

Annual Meeting of the North Parish of North Andover Sunday, May 19, 2013

Moderator Peter Race called the Meeting to Order at 10:29 A.M. Well over a quorum was present.

Reverend Lee Bluemel opened the Meeting with a Lighting of the Chalice in memory of North Parish members: Richard Wilson, Martin Sinacore, Priscilla Adami, Ilse Schenk, and Claire McCarron. She followed with a Reading to the Parish. The Moderator then proceeded to the first order of business.

Article I: A Motion was made by Bill Putnam, Stewardship Committee, to receive and place on file the reports of church officers, committees, church organizations, the Minister, Director of Religious Education, Youth Programs Coordinator, Music Director, Membership Coordinator, the Parish Council, and the Board of Trustees. Reverend Lee Bluemel thanked the staff and the Board of Trustees, especially the Chair, John Van Drie and Karen Letourneau. She thanked the outgoing staff members and noted that hers is now the third longest ministry in the history of North Parish. The Motion was seconded and passed by unanimous voice vote.

Article II: A Motion was made by Nancy Lennhoff, Nominating Committee Chair, to accept the following slate of new Trustees and Officers for 2013-2014:

Trustee:	Dan Gerron	Three-year Term
Trustee:	Deb Olander	Three-year Term
Treasurer:	John Lewis	One-year Term
Clerk:	Carol Carbonell	One-year Term
Collector:	David Blanchard	One-year Term
Moderator:	Peter Race	One-year Term

The Motion was seconded and passed by unanimous voice vote.

A discussion about the creation of an Endowment Fund followed. Peter Calkins, Chair, Stewardship Committee, described it as a framework to be put in place to protect reserves. Based on Unitarian Universalist Association (UUA) model documents, North Parish's Endowment Fund would contain three funds from which the interest could be used, but not the principal. A committee would track the funds and decide on distributions following Endowment Policy. Expenditures would be voted on in annual or special meetings, in accord with that Policy.

According to Pat Grimm, Unitarian Universalist Association Budget and Operations Director and North Parish member; the UUA advises congregations to have a "three-legged stool":

- Operating budget
- Reserve fund for extraordinary expenses
- Endowment fund with restrictions and a policy which is intentionally difficult to change. This would provide assurance that a gift would last in perpetuity.

She observed that when churches have started endowment funds, more checks have come in. Estate plans can include endowment funds. If someone leaves money to a church endowment fund, however; it is very difficult to receive the money if an endowment fund does not exist. The UUA has a Common Endowment Fund run by two volunteer committees who search for socially responsible investments that meet specific financial objectives. She described them as extraordinarily talented and committed.

Keith Wentzel asked how other funds would interact with the Endowment Fund. Peter Calkins said that they will not interact but will be maintained as they are.

Mary Lou Monteiro asked whether the Committee could act without further approvals. Peter Calkins explained that the Endowment Committee would be separate and independent from the Board and would have the authority to do what is needed. Pat Grimm stated that the Committee will need to adhere to the fund policy, but should be able to perform activities without putting them to a vote. Jerry Hall, Finance Committee, noted that the Policy states "Distributions from the Endowment shall only be made in accordance with specific funding requests approved by a majority of the members in attendance at a duly called Meeting of the Parish".

Fred Nothnagel voiced concern about conflicts of interest. John Van Drie mentioned a sentence in the policy that addresses that issue; and it was noted that investing through the UUA was recommended for this very reason.

Finally, Thalia Pine asked for an example of how the income from the Unrestricted Reserve Fund could be spent. Pat Grimm gave the example of upgrading North Parish's computer systems.

Article III: A Motion was made by John Van Drie to amend the Bylaws by adding "Section 16: Endowment" as shown in an attachment so titled, and then renumbering each of the current Sections 16 through 21 as Sections 17 through 22. The Motion was seconded and passed by unanimous voice vote.

Article IV: A Motion was made by Peter Calkins to establish a new, separate group of funds to be known as the "North Parish Endowment". The Motion was seconded and passed by unanimous voice vote.

Article V: A Motion was made by Steve Hartel, Chair, Finance Committee, to (a) adopt the "Endowment Investment and Distribution Policy" as the policy governing the administration, management and distribution of moneys allocated, or contributed to, or earned by, the North Parish Endowment, and (b) to instruct the Endowment Committee to initially seek to invest the North Parish Endowment in the Common Endowment Fund of the Unitarian Universalist Association. The Motion was seconded and passed by unanimous voice vote.

Article VI: A Motion was made by John Van Drie to establish the three Endowment Funds described in the “Endowment Investment and Distribution Policy” in the following amounts, using moneys transferred from North Parish investment reserves:

- 1) The Unrestricted Reserve Fund: \$10,000 (50% of the initial balance)
- 2) The Building Reserve Fund: \$5,000 (25% of the initial balance)
- 3) The Social Outreach and Reserve Fund: \$5,000 (25% of the initial balance)

Fred Gloré asked what the procedure would be to move investment reserves into the Endowment Fund. Steve Hartel said that a majority vote at an Annual or Special Meeting is all that would be required.

Darnell Canada asked why we are moving the specific amount of \$20,000. Steve Hartel answered that it is the UUA Fund’s required minimum amount. He also stated that the unrestricted fund gets more money than the others since it allows more choices.

The Motion was seconded and passed by unanimous voice vote.

Article VII: A motion was made by Brian Elowe, Finance Committee, to accept the following slate of Endowment Committee members (These are normally three-year terms. At the outset, they are staggered to minimize annual turnover):

Steve Hartel	Three-year Term
Peter Reed	Two-year Term
Pat Edmonds	One-year Term

Keith Connors asked if members can serve again. Peter Calkins stated that members cannot serve more than two three-year consecutive terms. Fred Nothnagel added that a one-year hiatus is required before serving again. The Motion was seconded and passed by unanimous voice vote. The Finance Committee was recognized for all their work developing the Endowment Fund Policy.

Article VIII: A Motion was made to review and vote on the annual budget proposed by the Board of Trustees for the 2013-1014 fiscal year. This was seconded and the budget was passed as presented by unanimous voice vote.

Article VIII: A Motion was made to act upon any other business that may properly come before the meeting.

Debb Putnam, Co-Chair of the Design Task Force, announced a Special Meeting on June 2, 2013 to vote on the proposed building project. She explained that, over the past 15 years, the congregation has been trying to solve the problem of outgrown physical space. Our Religious Education building was built in 1957. During the last 15 years we have attempted to solve the space problem by renting Old Center Hall; and, in 2006, we permanently moved the office staff there. We couldn’t finish the expansion project we started, because drainage and other issues

became apparent, and had to be addressed. The current plan offers the most efficient and cost-effective solution, along with safety, security, and accessibility. Ultimately, it will reduce the impact on the operating budget and capital expenditures.

Brian Elowe recognized all the work done by the Design Task Force, and the Capital Campaign Feasibility Study team, led by Board member Nancy Cottrill. The bottom line, according to the Giving Collaborative, the consultant that performed the Feasibility Study; is that North Parish has the capacity to give \$1.2 million - \$1.5 million. Board member Karen Letourneau stated that their report shows that the congregation overwhelmingly supports the project.

With \$2.1 million in projected costs, there may be a shortfall of \$900,000. Steve Hartel stated that alternatives for meeting this shortfall are under consideration and a recommendation will be forthcoming. For the same monthly rental costs we have now for Old Center Hall, we could be making payments on a 25-year \$400,000 mortgage. For the remaining \$500,000 there are several options:

- Postpone the project. This would result in a cost increase.
- Borrow. This would result in loan payments.
- Sell assets. This would result in losing reserves.
- Sell antique silver. Several churches have set a precedent for doing this.
- Raise more money in the capital campaign.
- Combine these approaches.

Darnell Canada commented that the financing option would impact the operating budget. Debb Putnam added that the accessibility work needs to be completed by 2016. Old Center Hall may soon not be available, North Parish doesn't control the space there; in addition, it is inappropriate for religious education. In summary, she offered a choice of investing in our future and leaving a legacy, or of leaving the problem unsolved.

Fred Glore commented that sales of antique silver by other churches have come in at significantly less than their appraised value; and furthermore our silver was a gift. Keith Wentzel noted that of the project money, \$200,000 needs to be spent before the end of the year. Peter Calkins stated that of the \$2.1 million total, \$60,000 has already been spent. North Parish has a schematic and a detailed construction estimate; but the estimate may still change. Legal work and the Capital Campaign will take the remainder of the \$200,000.

John Van Drie closed the meeting by thanking the staff listed in Reverend Bluemel's report and announcing a gift to each. He recognized Peter Reed, outgoing Treasurer, who could not be present, for the extraordinary job he did, from 2008 to 2013, straightening out the North Parish finances. North Parish is incredibly grateful to him and is awarding him a special plaque.

With no further business to come before the Meeting, a Motion to Adjourn was seconded and passed at 11:43 AM.

Respectfully submitted,

Carol Carbonell, Clerk

