

First Unitarian Society in Newton
Minutes, May 10, 2011 – Board of Trustees
(Joint meeting with Operations Council)

Present:

Susan Bartlett (B of T)	Barney Freiberg-Dale (B of T)
Conrad Buys (B of T)	Anne Hess-Mahan (Ops C.)
Jeannie Chaisson (B of T and Ops C.)	Jonathan Lilienfeld (Ch, B of T)
Alan Cody (B of T and Ops C.)	Pamela McA'Nulty (B of T)
Margaret Costello (B of T)	Pat Rohan (Ch, Ops C)
Laurel Farnsworth (Ops C.)	

Also attending: Mr. Barb Greve and Rev. Erin Splaine. Karen Bottar, Bill Duset, Brian Gill and Marion Bullitt attended 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 personal doubts and all the good –even truth and belief -- that can arise from doubts. Trustees read their covenant aloud together. (see Clerk's note at end)

2. "Administrivia."

Approval of New Members: The names of Liz Marshall and Catie Curtis were put forward for the Board's acceptance of applications for membership.

Motion: Jeannie moved to accept such applications; Barney seconded.

Vote: Approved Unanimously.

Email vote: Jonathan noted for the record the following email vote, which took place since the April meeting: Acceptance of membership application from Alex Marks-Katz, which was approved by vote of 9 ayes, 0 nays, and 1 abstention

Nominees for Council for Social Action: Jonathan read the slate of nominees for the Council for Social Action ("CSA"), as follows:

3 year terms:	Liz Marshall and Barney Freiberg-Dale;
2 year terms:	Alison Leuchtenburg and Peter Smith
1 year terms:	Lynn Holbein, Randy Block
Youth delegate:	Alex Marks-Katz

Motion: Jeannie moved to approve the slate; Pam seconded.

Vote: Approved Unanimously.

Barney mentioned that by policy the CSA will choose its own leadership, however given that it's a new group, he suggested it would be helpful to designate someone to call the group together. Jeannie suggested that Barney take the lead, and by consensus all agreed.

3. 2012 Budget Presentation: In advance of the meeting, copies of the draft budget dated May 9 were distributed to attendees. Karen Bottar, Brian Gill and Bill Duset presented the Finance Committee's draft budget for the coming year, especially highlighting the items noted below.

INCOME ITEMS:

Pledges (Line 3110): \$454,024: The Finance Committee explained that the number was calculated as a straight 3% annual increase. Jonathan reported a prior day's conversation with Jud Leonard, who indicated that the total amount pledged now stands at \$454K. Discussion ensued about the rate for adjusting total pledged to the pledge amount (sometimes referred to as "haircut"). Alan noted that a 5% adjustment to \$454K would require pledges of \$478K.

Pine Village (Line 3230): \$52,477: The target amount reflects payment under the terms of the agreement executed earlier this church year. In a brief discussion it was noted that Pine Village is current with payments under the arrangement.

Religious Education Fees (Line 3300): The reduction of \$10K reflects the recent policy decision to discontinue such charges.

Holiday Fair/Trees/Winter Fundraiser (Lines 3510, 3511 & 3520): The Finance Committee does not see a likelihood of materially increasing income from the fundraisers.

Endowment Fund to Operations (Line 3800): The current draft budget \$120K for FY2012. Alan commented that this reflects a new practice, as it includes the funds that were budgeted to be drawn for FY2011. Given that the current year's funds have not been drawn, the \$120K accumulates the endowment funding for both years.

EXPENSE ITEMS:

Major Maintenance (see Repairs/Bldg Maintenance, Line 7300): For the current year, \$90K was budgeted for work on the organ, but only \$6K has been spent to date. Thus, the 2012 request -- a total of \$134K -- includes \$84K to be rolled forward for organ work. As for the new \$50K, Laurel explained that it is earmarked for masonry work. Consultant Judy Selwyn is currently drafting specifications for rebuilding a wall that is causing current roof leaks.

Coordinator of Membership Support (Line 6615): For the coming year, this new position will be filled for the entire year while FY2011's budget included funds for one-half year. Thus, the requested amount is increased from \$9K to \$18K.

Hospitality Committee (old Line 6616): In recent years, hospitality expenses have appeared as part of the "Office" Category. A new arrangement will re-establish the Hospitality Committee, covering coffee, kitchen supplies, and Community Breakfasts. Ronald Margolin will serve as chair. Proceeds from the Community Breakfasts will be turned over to the office and treated as income. The new arrangement (see Committee Budgets at Line 7800) shows a request for \$5,600.

Minster's Health Insurance (Line 711x): It was noted that a change of format will now break out this item, requested at \$9,976.

Organ Tuning (Line 7564): The title for the item has been changed from "Organ Maintenance" to "Organ Tuning" to better reflect actual practice. The requested amount is \$7500.

Junior Choir Director (Line 7515): At the beginning of the meeting, the draft budget showed a request for \$3,895, however discussion in the meeting reached a consensus to instead carry zero and to make an appropriate adjustment to the

salary for the Music Director Salary. The Personnel Policy Committee has recently reviewed the Music Director's salary, with the goal of bringing it into the appropriate range. However, during the course of this meeting the recommended number for the Director's salary was not known.

Children's RE (Line 735x): Funding for Children's RE is now broken out as a separate item, requested at \$3,500. In past years, the costs were lumped into "RE Operations" (Line 7350).

Miscellaneous Contingency (see Category 7900, Other Expenses): Finance Committee reps explained that the practice has been to calculate the amount as a percentage of total expenses, excluding salary expenses and Second Collections. As a result of a struggle with the spreadsheet software, the document failed to properly show the figure in the draft budget. However, Finance Committee reps said it should be approximately \$15K.

COMMENTS & QUESTIONS DURING THE PRESENTATION:

During the course of the Finance Committee presentation, comments and questions came up about various budget items, as follows:

Current year pledge collections: Pat and Alan commented that pledge collections appear to be well on track for the current year.

Intern Minister? Pam noted that the lines associated with an intern minister (Lines 7131-7133) bear no amounts, and inquired about the timing for engaging an intern minister. Erin replied that we hope to have an intern in place for the following year (FY 2013).

OVERALL BUDGET:

Following the presentation, members of the two boards noted that the budget request reflects an overall increase of approximately \$90K from the current year, representing an apparent shortfall of approximately \$100K between expenses and income.

Pat noted that the draft includes some estimated numbers, which will be refined prior to the next meeting; even so, he noted a structural problem. Alan commented that expenses are increasing at a higher rate than pledges, noting that growth of our income line could make a significance difference.

Discussion ensued about various funds. Laurel noted the \$20K that could have been drawn from endowment last year, but which was not taken. She also spoke of an Operations Reserve of about \$50K that was turned over to the Board of Investment perhaps 6 years ago.

Alan spoke about the fund "Prior Year Surplus for Operations," which has been shown via QuickBooks-generated reports for many years. That fund is intended to represent accumulated income in excess of expenses. However, unrestricted operating cash on hand (approx. \$113K in bank accounts as of a few days ago) exceeds the \$91K amount shown in the accounting (see lines at the bottom of the draft budget). Therefore, it has become apparent to the Finance Committee and the Treasurer that the amount may be understated, possibly in connection with the change to QuickBooks about ten years ago. Alan suggested carrying out a more formal reconciliation to estimate the actual amount of

operating surplus. At Jonathan's request, Alan agreed to provide an estimate of the actual operating surplus prior to the scheduled 5/24 joint meeting. Alan indicated that he also would continue the task after the change of fiscal year to identify a more definitive figure.

Barney stated that membership growth results in a commensurate increase in expenses, urging that we put efforts to increasing the amount of pledges, rather than focusing on congregation size. A brief discussion reflected upon the business decision behind the recent decision to hire a Membership Coordinator, i.e. treating the salary as an investment toward membership development. Barney asked about the timing for payback, and Laurel felt that we would begin to see it in approx. 2013.

Jonathan declared that the major decision comes down to cutting expenses. Anne asked for help identifying the items with the greatest flexibility for cuts.

The discussion turned to a process for preparing for the next joint meeting. Alan suggested having the Finance Committee receive all suggestions, so that it will be able to offer comments and calculations. It was agreed that all suggestions would be directed to Karen, Brian, Alan, with a cc to Jonathan.

4. Final disposition of funds from Capital Campaign: Marion Bullitt, Treasurer of the last Capital Campaign took part in the discussion. Pat explained that the Capital Campaign collected and expended funds, all except for a fund of approximately \$50K, set aside for repairs to the slate roof. It's time to turn the funds over from the Capital Campaign leadership to the Board of Investments. The only remaining question is whether the principal (as opposed to just the income) is expendable for such purposes. Decision-making falls to the Board.

Laurel explained that \$3K - \$10K is necessary each year for the roof. Jonathan noted that on an interest-only basis, the fund could be expected to generate about \$2K. Marion explained the need to have a system to remind future leadership of the need to annually inspect and care for the slate roof. Several participants noted that most donors expected the principal to be spent.

Motion: Alan moved that all remaining funds from Capital Campaign be transferred to the Board of Investment as a Board-designated investment fund, to be used for roof inspection and repair as the Board may direct, such funds to be invested for preservation of principal; Jeannie seconded.

Vote: Approved Unanimously.

Appreciation was warmly expressed to Marion for all her work on behalf of the Capital Campaign.

5. Conflict Transformation: Jonathan identified this is a follow-up to two recent programs, the Conflict Transformation Project carried out by students Kate Van Akin and Rose Yan of the Harvard Negotiation and Mediation Clinical Program, and the "Difficult Conversations" workshop led by Debbie Goldstein.

Based on a prior discussion within the Steering Committee Pat recommended creation of a working group, which would develop a plan to move ahead. Jonathan noted that the plan may well create a structure involving a different group. In response

to Alan's question, Pat noted that he had collected written materials reflecting some other church's practices. which he could provide to the working group.

Pat suggested that the working group include representatives from the Board and Ops Council, perhaps two from each of those bodies, as well as the minister, and one member with special expertise. Jeannie commented on the importance of expertise within the group, as well as the personal ability to work well together. Erin also spoke to the importance of expertise. Barney suggested that the Board approve a charter for the group as part of its creation, urging that a charter would provide legitimacy. Jonathan suggested that the group could come to the Board in September with its draft charter and timeline.

The consensus was that the Steering Committee develop a slate of names for the working group. Pat, Jonathan and Erin agreed to do so.

6. Candidate for RE Assistant – temporary appointment: Barb presented a proposal to engage Beth Walton for a five-month period beginning in September. Ms. Walton currently serves in a similar position at First Parish Framingham, for 10 hours per week. Her work in Framingham would continue during the temporary appointment. She would serve 25 hours per week at FUSN, including most Sundays; the FUSN schedule would provide one Sunday off each month. Ms. Walton comes highly recommended by her Framingham supervisor.

Motion: Pam moved approval of hiring Beth Walton as the temporary RE Assistant for a 5-month period beginning in September. Alan seconded.

Vote: Approved Unanimously.

7. Youth Programs Coordinator status: Noting that Kate Landis will not continue after the end of the church year, Barb requested authority to hire quickly, on a one to two year contract. Such a contract would be for ten hours per week, on a ten-month annual basis. Barb noted the importance of choosing someone with experience with youth, someone the youth will be drawn to, as well as having a clear sense of boundaries and group dynamics. Jeannie spoke in favor of Barb moving forward to search for a replacement.

A brief discussion ensued about the possibility of having the Youth Coordinator attend Coming of Age Fridays. Conrad spoke about the advantages of having meetings between Coming-of-Agers and Youth Group members, perhaps a couple of times each year.

Motion: Jeannie moved to ask Barb to search for a Youth Program Coordinator, as described above; Pam seconded.

Vote: Approved Unanimously.

Respectfully submitted,
Gayle Smalley, Assistant Clerk

Clerk's Note: The approved Minutes originally included Phil Davis on the list of attendees, and identified Phil as the person who spoke the inspiring words noted in Section 1. Subsequent to approval it became clear that Phil did not attend, and it was Jonathan Lilienfeld who spoke. As such, I have corrected the attendance list and the name in section 1. In all other regards, these Minutes are exactly as approved by Board vote. -GS