

First Congregational Church of Palo Alto
United Church of Christ

CONGREGATIONAL MEETING MINUTES
April 11, 2021

Call to Order: Anne Campbell

Moderator Anne Campbell called the meeting to order at 10:58 AM via Zoom. Some members attended via Zoom from the Social Hall, others were in remote locations. Eileen was stationed in the Social Hall to help receive questions and comments from members attending in person. A quorum was established.

Opening prayer: Dave Howell

Pastor Dave Howell offered the opening prayer.

Bylaws Revision – Anne Campbell

Anne described her presentation on the bylaws as informational. Members of the Congregation will have time to review and think about the revisions. On June 6, 2021, they will have the opportunity to vote on approving the bylaws. She added that the Bylaws Committee has taken the last six months to look at current practices and update the bylaws to reflect changes. Changes are highlighted in yellow. Commentary explaining the rationale for any changes is in italics. The entire document including revisions and commentary is on the Church website. She proceeded to give a quick overview of what is different. The bylaws now include a section that covers provisions for emergency and electronic meetings. The terms for board or committee service have been changed to include a limit of two consecutive 3-year terms, the rationale being to expand and encourage participation by the Congregation. Exceptions to the new term limits apply to the Pastor Parish Committee, which is a different type of committee justifying more continuity among members, and to the Music Committee that requires a more extensive commitment. Major revisions were made to the Community Grants and Investment Policy committees. Additionally, the limit on emergency expenditures and loan authorizations was raised from 1% to 1.5% of the total budget. Because officers are sometimes not available to sign checks, several others will be authorized by the Church Council to sign checks. Safeguards are in place. The Committee, in its review of the bylaws, was sensitive to gender identity and the use of pronouns.

Anne asked the Congregation for feedback and questions and gave a shout out to the committee who worked hard on revising the document. There were no questions or comments. Anne reminded the Congregation to get back to her or Dave with any questions or concerns about things that might not have been considered.

Proposed Budget 2021/22 – Ben Roberts and John Grundy

The purpose of this presentation was to ask the Congregation to consider the asking budget for fiscal 2022 and approve it for use in the Stewardship Campaign. The budget will be reviewed in the wake of the results of the Campaign and be revised as needed for final approval. Ben outlined the intents of the budget and pointed out that the PPP grants are what make the budget possible.

The intents are as follows:

- meet current operating needs
- limit transfers from directed funds to 5%
- maintain outreach expenditures and programs
- limit pledge increase to 3.5% over FY2021 budgeted pledges
- provide for additional staff and service to help with transition to an in-person/streaming hybrid
- expand capabilities in marketing, online events, and music

John walked through some of the financial history and background that led to the proposed budget, using a PowerPoint presentation entitled “FCCPA Financials – FY22 Primer”. He said the overall budget is in good shape for 2022. We took a hit from COVID and we do have uncertainties going forward. He pointed to a trend of paying people for what used to be volunteer work. He outlined what the plans are for the income in excess of expenses, which totals about \$158k thanks to the PPP loans: put money aside for operations (\$40k), thank staff with bonuses paid in 2021 (\$15k), and set money aside in an emergency fund for future needs (\$103k). He added that by 2024, the Church will still have about \$625k in capital loan to pay off.

Discussion: A member commented that the Church is dependent on rental income and events and underscored the extent to which those sources of income have been impacted by the pandemic. He suggested that a name other than “Emergency” be used to describe the fund being set up for extraordinary needs. John responded that the fund will be intended for use as the Congregation decides, even though the use may not be an emergency.

Ben summarized the proposed budget, which includes the following: projected total income of \$1.2m (1.4% reduction), projected total expenses of \$1.26m (3.3% increase), net income of \$55k after transfers from directed accounts of \$63.4k.

Proposed resolution: *The Church asking budget for 2021-2022 is approved for use in the Stewardship Campaign. The final operating budget based on stewardship results will be presented to the congregation for approval at its annual meeting. The following uses of income in excess of expenses are approved:*

- \$15,000 allocated for staff bonuses in FY21
- \$40,000 allocated to operating cash balance
- \$103,000 allocated to a new Emergency Reserve Fund

Discussion: There was a question about funding in the budget for new staff. Dave answered that there are two staff positions already included – a marketing person (Julia Satterthwaite) and an AV person who will help with Sunday services. Soloists, musicians, and choir leaders (in addition to Jenny) are also in the budget. Another member wondered whether rentals and events will make up for PPP when it goes away and Ben replied that is the expectation. Dave added that there are always vulnerabilities in income. Things change and there will be challenges. Weddings are less uncertain and pretty sure to return. The Church will have to adapt as situations evolve. Another question concerned whether we expect the Cornerstone School to be a long-term renter. Dave replied that we have a contract with the school through next year and are negotiating for a longer-

term contract. They contribute \$100k in income right now and it seems to be a secure relationship. Another member wondered how stable our current membership numbers are and what the projections show. Dave said that we aren't doing a membership review this year. Participation and membership have been good. We have had folks disengage and we are unsure of their status, but there are new folks who have been attending services. It is hard to gage how stable membership is at this point. There has been a great response to the Stewardship Campaign, so far. A member inquired about the timing of a move back into the sanctuary. Dave replied that a return would likely be in the fall, but that things change. It will be a gradual process and he welcomes input from the Congregation. Kim Bomar commented that she is currently working on a review of Church rental contracts to add waivers, disclosures, and requirements, including provisions that make renters responsible for covering events such as COVID.

Action: Ben Roberts moved to approve the resolution. Loren Baker seconded. 56 members were counted in favor of the resolution. There was no opposition and there were no abstentions. The resolution passed by unanimous vote.

Stewardship Campaign – Bing Heckman

Bing said that the response so far has been outstanding and that he would be happy to address any questions. The Church wants to have a balanced budget and reminded the Congregation that what we have today is the proposed budget. We will be voting on the final budget in June, taking into consideration the Campaign results.

Closing prayer: Eileen Altman

The meeting adjourned at 11:48 AM

The next Congregational meeting will be June 6, 2021, when the final budget for FY 2022 and the final bylaws will be presented.

*Respectfully submitted,
Clare Warner, Church Clerk*

Slide Presentations:

Anne Campbell – Bylaw Revisions; Ben Roberts and John Grundy – Proposed Budget and FY22 Primer