

Unitarian Society of New Haven
Minutes of the Meeting of the Board of Trustees
May 12, 2016

Accepted June 9, 2016

Board Members Present: Mary Donohue, Daniel Gelperin, Mary Losee, John Manning, Bernice Marie-Daily, Pamela Miller, Suzanne Miller, Bobbi Pace

Board Members Absent: Holly Hawkins, Russell Heinrich

Also Present: Sandy Frawley, Georgia Jennings, Megan Lloyd Joiner

D. Gelperin called the meeting to order at 7:03 pm and P. Miller recorded the minutes. A quorum of Board Members was present, and the meeting proceeded with D. Gelperin presiding.

Gather

B. Pace lit the chalice and read opening words, *An Annual Meeting Invocation* by Heather K. Janules. D. Gelperin read the Covenant of Right Relations. Attendees had a brief check in.

Meeting Preparation for this evening

There were no changes made to the meeting objectives or the agenda.

Assess the Past (Monitoring)

a. Management Team Report for past month

Executive Limitations Monitoring Report:

S. Frawley presented the executive limitations report which was prepared by D. Jones. It is attached at the end of these minutes. S. Frawley reported that L. Gray is recovering from a serious concussion. USNH has sent flowers to her. M. Donohue asked about the timing of the door replacement. It is expected to happen over the next several months. Most projects listed in the capital budget will be done over the summer. The solar option mentioned in the executive limitations report is not on the immediate table.

Ends Report

M. Lloyd Joiner presented the ends report which is attached at the end of these minutes. She is still making adjustments to the format of this report.

The highlights this month were working with J.Greist to organize a potluck for parents of young children and arranging a potluck for 20s and 30s. Improvements are underway for handicapped access in the sanctuary. Good work is being done in the adult RE area.

Eleven new adult members joined USNH at the May 7 service. We have averaged 20 attendees at the music and meditation services and 175 at the 11:15 service.

The parking agreement with Congregation Mishkan Isreal allows USNH members to park on the other side of the M-K nursery school.

Having one service makes for good energy in the service. It was suggested that MT could communicate the thought process that lead to this decision to congregation. This could be done through an article from MT in the newsletter.

Randal Spaulding ordination

R. Spaulding's letter to the USNH congregation requesting ordination to the Unitarian Universalist ministry is attached at the end of these minutes.

M. Lloyd Joiner was ready to answer any questions regarding ordination. The decision to ordain can be made at the board or congregational level. R. Spaulding would like to be ordained prior to the GA, so is asking for board approval. He is working as a minister at Smilow Cancer Hospital. Ordination can be done during a service. It could be included in the June 19th service.

MOTION M. Donohue, to approve USNH ordaining Randal as a Unitarian Universalist minister; **SECONDED S. Miller**;

PASSED unanimously, with 0 opposed, 0 abstentions.

Finance

M. Losee gave the finance report. This month's income was \$540,878. Expenses were \$520,778 leaving a balance of \$20,099.

Draft Operational Budget

S. Frawley presented the draft 2016-17 Operations Budget as of 5/12/16, along with the version that was presented at the Council of Chairs meeting on April 27.

Create the Future & Learning

a. Reports from working groups

- i. Governance – D. Gelperin presented the cash policy proposal. USNH needs a policy saying that it is ok for MT to invest funds. Since this is management of resources, MT should be able to do it. M. Donohue noted that the policy tries to avoid being proscriptive. It is intended to avoid conflict between the Endowment and Legacies Committee and MT. If MT wants invested funds to be returned for use elsewhere, Endowment and Legacies must release the funds. D. Gelperin noted that the board is writing an enabling policy. The operating reserve has to remain liquid so it cannot be included in funds covered by this policy.

MOTION B Pace, to accept policy 1.5.2.2 Cash Management; **SECONDED M. Donohue**;

MOTION S. Miller, to amend policy 1.5.2.2 Cash Management, to change the name from “1.5.2.2 Cash Management” to “1.5.2.3 Cash Management” and to change to words “cash balance” to “liquid funds”; **SECONDED B. Marie-Daly**

PASSED unanimously, with 0 opposed and 0 abstentions.

Amended Motion: to accept policy 1.5.2.3 Cash Management with “cash balance” changed to “liquid funds”;

PASSED unanimously, with 0 opposed and 0 abstentions.

- ii. Linkage – The working group had nothing to report at this time.
- iii. Monitoring – The working group had nothing to report at this time.
- iv. Bylaws - M. Donohue discussed plans for congregational approval: there will be smaller meetings with members before the fall meeting. We want to be sure that we hear about members’ ideas on the changes. B. Goward and B. Congdon have bought into the changes. We may need to hold meetings over the summer and additional meetings in September. We want feedback from MT as well. A track changes version of the bylaws will be distributed to allow everyone to see the changes.

S. Miller suggested that comments be added that explain why changes were made.

- b. Continue policy interpretation - requesting MT work next on policy 1.5.2 July meeting

Consent Agenda

- a. April 14 Board of Trustee minutes
- b. April 17 Congregational Meeting Minutes
- c. By-law revisions

MOTION B. Marie-Daily, to accept the Consent Agenda; **SECONDED M. Losee**;

PASSED unanimously, with 0 opposed, and 0 abstentions.

The previously requested Management Team interpretation of policy 1.7 was missing from the agenda. Due to time constraints this will be placed on the June agenda. Interpretation of policy 1.5.2 will be deferred until the July Board of Trustees meeting.

Announcements

- a. BoT newsletter article: B. Marie-Daily will write an article for the May newsletter. M. Donohue volunteered to write an article for the June newsletter.
- b. Update on Lisa Comen estate: No update was available at this time.
- c. Congregational Meeting Sunday June 5 12:45
- d. June 9 Board of Trustees meeting with end of year gathering with pizza and..before the meeting will start at 6:00 pm.
- e. Suggested dates for Board of Trustees retreat at the start of next year: Sunday August 28 1:00pm or Saturday Sept 17 9:00am.

Meeting summary: Votes were taken on policy 1.5.2.3, Randall L. Spaulding's request for ordination, and the consent agenda. Interpretation of policy 1.7 was deferred until June.

Action items: Linkage and monitoring working groups will continue their planned activities.

Thank-yous

Bill Goward is to be thanked for his work with the bylaws group.

Adjournment

MOTION – M. Losee, to adjourn; **SECONDED D. Gelperin**;

PASSED unanimously, with 0 opposed and 0 abstentions.

The meeting was adjourned at 8:57 pm.

Attachments:

MT Ends Report May 2016.doc

MT5-12-16 Executive Limitations Monitoring Report

Letter from Randall L. Spaulding

Cash Management Policy Draft

USNH Cash Management Proposal 1-12-16

UNITARIAN SOCIETY OF NEW HAVEN

EXECUTIVE LIMITATIONS MONITORING REPORT TO TRUSTEES

Management Team – May 12, 2016

We are a diverse, multi-generational faith community that

- inspires lives of compassion and generosity**
- nurtures spiritual growth**
- cultivates transformative connections, and**
- creates a more just world**

1. Recognizing

Policy 1.3: With respect to treatment of staff/volunteers, the Management Team may not act in a manner inconsistent with UU Principles or cause or allow conditions that are inhumane, unfair, or unprofessional.

The Management Team Reports that

- **Georgia Jennings continues to act as de facto business manager and has provided valuable insights and recommendations on staffing options. Final decisions will be made by the end of the congregational year.**

- **We are awaiting the recovery of Laurel Gray before we know her status for the membership coordinator position in the coming year. The management team would like to continue funding for this position.**

- **Removal of the seating of a front pew provides new access in seating for wheelchair bound congregants. Removal of another front pew will be completed in the next few weeks so that two front pews will have wheelchair accessibility.**

2. Recognizing

Policy 1.4 ...Management Team may not:

a.Recommend compensation and benefits that create obligations over a term longer than revenues can be safely projected.

b.Establish current compensation and benefits that deviate materially from the non-profit, geographic, and professional market for the skills employed

and

Policy 1.5 ...the Management Team may not...cause or allow fiscal projections that:

- a. *Contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.*
- b. *Deviate materially from Board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.*

and

Policy 1.5.1: The Management Team shall not fail to:

- a. *Use realistic assumptions of income and expenses when creating budgets.*
- b. *Create an annual operating budget for congregational approval at the Annual Spring Meeting of the Society.*
- c. *Create an annual capital budget with the means to pay for one to present for congregational approval at the Annual Spring Meeting.*
- d. *Consider multi-year financial projections and events that affect future operating income and expenditures and future capital expenditure requirements.*

and

Policy 1.5.2.2: The Management Team shall not fail to establish a capital fund for planned and unexpected facility and equipment expenses.

The Management Team reports that

- We continued to refine the budget for the next congregational year with various personnel and other options.
- As of May 10, 2016, we have 193 pledges for 2016-17 totalling \$419,359. Follow-up continues with about 40 households which are expected to pledge.
- The Council of Chairs meeting was held successfully on Wednesday, 4/27. Committee accomplishments for the year were shared. The primary focus of the meeting was the stewardship campaign results to that point and draft budget for 2016-2017. John and Mary Beth presented their stewardship report. Options for additional funding were discussed.
- The Secret Garden production was held successfully and enjoyed by all.
- A \$144,800 capital budget was presented to and unanimously approved by the congregation after some discussion at the special April 17 congregational meeting.

3. Recognizing

Policy 1.7 The Management Team shall not allow the assets of the Society to be unprotected, inadequately maintained, inappropriately used, or unnecessarily risked.

And

Policy 1.7.2 The Management Team shall not fail to assure that:

The buildings and grounds and equipment are maintained to allow continued value and use.

The Management Team Reports that

- **The LED lighting improvement has been completed by Lantern Energy. The lobby and stairs are especially brighter! When the 0% loan will be**

repaid in 4 years, USNH will start saving nearly \$5,000/year in electric costs. We have a smaller carbon footprint right away.

- The second outside Spring cleanup is scheduled on 5/21. Mulch will be moved.
- The B&G committee is in final negotiations with Environmental Engineering (our current HVAC and boiler service provider) for our oil to high efficiency gas boiler changeover with a completion date of 9/1/16. A final recommendation on a contractor for the roof replacement will be made by B&G on 5/18.
- A contract to replace the chancel floor will be negotiated this month and completed by the end of June.
- A meeting is being scheduled with Architect George Buchanan and builder Alex Babbidge to discuss their recommendations for replacing our front doors and to the lobby.
- A meeting was held with Stephan Hartman of Ross Solar to hear another solar option for USNH. Further review and consideration will be needed.

UNITARIAN SOCIETY OF NEW HAVEN

ENDS MONITORING REPORT TO TRUSTEES
Management Team – May 12, 2016

We are a diverse, multi-generational faith community that
- inspires lives of compassion and generosity
- nurtures spiritual growth
- cultivates transformative connections, and
- creates a more just world

AMONG

USNH is a congregation of welcome and connection, where people of all ages:

** Treat one another with respect*

** Give and receive support in times of joy, sorrow and transition*

Over the past month, Rev. Megan and the Lay Ministry Team have provided support to multiple individuals and families for loss and illness.

Rev. Megan and Jesse Greist organized a Young Parents Potluck on 4/30/16 hosted by Dan Spakowicz and Carolyn Presley at which 11 adults and 7 children were present. A 20s and 30s potluck was held at USNH on 5/4/16 with 13 adults and 9 children in attendance. Feedback was positive and more gatherings will be planned for fall 2016.

** Give generously of ourselves and our resources*

Stewardship Progress Report:

As of May 10, 2016, we have 193 pledges for 2016-17 totaling \$419,359. Follow-up continues with about 40 households which are expected to pledge.

** Embrace diversity*

The Anti-Racism Task Force has provided “BLACK LIVES MATTER” buttons in the USNH lobby.

Removal of the seating of a front pew provides new access in seating for wheelchair bound congregants. Removal of another front pew will be completed in the next few weeks so that two front pews will have wheel chair accessibility

** Engage in life-long learning*

P.J. Deak, chair, Adult Religious Education Committee, led two sessions on the UUA Common Read, Just Mercy by Bryan Stevenson during February (2/21, 2/28) The discussion was rich with powerful reflections on justice and individual and collective responsibility for reform of the prison system.

WITHIN

Respecting different spiritual journeys, the people of USNH find inspiration and a safe place to

- * Develop our best selves*
- * Grow spiritually*
- * Live with more joy and open-heartedness*
- * Experience a connection to something larger than ourselves*
- * Find meaning and purpose in our lives*
- * Articulate our Unitarian Universalist identity*

The Secret Garden was a success on many levels including tying the theme of the musical into our worship life, building multi-generational community, participants' expressed experience of self development and growth as well as joy.

On 5/8/16 11 new adult members were welcomed into membership.

Worship Report:

April -May Worship Attendance:

Music and Meditation: ~20

11:15am Service: ~175

The 10am-10:30am Music and Meditation service has received positive feedback. Bill will not continue the service during summer months, but we expect to resume an early meditation service in the fall.

Members have been invited to park in the lower lot of Congregation Mishkan Israel. Some (~5 cars each Sunday) have done so. MT is considering other options for encouraging car pooling and off-site parking in the fall.

Working with the Worship Committee, Staff and MT, a consensus has been reached to begin summer service schedule on 6/26 with one service at 10:30am (instead of 11:15am). One service will continue in the fall at 10:30am leaving time before the service for Music and Meditation, small group ministry, Adult RE courses and other activities.

Summer Services are currently being planned with an invitation to the congregation to work with the Worship Committee members if individuals would like to present a service. Rev. Megan will preach on 6/26, 7/3, 7/24, 7/31, and 8/28.

BEYOND

*The people of USNH, together and with our partners, act on our values in the larger world.
We:*

- * Advance justice in our community and beyond*

Rev. Megan and two other members of USNH attended the New Haven Rising March for Jobs on 5/5/16.

Rev. Megan met with Social Justice Council leaders to discuss the focus of USNH social justice work for 2016-17. She will meet with the full SJ Network (all USNH SJ groups) over the summer.

** Develop new understanding of ourselves and others through our justice work*

*** Expand our understanding and awareness of social and environmental issues**
Mohamad Hafez, artist and architect presented a program on 5/1/16 focused on the Syrian-American experience and exploring the experience of current Syrian refugees. The Immigration and Refugee Task Force is exploring further partnership with Hafez and his community.

** Strengthen Unitarian Universalism*

Randall Spaulding has requested that USNH ordain him to the Unitarian Universalist ministry as a community minister in June 2016. According to Unitarian Universalist congregational polity, the congregation has the power to ordain an individual to ministry. Randall serves as an oncology chaplain at Smilow Cancer Hospital. Part of the opportunity of ordaining a community minister is a continued conversation about ongoing affiliation between the community minister and the congregation. It is an honor to present a letter of request for ordination and to present Randall Spaulding to the Board as a candidate for ordination by USNH.

Respectfully Submitted by Rev. Megan Lloyd Joiner

From the desk of Randall L Spaulding

To Members of the Congregation
Unitarian Society of New Haven
700 Hartford Turnpike
Hamden, CT 06517

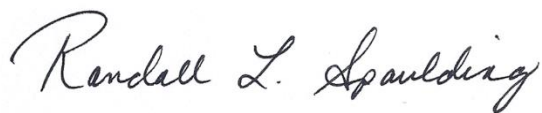
May 4, 2016

To the Members of the Congregation

In our Unitarian Universalist tradition, ministers emerge from, are formed by and are conferred trust and title by the members of our congregations. From the beginning of my spiritual journey as a Unitarian Universalist, the Unitarian Society of New Haven has nurtured and supported my developing ministry with gracious generosity, encouragement and guidance.

It is with deep appreciation for the support of the people of the Unitarian Society of New Haven that I humbly request that the congregation join in ordaining me to the Unitarian Universalist ministry in June of 2016.

Yours in Faith, Love and Peace,



Randall L Spaulding

1431 Tuttle Ave., Wallingford, CT 06492
941-228-6825 ● randallspaulding1@gmail.com

1.5.2.2 Cash Management

The Management Team shall not fail to:

- a. At least yearly, assess the cash balance
- b. Assess the potential uses for any surplus that exists over the amounts needed for the operating budget plus operating reserve, taking into consideration capital needs and multi-year planning.
- c. Consider investing any surplus monies into the Investment Fund managed by the Endowment Committee on behalf of USNH.
 - i. This Investment Fund is not considered part of USNH's Endowment and is not subject to any endowment restrictions.
 - ii. Because the Investment Fund is designed as a longer-term investment instrument, the Management Team should consider those implications when deciding on investment.
 - iii. The Management Team shall maintain authority and accountability over these funds and may be allowed to withdraw from the Investment Fund at any time to cover unexpected emergency expenses with notification to the Board that such withdrawals are being made.
 - iv. Additionally, the Management Team may consider the monies in the Investment Account as potential sources of funding for future proposed operating or capital budgets.

USNH Cash Management Recommendations

1/12/16

These recommendations were developed by Bob Congdon, Jeremy Hill, and Fred Morrison representing the Endowment and Legacies Committee, Greg Seaman and Kathy Lindbeck representing the Finance Committee, and Sandy Frawley, Georgia Jennings and David Jones representing the Management Team.

Introduction

We propose investing a portion of liquid assets, as determined by Board policies, to keep pace with inflation and to grow cash not likely to be needed during the next five years.

Cash management policy recommendations:

1. Per current policy, maintain as an Operating Reserve the equivalent of 25% of the average of budgeted income and expenses (\$159,000 based on the current budget) in “liquid, conservative, interest or dividend earning accounts” such as checking and money market accounts and CDs of various maturities.
2. Determine amounts that will be needed over the next five years for capital and expenses, and for programmatic expenses that will be covered by restricted-purpose funds such as the Senn Fund and the Emerson Fund or by unrestricted funds.
3. Establish an investment account overseen by the Endowment and Legacies Committee and invested by Olson Mobeck.
4. Place the cash that exceeds the Operating Reserve, plus the five-year reserves for capital and programmatic expenses, in this investment account.
5. As cash is needed, draw upon the Operating Reserve and/or the investment account, depending upon the amount needed and the valuations.
6. Periodically, and not less than twice each year, the management team will review the Operating Reserve plus the five-year reserves for capital and programmatic expenses, as well as current market conditions and returns in the investment account, and determine whether any additional cash should be placed in the investment account as described in Recommendation 3 above.
7. To preserve the amount in each Restricted Purpose Fund, stipulate that the amount in each fund shall remain intact for its designated purpose unless spent as approved by the Board.

All income and growth derived from investing liquid assets, as well as any potential downside risk, shall accrue to unrestricted funds. This would mean that the Restricted Funds amounts are preserved but can only grow as a result of additional gifts or deposits designated by the Board.

Background and discussion

A sub-committee, composed of Greg Seaman and Kathy Lindbeck from the Finance Committee, and Bob Congdon and Jeremy Hill from the Endowment and Legacies Committee, considered several issues in seeking greater returns on cash:

- A. Reserves
- B. Safety and Insurability
- C. Returns and Availability
- D. Emergencies
- E. Management of a Board-Designated Investment Account

A. Reserves

Some cash is needed as a reserve for fluctuations in revenues and expenses. A review of the operating budgets for 2007 to 2014 shows a discrepancy between revenue and expenses no larger than \$51,000 during that time.

Another reason for a cash reserve is to cover emergencies, like loss of renter or building problems. The current renter pays about \$65,000 per year, so one might increase the reserve to that amount. Or, the furnace could require replacement, with current estimates of about \$20,000 for the boiler and \$8,000 for the burner.

Another way to consider a reserve is to use the total expenses for the highest month in a fiscal year. For the fiscal year 2014-15, this was \$66,950 in June, 2015.

In light of all these considerations, holding the equivalent of 25% of the average of budgeted income and expense in a combination of checking and money market funds and CDs provides a very substantial cushion for unforeseen expenses and for fluctuations in revenue and the value of investments.

B. Safety and Insurability

Checking and money market funds are insured by the FDIC up to \$200,000. The principal of Certificates of Deposit (CDs) is also insured. Exchange Traded Funds (ETFs) are not insured, and may decline as well as appreciate in value.

C. Returns and Availability

Money market funds, currently are paying about 0.1%, may be withdrawn immediately. If the money market account is at Citizens Bank, funds can be transferred directly to our checking account.

CDs of one year or more currently earn 1% or more. If the money invested in a CD were needed and the CD had to be cashed in before maturity, the principal is not affected, but there is a loss of three month's interest.

In the current economic environment in which bonds are paying such low returns (1% to 2%), Peter Kirschenbaum, Olson Mobeck investment advisor to the Endowment Committee, is recommending that the investment account purchase a diversified index of equities in Exchange Traded Funds (ETFs), which have historically returned 5% to 7% per year over a seven-year period. Investing in equity indexes is recommended for investing for five years or longer, because the value of the investments is more volatile than bond index funds; in the short term, it can decline as well as grow. When bond returns improve, the investment account might also purchase bond index funds.

Exchange Traded Funds (ETFs) can be sold any day the stock market is open, and the money is available on the settlement date, usually three business days later. We can arrange for electronic transfer of funds from an investment account at Olson Mobeck directly to our checking account.

D. Emergencies

An urgent, critical need for funding (e.g. major repairs not covered by insurance) that cannot be met by the sale of CDs or ETFs could be covered by:

- Gifts or loans from USNH members
- An additional distribution or a loan from endowment

The Management Team could propose that the Endowment and Legacies Committee consider recommending to the Congregation transferring funds from endowment earnings to operating cash. Of the total endowment value of \$930,642 as of 11/15/15, there is \$435,817 in endowment earnings (interest, dividends and appreciation), an amount that is not permanently restricted. However, note that a significant withdrawal beyond the 2% annual distribution would slow the long-term growth of the endowment.

E. Management of the Investment Account for Board-Designated Funds

An Investment Account would be used for investment of the board-designated cash assets that are not held in checking, savings or money market accounts or CDs.

Up to the entire amount in the Investment Account, including all deposits, interest, dividends and appreciation, may be withdrawn at any time as determined by the Board upon recommendation by the Management Team.

Article XII of the USNH bylaws defines “Board-Designated Funds” as meaning “the total of funds designated by the Board to be managed by the Endowment and Legacies Committee (the “Committee”)” and specifies one of the responsibilities of

the Committee as “managing and accounting for the use of Board-Designated Funds.”

Consistent with the current bylaws, the Endowment and Legacies Committee will oversee management of equity and bond investments in the new Investment Account. The account would be invested in a combination of low-cost ETF equity and bond funds chosen by Peter Kirschenbaum, our portfolio manager at Olson Mobeck. (Olson Mobeck’s management fee is .60%, a discounted rate that was negotiated for USNH). The investments would be rebalanced quarterly.

The Investment Account would also have a Money Market Fund that would receive any new deposits and all income and dividends from the ETF investments. There would be an electronic link between this Money Market Fund and the primary USNH checking account so that it would be easy to move money back and forth between the two accounts.

Periodically, and not less than twice each year, the management team will review the Operating Reserve plus the five-year reserves for capital and programmatic expenses, and current market conditions and returns in the investment account, and determine whether any additional cash should be placed in the Investment Account.

Draft Operational Budget

MT is trying to be conservative about the budget. The pledge estimate was lowered to \$450K, based on pledges received to date. To address the lower potential pledge income without making extreme expense reductions, two revenue increase possibilities were identified: a. increasing the endowment contribution, and b. increasing a transfer from unrestricted gifts and donations. The latter would be similar to the process used to fund the ministerial search, where an anonymous \$30,000 donation was designated to cover “transition” costs in the operating budget. MT has also made reductions in expenses, including lower personnel expenses and lower worship speaker fees. All other committee requests and full fair share dues have been preserved, but may still be subject to change as income projections are finalized for the June 5 congregational meeting.

The stewardship campaign for 2016-17 has received \$422,000 in pledges to date. These have come from 195 pledges, of which 183 are repeat pledgers from 2015-16. The amount pledged by these repeat folks has dropped by 2.6% overall. Twelve new pledges were received totaling \$8000. The focus now is on some 40-50 households who have pledged about \$50,000 for 2015-16 (but not yet pledged for 2016-17), so we expect many pledges will eventually come in from this group. A letter will go out to these households. Additional calls may be made at a later date.

Taking a multi-year view of our financial situation, it was noted that the mortgage will be refinanced in two years, and the remaining principal to be refinanced (~\$400,000) will be about half of original mortgage amount. To this principal amount

will be added the \$40,000 of roof loans from members, who have generously requested that their repayment be a legacy gift to the endowment rather than a repayment to themselves. There is a definite hope that our annual mortgage costs will be reduced by about half from the current \$85,000/year, assuming interest rates are about the same. If the mortgage principal can be reduced through other efforts, such as a capital campaign, then further reductions of financing costs will occur in the annual operating budget. USNH has made a 3 year commitment to use funds from the Emerson and Senn to support the full time DRE salary, beginning in 2015-16. There will be some funds remaining in these RE-restricted funds at the end of the 3 years. The amount budgeted for personnel is less than this year's original budgeted amount. Energy expenses will be reduced by the oil to gas conversion.

BoT and MT members discussed how best to present the combination of capital and operational budgets to make it clear that funds should be budgeted each year for future capital needs. It was suggested that the budgets tell a story of the next three years to show projections of mortgage changes, etc. Financial data should support the story. M. Donohue mentioned that several other congregations use 25% for reserves which is in line with USNH plans. S. Frawley explained that future capital and operating budgets will cover the same fiscal year periods. The capital budget will be distributed at the congregational meeting to remind members of the budget that has been approved.