

FUUSN Board of Trustees

Tuesday, January 9, 2017
Children's Chapel, 7:30 PM

<p>Staff Erin Splaine, Minister Rowan VanNess, DLRE, absent</p> <p>Board Cathy Morocco, Chair Eric Haas, Vice Chair Amalia Basch, Youth, absent Brian Burba, absent Josie Greene Chris Krebs Leah Lakowski, Youth, absent Brooke Foucault Welles</p> <p>Clerk Kit Ryan</p>	<p>Visitors Susan Bartlett, Operations Karen Bottar, Finance Judy Curby, Treasurer Laurel Farnsworth, Operations Brian Gill, Finance Saul Lookner, Annual Budget Drive</p>
---	---

Highlights

- **Members of the Finance Committee and Operations Council discussed the status of our finances and how our budget develops.**
- **The Board approved a \$585,000 target for the FY19 Budget Drive and likes the theme: Fire of Commitment.**
- **What should the congregation understand about our finances?**

Invocation / Chalice Lighting/Reading Of The Board Covenant: 734 pm

Staff And Board Updates:

Erin Splaine

- All four services for Sunday Dec 24—regular Sunday morning service and the three Christmas Eve services in the afternoon and evening—were well-attended, as was the Quaker service the following Sunday.

- Erin has planned an open conversation around the #MeToo movement for Tuesday Jan 30. After an introductory session, attendees will split into three affinity groups led by Erin, Dani Patrick (youth coordinator), and Jud Leonard (lay minister). The groups will rejoin for summing-up. Dani will discuss the topic separately with youth.
- Individual youth will begin leading portions of the service, such as readings, beginning Sunday January 14. Theo Burba will be the first Worship Associate.
- Erin will be a one of three clergy in a panel on religion and spirit at Owen Butler's Cub Scout pack meeting January 10.
- Erin likes the evolving new Board covenant, but has two reservations: It is long for the purpose and it doesn't include the FUUSN staff. Erin and Chris will meet to work on the covenant draft.

Board Updates

Welcoming Congregation (WC) Implementation. Chris

- The WC team has planned a series of drop-in meetings to discuss the book, *Cultivating Empathy*, following the service on Sundays January 28, February 4, and February 11. (These events were later postponed to Sundays March 4 and April 8.)
- Films dealing with gender issues (*Normal*, *Transamerica*, and *Moonlight*) will be shown Thursday February 18, Sunday May 6, and Sunday June 10.
- Dwight Golann, Moderator, is working with the Nominating Committee, which will hold its first meeting January 16. Members will report to the Board at its February meeting; topics to be discussed include Board job descriptions and leadership succession.
- FUUSN's name change has generated a fair amount of administrative work, mainly updating our records with various entities, including our bank, investment firms, insurance agencies, and the State of Massachusetts. Gayle Smalley has been working with state offices and Judy Curby, as Treasurer, has been working with bank accounts and other financial organizations. Urban has been contacting our investment partners.

Operations Council Report. Chris

The Board recently decided that the Board member who attends the Council meeting, will provide highlights of the meeting. For the January 16 the meeting:

- Judy Curby has secured a new outside accountant to work with us.
- The Holiday Fair netted roughly \$19,000 for the operating budget.
- The Annual Budget Drive [ABD] team has been working with the new Realm database.
- Dani Patrick suggested clarifying language directing people to our gender-neutral restrooms; someone is working on equipping one restroom with a changing table.
- Ops is still negotiating with a group that wants to use the Parish Hall to mount an art show.

Eric noted that in December a Board member suggested that the Board take a designated table during Community Breakfast for chatting with congregants. Since no advance work or publicity has been carried out for the upcoming February Breakfast, the Board postponed this outreach.

Strategic

Finance Updates and discussion. With Karen, Brian, Susan, Judy and Laurel

Handouts:

“Summary: FUSN Long Term Forecast FY18 to FY22”

“FUUSN Integrated Financial Planning Timeline”

“Comments and recommendation to the BoT on the proposed FY18 budget presented at the Board meeting on May 18, 2017”

“ FUSN Long Term (5 year) Plan”

Broad topics for this part of the meeting included:

- 1) Our financial health mid-year;
- 2) Financial Planning Timeline
- 3) Role of the Board Goals in FUUSN Budgeting
- 4) Budget Drive: Financial Target
- 5) What should the congregation know about our finances?

This is a continuation of the work begun at the Financial Summit, a major conclusion from which was that we need to have a year round commitment to financial management and fundraising. The hope is eventually to establish a permanent Stewardship Council to oversee this commitment.

1) Our Financial Health Mid-Year.

Karen reviewed recent budget figures, including projections for the next several years based on trends. She noted that projections for future assets (withdrawals from the endowment, for instance) rely on continued strong performance of world financial markets. Our current spending on operations is on track, following the FY18 budget generated at the end of last year’s Annual Budget Drive.

Representatives from Ops and the FOC stressed that this is a cause for concern, for a number of reasons. Last year’s fundraising fell short of its target, and this shortfall was reflected in decisions about where to allocate funds. Building and grounds maintenance was deferred, but must be addressed in future budgets. Staff expenses were kept to a minimum; no one’s salary or benefits were reduced, but nothing was set aside to fund future sabbaticals. Both the functional surplus—accumulated when spending in previous years was less than planned—and reserves were exhausted. The amount set aside for contingencies (which often come up due to winter weather) have been drastically reduced. FUUSN needs more income. Deficit spending cannot continue.

Two-thirds of the funds required to keep the building sound, pay our staff, and fund our programs come from member pledges. Our endowment provides only 9% of the total

budget. The rest comes from renting space to outside groups, such as the Pine Village Bilingual preschool.

Questions about raising more money from sources other than congregational pledges were raised. Laurel noted that we have two long-term tenants: the Dorshei Tzedek congregation, which has requested a decrease in its rent; and the Pine Village preschool, which has recently raised security concerns. The cell antennae operators also wish to decrease the rent they pay for installations on our tower. Events related to congregational activities are often going on in the smaller rooms on weekday evenings, which is as it should be. FUUSN doesn't have a lot of additional space available to rent. The idea of marketing our building as wedding venue was suggested. Laurel pointed out that we lack the dressing rooms, kitchen space, outdoor garden and ample parking in the area that would make us attractive for such a use. Erin added that she has avoided taking on the role of officiating at such event for non-members, and this lack of clergy is another key limitation. Ops and staff feel that truly no options for increasing income exist, other than the ABD.

2) Financial Planning Timeline

Treasurer Judy Curby reviewed the annual budget process, using the graphic, "Financial Planning Timeline." The Finance Committee (FC) reaches out to the FUUSN committees for their funding requests; by April or early May the FC works on the budget based on the outcome of the ABD. The budget is dependent on the ABD but the FC also needs to know the congregation needs. At the time the Operations Council [Ops] was created to assume some of the tasks that had been the responsibility of the Board of Trustees (BoT), the intent was that Ops was to have the detailed level, budget line item view. The Board was to have a higher level of focus: a strategic point of view as opposed to a tactical one.

3) Role of Board Goals in FUUSN Budgeting

Susan noted that in November or December, ideally, the BoT needs to set budget priorities, such as funding for staff [e.g. DLRE sabbatical] and program initiatives [eg, Welcoming Committee], while avoiding any budget deficit to keep FUUSN in financial good health.

Judy pointed out that it is helpful in budget development to know whether a line item needs to be created or preserved, even if no funding will be allocated during the present budget but is anticipated for future years. As an example, a Stewardship Council will need a future line item, so it makes sense to create it now. BoT also needs to let the FC know about policy changes that may affect budget development.

Susan reiterated that this FY we need to really be careful, since our surplus is gone and our reserves were cut.

4) Budget Drive: Financial Target

Brian Gill and Saul Lookner are the ABD leaders. They have been meeting with a budget drive planning team that include Cathy and Josie from the BoT, representatives from Ops and

FC, Pat Rohan from the Membership Committee, and Susanne Greelish, Val Miller, and Cora Jeyadame, who are all new to the Annual Budget Drive process.

In setting a financial target for the FY19 drive, a guiding question has been, *What would it take to balance the budget?* Taking into account ongoing programs, maintenance needs, and the imperative to avoid increasing the deficit, the Finance Committee has come up with a tentative target of \$585,000 for the FY19 drive. This is a \$50,000, or 9%, increase from last year's total pledges. It is, in fact, the number that we needed to achieve in FY18, if we were to achieve a balanced budget this year and not what would be required to balance the budget in FY19.

Cathy acknowledged that this was an ambitious goal and asked whether the Board thought it was feasible. Brian noted that in some prior years we have had an ABD target increase of 10%, and attained it. He believes it is attainable. Brooke raised a concern about messaging - we need to be clear that this ambitious increase is not a "one time only" push to resolve financial concerns. This level of fundraising will continue to be necessary moving forward. She felt it was smart to continue shooting high and take a bold stance toward eliminating the deficit.

After further discussion, \$585, 000 was fixed as the target for this spring's budget drive.

5) What should the congregation know about FUUSN's finances?

In his third year of leading the Budget Drive, Saul is concerned about FUUSN's financial health, but doesn't think the congregation is aware of our precarious status. He worries that we may scare members away with requests to increase their ABD pledge. He is also concerned that our online formats for supporting pledging are not adequate. He recently tried to help a congregant to make an electronic contribution—which is putatively possible—but found that he could not navigate the FUUSN webpage to do so.

Saul has specific requests for the Board. He needs help finding people with expertise to craft the ABD message and to improve the website's ability to accept pledges. He also needs someone to address issues of discrepancy and ambiguity in our databases. It is not unusual, in his experience, to have members tell stewards that they've already donated, but the ABD team can't find a corresponding record of the pledge. He also feels strongly that we need to start engaging stewards in canvassing before the end of the ABD.

A recurrent theme of the discussion was the need to educate the congregation about FUUSN's financial operations, and make concrete what their pledges pay for. Previous budget drives have suggested two to five percent of family income as the appropriate level for giving. The Drive this year is promoting two to six percent. Cathy pointed out that this goal should be presented in various forms so that it reaches all members.. Brian Gill noted that given our projected operating budget for the coming year and the current count of 281 pledge units, it costs FUUSN \$3100 for each individual or household ("pledge unit"). Currently, the average contribution is around \$1600. Expectation and projected need have not been previously stated in this way to the congregation.

Saul commented that promoting costs per pledge unit as a guide for pledging may have negative consequences. Members may leave if they think they cannot attain the expected pledge level. He is concerned about creating the feeling that, "FUUSN only reaches out to us when it needs money." Susan observed that this reflects back to our cultural discomfort about discussing financial issues, which was much discussed during the Financial Summit.

Cathy suggested that new members and young families should be encouraged think of such expectations as a goal to work toward, and that a clear part of the message should be, "Every pledge counts."

Several people stated in various ways that our outreach needs to highlight what is important to members: new initiatives (Multicultural Ministry and Welcoming Congregation), and new services (extended childcare), and capital improvements (the very tasteful handicap access ramp at our front entrance).

Consideration is being given to creating a clear, coherent message about this year's ABD and why it is necessary. Josie, Saul and Brooke volunteered to craft a first draft of a message. In addition to points already mentioned, our communication should stress that one's pledge can be made in several ways (online, pledge card) and can be paid in several ways (credit card, auto pay from a bank account, donation of stocks or bonds). Sam Foster and Pat Rohan are working on how to foster communication with the congregation across multiple mediums: face-to-face contact, a dedicated brochure, the Newsletter and e-mail lists, Facebook, pledge parties (from which 60% of contributions have come in the past), and FUUSN's website.

Thought is being given to themes—with the favorites: "The Fire of Commitment" or "Fueling the Fire of Commitment"—making inspiration, not fear, the motivation for giving.. The idea is to create a visual symbol for the theme that appears on every communication. The use of concrete symbols (such as the Coffee Hour fund-raising thermometer employed several years ago by Josie and Bruce Henderson), can be effective. Congregant Marc Kaufman, a graphic arts designer, has been recruited to help create a symbol for the Drive.

The Board and agreed to hold a Finance Open House during Community Breakfast in the Alliance Room on Feb 11. Representatives from the Finance Committee, Board of Investments, Financial Oversight Committee, the ABD team, and the Board of Trustees will be present to try demystify FUUSN's finance and start laying ground for the Budget Drive. Childcare will be available.

Eric asked if training was planned for stewards. Cathy replied that stewards and pledge party hosts would be recruited soon and oriented together so that they can bring the same inspiration and information to donors. Cathy is planning the orientation and Brian Gill will conduct it with her. trained together. Being a steward is an honor and we will select highly committed, talented people for the role. Stewards and hosts are expected to attend training.

This led to a discussion of whether hosts and stewards should know the pledge histories of their party attendees and donors. Brooke thought that it was important for the stewards to have access to prior giving information, and Erin agreed, pointing out that a

theme of the Financial Summit was the need for transparency around FUUSN's finances. It was the sense of the meeting that stewards should be given the confidential pledge history of their donors at their training.

Josie noted that stewardship orientation would stress keeping confidential information to which they are privy.

Close/Appreciations.

Meeting adjourned at 9:40PM