

Unitarian Society of New Haven  
Minutes of the Meeting of the Board of Trustees  
May 11, 2017

*Accepted June 8, 2017*

**Board Members Present:** Kathy Garner, Daniel Gelperin, Holly Hawkins, Russell Heinrich, Megan Lloyd Joiner, Pamela Miller, Peggy Myers, Bobbi Pace, Pat Trotta

**Board Members Absent:** Bernice Marie-Daly

**Also Present:** Georgia Jennings, David Stagg, Sally Connolly, Maggie Goodwin, Kenny Foscue

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**

D. Gelperin lit the chalice and did a brief reading from Albert Schweitzer. Attendees read the Board of Trustees Covenant. We checked in with the question 'What do you hope USNH will do or be in the next year?'

**Meeting Preparation for this evening**

The CONECT discussion will be limited to 20 minutes to allow time for budget discussions. There were no agenda changes.

**Create the Future & Learning (part 1)**

- a. Presentation about the possibility of joining CONECT, discussion. Aim to share ideas of how to proceed.

K. Foscue, M. Goodwin, and S. Connolly presented the CONECT proposal. CONECT is a group of 25 organizations in Connecticut from Norwalk to East Haven affiliated with Industrial Areas Foundation, the oldest and largest faith and community based network in the country. Congregation Mishkan Israel is a member. CONECT researches, analyzes, and organizes around social and economic justice issues. K. Foscue has been an organizer since 1970's and finds this to be one of the most impressive organizations he has encountered. M. Lloyd Joiner is familiar with CONECT.

CONECT has two full time organizers. They address economic justice, health care, criminal justice, anti-racism, and other topics. They are recognized as a powerful religious organization and they win. They were critical in getting the Connecticut legislature to pass a law on issuing drivers licenses to undocumented residents. They brought together more than 500 people to work on immigration issues. They break large meetings into smaller groups to address specific actions.

According to Matt McDermott, a CONECT employee, CONECT is good for leadership development. This could be a way to get new USNH members more involved. M. Goodwin recommended that we read the book Interfaith Leadership by Eboo Patel. CONECT helps to teach people about leadership and involvement in many of the issues mentioned. People can learn a lot by working with people of other faiths and backgrounds. It can help us to learn how to address white supremacy. It is always a good idea to engage with others. CONECT works on both statewide and local issues. They were closely involved in the successful effort to take the liquor license away from SLICE, a pizzeria in Hamden.

Dues are an issue. It costs money to join. CONECT pools their funds to support their activities. Their guideline, from Leviticus, is 1/60<sup>th</sup> of a congregation's budget. They understand that this may not be possible. There is some flexibility. M. Lloyd Joiner and L DeVos have applied for a UU funding panel which could cover half of the first year's dues. Dues would be less than \$10,000.

Board members want to know how CONECT would integrate with our Social Justice Network to get all groups involved. Some groups plan to include CONECT in their budget.

The board needs to look at how the decision gets made. M. Lloyd Joiner noted that the process has varied by congregation. Getting full congregational buy in seems to get the best results.

S. Connolly, M. Goodwin, and K. Foscue left the meeting at 7:34 pm.

### **Assess the Past (Monitoring)**

#### a. Operating reserve proposal

G. Jennings and D. Stagg presented the proposal, which is attached at the end of the minutes. The main issue is why do we need a reserve: to cover emergencies and cash fluctuations. We need to determine how much is appropriate. Holding too much in reserve precludes using the extra funds in the budget. Dropping the reserve from 25% to 15% would free over \$62,000 for the budget. We probably will set up a line of credit when the mortgage is refinanced. Hamden now offers free pre-school which forced our tenant to invest in improvements in the classrooms. Their lease will be up for renewal next year. The last time we lost a tenant it took three years to find a new tenant. Additional funds should be available after the mortgage is refinanced if interest rates do not rise in the meantime. The Endowment and Legacies committee may help us pay down the mortgage.

Has government related volatility been taken into consideration? K. Garner replied that the Endowment and Legacies committee may be willing to help if something unexpected happens. Policy could be changed if needed.

**MOTION – P. Myers**, that the policy be changed to establish the operating reserve at 15% of the operating budget; **SECONDED – B. Pace**;

**PASSED** unanimously, 8 in favor, 0 opposed, and 0 abstentions

#### b. Operating budget

D. Stagg and G. Jennings presented the operating budget which is attached at the end of the minutes. M. Lloyd Joiner provided the comments on the budget report. Unrestricted funds have shrunk over time. Keeping our fair share in the denomination is important to many members. The description for the fair share should include the cost per member. The Senn fund is exhausted and the Emerson fund has been reduced. We need to understand what funds will be available. MT will meet with the Endowment and Legacies committee in September. We should consider areas to cut if we want to pay our full fair share. Can we do other fundraisers? A service auction would allow members of the congregation to bid on a sermon topic. That could be a fund raiser. We can try to increase pledges. The board's budget can be reduced by \$1500.

#### c. Capital budget

The capital budget was presented by D. Stagg. It and the Proposed Allocation of Unrestricted Funds are included at the end of the minutes. Repaying the Roof Loan will zero out the interest that we have been paying annually.

The dryvit needs to be replaced because of damage done by birds. It would be very expensive to replace it with a different coating. When the dryvit coating is compromised, water can get in, cause even greater damage and allow mold to grow. The compromised areas have been inspected. No other damage has been found. The Building and Grounds committee wants to determine how urgent it is to repair the dryvit. Other options will be investigated.

The stairs would be rebuilt with coated rebar to eliminate rust stains.

Cuddle Time needs to have electrical work done to make the rooms safer for toddlers. Some outlets will be covered and new outlets will be added in three rooms.

Land near the playground will be cleared to eliminate ticks.

Are we tracking expenses related to the lease? Are the expenses recoverable? The tenant does cover some expenses. Electrical usage is tracked.

Are we living beyond our means? Much of our unrestricted liquid funds have gone to cover capital expenses. The endowment has grown considerably in recent years.

The budget report shows a deficit this year. Deficits have not been shown in the past. We could fund the UU dues at 100% and show a greater deficit. We must be able to tell the story that we have used most of the funds that were uncovered by the finance committee a few years ago.

The clarity of the budget documents has been very helpful.

- d. Monitoring compliance with financial policies- see report "Monitoring Financial Conditions May 2017" in board packet

Deferred due to time constraints.

### **Create the Future & Learning (part 2)**

- a. Listening session updates, agree on how to proceed

Deferred due to time constraints.

- b. Board gift for Linda Pawelek in honor of her service upon her retirement.

Board members will donate funds to finish the quilt that is being made for Linda.

- c. Request to start brainstorming ways to communicate how USNH is governed and how it operates to congregants. Please share ideas with the board and with Dan.

Deferred due to time constraints.

### **Consent Agenda**

- a. April 13, 2017 BoT minutes

**MOTION R. Heinrich**, to approve the consent agenda; **SECONDED P. Myers**;

**PASSED** unanimously, 8 in favor, 0 opposed, and 0 abstentions

### **Announcements**

A volunteer is needed to take notes at the second May meeting.

A volunteer is needed to do a reading at the June meeting.

### **Thank-you's**

Thank you notes will be sent to Amy Wexler, Toby Appel, and Merrily Kaplan for the Seder.

**Adjournment**

**MOTION – D. Gelperin**, to adjourn; **SECONDED – P. Trotta**;

**PASSED** unanimously, 8 in favor, 0 opposed, and 0 abstentions

The meeting was adjourned at 9:19 pm.

**Attachments**

Operating Reserve Proposal

Operating Budget

Capital Budget

Proposed Allocation of Unrestricted Funds

## Operating Reserve Proposal, May 2017

Background: When constructing our operating and capital budgets, 75% of income comes from pledges. In the recent past, when there has been a shortfall we have drawn on our unrestricted net assets to cover the deficit. We have done this knowing that in mid-2018 we will be re-financing the balance of our mortgage, spreading the remaining principal over another 10 years, and providing some relief, perhaps \$30,000/year, from our current \$85,000 in annual mortgage payments.

A large part of our unrestricted net assets are held aside in our Operating Reserve, which is currently set at 25% of our annual expenses. This reduces the amount of funds that can be used for operations and capital improvements. In January 2016 a subcommittee of representatives from Finance, Endowment and Legacies, and the Management Team submitted a report to the Board entitled "Cash Management Recommendations." In it our reserve was characterized as "a very substantial cushion."

An Operating Reserve is needed for several reasons:

1. Some cash is needed to cover fluctuations in revenues and expenses. The report cited above, found discrepancies between revenues and expenses from 2007-14 did not exceed \$51,000. More recently the Finance Committee reported these discrepancies from 2009-present did not exceed \$36,000.
2. Cash is also needed to cover emergencies, like loss of our tenant or unanticipated building problems. Our current tenant pays approximately \$58,000 per year, which is 10% of our income. The Finance Committee noted that it is customary to set aside 2% of a building's value, \$35,000, to anticipate repairs.
3. A third method mentioned in the Jan 2016 report was to use the total expenses for the highest month in a fiscal year as a basis to set a reserve. For the most recent twelve months October 2016 had the highest expenditures at \$66,000.

### Determining an Appropriate Reserve

The Management Team has met with the Finance Committee and with the Endowment and Legacies Committee to discuss the idea of lowering the reserve. There is unanimous support for doing so.

The expenses in the proposed budget for fiscal year 2017-18 are \$623,275. Based on that number, the following table shows the amount of the reserve set at several levels and the funds that would become available for budgetary purposes, if the reserve were set at levels below 25%.

- 25% reserve would be \$155,819
- 15% reserve \$93,491                      Yielding \$62,328

- 10% reserve \$62,327                      \$93,492
- 5% reserve \$31,164                      \$124,655

The funds that become available from reducing the operating reserve, the "yield," would be combined with our current unrestricted net assets of \$78,790 and become available to support operating and capital budgets.

The Finance Committee has recommended that the operating reserve be reduced to \$25,000, yielding \$130,819. The \$25,000 reserve would cover fluctuations in cash flow. Funds for emergencies could be borrowed using a Line of Credit (small annual fee, approximately 7% interest on borrowed funds). Funds could also be borrowed from Endowment or borrowed from members of the congregation. The Finance Committee suggests that the increased unrestricted net assets be used to pay Endowment \$40,000 for the roof loans, to set aside \$50,000 for capital expenses, and to pay down the mortgage principal with the remaining funds when refinancing in June, 2018.

The Management Team recognizes the wisdom in the Finance Committee's proposal and is in agreement with paying Endowment the roof loans and addressing capital needs. However, holding unrestricted funds aside to pay down the mortgage next year does not address our need to augment our income with unrestricted funds in order to maintain our current operations, keep our facilities in good repair, and pay our existing \$85,000 annual mortgage debt.

In addition, \$25,000 does not seem to be an adequate reserve as it provides no cushion to address unexpected expenses without taking on more debt.

Based on our operating and capital budget needs, and our discussions with Finance and Endowment and Legacies, the Management Team recommends that our operating reserve be reduced to 15%. The projected \$93,391 would provide for fluctuations in cash flow as well as funds for unexpected emergencies, such as replacing one of our HVAC sanctuary heating/cooling units, which are nearing the end of their projected life.

The funds that would become available, along with projected unrestricted net assets will allow us to pay Endowment the \$40,000 in roof loans, to cover our projected deficit of \$12,000, and cover most of the \$77,000 currently needed for capital expenses.

The Management Team has also discussed with both the Finance Committee and the Endowment and Legacies Committee the need for an active investment strategy for our cash reserves, not just for our Operating Reserve, but also for the funds being held in temporarily restricted funds. Endowment and Legacies has offered to develop several options related to investing cash and lowering the mortgage principal. We plan to meet to discuss these in September. In the meantime, the Finance Committee has agreed to find "liquid, conservative, interest or dividend earning accounts" (PG 1.5.2.1) for our cash reserves, currently in low or non-interest bearing accounts.



		2014-15 Budget	2014-15 Actual	2015-16 Budget	2015-16 Actual	2016-17 Budget	2016-17 YTD (3/31/17)	16-'17 YTD 87%	2017-18 Proposed Budget	Revised Proposed Budget	Comments
	<b>INCOME</b>										
	Pledges										estimate based on received pledges, expected pledges and potential new pledges
4000		464,000.00	421,157.00	467,829.00	466,265.00	465,000.00	391,279.44	84%	483,000.00	480,000	
4100	Collection Plate	22,660.00	24,588.00	23,000.00	26,227.00	25,000.00	20,288.91	81%	25,000.00	25,000	
4200	Misc. donations, incl. Coffee and Flower donations	3,300.00	18,074.00	3,300.00	1,923.00	2,000.00	1,309.63	65%	2,000.00	1,500	Decreased based on actuals
4300	Rentals										
4310	Regular Tenant	52,520.00	53,720.00	55,520.00	54,903.00	58,000.00	48,055.00	83%	58,000.00	58,000	
4320	Incidental	7,400.00	9,885.00	7,400.00	5,750.00	6,000.00	6,530.00	109%	7,000.00	8,000	Increased based on 2016-17 rentals
4400	RE Income	1,240.00	970.00	900.00	1,150.00	900.00	170.00	19%	900.00	0.00	Decreased based on actuals
4500	Fund Raising	18,000.00	14,938.00	14,000.00	14,282.00	18,000.00	15,045.77	94%	16,000.00	16,500	What additional fundraising could we add? Service Auction?
4600	Interest	900.00	1,196.00	1,000.00	1,089.00	1,500.00	621.19	41%	1,500.00	500	Decreased based on actuals
4700	<b>Restricted Funds Released</b>										
	Released from Senn fund	3,000.00	3,000.00	5,000.00	5,000.00	5,000.00	5,000.00	100%	3,183.00	3,183	Restricted fund for RE. Used to bring DLRE to full time. Depleted this year.
	Released from Emerson fund	7,000.00	7,000.00	10,000.00	10,000.00	10,000.00	10,000.00	100%	11,817.00	11,817	Restricted fund for RE. Used to bring DLRE to full time. Funds remain for future use.
	Released for installation from gifts & donations					5,000.00	2,637.68	53%	0.00		One-time event
	Memorial gifts at Endowment			15,123.00	15,123.00						
	Temp. Restricted Funds transferred for operating costs	10,042.00	10,168.00	0.00	0.00	23,500.00	0.00	0%	0.00		Transfer from unrestricted funds removed from income. Invalid accounting procedure as not true income. (see below)
4900	Endowment contribution (2%)	15,233.00	15,233.00	16,255.00	16,255.00	17,461.00	0.00	0%	18,000.00	27,000	3% in the event that it is needed at end of year. 2% otherwise.
	<b>Total Income</b>	<b>605,295.00</b>	<b>579,929.00</b>	<b>616,327.00</b>	<b>617,967.00</b>	<b>635,361.00</b>	<b>500,937.60</b>	<b>79%</b>	<b>626,400.00</b>	<b>611,500</b>	
	<b>EXPENSES</b>										
5100	<b>Facility</b>										
5110	Utilities	31,350.00	38,367.00	39,000.00	23,976.00	31,000.00	20,647.43	67%	31,000.00	27,000	Decreased due to switch to natural gas
5120	Maintenance and Repair	15,000.00	11,342.00	10,000.00	13,428.00	9,200.00	5,110.52	56%	9,200.00	9,200	
5130	Property management	21,100.00	26,746.00	20,000.00	8,084.00	8,000.00	8,244.00	103%	10,000.00	9,000	2014-15 and 2015-16 Facilities/Property management included contracted services, some of which belong in Office Service Contracts.
5140	Custodial Supplies	4,400.00	4,567.00	4,200.00	3,596.00	3,500.00	2,173.15	62%	2,500.00	2,700	Estimation based on actuals
5150	Landscape	1,000.00	1,717.00	2,000.00	12,460.00	11,000.00	8,857.00	81%	11,000.00	10,000	Estimation based on actuals
5160	Security/Alarm system			380.00	3,175.00	3,280.00	3,175.00	97%	3,280.00	3,000	
	<b>Facility total</b>	<b>72,850.00</b>	<b>82,739.00</b>	<b>75,580.00</b>	<b>64,721.00</b>	<b>65,960.00</b>	<b>48,207.10</b>	<b>73%</b>	<b>66,960.00</b>	<b>60,900</b>	

5200	<b>Communication, Media</b>										
5210	Office Supplies (copier paper, supplies)	1,800.00	1,493.00	1,800.00	1,418.00	1,500.00	1,473.67	98%	2,000.00	2,000	Estimation based on actuals
5220	Postage	1,150.00	882.00	1,150.00	739.00	700.00	791.48	113%	1,200.00	1,000	Estimation based on actuals
5230	Office service contracts (copier, Poland Spring)	11,000.00	12,464.00	7,000.00	8,050.00	7,000.00	7,315.22	105%	7,000.00	10,000	Expected increase in costs
5240	Cable service: internet, phone, TV, wi-fi	3,300.00	4,081.00	3,400.00	3,328.00	3,400.00	3,037.51	89%	3,500.00	3,500	New Contract
5250	Office contingency	600.00	0.00	500.00	119.00	400.00	0.00	0%	400.00	300	To be used in the case of overages or unexpected office expenses
5260	Tech: hosting, software, licensing	1,800.00	3,234.00	1,800.00	1,867.00	1,500.00	1,638.65	109%	1,500.00	1,800	Estimation based on actuals
	<b>Communication total</b>	<b>19,650.00</b>	<b>22,154.00</b>	<b>15,650.00</b>	<b>15,521.00</b>	<b>14,500.00</b>	<b>14,256.53</b>	<b>98%</b>	<b>15,600.00</b>	<b>18,600</b>	
5300	<b>Committee Support/Member Services</b>										
5310	Membership Committee	0.00	185.00	1,000.00	742.00	1,000.00	747.72	75%	1,200.00	1,000	
5320	Right Relations Committee	2,000.00	331.00	2,000.00	2,000.00	2,000.00	1,780.03	89%	2,000.00	1,500	
5330	Sunday Morning Team(include hospitality)	1,275.00	1,898.00	2,000.00	1,918.00	2,000.00	1,334.89	67%	2,000.00	1,800	
5340	Stewardship/Canvass	1,000.00	1,276.00	2,000.00	1,518.00	2,000.00	949.94	47%	2,000.00	1,800	
5350	Endowment & Legacies	500.00	886.00	2,000.00	247.00	2,000.00	1,250.75	63%	2,000.00	1,500	
5360	Small Groups	85.00	0.00	300.00	100.00	300.00	0.00	0%	300.00	150	
5370	Library/Archives	85.00	63.00	100.00	84.00	245.00	180.89	74%	245.00	200	
5380	Lay Ministry Team			200.00	120.00	200.00	200.00	100%	200.00	200	
	<b>Committee/Member Services total</b>	<b>4,945.00</b>	<b>4,439.00</b>	<b>9,600.00</b>	<b>6,729.00</b>	<b>9,745.00</b>	<b>6,444.22</b>	<b>66%</b>	<b>9,945.00</b>	<b>8,150</b>	
5400	<b>Denominational Affairs</b>										
5410	UUA Program Fund 2017-18: 326 members (\$60/mem)	10,619.00	10,619.00	20,088.00	19,440.00	17,780.00	17,760.00	100%	19,560.00	14,670	
5420	New England Region (\$22/mem)	4,028.00	4,028.00	6,480.00	7,128.00	6,512.00	6,512.00	100%	7,172.00	5,379	
	<b>Denom. Affairs total</b>	<b>14,647.00</b>	<b>14,647.00</b>	<b>26,568.00</b>	<b>26,568.00</b>	<b>24,272.00</b>	<b>24,272.00</b>	<b>100%</b>	<b>26,732.00</b>	<b>20,049</b>	75% of Fair Share
5500	<b>Finance</b>										
5510	Mortgage	83,853.00	86,023.00	83,853.00	82,563.00	85,100.00	61,069.94	72%	85,100.00	85,234	Based on contract
5520	Insurance	9,500.00	6,730.00	7,200.00	7,262.00	7,900.00	7,790.00	99%	7,900.00	7,900	
5530	Accountant's Review	4,500.00	4,475.00	4,700.00	3,875.00	4,350.00	3,500.00	80%	4,350.00	3,500	Estimation based on actuals
5540	EFT Fees	250.00	213.00	280.00	268.00	270.00	444.09	164%	270.00	270	Reduction based on info provided to congregation in hopes that members will use other methods to fulfill pledges
5550	Roof loan interest	600.00	600.00	600.00	600.00	600.00	600.00	100%	600.00	0.00	Reduction based on repayment to Endowment of roof loans
5560	Bank fees		386.00		56.00		-159.24				
5570	Paypal Fees (~3.0% of contrib using paypal)	250.00	634.00	650.00	535.00	600.00	462.10	77%	600.00	500	Reduction based on info provided to congregation in hopes that members will use other methods to fulfill pledges
5570	CT Sales Tax	200.00	58.00	100.00	248.00	250.00	133.35	53%	250.00	250	
5580	Merrill Edge sales commission		63.00		35.00	0.00	28.35			50	Estimation based on actuals
	<b>Finance total</b>	<b>99,153.00</b>	<b>99,182.00</b>	<b>97,383.00</b>	<b>95,442.00</b>	<b>99,070.00</b>	<b>73,868.59</b>	<b>75%</b>	<b>99,070.00</b>	<b>97,704</b>	



5600	<b>Personnel</b>										
5610	Salaries (Minister, DLRE, Administrator, Directors of Music, Associate Director of Music)	250,608.00	226,054.00	245,650.00	270,572.00	249,370.00	192,800.00	77%	243,639.00	243,639	1% COLA for eligible staff (Min, DLRE, Admin, Assc. Dir Mus.); Following Fair Compensation Guidelines
5620	Hourly Wages (Sexton, Membership Coordinator, Childcare Workers)	26,120.00	26,491.00	26,572.00	26,270.00	27,110.00	21,473.55	79%	34,145.00	34,381	1% COLA for eligible staff with Sexton at 2% to bring closer to midpoint of Fair Compensation Guidelines
5625	Contractor (Bookkeeping Services)	0.00	0.00	0.00	4,873.00	12,000.00	8,445.00	70%	12,000.00	12,000	
5630	Medical Insurance (DLRE, Administrator, Sexton)	28,672.00	27,961.00	37,286.00	26,201.00	24,247.00	19,402.48	80%	26,871.70	26,659.00	Increase based on 2017 increase and projected 2018 increase
5640	Other Insurance (dental, disability, workers comp, life)	8,311.00	7,102.00	7,675.00	6,048.00	7,366.00	6,377.78	87%	7,955.28	8,073.00	Increase based on 2017 increase and projected 2018 increase
5650	Federal Insurance Contributions Act (FICA) Tax	20,902.00	18,034.00	20,557.00	22,137.00	20,878.00	15,478.00	74%	21,250.00	21,268	Increase based on salary increases
5660	Pensions (Minister, DLRE, Administrator, Sexton)	21,263.00	17,141.00	21,405.00	17,564.00	21,352.00	16,782.42	79%	22,778.00	22,801	Increase based on salary increases
5670	Payroll service, admin fees, etc	2,200.00	1,972.00	2,700.00	2,688.00	3,000.00	2,203.25	73%	3,000.00	3,000	
5680	Professional Expense Accounts (Minister, DLRE, Administrator, Director of Music)	13,490.00	10,925.00	13,500.00	11,235.00	13,600.00	7,967.04	59%	13,700.00	13,700	\$100 moved from Music Budget to Dirs. of Music professional expenses
	<b>Personnel total</b>	<b>371,566.00</b>	<b>335,680.00</b>	<b>375,345.00</b>	<b>387,388.00</b>	<b>378,923.00</b>	<b>290,949.52</b>	<b>77%</b>	<b>385,138.98</b>	<b>385,521</b>	
5700	<b>Trustees Research and Development</b>	<b>3,000.00</b>	<b>6,958.00</b>	<b>3,000.00</b>	<b>1,554.00</b>	<b>3,000.00</b>	<b>275.00</b>	<b>9%</b>	<b>3,000.00</b>	<b>2,000</b>	
5710	<b>Management Team Discretionary Fund (new in 2016-17)</b>	<b>0.00</b>		<b>0.00</b>		<b>3,000.00</b>	<b>411.99</b>	<b>14%</b>	<b>3,000.00</b>	<b>1,000</b>	To be used for special projects not otherwise funded.
5800	<b>Rental Advertising</b>	<b>400.00</b>	<b>0.00</b>	<b>400.00</b>	<b>0.00</b>	<b>200.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>	<b>0.00</b>	Decreased based on actuals and lack of need for advertising.
6100	<b>Music</b>										
	Music Dir-Training, Conference	850.00	880.00	1,000.00	1,096.00	0.00	0.00				For 2017-18, music conference and dues have been moved to professional expenses.
6110	Paid instrumentalists	680.00	920.00	800.00	400.00	1,000.00	550.00	55%	1,500.00	1,150	
6120	Accompanist for memorials	255.00	0.00	300.00	0.00	300.00	150.00	50%	300.00	0.00	
6130	Sheet Music/Library	680.00	771.00	800.00	576.00	800.00	424.48	53%	800.00	500	
6140	Piano Tuning/Repair	595.00	670.00	700.00	675.00	750.00	656.00	87%	750.00	700	
6150	Dues, Tapes, Misc	170.00	100.00	200.00	146.00	200.00	81.00	41%	100.00	100	
	<b>Music total</b>	<b>3,230.00</b>	<b>3,341.00</b>	<b>3,800.00</b>	<b>2,893.00</b>	<b>3,050.00</b>	<b>1,861.48</b>	<b>61%</b>	<b>3,450.00</b>	<b>2,450</b>	

6200	<b>Religious Education</b>												
6201	Adult RE	425.00	378.00	600.00	807.00	1,300.00	456.59	35%	1,300.00	1,300			
6202	CYRE discretionary fund	425.00	228.00	500.00	426.00	500.00	392.28	78%	500.00	400			
6203	Teacher Training & Support	425.00	365.00	300.00	300.00	300.00	137.57	46%	300.00	300			
6204	Curriculum, supplies, equipment	1,105.00	1,197.00	1,200.00	1,121.00	1,200.00	639.15	53%	1,500.00	1,200			
6205	YRUU Support	638.00	638.00	800.00	597.00	800.00	335.69	42%	800.00	700			
6206	Family Multigenerational Activities	510.00	473.00	750.00	413.00	750.00	124.62	17%	750.00	500			
6207	Teacher/volunteer background checks	255.00	0.00	300.00	96.00	300.00	0.00	0%	300.00	150			
6208	OWL Teacher Training	0.00	0.00	1,500.00	750.00	1,500.00	1,501.15	100%	500.00	500			
6209	Affirmations Class Expense	1,020.00	1,069.00	1,500.00	1,592.00	1,500.00	1,470.69	98%	1,500.00	1,500			
	<b>Religious Education total</b>	<b>4,803.00</b>	<b>4,346.00</b>	<b>7,450.00</b>	<b>5,902.00</b>	<b>8,150.00</b>	<b>5,057.72</b>	<b>62%</b>	<b>7,450.00</b>	<b>6,550</b>			
6300	<b>Social Justice</b>												
6301	Abraham's Tent/Columbus House		893.00		434.00	600.00	0.00	0%					
6302	Anti-Racism TF		1,000.00		971.00	700.00	700.00	100%					
6303	Peace TF		612.00		550.00	650.00	650.00	100%					
6304	Kids' Service Team TF		600.00		1,032.00	1,000.00	684.86	68%					
6305	Immigration and Refugee TF		975.00		1,472.00	1,450.00	1,303.50	90%					
6306	Green Sanctuary TF		0.00		53.00	200.00	57.50	29%					
6307	Preventing Gun Violence TF		0.00		0.00	600.00	249.87	42%					
6308	Waverly/USNH Partnership TF		8,394.00		8,933.00	9,500.00	7,530.67	79%					
6309	UU-UNO TF (Dues)		0.00		400.00	400.00	0.00	0%					
6310	UUSC TF (Dues)		359.00		330.00	600.00	598.47	100%					
6311	Social Justice Council Retreat		25.00		330.00	300.00	300.00	100%					
	<b>Social Justice total</b>	<b>13,600.00</b>	<b>12,858.00</b>	<b>16,000.00</b>	<b>14,505.00</b>	<b>16,000.00</b>	<b>12,074.87</b>	<b>75%</b>	<b>18,000.00</b>	<b>16,000</b>			
6400	<b>Worship</b>												
6410	Speakers	2,000.00	50.00	2,400.00	2,553.00	2,400.00	788.90	32%	2,400.00	2,000			
6420	Sanctuary supplies	200.00	371.00	400.00	73.00	400.00	25.44	6%	400.00	400			
6430	Sunday Flowers	700.00	1,855.00	1,500.00	2,045.00	1,500.00	1,497.78	100%	1,000.00	1,000			
	<b>Worship total</b>	<b>2,900.00</b>	<b>2,276.00</b>	<b>4,300.00</b>	<b>4,671.00</b>	<b>4,300.00</b>	<b>2,292.12</b>	<b>53%</b>	<b>3,800.00</b>	<b>3,400</b>			
	<b>Moving Expenses</b>	<b>8,590.00</b>	<b>7,656.00</b>										
	<b>Ministerial Search Committee</b>	<b>20,000.00</b>	<b>10,980.00</b>	<b>0.00</b>	<b>-1,396.00</b>								
	<b>Ministerial Installation</b>					<b>5,000.00</b>	<b>2,637.66</b>	<b>53%</b>	<b>0.00</b>				Ministerial installation removed from income and expenses.
	<b>Total Expenses</b>	<b>617,034.00</b>	<b>609,632.00</b>	<b>633,656.00</b>	<b>624,498.00</b>	<b>635,170.00</b>	<b>474,383.50</b>	<b>75%</b>	<b>642,145.98</b>	<b>622,324</b>			
	<b>Income - Expenses</b>	<b>-11,739.00</b>	<b>-29,703.00</b>	<b>-17,329.00</b>	<b>-6,531.00</b>	<b>191.00</b>	<b>26,554.10</b>		<b>-15,745.98</b>	<b>(10,824)</b>			Deficit
	<b>Unrestricted Funds (Savings)</b>									<b>12,000</b>			To be transferred from unrestricted funds at end of year to cover expenses if need be.
	<b>Capital Fund Contribution</b>									<b>0.00</b>			Funds to be contributed toward Capital Fund in the event of Net Income

Capital Item	Estimated cost	Timeframe		Comments
<b>2017-18</b>				
Repair of the exterior coating (Dryvit) on all walls except the sanctuary	\$ 57,000	Summer/Fall		We have asked for an evaluation and recommendation from a consultant. We have one bid. We are preparing an RFP for others bids.
Replacement of our front steps and apron	\$ 10,000	Summer/Fall		An attempt to seal the stairs was unsuccessful. We have one quote for replacement of the apron and stairs and will seek others.
Electrical work in the Lower Level for Air Conditioners and child safety issues	\$ 5,000	ASAP		We have met with our Electrician and are waiting for a quote.
Clearance and seeding of land behind and to the side of our building	\$ 5,000	Fall		We have one quote of \$5,400 and a second of \$3,900 for partial clearing. Both include seeding with grass
<b>Total</b>	<b>\$ 77,000</b>			
<b>Future</b>				
Sanctuary HVAC replacement	\$ 70,000			\$20,000 was set aside in the 2016-17 Capital Budget

Proposed Allocation of Unrestricted Funds  
Fiscal Year 2017-18

Funds Available

\$	78,790	Unrestricted net assets (at 3/31/17 per Antonia)
\$	23,500	Less amount set aside for '16-17 budget deficit
\$	<b>55,290</b>	<b>Unrestricted net assets available</b>
\$	166,355	Operating Reserve at 25% of '17-'18 budget
\$	93,213	Less Operating Reserve at 15%
\$	<b>62,142</b>	<b>Funds available if operating reserve set at 15%</b>
\$	<b>117,432</b>	<b>Available funds (from net assets and reduced operating reserve)</b>

Expenses

\$	40,000	Payment to Endowment for Roof Loan
\$	12,000	Projected Budget Deficit 2017-18
Capital Expenses 2017-18		
\$	57,000	Dryvit - exterior coating on RE wing
\$	10,000	Rebuild front stairs
\$	5,000	Electrical work - Cuddletime
\$	5,000	Clear land near playground
\$	<b>77,000</b>	<b>Capital needs 2017-18</b>
\$	<b>129,000</b>	<b>Expenses</b>
\$	<b>(11,568)</b>	<b>Available funds less expenses</b>

Looking Forward

**Mortgage Payments**

\$	86,234	Current annual payments
\$	(32,000)	Annual savings when refinanced, if same interest rate, no reduction in principal
\$	(14,000)	Additional savings, if principal paid down \$100,000
\$	<b>39,234</b>	<b>Possible annual mortgage payments</b>

**Capital Expenses**

\$	70,000	Replace 2 HVAC units
\$	(20,000)	Less funds set aside 2018-17
\$	50,000	