

**First Unitarian Society of Newton
Board of Trustees
February 14th, 2012
Alliance Room**

Present: Susan Bartlett, Alan Cody, Margaret Costello, Barney Freiberg-Dale, Bruce Henderson, Pamela McA’Nulty, Carl Metzger, Gordon Moriarty, Strom Thacker, Ann Woodbury, Erin Splaine

Absent: Conrad Buys

Meeting was called to order at 7:30 PM

Strom read Shel Silverstein’s “Smart”

Chalice Lighting

Covenant

As we, the members of this Board and staff gather to serve this congregation in leadership, we commit to ourselves and to each other: to be present and prepared for the work of this meeting; to listen well and contribute respectfully; to balance both our short and long-term visions with fiscal responsibility; to support the decisions of the Board; to uphold the democratic process; and to lead with goodwill and faith in the work we can accomplish together.

Administrivia –Susan

Vote on new members-Susan handed out bios on Kate Farb-Johnson and Paul Estin.

Motion: Pam moved to accept Kate and Paul as new members. Alan seconded.

Vote: Unanimously approved.

Staff Update- Erin and Barb

Barb reported that the recent teacher’s appreciation brunch was very successful. Children’s R.E. for the rest of the year during Sundays when special activities are scheduled, the theme of immigration will be pursued using a new curriculum written by DRE Mandy Neff, called “Justice and Compassion: Immigration Sessions for Children’s Religious Education.” The Sundays involved are 2/19, 3/25 and 5/6. The RE Council is beginning a comprehensive review of the COA program to look at what is working to lay the groundwork for the new RE Director. No major changes are planned until the 2013-2014 class at the earliest.

Erin was happy to report there were 10-11 great candidates for the RE Director position. She has 6 phone interviews scheduled for next week and hopes to narrow the candidates down to 3 who she will interview in person.

The dinner with the Urbans, the UU family from Germany, turned out to be engaging and eye opening. Also the showing of the PBS Documentary on Class and the discussion afterwards drew about 50-60 people each time (shown twice so far) and there is interest in showing this again.

Long-range forecast (update and plan going forward)-Susan and Bruce

Bruce had some concerns about the 2013-2017 forecast and assumptions as they related to the fundraising drive. Based on the BOT's prior discussions, he felt the forecast should not include a ministerial intern, should make the member services positions full time, and that we should strive to reduce the deficit. The latter could be achieved through a membership increase and/or an increase in contributions. He went to an Ops Council meeting to discuss.

Alan felt there was confusion between the Budget drive goals and the forecast. He recommended that perhaps there should be two versions of the forecast, one based on the way the budget is structured now, and one based on stated BOT priorities. This could be viewed as "forecast" vs. "plan."

Susan reported that the Steering Committee decided after discussion that the long range forecast would go to the BOT as it is more of a visioning/priority setting issue. Alan recommended a joint meeting be held with the Ops Council, or a subset of the two, since the BOT sets the direction and priorities for the budget and the OC must live by those.

Ann asked who monitors the budget and Alan gave some history on the budget process. He reported that 7 years ago they started monitoring it and each year the BOT sees we might be coming up short and so take measures to close the gap. He states the philosophy behind budgeting at FUSN has been conservative and often the deficit is not as dire as predicted. This year we are doing well due to lower fuel costs thanks to the warmer weather. Pam says she does not remember ever having a loss greater than 1% except last year when FUSN had problems with Pine Village paying the rent. We always plan for contingencies and hold aside funds for unexpected costs. The surplus is unrestricted cash. Gordon noted that he thinks the "forecast" vs. "plan" is a useful tool and the BOT could make changes in the "plan" as it goes along.

Endowment Fund Recommendations from BOI-BOT – Alan

BOT subcommittee members Pam, Gordon, Alan and Susan met with BOI members Eric and Brian. Eric reported that with respect to the endowment fund:

- Fixed income investments on average yield 2% a year – a safer (conservative) estimate going forward
- Equities yield ~6% a year
- Current Investments are 20% fixed and 80% equities
- The weighted average return at present is 5.2%
- Inflation is running about 2%

- Based on 5.2 – 2 ≈ 3, we can't draw more than 3% from the endowment fund without beginning to deplete it.

The BOI recommends reducing the draw from the current 5% to 3% in increments of 0.5% per year, or over four years. The impact would be \$5,000 less each year from \$50,000/yr now. A question was raised regarding whether we could be more aggressive with the reduction in the endowment draw by reducing it from 5% to 3% over two years instead of four. It was decided this may be cutting too much too quickly. Agreed that:

- Benchmark portfolio should be reviewed by the BOI
- BOI can make recommendations to the BOT
- BOI will modify their policies to reflect what they think should be done and will present to the BOT though at present the BOI has the authority to modify the benchmark as it sees fit

The BOT must tell the Finance Committee whether to plan on a 4.5% endowment draw for 2012-2013 budget now in preparation. Alan will do this.

FY 13 budget priorities-All

Susan handed out the Priorities for FY 2013 Budget. These included: 1. making Membership Coordinator full time; 2. Reducing the structural deficit; and 3. decreasing the draw on the endowment.

There were discussions about increasing the Membership Coordinator position to full time. Questions and concerns included:

- a. Is the position currently working and are membership numbers going up? Can we predict what a full time person could do? -Alan
- b. Is it too soon? Do we have enough money to fund a full time position? - Barney
- c. Let's set the goal and put it out there. -Bruce
- d. Erin stated the current Membership Coordinator is working more than part time now and has done such a great job. Thinks if the position was full time the focus could be on retention as well. She commented that Kristin is a good fit for the position.
- e. Carl supports taking a leap of faith.
- f. Strom asked if not enough money is raised for all three, how does the group decide what to spend it on. The priorities were then decided in the following order:

1. Decrease the yearly draw on the FUSN Endowment.

FUSN's Board of Investment has advised that due to the economic situation, withdrawing five percent of the unrestricted endowment annually will significantly decrease the value of the endowment. The BOT recognizes the importance of maintaining the endowment and therefore recommends a decrease in the withdrawal by ½ percent each year over 4 years.

2. Make Membership Coordinator a full time position.

In recognition of the importance of the Membership Coordinator in helping to bring new members to FUSN and in helping to retain current members, the BOT recommends that FUSN make the investment in a full-time position.

3. Work towards reducing the structural deficit.

Currently, FUSN annual expenses exceed income. Recognizing that this is an untenable position in the long run, the BOT feels that it is important to work to reduce the deficit. This can be done through measures designed to increase income as well as to decrease expenses.

Motion: Pam moved to accept the budget priorities as listed. Carl seconded.

Vote: Unanimously approved.

Bruce questioned whether with a reduced deficit picture given the revised forecast, should he and Josie aim for less than a 15% increase in pledges? The BOT consensus was to stay with that target.

Open Questions-Ann, Margaret, Barney

Ann handed out a Proposal for Open Questions Initiative within FUSN.

Purpose: Offer a forum for community involvement in creating our vision of FUSN.

The BOT would use the congregational input to inform their work together.

Propose to invite the congregation to participate in two Open Questions sessions this spring, with the thought that this will lead to future sessions. The meetings would take place in the Parish Hall and simple food would be served.

The hope is to share the leadership of these sessions among Board members. Two Board members could lead each session and two members could act as scribes. Two broad themes were selected with several corollary questions to guide discussion.

Theme: Desired Role in the Larger Community

- What is our brand in the larger community?
- What is our stand with spreading the UU work?
- Is it desirable for FUSN to be taking positions on public policy?

Theme: Growth

- On balance, is growth desirable or not?
- How would growth impact our relationships in the larger community and our relationships with each other?
- What is the financial impact?

Everyone liked the questions. Gordon asked if we had considered how the information would be summarized and communicated back to the congregation – the need for closure and feedback.

Susan wondered about the format. Would all be in one large room or break up into small groups? BOT decided for community building one large group might be better. Bruce brought up that Doug Zalinski had recommended one big group and Gordon recommended an article that Doug Zalinski had cited during the fall retreat about the Open Questions process. Discussed the best way to announce it would be at a service and put the dates in the order of service.

Interest in partnership with Donautal UU Congregation- All

Karsten Urban had approached Pamela looking for support at their General Assembly in Hamburg in 2013. Suggested maybe having a contact person from FUSN to work with them. Not looking for financial support.

Steering Committee suggested a few people be contacts and the type of partnership could include:

Combining youth groups

Have some of their youth come here to visit

Look into models of partnerships with other UU Congregations

Look to be a reciprocal relationship

Look into Social Action ties

Motion: Barney and Pam moved to establish a working group of 4-5 interested members to develop the relationship and report back to the BOT. Pam volunteered to be part of the group from the BOT. Need Ops Council representative and will ask for a Youth representative.

Vote: Unanimously approved.

Developing policy and procedures for FUSN support of causes- All

Discussion around the current process of how the CSA decides what causes to support and how to support them. Currently can call the chairs to get on the Agenda. Asked if the CSA could establish a protocol and publicize it to the congregation. Could use UUA guidelines, which are already established. Then define what to do if the issue is local, universal, and if an urgent matter arises that needs attention right away. Barney for the CSA agreed that they will try to establish such a protocol.

Executive Session was called.

The meeting adjourned at 10:20 p.m.

Respectfully submitted,
Wendy Atamian, Board Clerk

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