

## DRAFT

### Unitarian Society of New Haven

Minutes of the June 4, 2023 Congregational Meeting

Accepted by the Board on June 8, 2023

1. The annual Congregational Meeting of the Unitarian Society of New Haven was held on June 4, 2023, both in person and on Zoom.
2. President David Jones called the meeting to order at 12:03 p.m.
3. Laura Patey read “We Gather in a Sacred Space” by Emily Richards, as President David Jones lit the chalice.
4. Vice President Bobbi Pace read the [USNH Congregational Covenant](#).
5. Clerk Terry Bohnhorst Blackhawk outlined quorum and voting procedures. USNH members in the sanctuary were asked to raise their hands until they had made eye contact with Bobbi Pace and Kyle Manning who were counting for attendance. Those participating remotely were asked to put their full names in the Zoom chat, with Sue Trotta-Smith monitoring. Bobbie and Kyle counted 74 members in the sanctuary; 11 on Zoom made for a total of 85 participants, well exceeding the needed quorum of 31.
6. President David Jones asked for corrections to or questions about the minutes of the December 2022 congregational meeting, then called for a motion to approve them. Greg Feeley moved and John Deming seconded. The motion passed overwhelmingly, with 0 opposed and 2 abstentions.
7. President David Jones presented the report from the Board, which is attached to these minutes. He also noted that, as many congregants had suggested, Jamie Ross and Jesse Greist received bonuses in recognition of the extra work they have been taking on since Rev. Lindasusan went on leave.
8. Dan Gelperin presented the slate of nominees for elected office and called for nominations from the floor. There being none, Paul Trotta moved and Dick Platt seconded to approve the complete slate of nominees. The motion passed overwhelmingly, with 0 opposed and 2 abstentions. One vacancy remains on the Nominating Committee and one vacancy on Endowment & Legacies. Interested congregants were encouraged to step forward and volunteer.
9. Tom Ward, incoming Treasurer, presented the proposed Bylaws change, requiring USNH to get an independent financial review no less than every four years instead of every year. This proposal was based on improved financial procedures, including review of financial procedures by an ad hoc committee in 2022-22, and positive recent reviews by our accountant. Linda Mehta moved and Lurline DeVos seconded that the change be approved. Following a discussion about the possible pitfalls of **not** having a more regularly scheduled audit, Tom Ward accepted a friendly amendment – moved by Paul Trotta and seconded by Pat Perkins – to read as follows: “The Society's accounts shall be reviewed at least every other year by an independent professional accountant.” The motion as amended passed overwhelmingly with 3 opposed and 2 abstentions.

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10. Fred Morrison, Chair of the Endowment & Legacies Committee, presented Amendment II to the Covenant of June 29, 2018, which extends our payout period for the facilities loan with the Endowment by an additional ten years. This extension will incur an additional \$104,000 in interest, which we will be paying to ourselves rather than to a bank. It also reduces USNH's annual payment for the facilities loan by more than \$13,600. Fred also announced that there are two minor factual errors in the Amendment II document that was distributed, which have been corrected. Asked for a motion to extend the loan, Paul Trotta moved and Bobbi Pace seconded that Amendment II as corrected be approved. The motion passed overwhelmingly, with 3 opposed and 1 abstention.
11. Becky Friedkin of the Management Team presented the Board-approved FY24 Operating Budget. Her prepared remarks are attached to these minutes. Mary Donahue moved and Nancy Apfel seconded that the budget be approved. The motion passed overwhelmingly, with 1 opposed and 2 abstentions.
12. Shirley Dion, Vice Chair of the Building & Grounds Committee, presented the proposed FY24 Capital Budget and described grant possibilities and projects envisioned by the Committee. Lurline DeVos moved and Dan Gelperin seconded that the capital budget be approved. The motion passed unanimously.
13. David Jones presented Rev. Kathleen McTigue for Minister Emerita and Linda Pawelek for Director of Music Emerita. The nominations were considered in turn.  
  
Paul Trotta moved and Christina Santoni seconded that USNH confer the title of Minister Emerita on Rev. Kathleen McTigue. The motion was approved overwhelmingly, with 0 opposed and 6 abstentions.  
  
Jackie Trimble Shapiro moved and John Deming seconded that USNH confer the title of Director of Music Emerita on Linda Pawelek. The motion was approved unanimously.
14. Lurline deVos spoke about the 2023 General Assembly that will consider proposed changes to Article II of the UUA Bylaws (which include eliminating the seven principles) and advised congregants to be on the lookout for a strong year ahead of discussion about these changes. Our delegates to GA are Cathy Jackson, who will participate remotely, and Lurline, Kathy Haskins, Patrick Deak, Pablo deVos-Deak, Becky Sandmann, and Jamie Johnson, who will attend in person.
15. John Deming moved and Sophie Tworowski seconded that the meeting be adjourned. The motion passed unanimously and – in the midst of a round of applause for David Jones's contributions as President – the meeting adjourned at 1:49 pm.

Respectfully submitted,  
Terry Bohnhorst Blackhawk, Clerk

### Attachments:

Annual Report from the Board  
Slate of nominations for elected office  
Proposed Bylaws change and accepted Bylaws change  
Amendment II to Covenant of June 29, 2018

**DRAFT**

FY24 Operating Budget

Operating Budget remarks from Becky Friedkin, Management Team

FY24 Capital Budget, with notes about upcoming work needed

Capital Budget remarks from Shirley Dion, Vice-Chair, Buildings & Grounds

This was a year of tragedy, turmoil, and challenge for the board.

Most of the year we were working without a full complement of officers. We started the year with no clerk and rotated the responsibilities among board members. Terry Bohnhorst Blackhawk was elected as Clerk and Bobbi Pace as Vice President at the December 11 Congregational Meeting. With the resignation of Treasurer Joanna Scaparotti Norris in January, we finished the year without a Treasurer, relying on our very able Finance Committee, Management Team, and staff to oversee our financial transactions with accountability.

We held 11 regular monthly meetings and many extra meetings from August to June, some in person and some on Zoom.

The year began as the third year of Rev. Lindasusan Ulrich's ministry. We held a leadership retreat with Rev. Lindasusan, DLRE Jesse Greist, the Board and Management Team, and the Council of Chairs on November 12, 2022, co-facilitated by Joe Sullivan of the New England Region of the UUA. The energy at the retreat was palpable and we were on track to reinvigorate and bring together our congregation as we emerge from the pandemic.

Last spring, the Board charged the Management Team and Finance Committee with creating a Budget Planning Task Force (BPTF) to make recommendations for balancing our revenue and expenses and addressing capital needs. The BPTF led a series of focus groups with more than 150 congregants and staff that served to engage and energize the congregation in serious thought about our future. (Please see the BPTF Annual Report for more detail.)

Unfortunately, Rev. Lindasusan experienced a severe family crisis and ultimately decided to resign as our minister. Their decision was shared with the congregation on January 13. The Board held an open listening session on Sunday, January 15 and a second one (including Zoom participants) on Sunday February 12. Rev. Lindasusan held an open listening session on Sunday, January 29 and open office hours on January 31. Rev. Lindasusan led their final worship service at USNH on February 5, 2023.

With assistance from Joe Sullivan and Jan Gartner of the UUA, a negotiating team (Bobbi Pace, David Jones, and Susan Meredith) reached a settlement ending Rev. Lindasusan's ministry at USNH. We wish Rev. Lindasusan and their family all the best in the future.

The Board decided that a Contract Minister is the best option for USNH for the coming year, but significant budget concerns created uncertainty about the wisdom of committing to a full-time minister. The Endowment & Legacies Committee submitted a slate of cost-saving options that would allow us to hire a full-time minister and retain our current staff. The Board emailed congregants, outlining their case for a full-time minister, sharing the E&L proposed cost-saving measures, and making an appeal for greatly increased individual giving.

Trained facilitators from the BPTF focus groups led nine small group sessions in early March (both in person and on Zoom) to gather congregants' opinions about the proposed cost saving measures and about hiring a full-time or ¾-time minister. Support for a full-time minister was strong, as was support for extending our facilities loan ("mortgage") with the Endowment by an additional 10 years to reduce our annual payment to the Endowment by more than \$13,600. The Board decided to search for a full-time minister, but leave open the possibility of a ¾-time minister, if a suitable candidate preferred that.

The Stewardship Team built on the energy created by the BPTF focus groups by hosting the first indoor party at USNH since the start of the pandemic. The campaign did much better than

expected, almost reaching the very optimistic \$500,000 pledge goal. (Please see the Stewardship annual report for more detail.)

A Ministerial Search Committee was formed by the Board, comprised of Bobbi Pace, David Jones, Becky Reeve, Bob Congdon, Laura Patey, and David Stagg. In a brief but very intense search process, we unanimously and enthusiastically hired Rev. Stephen Kendrick as our Contract Minister effective August 1, 2023.

At the June 4 Congregational Meeting the Board will nominate Rev. Kathleen McTigue, USNH minister for 21 years before moving to the UU College of Social Justice, as Minister Emerita and Linda Pawelek, Director of Music for 45 years, as Director of Music Emerita. Assuming the congregation approves these honors, a celebration will be held in the fall.

The board worked extraordinarily hard this year to stabilize USNH after the sudden loss of the minister, clarify our budget priorities and future direction of the congregation, and find our next contract minister. We are well set as we move into the new congregational year with renewed energy, optimism, and the first balanced budget in years that does not rely on temporarily restricted funds.

David Jones, President; Bobbi Pace (Vice President as of January); Terry Bohnhorst Blackhawk (Clerk as of January); Joanna Scaparotti Norris (Treasurer until mid-January); and At-Large Trustees Joan Ciano, Kyle Manning, Becky Reeve, Tina Santoni, and Sue Trotta-Smith.

Nominating Committee Slate for Election, June 4, 2023

The USNH Nominating Committee is pleased to present the Slate of Candidates for offices mandated by the USNH By-laws.

\*Asterisks and blue text denote identified candidates.

Elected members remaining on the Board and Committees are also shown.

<b>Name</b>	<b>Position</b>	<b>Term</b>	<b>Notes</b>
<b>BOARD OF TRUSTEES</b>			
<b>OFFICERS:</b>			
* <a href="#">Bobbi Pace</a>	President	2023-2024	Current Vice President
* <a href="#">Susan Trotta-Smith</a>	Vice President	2023-2024	Current At Large Trustee
* <a href="#">Terry Bohnhorst Blackhawk</a>	Clerk	2023-2024	Incumbent, one addt'l year
* <a href="#">Tom Ward</a>	Treasurer	2023-2025	
<b>AT LARGE TRUSTEES:</b>			
* <a href="#">Becky Reeve</a>	Trustee	2023-2024	completing Trotta-Smith's term
Joan Ciano	Trustee	2022-2025	Incumbent
Kyle Manning	Trustee	2022-2025	Incumbent
* <a href="#">Alissa Chapin</a>	Trustee	2023-2026	
* <a href="#">Kathy Haskins</a>	Trustee	2023-2026	
<b>NOMINATING COMMITTEE</b>			
Gretchen Frazier	Nominating	2021-2024	Incumbent
Dan Gelperin	Nominating	2021-2024	Incumbent
Carol Anastasio	Nominating	2022-2025	Incumbent in 2 <sup>nd</sup> term
Becky Sandmann	Nominating	2022-2025	Incumbent in 2 <sup>nd</sup> term
* <a href="#">Carol Siddall</a>	Nominating	2023-2026	
* <i>vacancy</i>	Nominating	2023-2026	
TBD	BOT Representative	2023-2024	Board will select
<b>ENDOWMENT AND LEGACIES COMMITTEE</b>			
Carol Cheney	E&L	2021-2024	Incumbent
Linda Mehta	E&L	2022-2025	Incumbent
Fred Morrison (2 <sup>nd</sup> term)	E&L	2022-2025	Incumbent in 2 <sup>nd</sup> term
* <a href="#">Bob Congdon</a>	E&L	2023-2026	
* <a href="#">Greg Seaman</a>	E&L	2023-2026	
* <i>vacancy</i>	E&L	2023-2026	

Bylaws Change

The **current** Bylaws state (Article V – Officers; Section 5):

*The Society's accounts shall be audited annually by means of an accounting review by an independent professional accountant.*

The **proposed** replacement language was:

*The Society's accounts shall be reviewed no less than every four years by an independent professional accountant.*

The **amended and approved** replacement language is:

*The Society's accounts shall be reviewed at least every other year by an independent professional accountant.*

## Unitarian Society of New Haven

6/4/2023

### Amendment II to Covenant of June 29, 2018

The Endowment and Legacies Committee (“Committee”) and the congregation, its members and officers (“USNH”) are parties to a Covenant executed on June 29, 2018 and amended on July 1, 2019. The Covenant provides for the transfer of certain funds to the operating budget of USNH for approved purposes and for the repayment of those funds over time.

The parties agree that lesser amounts than the amount specified in the Covenant can be borrowed and, in that event, monthly payments will be based on the actual amount borrowed. The parties further agree that payments greater than the amount specified in the Covenant can be paid at any time and, in that event, the loan repayment schedule will be recalculated.

If any funds not previously borrowed are needed for capital projects before June 30, 2028, up to the maximum amount set by the Covenant, they may be transferred to the then-current operating budget as a loan separate from the Loan to Retire the Mortgage. Loan repayments for this additional loan will be calculated based on prevailing market conditions and with a loan payoff period not to exceed 15 years. This Amendment II supersedes the terms of Amendment I with respect to borrowing for capital projects.

This Amendment II also extends the term of the Loan to Retire the Mortgage from 15 years to 25 years (i.e., by an additional 10 years) with a final payoff date no later than June 30, 2043.

Executed by the parties as of the date set forth above.

Print Name: \_\_\_\_\_

\_\_\_\_\_  
President, Board of Trustees

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Chair, Endowment and Legacies Committee

#### Background

The covenant approved by the Congregation on June 29, 2018 and amended on July 1, 2019 (Amendment 1) was about the use of USNH Endowment Funds to Retire the Mortgage and to provide additional funds for capital needs. The amounts were \$380,000 for the mortgage and \$60,000 additional for capital needs.

However, the funds for capital needs were not required at that time, so just \$379,669.84 was borrowed to pay off the mortgage, and monthly repayments were based on this lower amount as a simple mortgage for 15 years at 5.7%. Payments are currently \$3,142.91 per month.



## Amendment to Covenant

On June 30, 2023 USNH will have completed 5 years of the original 15-year loan term approved June 29, 2018 with a reduction in the outstanding loan balance from \$379,669.00 to \$286,971.33

This Amendment II, approved on June 4, 2023, extends the term of the loan for the purpose of reducing the monthly repayment costs to USNH. While reducing the monthly operating costs to USNH, it will increase the total costs of the loan. See below:

1. Current monthly cost through June 30, 2023: \$3,142.91
2. Total cost (principal and interest) for first 5 years =  $5 \times 12 \times 3142.91 = 188,574.60$
3. Original total (principal and interest) 15-year term cost with payoff at 6/30/2033 = \$565,723.80
4. Re-amortized monthly cost through June 30, 2043: \$2,006.60
5. Re-amortized 25-year term total cost: (principal and interest) with payoff at 6/30/2043 =  $\$188,574.60 + \$481,581.60 = \$670,156.20$

Board Approved FY24 Operating Budget

	Board Approved Operating Budget 2023-24 Version 1.10	2021-22 Actual	2022-23 Budget	2022-23 March 75%	% of Budget	2023-24 Budget	2023-24 Comments	
	<b>INCOME</b>							
1	Pledges promised		450,000			490,000		1
2	4000 Pledges collected	456,263	436,500	365,372	84%	475,300	Assume 97% collected by year-end	2
3	4100 Collection Plate	20,263	18,000	15,836	88%	20,000		3
4	4200 Coffee and Flower donations	19	1,125	59	5%	100		4
	4300 Rentals							
5	4310 Regular Tenant	58,133	60,200	41,850	70%	60,200	same as 22-23	5
6	4320 Incidental	10,278	7,000	11,464	164%	15,000		6
7	4400 RE Income	800	500	0	0%	500		7
8	4500 Fundraising	4,704	12,000	5,719	48%	12,000		8
9	CONECT Fundraising	1,681	2,000	0	0%	2,000	special SJ fundraising	9
10	4600 Interest	212	250	1,110	444%	4,000	CD rates have risen in 2023	10
11	4700 Release from Temporary Restricted Funds	30,000	60,000	0	0%	8,100	One-time gifts promised for 2023-24	11
12							Profit/Loss from sales of stock+ donations/ refunds	12
	4800 Miscellaneous Gain/Loss	181	700	98	14%	100		
13	4900 Endowment contribution	23,767	52,782	35,820	68%	41,922	3% of 13 Q avg from Michael Clorite 2/4/2023	13
14	<b>Total Income</b>	<b>606,300</b>	<b>651,057</b>	<b>477,329</b>	<b>73%</b>	<b>639,222</b>	<b>Total Income</b>	14
	<b>EXPENSES</b>							
	<b>Facility</b>							
15	5100 Utilities	26,073	25,000	19,722	79%	25,500	water 15%, gas 25%, electricity 60%	15
16	5120 Maintenance and Repair	5,781	7,000	5,142	73%	7,000	same as last year	16
17	5130 Property management	7,759	9,300	4,456	48%	8,000	AA waste+recycle & Orkin	17
18	5140 Custodial Supplies	1,032	750	912	122%	1,100	Staples increased cost of supplies	18
19	5150 Landscape	12,924	11,500	10,392	90%	11,500		19
20	5160 Security/Alarm system	3,468	4,200	3,011	72%	3,750	Fire and Security Systems etc	20
21								21
22	<b>Facility total</b>	<b>57,036</b>	<b>57,750</b>	<b>43,635</b>	<b>76%</b>	<b>56,850</b>		22
	<b>Communication, Media</b>							
23	5200 Office Supplies (copier paper, supplies)	2,071	2,300	901	39%	2,100		23
24	5220 Postage	489	600	220	37%	400		24
25	5230 Office service contracts (copier)	1,289	1,500	438	29%	1,000	A&A Office Systems (copier) + bottled water	25
26	5240 Cable service: internet, phone, TV, wi-fi	5,404	4,410	3,209	73%	4,410	Comcast ~300/mo + ZOOM 480/yr	26
27	5250 Office contingency	0	100	0	0%	0		27
28	5260 Tech: hosting, software, licensing	2,174	3,000	1,909	64%	3,100		28
29								29
30	<b>Communication total</b>	<b>11,428</b>	<b>11,910</b>	<b>6,677</b>	<b>56%</b>	<b>11,010</b>		30
	<b>Committee Support/Member Services</b>							
31	5300 Membership Committee	329	750	299	40%	500		31
32	5320 Covenantal Relations Committee	0	565	0	0%	250		32
33	5330 Sunday Morning Team	962	1,125	818	73%	1,200		33
34	5340 Stewardship/Canvass	214	900	1,135	126%	900		34
35	5350 Endowment & Legacies	320	500	0	0%	500		35
36	5360 Small Groups	60	115	0	0%	115		36
37	5370 Library/Archives	18	150	0	0%	50		37
38	5380 Pastoral Care Team	0	150	2,850	1900%	250		38
39								39
40	<b>Committee/Member Svcs total</b>	<b>1,904</b>	<b>4,255</b>	<b>5,101</b>	<b>120%</b>	<b>3,765</b>		40
	<b>Denominational Affairs</b>							
41	5400 UUA Program Fund	15,935	16,410	12,308	75%	15,995	50% of UUA Request for 2023-24 of \$31,991	41
42								42
43	<b>UUA dues</b>	<b>15,935</b>	<b>16,410</b>	<b>12,308</b>	<b>75%</b>	<b>15,995</b>		43
	<b>Finance</b>							
44	5500 Mortgage	37,715	44,075	28,286	64%	24,079	Assumes extending mortgage for addtl 10 yrs	44
45	5510 Insurance	8,647	8,647	8,888	103%	9,749	Annual premium is paid in October.	45
46	5520 Accountant's Review	4,000	4,200	4,200	100%	1,000	save towards every 4 year review	46
47	5530 Bank fees	138	50	6	12%	50		47
48								48
49	5565 Paypal Fees (~3.0% fee)	1,139	1,000	927	93%	600	assumes transfer of PP fees for pledges paid by members from pledge income to this item	49
50	5570 CT Sales Tax	9	50	6	12%	50		50
51	<b>Finance total</b>	<b>51,648</b>	<b>58,052</b>	<b>42,314</b>	<b>73%</b>	<b>35,528</b>		51
	<b>Personnel</b>							
52	5600 Salaries (Minister, DLRE, Administrator, Directors of Music, Associate Director of Music)	267,151	275,309	195,022	71%	289,305	4% COLA for salaried staff	52
53	5610 Hourly Wages (Sexton, Membership Coordinator, Child Care)	38,077	43,214	29,423	68%	44,643	4% COLA for hourly staff	53
54	5625 Contractor (Bookkeeping Services)	14,250	14,250	10,688	75%	15,675	10% raise - first increase in 7 years	54
55	5630 Medical insurance (Minister, DLRE, Administrator, Sexton)	55,992	58,194	29,398	51%	34,634	expect the usual 8% medical premium increase, January 2024	55
56	5640 Other Insurance (dental, disability, workers comp, life)	9,344	10,077	8,255	82%	10,380	CMI worker comp Nov audit of salaries.	56
57	5650 FICA/Medicare Tax	21,163	24,367	15,909	65%	25,489	7.65% of salary total	57
58	5660 Pensions (Minister, DLRE, Administrator, Sexton)	25,263	26,119	18,798	72%	27,462	10% of eligible salaries	58
59	5670 Payroll service, admin fees, etc	2,600	1,700	1,471	87%	1,905	NEPS 1652/yr + 253 for January W2s.	59
60	5680 Prof. Expense Accounts (Minister, DLRE, Administrator, Dir. and Assoc. Dir of Music)	14,000	15,500	6,318	41%	16,000		60
61								61
62	<b>Personnel total</b>	<b>447,838</b>	<b>468,731</b>	<b>315,282</b>	<b>67%</b>	<b>465,494</b>		62
63								63

Board Approved FY24 Operating Budget

		Board Approved Operating Budget 2023-24 Version 1.10	2021-22 Actual	2022-23 Budget	2022-23 March 75%	% of Budget	2023-24 Budget	2023-24 Comments	
65	5700	<b>Trustees Research and Development</b>	0	500	0	0%	1,000		65
66	5710	<b>Management Team Discretionary Fund</b>	0	0	0	0%	1,000	Reinstated for 2023-24	66
67	6100	<b>Music</b>							67
68	6110	Paid instrumentalists	0	0		0%	0	Use Apfel fund for paid instrumentalists	68
69	6130	Sheet Music/Library	219	700	95	14%	700		69
70	6140	Piano Tuning/Repair	600	700	765	109%	850	Regular Piano Tuning	70
		Piano Repair					1,150	Piano Maintenance	
71	6150	Dues, Tapes, Misc	0	100	0	0%	0		71
72		<b>Music total</b>	<b>819</b>	<b>1,500</b>	<b>860</b>	<b>57%</b>	<b>2,700</b>		72
73	6200	<b>Religious Education</b>							73
74	6201	Adult RE	515	700	219	31%	700		74
75	6202	CYRE discretionary fund	218	200	27	13%	200		75
76	6203	Teacher Training & Support	154	225	91	40%	225		76
77	6204	Curriculum, supplies, equipment	510	900	612	68%	900		77
78	6205	YRUU Support	476	525	0	0%	525		78
79	6206	Family Multigenerational Activities	135	375	349	93%	375		79
80	6207	Teacher/volunteer background checks	0	150	7	5%	150		80
81	6208	OWL Teacher Training	101	400	0	0%	400		81
82	6209	Affirmations Class Expense	444	1,500	984	66%	1,500		82
83		<b>Religious Education total</b>	<b>2,552</b>	<b>4,975</b>	<b>2,288</b>	<b>46%</b>	<b>4,975</b>		83
84	6300	<b>Social Justice</b>	0	4,500			4,500	All programs other than Waverly	84
85								Regular donations to Columbus House are now in a temporary restricted fund	85
86	6301	Abraham's Tent/Columbus House (HEART)							86
87	6302	Anti-Racism TF	150						87
88	6303	Peace TF							88
89	6304	Kids' Service Team TF							89
90	6305	Immigration and Refugee TF	672						90
91	6306	Green Sanctuary TF	500		225				91
92	6307	Preventing Gun Violence TF							92
93	6308	Waverly/USNH Partnership TF	9,085	9,000	6,717	75%	9,000		93
94	6309	UU-UNO TF (Dues)							94
95	6310	UUSC TF (Dues)							95
96	6311	Social Justice Council Reserve	300		75				96
97	6312	Mental Health Awareness							97
98	6313	UU the Vote	2,369						98
99	6314	Women Empowered	250						99
100	6315	LGBTQ+ Welcoming Task Force							100
101	6300	Social Justice Programs - Other	250						101
102		<b>Social Justice total</b>	<b>13,575</b>	<b>13,500</b>	<b>7,017</b>	<b>52%</b>	<b>13,500</b>		102
103	6313	<b>CONNECT</b>	<b>7,000</b>	<b>7,000</b>	<b>5,250</b>	<b>75%</b>	<b>7,000</b>		103
104	6400	<b>Worship</b>							104
105	6410	Speakers	550	600	1,073	179%	600	\$250/guest speaker fee.	105
106	6420	Sanctuary supplies	540	350	657	188%	430		106
107	6430	Sunday Flowers	147	1,200	0	0%	200		107
108	6400	Worship - Other	16	75	0	0%	75	Seder expense	108
109		<b>Worship total</b>	<b>1,252</b>	<b>2,225</b>	<b>1,730</b>	<b>78%</b>	<b>1,305</b>		109
110		<b>Total Expenses before Capital Contribution</b>	<b>610,989</b>	<b>646,808</b>	<b>442,461</b>	<b>68%</b>	<b>620,122</b>		110
111		<b>Capital Fund Contribution</b>	<b>6,225</b>	<b>2,249</b>	<b>1,863</b>	<b>83%</b>	<b>19,100</b>	Capital Expenses - FY24 and Roof Reserve	111
112		<b>Total Expenses</b>	<b>619,214</b>	<b>651,057</b>	<b>444,324</b>	<b>68%</b>	<b>639,222</b>	<b>Total Expenses</b>	112
113		<b>Income - Expenses</b>	<b>-12,914</b>	<b>0</b>	<b>33,005</b>		<b>0</b>		113
114				<b>97,659</b>			<b>95,883</b>	<b>15% Operating Reserve</b>	114

Good morning, I joined the Management Team in January and have been getting more closely acquainted with our finances, so I'm going to present the FY24 Operating Budget and take questions. I want to take this opportunity to thank Jean Rosenthal for her three years of service on the Management Team. Jean will be stepping down this summer and I am particularly saddened that I only got a few months to work with her. We hope to announce new lay members soon, and of course Rev. Stephen Kendrick will join the team in August. Anyone interested in serving on the management team should speak to me, David Stagg, Jean Rosenthal, or recent member Bobbi Pace for more information.

The budget document shows our projected income at the top, followed by our projected expenses. From left to right we see the actual income and expenses for FY22. Then the current year budget and actual data as of March 31, which is three-quarters of the way through our fiscal year. As a reminder, our fiscal year starts on July 1 and ends the following June 30. We are currently in FY2022-23 or FY23. The final column of numbers is the proposed budget for the coming year, FY24, which starts on July 1. The final column has comments about some line items.

We are in very good shape, especially considering how dire things seemed in the fall. Our \$639K budget is balanced, does not rely on drastic cuts, and does not rely on temporarily restricted funds. I'm going to focus mostly on our sources of revenue.

Let's start with our fantastic pledge total and a shoutout to this year's Stewardship Team, led by Peggy Rae and Linda Mehta, with Sue Bond, Holly Hawkins, Amy Plapp and John Watson.

As you heard from David Jones, the aspirational pledge goal was \$500,000. We have budgeted a pledge total of \$490,000, which assumes some pledges will come in from new members during the course of the year. We are already at more than \$487,000 in pledges, so we will exceed that pledge target.

But note that further down in Revenue we also have **\$8,100 in promised one-time gifts** for our operating budget next year – this is Stewardship-raised money, although not part of formal pledges. Together the budgeted \$490,000 plus one-time gifts is \$498,100, or 99.6% of \$500,000.

As always, some people are not able to pay their full pledges – they move away, have unexpected medical or other expenses, employment situations change. We budget, or plan on, actually receiving 97% of actual pledges, which is consistent with our history, even recently. So we are planning on \$475K from pledge income plus the \$8,100 in one-time gifts. Together, this is 75% of our expected revenue.

Our daycare tenant, Over the Rainbow, has a contract for \$60,200 for annual rent. This is almost 10% of our budgeted revenue.

Incidental rentals have been strong this year and we expect that to continue. We are actually very close to the \$15,000 number for the current year (through April).

**Fundraising.** We haven't met our fundraising goals recently – of course the pandemic made that very difficult. But we will exceed our \$12,000 budgeted amount for this year. Friday night's auction was a huge success, both socially and financially. Special thanks to the Sunday Morning Team folks, who worked in a very hot kitchen on a very hot day. Numbers are preliminary but it looks as though we will clear \$15,000, including a very generous \$5,000 gift, from the auction.

We need to keep up this level of fundraising. By far the easiest way to make money for USNH is to purchase grocery cards to use for your ordinary shopping if you shop at Stop & Shop or ShopRite. It is easy to do – they are available in the lobby after every worship service and you can pay with cash, check or credit card (no more ordering in advance for credit card sales). And USNH keeps 5% of the value of every card we sell. If 150 households purchased \$250 worth of grocery cards each month for 10 months, we would earn almost \$19,000 for our operating budget.

Our fundraising goal of \$12,000 is fairly modest but really essential. One idea generated from the Budget Planning focus groups was to have a community festival to generate fundraising income **from outside of this community**. But we need people to make it happen. If you are interested in working on this, email [management.team@usnh.org](mailto:management.team@usnh.org) or contact me or David Stagg. If you have interest in working on ANY fundraiser, contact the Management Team.

Finally on the revenue side, the Endowment and Legacies Committee had agreed to give the operating budget a 4% payout, but this budget counts on only a 3% payout, which is almost \$42,000, or about 6.5% of our revenue.

Our projected expenses are always based on recent year actuals and projected changes. I want to point out just a few items on the expenses side.

Line 42 shows that we are contributing almost \$16,000 to the UUA Program Fund, but this is only 50% of what the request was. You may not know that the request from the UUA is no longer based on membership, but on our operating expenses. The UUA provides incredible resources and scaffolding for UU congregations. This includes processes for congregations to hire or call ministers, and also for managing departures, both expected and unexpected. They provide resources for religious education, worship, and social justice. Resources for communication, including a reduced rate for our Zoom accounts. And the UUA is a liberal religious voice in the wider world. Over the past years, USNH leadership has relied heavily on regional and denominational staff to support our ministerial transitions, leadership retreats, and more. I know the Board wants to increase our support for the UUA as we are feeling more financially stable.

Our **mortgage loan** is under Finance. Refinancing our loan with the Endowment is saving us more than \$13,600 per year. The eagle eyes among you might notice that the difference between the amount budgeted for this year and next is closer to \$20,000 – we had planned and budgeted to borrow the \$60,000 for capital expenses this year. We haven't taken that loan yet, so have not budgeted for it.

Moving to **Personnel** – after contemplating NO salary increases for staff, we are giving a 4% salary increase to our hard-working and superb staff. The UUA has restructured its classification and compensation recommendations, which the Personnel Committee and Management Team will delve into in the coming year to be sure we are aligned, or can come into alignment with, the new recommendations. We also did not cut any professional expense accounts, which was another cost-saving measure being considered.

Finally, I'm going to jump to the end of the budget document. We are able to transfer \$19,100 to our Capital Expenses fund, which you will hear more about shortly. This will fund both the FY24 capital projects and a reserve for needed roof work in our near future.

And before I take questions, let me ask folks expecting reimbursements for approved expenses to submit your vouchers, asap. This will be very helpful to the finance team as we close the books.

**USNH Proposed Capital Budget 2023-24 Draft V1-4**

<b>Funds available</b>		<b>Notes</b>
Starting balance	\$ 5,041	as of 4/30/2023
Funds to be transferred from the Operating Budget	\$ 19,100	Operating Budget 2023-24 V1.10
<b>Total available</b>	<b>\$ 24,141</b>	

**Proposed projects**

Painting of driveway light poles	\$ 1,800	done 5/1/2023; not invoiced yet
Repair of cracks in driveway and parking areas	\$ 3,000	waiting for second quote
Sanctuary external power washing	\$ 1,200	waiting for second quote
Landscaping	\$ 1,000	tree trimming, new plantings, etc.
Maintenance of our roofs and gutters	\$ 17,000	fix leaks; general maintenance
<b>Total FY24 Project Costs</b>	<b>\$ 24,000</b>	

**Capital items needing further research & planning**

<b>Project</b>	<b>Estimate</b>	<b>Notes</b>
Replace the 20yr old sanctuary HVAC system	\$ 80,000	investigate energy efficiency grant
Upgrade the original sanctuary lighting to LED	\$ 5,000	utility grants are available
Replace roofs more than 20 years old	\$140,000	may need replacement soon
Plan to replace roofs approximately 10 years old	\$245,000	should last another 10+ years
Replace glass block clerestory windows	\$ 60,000	opinions vary about this need
Obtain permits & funding for ground mount solar array	\$110,000	8-year payback with Green Bank
2 or 4 EV charging stations in the parking lot	\$ 5,000	could/should we recover costs?
Install video screens in the sanctuary	\$ 10,000	need more congregation input
Improve sound & video quality of streaming service	\$ 2,542	balance in our Technology Fund

Last summer we repaired and repainted the Dryvit coating on the outside of buildings (not the Sanctuary which is siding) and some roof repairs for around \$60,000. We were able to do this without borrowing money from Endowment and Legacies. \$5,000 is available from last year.

\$19,000 is to be transferred from the operating budget into the capital budget which is much more than we have been able to do in recent years.

### **Proposed projects—available funds**

- Repainted the driveway light poles; just done 5/1; not invoiced yet.
- You may have noticed many cracks in our parking lot and driveway. The last time some repair work was done was 5 years ago. We are waiting for a second quote.
- You also may have noticed the grime and mildew on the outside walls of our sanctuary. Here, too we are waiting for a second quote before proceeding with power washing.
- We always include a minor placeholder for tree work and our twice-yearly ground cleanups
- Maintenance due now: general preventive maintenance, including repainting the Sanctuary roof and the roof of the lobby. Repainting (aluminum coating) provides protection and extends the life of the roof.

**Future Needs**—These are the items below the budget along with some rough estimates of the costs involved.

- The Sanctuary is heated and cooled by the filtered air system that was installed during construction in 2001. \$80,000?
  - Two of the four compressors have failed over the years and been replaced but the entire unit has a projected life of 15-20 years and we must prepare for replacement. Some years back we were told that straightforward replacement of the system would likely cost \$80,000.
  - Could we install a heat pump? Geothermal?
  - Grants will soon be available from Inflation Reduction Act that would pay some or all of this cost. We need HELP with grant writing.
- Secondly, lights on the sanctuary walls and in the bowls are the original fluorescent tubes. We should replace these with LED lights. \$5000?
  - We recently had an energy efficiency audit done through UI to provide a proposal that will take advantage of grants that are available from the utility companies. We await the report.

### **Roofing consultant—12/21/21 report, we have 7 ROOFS (refer to google earth image)**

In 2021, we engaged a roofing consultant to examine our roof and walls and provide recommendations and costs for 1, 2, 5 and 10 year expenditures. We received the report in December of 2021.

- The roofs of the Social Hall, the RE wing and the Children's Chapel date from 2001 and 2003. That cost of \$140,000 is from the consultant's budgetary estimate. We need revised estimates and actual proposals before we can proceed. HELP

- Our other roofs are only 7 years old but are more complicated with skylights and gutters that may require work as soon as 10 years from now.
- Our consultant recommended replacement of the glass block windows in the social hall and the children's chapel. However, another recommended “expert” we have consulted has disagreed. Further research is needed, obviously. **HELP**

**Solar**—For years there has been interest in solar power to mitigate our electricity costs. There isn't time to review this here but recently we have become very interested in a ground mounted solar array. We have a proposal for a system which would cost \$110,000, with an 8-year payback with the Green Bank.

**EV Charging Stations**—Also, we have investigated an option to install 2 or 4 electric vehicle charging stations. \$5000 out-of-pocket costs is the estimate. Nice-to-do.

**The last two items** are included for transparency even though we know how to pay for them. We've thought about installing screens on either side of the sanctuary above the exit doors but we need more input from the congregation about this commitment to technology.

Improving the quality of both sound and video of our streaming is also something we have a technology fund to support.

The Budget Planning Task Force is working on options for funding the items outlined here.

**HELP HELP !! Building and Grounds very much needs more volunteers to help with these projects.** Specifically, we need people to:

- work with contractors to secure proposals for work
- research grant opportunities to help fund the work