

FIRST UNITARIAN SOCIETY IN NEWTON
Meeting of the Board of Trustees
May 21, 2013

Present:

Board: Gordon Moriarty, Strom Thacker, Ann Woodbury, Jonathan Reuman, Margaret Costello, Bruce Henderson, Alan Cody, Charlie Watts, Carl Metzger

Absent: Conrad Buys

Staff: Erin Splaine (Perry Montrose absent)

Guests: Pat Rohan and Ann Hess-Mahan (Operations Council), Brian Gill (Finance Comm.)

Clerk: Strom Thacker, sitting in for Sheila Ardery

Gordon Moriarty lit the chalice provided the inspirational reading after the Board read the covenant. Then members and guests shared joys and concerns.

Annual Budget Drive

Bruce presented an effective chart with bar graphs presenting data on the number and amount of pledges in this year's ABD that showed where we gained and lost pledges this year. Average pledge is up but number of people pledging is down.

FY14 Budget Review

Pat Rohan presented the Operations Council's proposed budget and comments. This budget assumes 97% compliance on pledges, up from the typical 95%. Unpaid pledges are typically 1-1.5% (last year ~\$5k). Typically 90% of what remains outstanding at the end of the pledge year is collected in the following year and thus accounted in the following year's budget. Budget includes staff raises/bonuses, based on careful study by Finance Committee. Biggest increase is addition of Assistant Minister, but impact is lessened in the first year because AM is budgeted for only five months, beginning in January, 2014. \$36k deficit is the bottom line, a lower deficit than last year's budget (\$66k). On behalf of the Ops Council, Pat recommends that we approve this budget. He said we are in a very good place right now and growing, and this is not the time to pull back. Investment in Membership Coordinator appears to be working and we should try to maintain that momentum. It's risky, but so is pulling back. Without growth, structural deficit will grow. Discussion of long-term forecast followed, including state of the endowment (restricted versus unrestricted) and current rate of withdrawal. Accumulated budget surplus is expected to disappear in FY15 absent continued growth in pledge units and average pledges. Concern was expressed that the amount of time needed for the Assistant Minister to successfully impact membership growth might bring us into large deficit territory. Some expressed concern that ABD estimates and Pine Village rent projections are overly optimistic. The Board resolved to keep a close eye on the long-term forecast and ongoing deficit situation.

Bruce said that the clearest way he saw to address the accumulating deficits in the long-range forecast would be to grow the number of pledges. He estimated that adding 40 net new pledges in each of the next two years (bringing the pledge base from its current 340 to 420) would be enough to counter the operating deficits projected, if new pledges averaged \$500 and moved up to \$1200 in their second year. Bruce noted that the number of pledges has been relatively constant, fluctuating between 288 and 351 over the last six years (and down from 351 to 340 this year), so a move to 420 over the next two years would require very focused effort by the Board and the congregation. These net new pledges must come from outside of FUSN, so FUSN needs to get better at promotion and outreach within the Newton

community. Bruce asked that the Board, in considering a vote on this proposed budget, keep in mind that a vote to approve the budget should entail a commitment to achieve this goal through and beyond the budget year.

Alan moved for a vote to approve the proposed budget and Ann seconded. The proposed budget passed unanimously. The Board thanked Brian, Pat, the Finance Committee and the Ops Council for the thorough and diligent work on the budget and long term projections.

Pat Rohan will produce a synopsis of the budget for the congregation.

Financial Oversight

A proposed charter for Financial Oversight Committee was distributed by Charlie and Strom last week and again at this meeting. Alan noted that no one on this committee should be involved in FUSN's hands-on financial operations, and the proposed charter was amended accordingly. Carl suggested that the Finance Committee and/or Ops Council should review it, and all agreed that this should happen. Motion to approve the amended charter passed unanimously.

Administrative Issues

The May 14, 2013 minutes passed unanimously, with one abstention.

Motion to approve authorization of Treasurer to act during 5/31/13 – 6/9/13 passed unanimously:

"Whereas: The fiscal year of The First Unitarian Society of Newton ("FUSN") ends on May 31, 2013 and the budget for the fiscal year beginning June 1, 2013 cannot be approved in accordance with the By-Laws of FUSN until the annual meeting on June 9, 2013.

Whereas: FUSN must continue to make payments of salary and other expenses after May 31, 2013 and prior to approval of the budget for the next fiscal year by the congregation on June 9, 2013.

Therefore be it Resolved: That the Treasurer and Assistant Treasurers of FUSN are authorized to disburse such funds of FUSN as may be necessary to pay expenses normally incurred in the ordinary course of FUSN's business from June 1, 2013 until June 9, 2013."

Motion to designate Minister's housing allowance passed unanimously:

"Whereas, the Internal Revenue Code permits a minister to exclude, from gross income, a church-designated allowance paid as part of compensation to the extent of actual expenses incurred in owning or renting a home; and

Whereas, The First Unitarian Society in Newton compensates the Minister for services in the exercise of ministry;

Resolved, That, for the fiscal year ("Fiscal Year 2014") beginning June 1, 2013 and ending May 31, 2014, the annual compensation of the Senior Minister (including payments in lieu of FICA but not including insurance) is \$100,085 of which \$42,366 is a designated housing allowance; and

Resolved, That the designation of \$42,366 as an annual housing allowance during Fiscal Year 2014 shall apply unless otherwise provided."

The Board acknowledged its prior unanimous email vote approving new members: Sandra Mahaniah, Mena Mahaniah, Barbara and Urban Larson, Mark Leicester and Maria Shewmon.

Staff Updates

Erin is very appreciative of the Board's work on recent challenging issues.

Ann is still working on learning more about the UUA Board and Administration conflict about consultant and \$100k fee. Erin and Ann will confer with FUSN's voting UUA delegates to convey any FUSN position on the matter. Alan moved that we instruct our UUA delegates to abstain from the vote on the UUA budget as a protest. Jon asked if that would really send a clear message if the reasons for the abstention are not communicated effectively. Alan withdrew the motion. It was proposed that FUSN submit a letter of protest to the use of the consultant. Erin will gather more information from various sources and report back.

Threats and Disruptive Behavior Policy

A motion to approve the policy was made, seconded, and approved unanimously. The Board acknowledged that this was just the first step in implementing a comprehensive conflicts plan based upon the work of the Conflict Committee as presented earlier this year.

Stock Divestment

Green Sanctuary Committee wants to bring the issue (of divesting ownership of petroleum companies) to the congregation. Alan pointed out that most mutual funds and exchange-traded funds have such holdings, so elimination of indirect investment in petroleum companies could severely limit FUSN's choice of investment vehicles. Jon would like the Board to be prepared and informed on the issues. Jon and Charlie will follow up on this with the Board of Investment and Green Sanctuary Committee.

The Board adjourned the meeting at 10:28 p.m.

Respectfully submitted,

Strom Thacker, substituting for Clerk Sheila Ardery