

**Unitarian Church of All Souls
Minutes of the Board of Trustees Meeting
1157 Lexington Avenue, New York, NY
Sunday, November 19, 2023**

A meeting of the Board of Trustees of the Unitarian Church of All Souls was convened in the Forrest Church Gallery of the Church by Board President Mark Leeds at approximately 12:50 p.m.

Trustees Present: Mark Leeds (President); Gus Young (First Vice President), Richard Esposito, Dixie Goss, Judith Moldover (by telephone), Matthew Singh, Shivani Singh. Absent: Li Yu (Second Vice President); Beryl Jones-Woodin.

Also present: Rev. Galen Guengerich (Senior Minister) Cecily Millen Elizondo (Director of Growth); Pamela Patton (Director of Congregational Ministries); Dr. Chris Rogutsky (Director of Religious Education); Deborah Taylor (Building Advisory Task Force); Arthur Hopkirk (Secretary to the Board).

Board President Mark Leeds called the meeting to order at approximately 12:50 p.m. Leeds offered a reading on covenants in the context of marriage and religious congregations by the Rev. Galen Guengerich.

Deborah Taylor, the head of the Building Advisory Task Force (BATF), made a presentation. She said that emergency replacement of the sanitary sewer riser in a shaft in Wiggin House was occurring as she spoke. A leak had begun on Thursday, November 16th, due to disintegration in the sanitary sewer riser. Replacement of the riser line was occurring on Sunday so operations at the All Souls School would not be disrupted on Monday, November 20th.

Taylor noted that in recent years there have been several emergencies requiring repairs in Wiggin House every year.

Taylor reported that restoration of the envelope of Wiggin House is needed. The most serious leaks have been on the rooftop playground area and the parapets. This Fall, a structural engineer inspected the defects and issued a report determining that the All Souls School could not occupy the roof or the fourth floor until repairs were made. Taylor stated that such a determination by a structural engineer is, in effect, a determination by the New York City Department of Buildings.

A temporary repair was completed. However, that repair only permits use and occupancy of the playground roof and fourth floor through the current academic year. A permanent repair must be completed by September 1, 2024. Without a permanent repair, the playground area and fourth floor will be out of compliance with the building code and their use would be prohibited as of the 2024-25 school year. Consequently, the Unitarian Church of All Souls would not be in compliance with the terms of its lease with All Souls School.

Taylor and her team of advisors, including Max Schneider, the owner's representative hired by All Souls, estimate the cost of the permanent repairs to the roof of the playground area and related repairs necessary to be in compliance with the building code by the deadline of September 1, 2024, to be \$4 million. It is estimated that an additional \$9 million dollars will need to be spent over the next 5 years to replace another four (4) rooves on the property and to do so requires repairs on the envelope of Wiggin House.¹

Since \$4 million is not immediately available for the emergency repairs that must be completed by September 2024, it is thought that the best option for paying contractors to perform the repairs related to the Wiggin House playground-area roof is to apply for a \$4 million line of credit from a bank. Shivani Singh requested that the Finance Committee be consulted on the impact of the loan on the operating budget based on the need to make interest payments on the loan.

Mark Leeds moved that the Board and the Rev. Galen Guengerich be authorized to apply for a \$4 million loan from a bank for construction on the playground roof of Wiggin House and related scaffolding work. Judith Moldover seconded the motion. The motion passed by a vote of 6 to 1.

It was noted that once an application for the loan is made, the Board will need to vote on whether to take out the loan on the terms offered.

Cecily Millen Elizondo reported on fundraising. She said that All Souls was on target for Annual Giving. Tuesday, November 28th, is Giving Tuesday, the biggest day of the year for contributions to All Souls. A \$30,000 matching gift has been

¹ Including the repairs that must be done by September 1, 2024, this would bring the total cost of necessary repairs to All Souls buildings to \$13 million. Taylor explained that there are seven (7) rooves on the property. The rooves to the sanctuary and chapel have been replaced. Once the Wiggin House playground roof is replaced, four more rooves will remain to be replaced.

pledged for contributions on Giving Tuesday. Millen Elizondo said that greater efforts would be made to solicit contributions from lower- and middle-tier contributors. There is also a need to work on increasing planned giving.

The Frank E. Campbell Funeral Chapel has been using the sanctuary at All Souls and other locations in the area for services while the funeral home's large chapel has been under repair. All Souls is an option that appeals to some because the sanctuary does not have obvious religious symbols. In response to a question, Millen Elizondo said that money from these services has been going toward rental income for All Souls, and has compensated for less income from weddings, particularly at this time of year. Unlike services for members and friends of the congregation that often occur weeks or months after the person died, the funeral home usually wants to hold a service on short notice. Millen Elizondo will generally add several hundred dollars to the cost of renting the sanctuary to account for the pressure on the staff to arrange for the sanctuary to be used on short notice.

Rev. Galen Guengerich had submitted a written report before the meeting. He solicited questions about his report. No questions were asked.

Pamela Patton, Director of Congregational Ministries, said that if she were ordained by the All Souls congregation, the expectation was that she would have the title of "Assistant Minister." She will not seek certification by the Unitarian Universalist Association (UUA). Reverend Guengerich observed that seeking such certification would be time-consuming and that not doing so reflected Patton's intention to remain at All Souls.

Patton reported that volunteers were leading the daily meditation sessions over Zoom. 140 people had attended the community meditations in the preceding 6 weeks. Mentari will be leading a workshop soon.

Nadira Shiwram-Singh, Director of Finance and Administration, had submitted a written report before the meeting. Since Shiwram-Singh could not attend the meeting due to illness, that report was not discussed.

Dr. Chris Rogutsky, Director of Religious Education, discussed the church school's project to help families living in homeless shelters for Christmas. Rogutsky reported that the Transracial Adoption group is seeking to reach audiences beyond the All Souls community. The Spoken Word group is meeting on Tuesdays. Generally, Rogutsky said that there is an effort to market programs for which she is responsible to the outside community.

Rogutsky believes that All Souls is improving in having consistent programming this church year. She has created a new website this year for children and adults. Rogutsky said that 49 children are participating in religious education programs this Fall. Rogutsky agreed to report quarterly on programs for which she is responsible.

Shivani Singh asked whether a Religious Education curriculum was being followed, and Rogutsky answered that children's expectations and needs have changed significantly after the pandemic. Rogutsky spent time during the summer reviewing curricula with members of the UU community and religious education (RE) teachers outside of All Souls. Rogutsky would like to have the Our Whole Lives (OWL) program resume at All Souls. Restoring that program will require that teachers be certified as teachers of OWL.

Rogutsky reported that she meets with the RE teachers regularly. Rev. Amy Strano, a member of the congregation, leads the high school group. Rogutsky speaks with Gretchen Gabrielson about the Young Adults group that Gabrielson works with.

A motion was made to approve the report of the Nominating Committee that included nominees for the elections the Board, Clerk of the Society, and new Deacons, to be held at the Annual Meeting in February 2024. The motion passed by a vote of 6-0 with Judith Moldover, a candidate for re-election to the Board, abstaining. The five nominees for the Board are: Tom Blum; Robert Dottin; Judith Moldover; Linda Moskin; and Dan Schlieben. The nominee of Clerk of the Society is Jennifer Vermont-Davis. Nominees to be added to the current Deacons are Marjory Friedlander, Lois Gaeta, Paula Stelzner, and Rachel Ziembra.

Shivani Singh, co-chair of the Board's Audit Committee, introduced Joseph Izzo, a CPA Partner of PKF O'Connor Davies, LLP, to give an executive summary of the drafts of the firm's audit report for All Souls and the church's financial statement. The Audit Committee² had been consulting with the auditors about this report. When the audit report is finalized, it will be presented to the congregation.

Izzo said that the audit is substantially complete. He is awaiting receipt of supporting documents, mostly related to contributions of \$5000 or more that would show whether they were intended to go toward Annual Giving or the capital budget. Izzo anticipated giving a "clean" opinion, also known as an "unmodified report,"

² The Audit Committee's membership includes co-chairs Shivani Singh and Beryl Jones-Woodin, Julie Brannan, Carol Kirkman, Paula Stelzner, and Mark Leeds (*ex officio* as President).

regarding the church's financial statements upon completion of all outstanding audit-related items or issues.

The auditors identified several areas of material weakness. Those include a need for controls regarding letters of donor intent and letters thanking donors, and making such letters more easily accessible; more timely reconciliations of accounts; segregation of duties; need to conduct regular cybersecurity assessment including meeting with information technology experts annually; improving controls on credit card purchases;³ and obtaining signed acknowledgements of the conflict-of-interest policy from all Board members.⁴

With respect to the audited financial statements, All Souls had \$19.2 million in total assets at the end of FY23. That was an approximately \$400,000 increase from the previous year. The increase was primarily due to a good year for investments in the financial markets. The church's liabilities were fairly consistent from year to year. 81% of expenditures were for programs.

Interest on a bridge loan is artificially inflating the value of the endowment. This is interest that All Souls is effectively paying itself. To address that misleading item in the financial statements, it might be decided to forgive the loan. Approximately 1.4 million dollars of the endowment is restricted. Approximately \$793,000 of that amount is from the capital campaign.

Izzo was asked about the difference between a full-blown audit and a compilation. Specifically, Izzo was asked if All Souls needed to conduct a full-blown audit. Izzo said that an audit is not legally required for an institution like All Souls, but is considered good governance. Izzo was asked to provide a quote on the cost of a compilation.

Leeds made a motion to approve the minutes of the Board's meeting of October 29, 2023, that had previously been distributed. Gus Young seconded the motion. The motion was approved by a vote of 7-0.

³ It was noted at the meeting that the Audit Committee had suggested limiting the number of credit cards in June 2023 and a motion had been passed at the last Board meeting to limit the number of credit cards to three (3).

⁴ Izzo noted that the reference to the need for the conflict-of-interest policy acknowledgements would probably be dropped from the final report when those documents were obtained from all Board members.

After the public portion of the meeting was adjourned, the Board met in Executive Session.

Respectfully submitted,

Arthur Hopkirk
Secretary to the Board