

BYLAWS
of
THE FIRST UNITARIAN UNIVERSALIST CHURCH
OF ROCHESTER, MINNESOTA

ARTICLE I. REGISTERED OFFICE

The registered office of the corporation, hereafter referred to as Church, shall be at 1727 Walden Lane SW, Rochester, MN 55902.

ARTICLE II. INCLUSION

~~This congregation affirms and promotes the full participation of all persons in all our activities and endeavors without regard to race, color, gender, physical or mental challenge, affectional or sexual orientation, age, class, or national origin. We also affirm the practice of affirmative action and the principle of comparable worth to remedy the results of historical discrimination.~~

This congregation will strive to truly welcome all persons and commit to structuring congregational life in ways that empower and enhance everyone's participation. We pledge to replace barriers with ever-widening circles of solidarity and mutual respect.

ARTICLE III. MEMBERSHIP

Section 3.1 Qualifications for Membership

Any natural person who is at least sixteen (16) years of age, may become a member of the Church by signing the register of members, and gains voting privileges sixty (60) days later. The sixty (60) day interval may be abbreviated by the Board at its discretion. The initial period of membership shall extend from the date of signing the register of members until the Annual Meeting of the succeeding Church year. No subscription to any creed, assessment of any dues, or participation in any ceremony shall be required of any member.

After the initial period of membership, membership is maintained by making and paying a pledge, making a financial or other contribution of record, or by affirming continued interest in membership, in writing on a form provided by the church. Only members may be members of the Board of Directors (hereafter referred to as the Board), be Officers of the Church, or vote at any meeting of members or on any action taken by the members without a meeting. Only members are entitled to notice of meetings of members.

The Church shall determine the number of its members as of January each year and report such number to the Unitarian Universalist Association before the end of January.

Section 3.2 Termination of Membership

Any member of the Church may terminate membership by communicating written resignation to the ~~Secretary~~ church office at any time, ~~who~~ which shall thereupon delete such person from the register of members. The Board, by resolution, may terminate the membership of any member if no communication is received from this member indicating continued interest in membership or if the member has moved from the area and discontinued active participation.

ARTICLE IV. MEETINGS OF MEMBERS

Section 4.1 Place

Meetings of members shall be held at the registered office of the Church or at such other place within the city of Rochester, Minnesota, as may be designated by the Board.

Section 4.2 Annual Meeting

The members of the Church shall hold an Annual Meeting each year on a day and month to be selected by the Board. Such meeting shall be for the election of Officers, Directors, a Nominating Committee, and for the transaction of any other business. The notice of such Annual Meeting shall include any matters concerning which special notice is required. When an Annual Meeting has not been so held, or when Officers and/or Directors have not been elected thereat, they may be elected at a special meeting held for that purpose. Congregational resolutions on matters of social justice shall be addressed according to Article XVIII. Congregational Resolutions on Matters of Social Justice.

~~Section 4.3 — Order of Business at Annual Meeting~~

~~At the Annual Meeting an order of business shall be published in the annual report, and shall include:~~

- ~~A. — Call to order by the President or other presiding officer;~~
- ~~B. — Reading of the minutes;~~
- ~~C. — Reports of the Officers and Minister;~~
- ~~D. — Report of the Nominating Committee;~~
- ~~E. — Election of Officers, Directors, and Nominating Committee;~~
- ~~F. — Reports of the Committees and Staff;~~
- ~~G. — Reports of the Church Organizations;~~
- ~~H. — Unfinished Business;~~
- ~~I. — New Business;~~
- ~~J. — Installation of Officers and Directors; and~~
- ~~K. — Adjournment.~~

Section 4.4 Special Meetings

Special meetings may be called for any purpose, at any time by the President, the Board, or any two or more members. Persons entitled to call a special meeting may make a written request to the President, Vice President, or Secretary to call the meeting. Such Officer shall give notice of the meeting within thirty (30) days. If the Officer fails to give notice of the meeting within thirty (30) days from the day on which the request was made, the person or persons who requested the meeting may fix the time and place of the meeting, and give notice, in the manner provided by the Bylaw(s).

Congregational resolutions on matters of social justice shall be addressed according to Article XVI. Congregational Resolutions on Matters of Social Justice.

Section 4.5 Notice

Subject to waiver under ARTICLE V hereof, notice of meetings and elections as provided for in ARTICLE VI hereof shall be given to all members of the Church.

Section 4.6 Quorum

A. Subject to Clause "C" of this Section, a quorum is necessary for the transaction of business at a meeting. A quorum for a meeting of members shall be the lesser of (a) fifty (50) members, or (b) thirty per cent (30%) of the total members.

~~B. When a quorum is not present any meeting may be adjourned from time to time for that reason.~~

C. When a quorum has been present at a meeting and members have withdrawn from the meeting so that less than a quorum remains, the members still present may continue to transact business until adjournment.

Section 4.7 Proxies

No member shall vote by proxy.

Section 4.8 Voting

Only members may vote. Each member shall have one vote. There shall be no cumulative voting. Members may vote by voice, show of hands, paper and/or electronic ballot at the discretion of the Board except where specified in the bylaws.

Section 4.9 Voting by Church

When this Church is a member or owns shares in another domestic or foreign corporation or association, it may vote therein through:

- A. The President of this Church; or
- B. A proxy appointed by the President of this Church; or
- C. Any person or persons duly authorized by the members or the Board.

ARTICLE V. WAIVER OF NOTICE

A Director or member may make written waiver of notice before, at, or after a meeting. The waiver shall be filed with the person who has been designated to act as Secretary of the meeting who shall enter it upon the minutes of the meeting. Appearance at a meeting is deemed a waiver unless it is solely for the purpose of asserting the illegality of the meeting.

ARTICLE VI. NOTICE

- A. As used in these Bylaws, "notice" means a written notification of a meeting.
- B. The notice for a congregational meeting shall include the time, place, and, in the case of a special meeting, purpose.
 - 1. The notice shall be addressed to either a postal address or to an e-mail address according to the most recent information and preference on file in the Church office;
 - 2. The notice shall be sent or delivered by a duly authorized person to each Director or member entitled to vote at the meeting, and;
 - 3. The notice shall be delivered, mailed, or e-mailed not less than five (5) nor more than thirty (30) days before the meeting, excluding the day of the meeting.

ARTICLE VII. BOARD OF DIRECTORS

Section 7.1 Board Composition and Qualifications

A Board of nine (9) Directors shall govern the Church. The Board shall consist of four (4) Officers, including a President, Vice President, Secretary and Treasurer, and five (5) other Directors who are not Officers. In addition, the Minister shall serve by virtue of the office as a non-voting member of the Board. Of the Church's paid staff, only the Minister may serve on the Board. All members of the Board must be members of the Church. Six (6) of the nine (9) Directors must have been members of the Church for at least two (2) years preceding their election. Directors must be at least eighteen (18) years of age.

Section 7.2 Election and Terms of Office

Nominations for Officers and at-large Directors are provided by the Nominating Committee. The President shall also ask for nominations from the floor at the Annual Meeting. Any nominations from the floor must have the approval of the person being nominated. Persons nominating themselves must be present at the Annual Meeting or must submit the nomination in writing.

Officers and other Directors are elected by the members of the Church. If more than two candidates are running for an Officer position and none obtains a majority, the candidate with the lowest vote total is dropped from the list of candidates and the position is voted on again.

If more candidates are running for at-large Director positions than the number of vacant seats, the candidates are voted on in a common election and the candidates receiving the largest number of votes are elected.

Officers are elected annually for a one-year term, but will serve until successors are elected. The maximum number of consecutive terms in the same office is four.

Three at-large Directors are elected in even-numbered years and two in odd-numbered years, and each is elected to serve a term of two years, but will serve until successors are elected. The maximum number of consecutive terms in office is two.

Section 7.3 Responsibilities of the Board

The Board of Directors is the governing body of the Church. It has responsibility for the property of the Church, the conduct of its business affairs, and the administration of its services. By its own action or through delegation to the Minister, councils, committees, or task groups, the Board shall:

- A. Ensure that the Church remains relevant to the Congregation by actively seeking out members' needs, aspirations, and ideas; identifying opportunities and challenges; considering how the programs and activities of the Church will make a difference in the lives of members and the larger community; and formulating short and long-term goals.
- B. Clearly articulate the Church's values, mission, and goals and delegate the achievement of those goals to the councils, committees, and task forces.
- C. Create policies and procedures that establish boundaries of acceptable practice and provide for effective, efficient operation and monitor all programs and activities to ensure that they adhere to these policies and procedures.
- D. Assess the impact of programs and activities, and initiate changes, if necessary, to ensure that results are consistent with the Church's values, mission, and goals;

- E. Ensure that the financial structure of the Church is adequate for its current priorities and long range goals; establish policies and procedures to ensure fiscal responsibility; establish an annual budget that reflects the goals of the congregation; regularly monitor the use of funds as compared to budget; and provide open, transparent reporting to the congregation with regard to the use of funds.
- F. Establish compensation and employment policies that attract and retain qualified employees; monitor compliance with applicable employment and employment tax laws; establish grievance procedures; and provide a safe work environment.
- G. Maintain Church property by making provision for long-term building integrity, immediate repairs or improvements, and adequate daily maintenance.
- H. Ensure that adequate risk management, including insurance coverage, is in place.
- I. Conduct an annual review to ensure compliance with all relevant legal, regulatory, and reporting requirements, as well as Church Bylaws.
- J. Perform all functions given it by law and not herein allotted to the members or Officers.

Section 7.4 Meetings

The Board shall meet as needed to carry out its duties. All meetings shall be held at a time and location accessible to the members of the church. All Board meetings shall be open to attendance by Church members, except that the President or a majority of the Board may choose to conduct closed meetings with either the full Board or the voting members of the Board when matters of personnel or ministerial relations are discussed. The date, time, and place of Board meetings shall be advertised in the Church newsletter, displayed on the Church web site and posted on the calendar maintained in the Church office. Notice of meetings shall be considered adequate if posted on the calendar and the web site at least five days prior to the meeting. Board members shall be informed of other than regularly scheduled monthly meetings of the Board by e-mail or phone. Board members should indicate to the office staff their preferred method of notification. Scheduled meetings may be cancelled without notice.

Section 7.5 Voting and Quorum

A quorum of the Board shall consist of five (5) Directors. No Director may vote by proxy and no action may be taken by the Board without a meeting at which a quorum is in attendance. An act of the Board shall require an affirmative vote of at least five (5) Directors.

Section 7.6 Vacancies

In the event of a vacancy on the Board, the remaining members of the Board, even if fewer than a quorum, shall appoint a member of the Church to fill the vacancy. Any person so appointed shall hold office until the ensuing Annual Meeting, at which an election shall be held for any unexpired part of the term.

Section 7.7 Removal

A majority of the members of the Church, with or without cause, may remove a Director or the entire Board from office. Neither a Director nor the entire Board shall be so removed unless the notice of the annual or special meeting at which removal is to be considered states such purpose. When the Board or a Director has been so removed, new Directors may be elected by the members at the same meeting.

Section 7.8 Responsibilities of the Officers

The following list of responsibilities is not all inclusive. From time to time the Board may assign new short or long term responsibilities as needed.

President. The President's responsibilities shall include the following:

- A. Serve as chair of the Church's Board of Directors.
- B. Establish the agenda for Board meetings and the annual meeting in consultation with the Minister.
- C. Serve as chair of the general meetings of the congregation as a whole, including the responsibility to verify that a quorum is present. The President will also serve as or appoint a parliamentarian for these meetings.
- D. Appoint members to any task force of the Board.

Vice President. The Vice President's responsibilities shall include the following:

- A. Preside as chair of any meeting that would normally be chaired by the President in the event of the President's absence.
- B. Succeed to the Presidency in the case of the President's death, removal, resignation, or disability.
- ~~C. — Serve as chair of the Program Council.~~

Secretary. The Secretary's responsibilities shall include the following:

- A. Maintain minutes of Board of Directors meetings and minutes of the congregational meetings. The Secretary will also provide minutes of public meetings to the staff for posting in a ~~common area of the church building~~ manner that is readily available to the congregation.
- B. Ensure the official record of church policies is accurate and up to date.

Treasurer. The Treasurer's responsibilities shall include the following:

- A. Be responsible for the funds received or belonging to the Church.
- B. Be responsible for of all evidences of property belonging to the Church.
- C. Authorize payment of all bills, either personally or by a designate approved by the Board.
- D. Serve as a member of the Finance Committee.
- E. Give a written report of all money received and paid out during the term of office at the annual meeting of the Church and at other times as the Church or Board may require.

ARTICLE VIII. COMMITTEES AND COUNCILS

~~Committees and councils are the organizational structures that serve to develop strategies and direct programs and activities that support the mission and vision of the congregation. Operating committees and councils are chartered and can be dissolved by the Board of Directors as defined in Section 8.1. The committees and councils defined in the bylaws are standing committees and councils and report directly to the Board of Directors as defined in Sections 8.2 through 8.6.~~

Section 8.1 — Operating Committees and Councils

~~For each operating committee and council, the Board will approve a charter that defines in writing that body's duties, organizational structure, and reporting requirements and review the same from time to time in consultation with the committee or council, making such changes as deemed advisable in order to remain relevant to the evolving size and vision of the congregation. The charter is kept with the church records.~~

~~Each operating committee and council shall appoint a chairperson or co-chairpersons for approval by the Board, from among the members of the Church. Committee and council chairs may serve for no more than three consecutive one-year terms, except when this term limit is waived by the Board. This exception must be renewed each year the committee or council requests an exception. Chairpersons are responsible for selecting the members of their committees or councils in accordance with their charter.~~

ARTICLE VIII. COMMITTEES AND COUNCILS

Committees are the organizational structures that serve to develop strategies, programs, and activities that support the mission and vision of the congregation as articulated by the Board of Directors. Councils are groups of committees or task groups with similar areas of focus that join together to align their programs and strengthen their individual activities. Except as otherwise provided in these bylaws:

- Each committee and council will elect its own chair from among the members of the Church.
- The chair may serve no more than three consecutive one-year terms, except when this term limit is waived by the Board.
- The chair may not serve simultaneously as chair of more than one committee or council.

Section 8.1 — Standing Committees and Councils

Standing Committees and Councils are created by these Bylaws and report to the Board of Directors.

Section 8.2 — Program Council

~~The purpose of the Program Council is to coordinate activities of all church committees and councils, serving as the operational arm of the Board of Directors. The Program Council will provide a forum for committee and council chairs to ensure activities and initiatives are coordinated and to maximize cooperation between program areas. The Program Council will facilitate the development and submission of all committee and council budgets.~~

~~The voting membership of the Program Council is comprised of the Board Vice President, the chair of the Finance Committee, and the chairs of the committees and councils chartered by the Board of Directors. Chairs of committees and councils may designate an alternate member of their committee or council to vote on issues in their absence. Chairs of the Nominating Committee, Endowment Committee, Committee on Ministry, Personnel Committee, Clara Barton Guild, Memorial Garden Committee, and all committees, sub-committees, and groups reporting to Board chartered committees and councils may attend Program Council meetings and participate in discussion, but may not vote.~~

~~The Vice President serves as chair of the Program Council and shall convene meetings of committee and council chairpersons or designates. The Vice President may appoint a voting member of the Program Council to serve as Secretary to the Council.~~

~~The Program Council shall meet as necessary to carry out its duties. Program Council members will be notified of meetings by phone or e-mail at least one week in advance of the meetings.~~

~~An act of the Program Council shall require an affirmative vote of a majority of the voting members in attendance. At his or her discretion the Chair of the Program Council may call for a vote on an issue by e-mail. An act of the Program Council conducted by e-mail shall require an affirmative vote of a majority of voting members responding during the voting period designated by the Chair of the Program Council.~~

Section 8.3 — Nominating Committee

~~A standing committee of six members shall prepare a slate of nominations for elective offices to be voted on at the Annual Meeting. Members of the committee shall be elected by the members of the Church at the Annual Meeting. Terms of office shall be two years with no more than two consecutive terms of office. Three members of the Committee shall be elected each year, in addition to any vacancies that may occur. The chair of the Nominating Committee shall convene the first meeting by the end of September each year. In the absence of a designated chair, the President shall convene the meeting at which time the Committee shall elect its chairperson.~~

8.1.1 Nominating Committee

A Nominating Committee of six members will prepare a slate of nominations for elective offices to be voted on at the annual meeting of the congregation.

Members of the committee will be elected by members of the Church at the annual meeting. Terms of office will be two years with no more than two consecutive terms of office. Three members of the committee will be elected each year. In the event of a mid-term vacancy, a replacement will be elected at the annual meeting to complete the unexpired term.

The chair of the Nominating Committee will convene its first meeting by the end of September each year. In the absence of a designated chair, the President of the Board will convene the meeting, at which time the committee shall select its chair.

Section 8.4 — Finance Committee

~~The Finance Committee shall focus on the management of financial matters. The Committee shall monitor income and expenses, oversee income generation, seek to maximize assets, and perform other duties that may be assigned by the Board of Directors from time to time. The Committee shall propose policies and procedures to be followed with respect to the financial operations of the Church and develop an annual budget for approval by the Board of Directors.~~

~~The Board of Directors shall appoint the chairperson of the Committee from among the members of the Church. The chairperson may serve for no more than three consecutive one-year terms. The Treasurer is a member of the Committee by virtue of the office. The Minister, President, and Co-Administrator (Records) are non-voting members of the Committee.~~

8.1.2 Finance Committee

The Finance Committee will advise the Board on the financial matters of the Church. The Committee will monitor income and expenses, oversee income generation, seek to maximize assets, and perform other duties assigned by the Board of Directors. The Committee will propose policies and procedures that control the financial operations of the Church and develop and recommend an annual budget to the Board of Directors.

The Board of Directors will appoint the chair of the Committee from among the members of the Church. The Treasurer of the Board is a voting member of the Committee. The Minister, President, and Co-Administrator (Records) are non-voting members.

8.1.3 - Personnel Committee

The Personnel Committee shall work with the Minister to create an effective, efficient, and responsive working environment, and to recommend fair compensation and benefit packages in line with UUA guidelines. The Committee will maintain a process for hearing grievances related to personnel matters and advise the Board and Minister on matters pertaining to state and federal employment law.

~~The Committee will be composed of at least three church members appointed by the Board.~~

The Board of Directors will appoint at least three members of the congregation to serve on the Committee. The Committee will select its chair.

8.1.4 Endowment Committee

The Endowment Committee will govern the Endowment Fund, in concert with the provisions of these bylaws. The Committee is empowered, acting through its chair, to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects manage and control the assets of the Endowment, pursuant to the Endowment Investment and Distribution Policy.

The Committee will consist of five members of the congregation appointed by the Board. No member may serve on the Committee while also serving on the church governing Board. Members may serve no more than two consecutive three-year terms. After a lapse of one year, former committee members may be reappointed. The Committee will elect its own chair from among the membership of the church.

The Committee shall report to the Board on a quarterly basis and provide a written report to the Congregation at the annual meeting.

Committee members will not be held liable for any losses incurred by the Endowment, except to the extent that such losses arise out of acts of willful misconduct or gross negligence and not for the acts or omissions of other members. No committee member shall engage in self-dealing or transaction with the Endowment in which the member has a direct or indirect financial interest.

Section 8.2 Operating Committees and Councils

The Board may create or dissolve any operating committee or council to meet the needs of the church. Each operating committee and council will have a mandate approved by the Board that defines in writing that body's duties, organizational structure, and reporting requirements. The mandate will be reviewed at least every three years to ensure that it remains relevant to the evolving vision of the congregation.

Section 8.6 Subcommittees

~~The Board of Directors, a standing committee, an operating committee, or a council may charter a group with a more distinct and limited focus than the chartering body, such as a subcommittee, task force, focus group, or other working group (herein called "subcommittee"). The chair of the subcommittee must be a member of the body that chartered it, but may otherwise recruit members from outside that body. Subcommittees report to the body that chartered them.~~

Section 8.2 Subcommittees

The Board of Directors, committees and councils may create subcommittees, task forces, or other working groups, each with a specific limited focus.

ARTICLE IX. THE MINISTRY

Section 9.1 Qualifications

The Minister(s) of the Church shall be in fellowship with the Unitarian Universalist Association.

Section 9.2 Calling the Minister

At an Annual Meeting or other meeting duly called for the purpose, the Church shall elect a Ministerial Search Committee for the purpose of recommending a ministerial candidate to the membership. The decision to call a Minister will require a 75% vote of the members of the Church present at a meeting duly called for that purpose.

Section 9.3 Resignation

Should the Minister wish to resign, at least three (3) months notice shall be given to the Board. Any other resignation agreement shall be mutually agreeable to the Board and the Minister when the resignation is submitted.

Section 9.4 Dismissal

A motion to dismiss the Minister may be considered only at a Special Meeting duly called for that purpose. Such a Special meeting may be called only by a majority vote of the total Board membership or by a written petition signed by 20% of the current church members.

Notice of such a meeting shall be given no fewer than 30 days in advance of the meeting. Votes on the motion shall be cast by written ballot.

If the total number of ballots cast comprises at least 51% of the members of the church, the Minister may be dismissed by a simple majority vote of the members present and voting at the Special Meeting.

Section 9.5 Responsibilities of the Minister

~~The responsibilities of the Minister will be defined in the Letter of Ministerial Call as fully executed and amended. The Minister shall be responsible for coordinating the provision of religious services, ceremonies, and observances; for ministering to the spiritual needs of the church community; for maintaining a presence for the church in appropriate ways in the larger community; for serving as a non-voting ex-officio member of all boards, committees, and organizations of the Church, except for the Ministerial Search Committee; and, under the supervision of the Board, for serving as the chief administrator of the Church, including direction of the program management staff, supervision of the activities of general support staff, and oversight of the day-to-day business of the Church.~~

Section 9.6 Freedom of the Pulpit

The Minister's freedom of expression, both in and outside the pulpit, shall not be abridged.

~~**ARTICLE X. USE OF THE CHURCH BUILDING BY OTHER INDIVIDUALS OR GROUPS**~~

~~The Church seeks to make its facilities available to the people of the community as a place where they may satisfy their needs for devotion, work, study, fellowship, or recreation without, however, assuming responsibility for the opinions or activities of any organization which is not officially connected with the Unitarian Universalist Church. Application for the use of the Church's buildings by groups such as those advocating actions along social or political lines may be approved only by the Board. Such groups shall be advised that their use of these facilities is contingent upon their making it clear that the Church is not responsible for, nor does it necessarily endorse their views. This must be made clear both in presentations to their meetings and to the public through all news releases and public announcements.~~

ARTICLE XI. DISPOSITION OF ASSETS ON DISSOLUTION

In the event that the Church is dissolved pursuant to law, its property and assets shall be applied and distributed in the order and according to the terms of the immediately following clauses "A" through "E" insofar as legally allowable:

- A. Costs and expenses incident to the proceedings shall be paid.
- B. All liabilities and obligations of the Church shall be paid, satisfied, discharged, or adequate provision made for them according to their respective priorities.
- C. Property and assets, if any, held by the Church upon condition or subject to executory or special limitation, if the condition or limitation occurs by reason of the dissolution of the Church, shall revert, be returned, transferred, or conveyed in accordance with the condition or limitation.
- D. Subject to clauses "A" through "C," all remaining property and assets shall be transferred and conveyed to the Unitarian Universalist Association.
- E. If the Unitarian Universalist Association is not in existence to receive such property it shall be transferred as provided by Section 317.57 of Minnesota Statutes at the date of adoption of these Bylaws.

ARTICLE XII. AMENDMENTS

Section 12.1 Amendment by Members

The Board may propose the amendment of these Bylaws by resolution setting forth the proposed amendment and directing that it be submitted for adoption at a meeting of members. Notice of the meeting of members shall be given to members stating the purpose of such meeting. If such notice has been given, the proposed amendment may be adopted at any meeting of members. Adoption of any such amendments shall require a two-thirds (2/3) vote of members present and voting.

Section 12.2 — Amendment by Directors

- ~~A. The members may, by a two thirds (2/3) vote of those present and voting at a meeting duly called for the purpose, authorize the Board, subject to clause "C" hereof, to exercise from time to time the power of amendment of these Bylaws in the manner prescribed in clause "B" hereof.~~
- ~~B. When the members have authorized the Board under clause "A" to amend these Bylaws, the Board, by a three fourths (3/4) vote of the full membership of the Board (at least 7 out of 9) may amend these Bylaws at any meeting of the Board if notice of the meeting and the proposed amendment has been duly given.~~

~~C. The members, by a majority vote of the members voting at a meeting duly called for the purpose, may prospectively revoke the authority of the Board to exercise the power of the members to amend the Bylaws.~~

ARTICLE XIII. FISCAL YEAR

The fiscal year of the Church shall commence June 1 and expire the end of May 31 each year.

ARTICLE XIV. PARLIAMENTARY AUTHORITY

In all matters not covered or governed by these Bylaws, the Articles, or by the laws of Minnesota, this Church shall be governed by Robert's Rules of Order, Newly Revised.

ARTICLE XV. DEFINITION OF CORPORATION

For the purposes of this document corporation shall be the First Unitarian Universalist Church of Rochester, Minnesota, and shall be referred to as Church.

ARTICLE XVI. ENDOWMENT FUND

Section 16.1 Purpose

An Endowment Fund shall be established to further the mission of the Church beyond its normal operating budget, to improve the Church's building and grounds in a manner beyond routine and periodic maintenance, to fund social outreach projects in the community at large, and to help the Church manage financial emergencies.

Section 16.2 Donations to the Fund

Donations, gifts, and bequests (hereinafter "donations") which are made to the Endowment Fund shall be applied to that fund if accepted by the Board. Acceptable donations will be limited to stocks, bonds, cash, and proceeds from the sale of real property. The Board may make exceptions where satisfied that issues related to tax and legal liability, marketability, and environmental and other concerns are adequately addressed.

Except as specified below, the Board shall also have the discretion to assign donations to the Endowment Fund if the donor has not indicated whether the donation is intended to be made to the Endowment Fund or to another fund of the Church (such as the Memorial Fund, the operating budget of the Church, a capital fund drive, or another fund). Undesignated donations of 10% of the current year annual budget or greater shall be distributed as follows:

- Not less than 75% of the gift shall go to the endowment fund.
- Up to 25% shall go to capital investments, the capital fund, the memorial fund, or the human needs fund.
- Not more than 5 % shall be disbursed by the Board for non-recurring operating expenses; such donations are not intended for ongoing operating expenses.

Once a donation has been accepted as part of the Endowment Fund, it becomes part of the Endowment Fund's principal and may not be expended except in accordance with Section 16.4 below.

Section 16.3 — Management of Endowment

~~The Endowment shall be governed by an Endowment Committee (sometimes hereafter referred to as the “Committee”), which shall serve as the custodian of the Endowment Investment and Distribution Policy.~~

~~The Endowment Committee shall consist of five members of the Congregation appointed by the Board. All appointed members must be members of the Congregation. Except in the initial appointment, when shortened terms will enable a staggered rotation of members, the term of each Committee member will be three years. No member may serve more than two consecutive three-year terms. After a lapse of one year, former Committee members can be re-appointed. No member may serve on the Endowment Committee while also serving on the church governing Board or as an elected officer of the Congregation. The Committee shall elect its own chairperson.~~

~~A majority vote of the members of the Endowment Committee is needed to carry any motion or resolution. The Committee shall report to the Board on a quarterly basis and provide a written report to the Congregation at the annual meeting.~~

~~The Endowment Committee is empowered, acting through its elected chair, to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects manage and control the assets of the Endowment pursuant to the Endowment Investment and Distribution Policy.~~

~~Committee members shall not be liable for any losses incurred by the Endowment except to the extent that such losses arise out of acts of willful misconduct or gross negligence and not for the acts or omissions of other members. No member of the Committee shall engage in any self-dealing or transactions with the Endowment in which the member has direct or indirect financial interest. Members shall refrain at all times from conduct in which his/her personal interests would conflict with the interest of the Endowment.~~

~~The Endowment Policy shall be reviewed jointly by the Finance Committee and Endowment Committee on even numbered years.~~

Section 16.4 Investment and Distribution Policy

A. General

1. The Committee shall invest the assets of the Endowment in broadly diversified asset classes with low correlation and with moderate risk. The Committee shall endeavor to invest the assets of the Endowment in a socially responsible manner.
2. In order to protect and preserve the corpus of the Endowment over the long term, the Committee shall not distribute more than four percent per year of the total market value of the assets, as determined by the average total market value on the last business day of each of the four immediately preceding calendar quarters. If less than four percent is distributed in one year, the Committee may distribute more than four percent in a subsequent year, as long as the distributions do not exceed four percent on a cumulative three-year rolling basis.
3. Withdrawals from the endowment fund are not permitted until the endowment fund's balance is at least 25% of the current annual budget.
4. The Committee may provide for such professional counsel on investments, or other areas of specialized expertise legal matters as it deems best, and it may incur reasonable expenses in the execution of its duties. The expenses shall be paid from or reimbursed by the Endowment.
- 4.5. ~~The Endowment Policy shall be reviewed jointly by the Endowment Committee and the~~

Board on even numbered years.

~~5~~.6. All members of the Congregation shall be encouraged to leave a bequest of at least five times their annual pledge to the Endowment in their estate plan.

~~6~~.7. This Endowment Investment and Distribution Policy may be amended only by a two-thirds majority vote of the Congregation attending the meeting at the time the amendment is considered.

B. Three Funds

The Endowment shall be composed of three funds, which may be co-mingled for ease of investment management. The Committee shall separately account for each of these funds, attributing to each its proportionate share of changes in income and principal, as well as recording gifts to and distributions from each of the funds. The distribution limit outlined above shall be applied on a fund-by-fund basis. The use to be made of the allowed distribution from each of the three funds is determined by the Congregation as part of its customary budgeting process. Gifts and bequests to the Endowment may be designated for any of the three funds. Undesignated gifts shall be deposited to the Unrestricted Reserve Fund, unless assigned to the Building Reserve Fund or the Social Outreach and Service Fund by the Board.

The three funds are established as follows:

1. Fifty percent of the initial assets of the Endowment shall be allocated to the Unrestricted Reserve Fund.
2. Thirty percent of the initial assets of the Endowment shall be allocated to the Building Reserve Fund.
3. Twenty percent of the initial assets of the Endowment shall be allocated to the Social Outreach and Service Fund.

C. Unrestricted Reserve Fund

1. Distributions from the Unrestricted Reserve Fund may be used for any purpose to further the mission of the church, but shall not be used for the ordinary and customary operating expenses of the Church, except as provided below.
2. Committee may from time to time loan money from the Unrestricted Reserve Fund to the church to help manage temporary cash flow needs caused by month-to-month variations in the collection of pledges and other gifts, on such terms and at such rates of interest, or without interest and in such amounts as the Committee deems appropriate, with Board approval.

D. Building Reserve Fund

1. Distributions from the Building Reserve Fund shall only be used to help pay for major capital expenditures and significant improvement projects related to the church's buildings and real property, including grounds and landscaping, over and above regular maintenance.
2. In addition to the permitted distribution, the Committee may from time to time loan money from this Building Reserve Fund to the church to help advance a particular improvement project, on such terms and at such rates of interest and in such amounts as the Committee deems appropriate, with Board approval.

E. The Social Outreach and Service Fund

1. Distributions from the Social Outreach and Service Fund shall only be used to further the church's religious and charitable mission. This fund is not intended to support activities for the church community itself, but is intended for social responsibility efforts in the broader community at large.
2. In addition to the permitted distribution, and with the approval of the Congregation, the Committee may make direct investment of not more than twenty percent of the assets in the Social Outreach and Service Fund in housing, social service, or community or economic development activities in furtherance of the mission of the church and the purpose of this Fund.

ARTICLE XVII. MEMORIAL GARDEN AND PLAQUES

~~The First Unitarian Universalist Church of Rochester, Minnesota, will maintain the Memorial Garden, the In Loving Memory memorial plaque in the church lobby, and the Garden Panel of Names as long as the church exists in its present location. If the church should move, a representative sample from the Memorial Garden will also be moved to the new location, a new Memorial Garden will be established, and both memorial plaques will be installed in appropriate places in the new church. The In Loving Memory plaque in the church lobby holds names of those interred in the Memorial Garden and other names of members/friends and their family members who wish to be memorialized at church. The Panel of Names placed outside in the Memorial Garden includes only the names of those interred in the Memorial Garden. (approved 4-16-2014)~~

ARTICLE XVIII. CONGREGATIONAL RESOLUTIONS ON MATTERS OF SOCIAL JUSTICE

Section 18.1 Purpose

The purpose of this article is to provide a process for the consideration of congregational resolutions on matters of social justice.

Social justice resolutions proposed for consideration by the congregation are properly only those with the following characteristics:

- A. They address enduring social justice issues.
- B. They are intended to communicate beyond our congregation.
- C. They are part of a larger strategic effort to address a social justice issue rather than to simply make a statement for public dissemination.
- D. They build awareness within our congregation.
- E. They are supported by Unitarian Universalist principles.

Section 18.2 Process

- A. Any seven (7) members of the Church may co-sponsor a resolution on matters of social justice in accordance with Board approved policy for such purpose and under administration by the Social Justice Council.

- B. The Board approved policy for consideration of congregational resolutions on matters of social justice shall include a process for congregational discussion and discernment.

Section 18.3 Voting

- A. The Board of Directors shall supervise the voting process.
- B. Eligibility for voting shall be determined according to Article III. ~~–Membership.~~
- C. Voting will occur on a Sunday coincidental to Church service(s). Voting will be by written ballot on the day of the vote or by absentee ballot. Each member will have one (1) vote and there will be no voting by proxy.
- D. Approval of the resolution requires affirmative votes from more than fifty percent (50%) of the congregation's eligible voting members and, in addition, at least sixty percent (60%) of the votes cast must be in the affirmative.
- E. The results of the vote are not binding on any individual member, since our Principles value the right of conscience equally with the use of the democratic process in our congregation.