

SPECIAL BOARD MEETING

BUDGET FYE 2011

April 6, 2010

PRESENT: Russ Milham, Coles Mallory, Jake Smith, Susan VanDerhoof, Jim Freess, Chris Yalanis, Sarah Mermin, David Pedrick

OTHERS: Richard Webb

FINANCE COMMITTEE REPORT – Coles

Coles began by offering some historical information. The pledge number for this year is \$170,000 gross, the 2009 was \$165,000, 2008 was \$169,000 and 2001 was \$90,000. The projection for 2011 is \$150,000. Coles asked if the \$150,000 is systemic or is it an aberration. Net pledge income is \$142,000. The employee costs are \$144,000. The pledges don't even cover the employee costs. The status quo budget is out of balance by \$20,000.

Coles referred to the Property Myth—"If we didn't spend this much money on property we'd be OK." The property expense is \$71,000; the income we receive from our property is \$61,000. The debt amortization is \$18,000. It comes out to spending \$2,000/month. We get a lot for the money. Our program costs = \$10,000/month. The employees include Amy and the Program costs include Amy. Amy, music and RE is = to Programs.

The recommendation is to adopt the status quo budget with the following:

- * Employee raise of 4%
- * Add some administrator's hours to aid Interim Minister
- * Raise the Fellowship budget to \$780 to cover coffee, but not food
- * Add \$100 for Green Congregation and Interweave Committees which are new.

Another recommendation to fill the gap is to rent the rear 1st Floor of Channing House as of August 1st. The net would be \$7,000 depending on what we rent it for. The 3rd thing (still remaining is \$8,000 deficit), we are hoping that we will receive more than we expect in pledges, also we could use some of the surplus from this year and we can use the endowment fund.

David Pedrick – We have not been happy with the Property Management Company. Pat Padilla has expressed interest in doing that. We can half the expense for that. Drop the utilities from \$18,000 to \$17,000 with new furnaces.

There is a potential to generate revenue from weddings. Also, concerned about the per/person cost in RE. David said the cost of the RE program is about \$30,000/year which works out to be about \$300/per child per year. Are we generating pledge money

equal to what the cost is? Maybe have some user cost to enroll in program. Right now we are subsidizing it at 100%. Sarah said this is a fairly large philosophical question. Should we look at only one part of the church, some people use this part and other people don't. RE is a fundamental part of having a healthy church. Russ feels the issue has to be on the table. Are the parents active members of the church? The Finance Committee discussed cutting back on the RE hours. There was a strong feeling that that shouldn't be cut. Perhaps the parents could do some significant fundraising. Chris suggested that we look at grant money that is out there. There was a discussion about what new members are told to expect to pledge when they join. Richard said that the minister should have a one-on-one discussion with every potential new member.

Chris brought up the Choir Director's salary. Money is not there to increase it. Janet's salary is so far below the threshold to where it should be. His question is how far is it below where it should be? Russ is going to talk to Bill Marshall to find out more info. The UUA does not give enough information to make a judgment.

Coles asked if this is a budget that we should propose to the congregation. He suggested we approve the budget and then go back to the congregation if the endowment money is needed. The proposed budget presented is a consensus of the Finance Committee. Russ said that we should make it clear that we are taking property back from the church in order to fill this gap. There will be no meeting space.

MOTION: Russ made a motion to adopt the budget as recommended by the Finance Committee to submit to the congregation. The motion passed.