

First Unitarian Society in Newton
Minutes, May 24, 2011 – Board of Trustees
(Joint meeting with Operations Council)

Present:

Susan Bartlett (B of T)

Conrad Buys (B of T)

Jeannie Chaisson (B of T and Ops C.)

Margaret Costello (B of T)

Phil Davis (B of T)

Laurel Farnsworth (Ops C.)

Barney Freiberg-Dale (B of T)

Anne Hess-Mahan (Ops C.)

Jonathan Lilienfeld (Ch, B of T)

Pamela McA'Nulty (B of T)

Gordon Moriarty (B of T)

Pat Rohan (Ch, Ops C)

Kim Shanks (Ops C)

Alan Cody arrived during the meeting, as noted below

Also attending: Mr. Barb Greve, Rev. Erin Splaine, Karen Bottar, and Brian Gill. Dot Jacobson was present for part of the meeting.

1. Meeting opened: Jonathan called the meeting to order at 7:30 p.m. Jonathan lit the chalice and shared inspiring words about theology and conviction.

2. "Administrivia."

Conflict Transformation Update: Jonathan reported on the arrangement discussed within the Steering Committee: The Conflict Transformation working group will include the minister, one representative each from the Board and Operations Council, and two representatives from the congregation. Carl has agreed to serve as the Board's rep. Pat is in the process of asking members to serve.

A brief discussion ensued about the process for creating the group. Barney stated that an email vote would be appropriate and Jonathan agreed to do so.

3. Youth Program Coordinator Candidate: Barb put forward the name of Rebecca Hinds, who has just completed the first year of her 3-year program at Andover Newton Theological School. Barb spoke about Ms Hind's experience with youth and provided the Board with her resume. Rev. Erin Splaine spoke about the conversation she had with Ms Hind's about increasing youth participation.

A brief discussion considered compensation. Erin reported that she has spoken to the Personnel Policy Committee.

Motion: Jeannie moved to approve hiring Rebecca Hinds as Youth Program Coordinator; Barney seconded.

Vote: Approved Unanimously.

4. 2012 Budget Discussion: Copies were distributed in advance of the meeting of an updated draft budget prepared by Brian Gill, dated May 22, 2011. That document served as the basis for the discussion and vote below. On the income side, the budget sets out a request totaling \$772,987, not including Second Collections. Brian pointed to several income-side adjustments made since the meeting two weeks ago. All such changes were favorable, except for the pledge amounts.

On the Expense side, the updated budget reflects a total request of \$865,434. Thus, the net income line identifies a deficit in the amount of \$80,023. The document also states a forecasted Operating surplus/cash reserve for the current year (FY'11) in the amount of \$147,000.

Various ideas were exchanged about an apparent structural deficit. In response to one comment pegging it at \$80K, Pam disagreed, pointing out that every year that she has been involved with the budget process, we ended up with a profit, due to longstanding practices in conservatively estimating both income and expenses. Jonathan pointed out the projected loss for the current year.

Anne suggested that it would be useful to consider that which is different for next year's budget. She identified the discontinued RE fees, and the salary of the Membership Coordinator. Jeannie urged everyone to remember that Major Maintenance accounts for the coming year include rolled-forward FY'11 funds, which makes the budget look bigger.

Pat spoke of the \$20K endowment draw that was waived for the current year, suggesting that it be taken for the coming year. He commented that the nature of Major Maintenance items is "pay me now or pay me later," and that any short-term savings will increase costs at a later date.

Directing attention to the budget for Major Maintenance and the salary of the Membership Coordinator, Laurel noted that building work and personnel expenses are really our only discretionary expenses. Laurel urged looking at the coming year as one of investment. Barney spoke of the wisdom in Laurel's remarks; noting that we have chosen a business plan, Barney urged the group to move forward with it and make it happen. He also suggested that the Board undertake initiatives to expand income, and make it a priority next year.

Pat raised a point about income line 3120, prior year's pledge collections, and he distributed a worksheet showing the status. On that basis, Pat urged that it would be appropriate to insert \$20K, instead of \$15K, and there was a consensus to do so.

Jonathan suggested that \$750 be added to the income side for holiday tree sales (agreed by consensus). A brief discussion focused on the roof budget in light of the recently established Investment Fund for roof inspection and repair, but it was decided to make no change in this regard.

Jonathan indicated his support for taking the additional \$20K from the endowment. A discussion ensued about the choice between taking such that amount from the operating surplus vs. the endowment. Both Brian and Karen spoke about the advantages of leaving funds in the endowment. Jeannie urged flexibility, seeking a process that will allow funds to be earmarked as available for operating costs. Laurel pointed out that the Board always has authority to take funds from the endowment.

Jonathan asked the Finance Committee about the future of the operating surplus/cash reserve. Brian explained that the \$147K includes the \$50K that was turned over to the Board of Investment several years ago; and he noted that the Committee has a plan for reconciliation on an ongoing basis. Brian pointed out the

new line item that Finance has added – “target operating surplus/cash reserve” – which is based on one month of expenditures. The budget shows that amount as \$72,120 for the coming year.

Phil raised the matter of discontinued religious education fees, asking whether families have increased pledges as hoped. Several members of the group responded that it's too soon to know, urging that it will take time to play out that change. (Alan Cody arrived at this time)

Alan spoke to the policy reasons for moving ahead on the draft budget – that we can't build the congregation by cutting expenses. He also pointed out that generous donors have given the funds, donors who expect the Board to spend the money, not sit on it. He also noted that FUSN, unlike many other organizations, actually has significant cash reserves coming out of a significant recession.

Jonathan asked the group to consider expense items, and attention was given to several items:

Coming of Age (line 7355) reflects an increase by \$1600: Kim explained a) increased costs are expected for Our Whole Lives (“OWL”) teacher training during the coming year, and b) \$700 was added to fund scholarships for families who need that help.

Hospitality (shown as part of Committees line 7800) reflects an increase from \$2800 to \$5600: Laurel responded that the new committee will now be charged with the annual BBQ. Over time community breakfasts may bring in revenue. Actual committee expenses will become clearer in future years, but for this first year with a new committee structure, it was felt important to make sure that the budget covers all expenses.

Professional expenses for RE Director (line 7390): With regard to the \$3K shown in the draft budget, Rev. Erin Splaine noted that the RE Council requested \$4K. She indicated her support for the \$4K. A brief discussion ensued and by consensus there was agreement to restore the \$4K.

The discussion turned to the endowment draw (line 3800). Jonathan noted that Eric Riak had communicated the Board of Investment's recommendation of \$53,453 for the annual draw. Pat suggested and all readily agreed to plug in the Board of Investment's number in lieu of the \$50K anticipated in the draft budget. Next the group considered “last year's \$20K”; upon a show of hands, almost all favored taking the \$20K. Thus, the consensus was to change line 3800 to \$143,453 (based on “last year's \$20K” + this year's draw of \$53,453 + \$70K earmarked for the organ, which is rolled forward from the current year).

Salaries were then discussed. Dot Jacobson, a member of the Personnel Policy Committee joined the group at this time. A possible issue was noted for Ministerial Allowances, (line 7117). After review of calculations it was agreed that it should be \$8,764.

Dot explained the basis of the calculations for salaries. She explained the tricky process of calculating the minister's salary package, including housing and FICA reimbursement. Pam noted that the arrangements are driven by the special IRS rules for clergy.

Dot made a presentation concerning salaries for the various staff members, and she presented two spreadsheets as alternatives for a policy decision. (It is noteworthy that although the spreadsheets were labeled "1 1/2%" and "2 1/2%," the PPC recommendations did not purport to show across-the-board increases in such amounts).

Discussion within the group took into account the UUA's Fair Compensation ranges. It was noted that the UUA is expected to publish updated ranges next year. In response to a question, Dot replied that the increase for the Music Director salary would put Anne Watson-Born "close to midpoint." A brief discussion considered the history of the salary for the RE Director.

Dot led a discussion concerning the rationale for salary increases. She explained the need to look not only to the ranges for each position but also to considerations of internal equity, ie. the relative positions of staff salaries.

Motion: Pam moved to accept the Personnel Policy Committee's salary increase proposal presented as "the 2 2/2% spreadsheet" so-called. Barney seconded.

Vote: Approved Unanimously.

Motion: Pam moved to approve the budget based on the framework presented by the Finance Committee and subject to changes discussed during the meeting, with an acknowledgement that the Finance Committee will need to make minor adjustments to the final document. Phil seconded.

Vote: Approved Unanimously.

Respectfully submitted,
Gayle Smalley, Assistant Clerk