

Unitarian Society of New Haven  
Minutes of the meeting of the Board of Trustees  
May 11, 2023  
Approved by the Board June 8, 2023

Board members present:

David Jones, President	Bobbi Pace, Vice-president
Terry Bohnhorst Blackhawk, Clerk	Sue Trotta-Smith
Joan Ciano	Christina Santoni
Kyle Manning	Becky Reeve

Management Team representative: Becky Friedkin

1. President David Jones called the meeting to order at 7:07 p.m.
2. Chalice lighting by Vice-President Bobbi Pace
3. Covenant reading: Bobbi Pace read “To be a Unitarian Universalist” by Erika Hewitt.
4. The agenda was approved with the addition of two topics: an amendment to the Mortgage Covenant and a change of By-laws.
5. Bobbi Pace moved and Christina Santoni seconded the acceptance of the minutes of both March 20, 2023 and April 13, 2023. The motion passed unanimously.
6. Search committee. David Jones gave a search committee update. He and Bobbi Pace will form the negotiating team with the new minister, once one is selected.
7. Management team report and discussion of FY24 operating budget (draft attached). Becky Friedkin reported that the budget outlook is more positive than anticipated due to efforts of the Stewardship Committee, as well as the Budget Task force and conversations around a new minister. The tentative budget includes a 4% COLA for staff and a recommended increase to our bookkeeper.  
  
Bobbi Pace moved approval of this budget on a tentative basis, pending changes around compensation for the new minister. Christina Santoni seconded. The motion passed unanimously.
8. Discussion of amendment to covenant. The proposed Amendment (attached) to the Covenant between the Congregation and the Endowment & Legacies Committee will extend the term of the facilities loan (i.e., mortgage) by an additional ten years, lowering our annual payments by more than \$13,500 per year. The Amendment will need approval at the Congregational Meeting.  
  
Joan Ciano moved that Amendment II to the Covenant of June 2, 2018 be accepted and presented at the June 4, 2023 congregational meeting. Kyle Manning seconded. The motion passed unanimously.
9. Proposed by-laws change. The Finance Committee and incoming Treasurer have requested that USNH change the bylaws so as **not** to require an annual financial review. The proposed changes, to be approved by the congregation on June 4, are:

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 recommended replacement language is:

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

Bobbi Pace moved and Becky Reeve seconded approval of this change. The motion passed unanimously.

10. Per the Management Team, bonuses have been given to Jamie and Jesse in appreciation for their additional services since Rev. Lindasusan went on leave.

11. Proposed conferrals of Emerita status. A proposal honoring Kathleen McTigue (21 years) and Linda Pawelek (40+ years) for the significance of their contributions to USNH will be presented to congregants on Sunday, May 21, 2023 at an open forum with board and management team. The proposed FY24 Operating Budget will also be previewed and questions answered.

12. Kyle Manning announced for the Nominating Committee that all open positions are covered, with the possible exception of one E&L slot.

13. Adjournment. Christina Santoni moved adjournment and Sue Trotta-Smith seconded. Meeting adjourned at 8:15 p.m.

Respectfully submitted,  
Terry Bohnhorst Blackhawk

Attachments:

Draft FY24 Operating Budget Summary  
Amendment II to Covenant of June 2, 2018

	Operating Budget Draft 2023-24 Version 1.9	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			489,000		1
2	Pledges collected	456,263	436,500	365,372	84%	474,330	Assume 97% collected at year-end	2
3	Collection Plate	20,263	18,000	15,836	88%	20,000		3
5	Daycare Rental	58,133	60,200	41,850	70%	60,200	same as 22-23	5
6	Other Rentals	10,278	7,000	11,464	164%	15,000		6
8	Fundraising	4,704	12,000	5,719	48%	12,000		8
9	CONNECT Fundraising	1,681	2,000	0	0%	2,000	special SJ fundraising	9
11	Released from Temporary Restricted Funds	30,000	60,000	0	0%	8,100		11
13	Endowment contribution	23,767	52,782	35,820	68%	55,896	4% of 13 Q avg from Michael Clorite 2/4/2023	13
13a	Other income	1,211	2,575	1,267	49%	4,700	Coffee/Flowers, RE Income, Interest, Misc gain/loss	13a
14	<b>Total Income</b>	<b>606,300</b>	<b>651,057</b>	<b>477,329</b>	<b>73%</b>	<b>652,226</b>	<b>Total Income</b>	14
	<b>EXPENSES</b>							
22	<b>Facility total</b>	<b>57,036</b>	<b>57,750</b>	<b>43,635</b>	<b>76%</b>	<b>56,850</b>	Utilities, Maintenance and Repair, Property Management, Supplies, Landscaping with Snow Removal, Security/Alarm	22
30	<b>Communication total</b>	<b>11,428</b>	<b>11,910</b>	<b>6,677</b>	<b>56%</b>	<b>11,010</b>	Office Supplies, Postage, Office Service Contracts, Internet services and licensing	30
40	<b>Committee/Member Services total</b>	<b>1,904</b>	<b>4,255</b>	<b>5,101</b>	<b>120%</b>	<b>3,765</b>	Membership, Covenantal Relations, Sunday Morning Team, Stewardship, Endowment and Legacies, Small Groups, Library/Archives and Pastoral Care Team	40
43	<b>Denominational Affairs: UUA dues</b>	<b>15,935</b>	<b>16,410</b>	<b>12,308</b>	<b>75%</b>	<b>15,995</b>	50% of UUA Request for 2023-24 of \$31,991	43
44	<b>Finance</b>							44
45	Mortgage	37,715	44,075	28,286	64%	24,079	Assumes an extension of payments for an additional 10 years at 5.7% interest	45
52a	Other Expenses	13,933	13,977	14,028	100%	10,449	Insurance, Accountant Fees, Bank, PayPal and Merrill Edge fees, CT sales Tax	52a
52	<b>Finance total</b>	<b>51,648</b>	<b>58,052</b>	<b>42,314</b>	<b>73%</b>	<b>34,528</b>		52
53	<b>Personnel</b>							53
54	Salaries (Minister, DLRE, Administrator, Director of Music, Assoc. Director of Music)	267,151	275,309	195,022	71%	287,297	4% COLA for non-ministerial staff	54
55	Hourly Wages (Sexton, Membership Coordinator, Child Care)	38,077	42,599	29,423	69%	42,220	4% COLA for sexton	55
63a	Other Personnel related expenses	142,611	150,207	90,837	60%	142,092	Health Insurance, Bookkeeping, Other Insurance, FICA, Pensions, Administration, Professional Expenses	63a
63b	<b>Personnel total</b>	<b>447,838</b>	<b>468,115</b>	<b>315,282</b>	<b>67%</b>	<b>471,609</b>		63b
64	Relocation expense for contract minister	0	0	0	0%	10,000	could be higher	64
65	Trustees Research and Development	0	500	0	0%	500		65
66	Management Team Discretionary Fund	0	0	0	0%	500	Reinstated for 2023-24	66
72	<b>Music total</b>	<b>819</b>	<b>1,500</b>	<b>860</b>	<b>57%</b>	<b>2,700</b>	Sheet Music/Library, Piano Tuning/Repair, Dues, Miscellaneous	72
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>	Adult RE, CYRE discretionary, Teacher training and Support, Supplies, YRUU, Family multigenerational support, Background checks, OWL teacher training, Affirmations class	83
84	<b>Social Justice</b>	<b>4,490</b>	<b>4,500</b>	<b>0</b>	<b>0%</b>	<b>4,500</b>	All programs other than Waverly	84
92	Waverly/USNH Partnership TF	9,085	9,000	6,717	75%	9,000		92
100	<b>Social Justice total</b>	<b>13,575</b>	<b>13,500</b>	<b>7,017</b>	<b>52%</b>	<b>13,500</b>	Columbus House, Anti-Racism/8th Principle, Peace, Kid's Service, Immig. & Refugee, Green Sanctuary, Preventing Gun Violence, UU-UNO, UUSC, Mental Health Awareness, UU the Vote, Women Empowered	100
101	<b>CONNECT</b>	<b>7,000</b>	<b>7,000</b>	<b>5,250</b>	<b>75%</b>	<b>7,000</b>		101
107	<b>Worship total</b>	<b>1,252</b>	<b>2,225</b>	<b>1,730</b>	<b>78%</b>	<b>1,305</b>	Speakers, Supplies, Sunday Flowers.	107
108	<b>Capital Fund Contribution</b>	<b>6,225</b>	<b>2,249</b>	<b>1,863</b>	<b>83%</b>	<b>17,989</b>	<b>To Capital Fund</b>	108
109	<b>Total Expenses</b>	<b>619,214</b>	<b>651,057</b>	<b>444,324</b>	<b>68%</b>	<b>652,226</b>	<b>Total Expenses</b>	109
110	<b>Income - Expenses</b>	<b>-12,914</b>	<b>0</b>	<b>33,005</b>		<b>0</b>	<b>Negative means Deficit</b>	110

# Unitarian Society of New Haven

6/4/2023

## Amendment II to Covenant of June 2, 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.

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 =  $\$188,574.60 + \$481,582.96 = \$670,157.56$