Interpretation.** All budgets and fiscal projections must provide sufficient clarity of information that the Board can clearly see the rationale for specific lines, sources of revenue, planned expenditures, underlying assumptions, and the amount of financial reserves.

**Monitoring.** Following the presentation of a proposed annual operating budget to the Board for its approval, the Executive Team will answer questions the Board members may have. If two or more Board members would like more documentation as to the budget’s rationale and underlying assumptions the Executive Team is not in compliance until the additional documentation is provided.

2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
**Interpretation.** The proposed annual operating budget must not project a deficit and projected revenues and spending must be reasonable estimates. The term “conservatively projected” means that the operating budget must be based on an estimate of pledge revenues, fundraising revenues, and revenues from other sources, using historical experience and best estimates for the next fiscal year (taking into account a reasonable assumption of projected pledge shortfalls and likely new member receipts). If the proposed operating budget includes the use of financial reserves, those sources must be disclosed on the face of the proposed budget.

- Change to read “If additional proposed budgets are offered that include the use of financial reserves, those sources must be disclosed on the face of the proposed budget.

- The key being one budget proposed by the Executive team each year should not include any use of reserves every year.

**Monitoring.** If, after discussion, two or more Board members do not accept the revenue projections and sources of funds as reasonable, the Executive Team is not in compliance until a revised budget is presented.

3. Do not separately present a plan for capital expenditures and the means to pay for them. Capital expenditures are all repayments of debt and any building additions or equipment purchases over $5,000.00 each. [Recommended revision: Replace “Do not” with “Fail to.”]

- Change policy to read ‘Fail to separately present …’

**Interpretation.** In the case of building modifications or purchases of equipment costing more than $5,000 each, or any debt repayments, that are not in the annual operating budget (or some other Board-approved plan), the Executive Team must inform the Board of the amount and purpose of an expenditure together with the source of funds to pay for it.

**Monitoring:** Where feasible, the Executive Team will present this information to the Board in advance and ideally in an annual or multi-year plan for capital expenditures and debt repayment. If the need arises, however, the Executive Team may make the expenditure but must report no later than the next Board meeting the amount and purpose of an expenditure together with the source of funds used.

Change monitoring language – too loose currently – bottom line not notifying the board should be VERY rare.

Where reasonably possible, the Executive Team will present this information to the board in advance of incurring the debt or making the purchase under this section and with an annual or multi-year plan for the capital expenditure or debt repayment. If advance notice to the Board is not reasonably possible due to exigent circumstances beyond the control of the Executive Team, the Executive Team may make the expenditure or incur the debt but must report no later than the next Board meeting the amount and purpose of an expenditure or debt together with the sources of the funds used.
4. Deviate materially from Board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.
* Capitalize all instance of Board.

**Interpretation.** The Executive Team is accountable to the Ends in making allocations among competing fiscal needs. When the Executive Team, in proposing a budget, makes allocation decisions among competing fiscal needs and requests, the Executive Team must discuss the choices and decisions with the appropriate stakeholders and must note those decisions in the budget plan narrative, giving the Ends-based rationales. If during the year the Executive Team makes decisions that differ from written expectations (including the operating budget), those decisions must also be based on the Ends.

**Monitoring.** The Executive Team must inform the Board each month of any decision that resulted in an allocation of financial resources that differed from written expectations, requests, or needs, along with a rationale linking the specific Ends that governed each decision.