

**Unitarian Universalist Church Of Muncie**  
**Minutes of the Special Board Of Directors Meeting**

**Sunday, July 15, 2018**

Meeting called to order at 12:20 PM

In Attendance:

Board: Mary Robey - President - Present  
Caroline Sullivan - President-Elect - Present  
John Bartlett - Vice-President - Present  
Jennifer Hollems - Treasurer - Present  
Jerry McKean - Past President - Absent  
Brandon Mundell - Secretary - Present  
Seth Carrier-Ladd - Minister - Absent

Guests: Nicole Kaplan  
Kirk Robey  
Eleanor Johnson  
Lisa Cox

Unfinished Business

Introduction to Love UU Preschool & Daycare

Special meeting was approved at the July 11, 2018 board meeting. Nicole presented additional clarifying information regarding the proposal.

Motion to approve the proposal for the Love UU Preschool & Daycare.

Moved - Brandon Mundell

Second - Caroline Sullivan

Discussion -

Q - How does the operation of a for-profit LLC in the church building affect property tax liability?

A - Unknown, and legal council would be needed to properly answer this question. There is a potential that the tax exempt status of the church property could change.

Q - Has the Director of Religious Education been contacted?

A - Not yet.

Q - Has the Office Administrator been contacted?

A - Yes, and reports that the impact would be minimal.

Q - Who would pay the upfront costs?

A - Nicole responds that registration fees would cover this.

Suggestion that the preschool be structured as a not for profit LLC.

Property Maintenance concerns - They should be contacted to make sure that the building is ready for the burden and can be improved in the future for needs. What about snow removal?

Q - Scheduling of potential conflicts, especially during pickup time?

A - Premium for late pickup. Notice to parents of conflicting activities.

Q - What is the importance of licensure?

A - License requirement based on the requirements of the community (parents, operators & other stakeholders)

Q - What is the succession plan?

A - Nicole would entertain selling the LLC to the UUCM in the future. She may be interested in a director position with much less classroom involvement to grow the venture in the future.

Suggestion that the lease be structured with an escape clause. Perhaps a one year lease with an extension clause.

Q - How will interaction with children and other people in the church building that are not background checked or screened be handled?

A - Parents will be informed that the building that houses the preschool does host other organizations and events concurrent with the preschool operation.

Q - Will there be any cash outlay to the church?

A - No

Concern about day one breakeven analysis.

Nicole reports that the preschool market in Muncie have very little to no excess capacity, so there is a significant need in the market.

Q - Should the lease be a set amount or a sliding amount?

A - Outreach does not pay anything, but is an LLC and does not use nearly as many resources.

Would be much better as a 501c3 instead of a for profit entity.

Concept is good and probably should be undertaken.

Guest Questions & Concerns:

Eleanor Johnson asked, how is this concept handled with other religious places? i.e. Friends Memorial.

Lisa Cox believes that the income numbers may not add up. There is no accounting for insurance cost, payroll taxes, property taxes. She believes that the proposal needs some cash cushion planning. How would tax liability be handled? Nicole responds: On a percentage basis. Similar to the arrangement with Outreach.

Vote: Yes - 0  
No - 3  
Abstain - 0

**Motion Does Not Pass.**

Motion that board continue discussions for plans for a pre-school & daycare program. To open preferably within one year.

Moved - John Bartlett  
Second - Jennifer Hollems  
Discussion - None  
Vote: Yes - 4  
No - 0  
Abstain - 0

**Motion Passes.**

#### Board Action Assignments

Mary Robey & Brandon Mundell will assist in helping to bring the preschool proposal to an acceptable resolution per the approved motion.

Adjournment - 1:30 PM

Next Regular Meeting - August 8, 2018 - 6:30 PM