

UUFSD Congregational Meeting  
Meeting minutes  
Zoom, June 27, 2021  
Reconvened from June 13, 2021

Parliamentarian: Pamela Parker

Meeting called to order at 2:10 pm. by Dale Gottdank, President, Board of Directors  
Richard Macdonald had all participants raise hands via Zoom.  
Quorum established by Richard Macdonald.

**Discussion on amendment to language of 8<sup>th</sup> principle**

1. Motion to vote on end of discussion regarding amendment of 8<sup>th</sup> principle. Seconded. Passed.
2. Motion to vote on the adoption of the amendment to language of 8<sup>th</sup> principle as “To affirm and promote overcoming racism and oppression” Seconded. Motion did not pass. 31 for, 48 against

**Discussion on 8<sup>th</sup> principle**

3. Motion to call the question, seconded. Passed.
4. Motion to vote on the adoption of the 8<sup>th</sup> principle as presented in original form. 58 yes, 16 no on poll, 11 additional yes via chat; motion passes.

**Treasurer report from Sarah Miller and consideration and adoption of budget**  
(Treasurer Report and UUFSD Budget History spreadsheet as presented attached)

5. Motion to approve the budget, seconded. Opened to discussion.
6. Lisa Shaffer made a motion to approve budget with modifications (eliminate paid RE teachers now and reduce DRE to 75% starting in 6 months). Candace Sage noted that bylaws require up/down vote on presented budget. Lisa then withdrew motion.
7. Motion to call the question, seconded. Vote to end discussion on budget. Motion passes.
8. Vote re: approval of budget as presented by board treasurer. Yes 40, No 28, Abstain 3; by zoom chat yes 5, No 4; verbally yes 1. Total Yes 46, No 33, Abstain 3. Motion is passed, budget is adopted.
9. Rev. Jo Green had to leave at 5:00 pm. for another scheduled meeting.
10. Dream builders report by Chris Faller.
11. DRE report by Alison A.L.G. McLeod.

Meeting adjourned at 5:22 pm

# Treasurer's Report to the Congregation on June 27, 2021

## Presented by Sarah Miller, UUFSD Treasurer

### FY 2020-2021 Year End Highlights

**Breeze** – Breeze Congregational Management Software was adopted in September 2020 and has been a big win for those of us who use it a lot (the minister, the administrator, the treasurer, and stewardship), saving time and money.

**Audit** – This year we went through an audit that highlighted where we were not following best practices and where we need to tighten our financial controls. We will be implementing what we learned starting with a new QuickBooks company file and chart of accounts on July 1, 2021.

**COVID Grants** – These grants have been a gratefully received windfall for the Fellowship. We've spent about half of the total, which was anticipated and included in our FY20-21 budget. The balance will fund much-needed repair & replacement reserves and operations reserves, something we haven't been able to do for a while.

\$47,067 from Cares Act PPP (received 5/19/20)  
\$10,000 from EIDL (received 5/4/20)  
\$17,900 from Spirit Level Foundation (received 6/9/20)  
\$10,877 from Spirit Level Foundation (received February 2021)  
**\$85,844 TOTAL**

### Pledge Drive Report

The pledge drive was held in April 2021  
Here's how the change in pledging broke down:

- 73 members and 5 pledging friends (55 pledges) maintained their pledges at the same level as last year.
- 100 members (75 pledges) increased their pledges and are pledging \$44k more than they did last year.
- 26 members reduced their pledge.
- 14 members either died, moved, or for other reasons stopped pledging.
- For a total of \$15k more pledged than last year.

### Quartile Analysis of April 2021 Pledge Drive

Each quartile represents 25% of pledged income or ~\$88k:

- 1st : 6 households who each pledge \$11,000 or more/year
- 2nd : 15 households who each pledge \$4,000 - \$11,000/year
- 3rd : 33 households who each pledge \$2,000 - \$4,000/year
- 4th : 97 households who each pledge \$100 - \$2,000/year

130 households, or 84% of our pledges, pledge half of all pledged income.  
21 households, or just 14% of our pledges, provide the other half of UUFSD's pledged income.  
It costs just over \$2000/member to meet our financial obligations.

## Discussion of Fiscally Responsible Reserves

- Minister's Sabbatical Reserve – We need to set aside \$3,000 every year to be able to pay honoraria during the minister's sabbatical/s
- The Repair and Replacement Reserve – We should aim to set aside \$25k every year to ensure we can maintain the campus, its buildings, and other infrastructure in safe and operable condition.
- Operating Cost Reserve – We should consider putting funds aside each year to establish a reserve to cover our fixed costs if our income is suddenly reduced. Our fixed salary cost for 3 months is \$88K.

## Discussion of Financial Trends at UUFSD

Looking over 20 years of financial data, membership data, and staffing data, a few things stand out (see appendix to this report for the complete spread sheet).

### **We grow when we have a settled minister**

We are currently at 211 members. The first time we were this size was in 2001/2002 when Kathy Hurt was minister and we were 215 members. By 2006 when she left, we had 242 members. By the time David Miller arrived in 2009, we were back to 217 members. By the time he left in 2015, we were at 272 members. Since then, we've had 3 ministers and despite having a Director of Membership on staff in that exact same time frame, membership has declined. We are now back at 211 members. These data suggest that now, coming out of the Pandemic with a settled minister, we are well positioned to again grow our membership.

### **We are chronically short on revenue**

During the last 12 years, we have run a deficit in 6 of those years, not put any reserves by in 5, not paid our full UUA dues in 4, and for all that payroll is now \$350k and 80% of the expenses, we are still not adequately compensating our staff per UUA guidelines.

### **Pledging is barely keeping up with Inflation**

Pledging has increased by \$88k since 2009/2010, but when we take inflation into account, we're just staying even.

### **From a fiscal point of view, payroll as a percentage of expenses is problematically high**

- Payroll has increased over \$100k since 2009/2010, due not just to inflation, but to adding both staff and increasing the hours of existing staff.
- During Kathy Hurt's time, payroll was on average 67% of expenses. During David Miller's time it was on average 73% of expenses. During Megan Cefalu's time, it was on average 80% of expenses, and that is where it has stayed.
- To get some additional perspective based on how other churches structure their budgets, the current ratio of payroll to expenses at Chalice UU is 66%, at Summit 65% (but will probably go up to 73% when they get a fulltime minister), and at First Church 57% (which has economies of scale). Online pundits suggest 50% is considered a rule of thumb, which is interesting but not relevant.
- If we were to adequately compensate staff per UUA guidelines and fully fund programs, dues, and reserves, we would need on the order of \$50k more in revenue for FY21-22.
- If we were to have \$50k more in revenue for FY21-22, payroll would be 75% of expenses.
- As a thought experiment, if we were to start with the revenue we actually anticipate for FY21-22 and do a "people last" budget where programs, dues, and reserves are fully funded and the budget is balanced by trimming payroll, then payroll would go down by \$37k and the ratio of payroll to expenses would be 72%
- These data together suggest that ideally, for UUFSD, payroll should be 72%- 75% of the budget, however we manage to get there.

## Board's Approved Budget - Highlights

The requested budget is \$50k more than anticipated income, requiring cuts to just about everything. That being said, the Board has approved a "People First" budget, prioritizing taking care of our staff over other obligations.

The Board approved budget includes:

- 1.3% COLA increases for Alison, Tracey, Joe and Katie and increase in professional expenses for Rev Jo.
- \$1000 each for Music Program, RE Program, and Social Action Programs supplementing those budgets through occasional share-the-plate on Sunday.
- Partial payment of UUA dues, some repair and replacement reserve replenishment, and annual addition to minister's sabbatical reserve.
- The original board approved budget assumed we could break the lease on the office printer, replacing it with a laser printer and saving \$6000, but it turns out it will be more expensive to break the lease than to keep it. The lease runs out in October 2024. So that has been added back in using existing reserves to cover the overrun.
- The budget relies on \$21,000 in fund raising, which the Finance Committee and some on Stewardship believe to be too high.

## Board's Approved Budget - Details

UUFSD	2021- 2022 Budget	COMMENTS
<b>REVENUES</b>		
Pledges	\$334,400	\$352k pledged x 95%
Site Rental	\$48,000	Sandy Hill Rent
Sunday Collection	\$10,000	ave over last 12 years = \$11,300
Fundraising	\$21,000	ave over last 12 years = \$24,700
Other Sources	\$20,800	ave over last 12 years = \$21,700
<b>TOTAL REVENUES</b>	<b>\$434,200</b>	

**EXPENSES****STAFF**

Minister salary	\$95,000	
Minister benefits	\$31,792	Discretionary Fund Increase
RE Director salary	\$57,525	1.3% COLA Increase
RE Director benefits	\$22,641	
Administrator salary	\$39,051	1.3% COLA Increase
Administrator benefits	\$19,701	
Music Director salary	\$22,540	1.3% COLA Increase
Music Director benefits	\$2,724	
Accompanist salary	\$10,830	1.3% COLA Increase
Accompanist PR Tax	\$828	
Custodian	\$7,000	
Site setup staff	\$4,680	
Childcare staff	\$6,000	
RE staff	\$5,670	
AV Specialist	\$19,000	
Payroll Tax (FICA)	\$2,704	For hourly staff
Worker's Comp	\$2,250	
Misc personnel costs	\$630	
<b>Total Staff</b>	<b>\$350,566</b>	

**OPERATIONS**

Administration	\$8,850	
Printer	\$6,000	Cannot break printer lease so add back \$6k
Finance	\$12,000	
Facilities	\$20,307	
<b>Total Operations</b>	<b>\$47,157</b>	

**SOLAR LOAN SERVICING****\$4,405****PROGRAMS & COMMITTEES**

Committees	\$2,200	
Music Program	\$1,000	
Religious Education Program	\$1,200	
Social Action Program	\$1,000	
Worship	\$3,000	
<b>Total Programs &amp; Committees</b>	<b>\$8,400</b>	\$18,000 is what's asked

**DENOMINATIONAL DUES****\$13,336**

\$23,075 is what's asked

**RESERVES**

Repair and Replacement Reserve	\$13,336	\$25,000 is what's asked
Minister's Sabbatical Reserve	\$3,000	
<b>Total Reserves</b>	<b>\$16,336</b>	

**TOTAL EXPENSES****\$440,200****NET INCOME****(\$6,000)**

Reserves will cover this overrun

Fiscal Year:	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021*	AVERAGES
<b>PER YEAR END P&amp;L:</b>												* YTD 6-23-21	
<b>INCOME:</b>													
Pledges	\$247,690	\$243,950	\$258,495	\$271,330	\$290,413	\$278,107	\$272,467	\$272,983	\$301,016	\$328,569	\$342,377	\$335,977	
Sandy Hill Rent	\$18,482	\$19,083	\$19,615	\$20,281	\$22,232	\$23,172	\$24,311	\$24,574	\$25,458	\$38,775	\$48,825	\$45,300	
Fund Raising	\$18,670	\$29,978	\$34,485	\$33,356	\$29,589	\$30,140	\$21,421	\$29,157	\$22,062	\$26,979	\$18,345	\$2,331	\$24,710
Sunday Offering	\$10,589	\$9,508	\$10,802	\$9,560	\$13,402	\$13,101	\$12,324	\$12,822	\$12,447	\$13,314	\$13,325	\$4,635	\$11,319
Other	\$10,718	\$11,343	\$9,356	\$16,416	\$20,162	\$26,671	\$22,450	\$32,801	\$20,370	\$27,236	\$39,835	\$23,223	\$21,715
<b>Total Revenues:</b>	<b>\$306,150</b>	<b>\$313,861</b>	<b>\$332,753</b>	<b>\$350,943</b>	<b>\$375,797</b>	<b>\$371,191</b>	<b>\$352,972</b>	<b>\$372,337</b>	<b>\$381,353</b>	<b>\$434,873</b>	<b>\$462,707</b>	<b>\$411,466</b>	
<b>EXPENSES:</b>													
Payroll	\$234,723	\$224,601	\$234,565	\$237,177	\$271,631	\$281,941	\$276,082	\$311,997	\$333,401	\$337,754	\$346,631	\$330,281	
Operations (Adm, Finance, Site)	\$41,963	\$42,295	\$38,481	\$41,533	\$41,708	\$47,843	\$49,736	\$46,982	\$47,864	\$46,204	\$45,498	\$44,467	
Loans	\$20,036	\$19,226	\$18,853	\$17,969	\$17,903	\$15,826				\$4,405	\$4,405	\$4,405	
Dues (UUA, PSWD, Cluster)	\$13,802	\$14,754	\$18,962	\$19,434	\$19,908	\$22,849	\$22,172	\$12,026	\$5,000	\$18,340	\$19,500	\$23,928	
Programs&Committees	\$4,204	\$5,913	\$8,023	\$10,115	\$9,739	\$13,000	\$14,942	\$12,272	\$15,022	\$17,614	\$15,241	\$2,588	
Reserves			\$15,300	\$9,300	\$9,200	\$356				\$3,400	\$8,000	\$9,000	
<b>Total Expenses:</b>	<b>\$314,727</b>	<b>\$306,789</b>	<b>\$334,183</b>	<b>\$335,528</b>	<b>\$370,089</b>	<b>\$381,816</b>	<b>\$362,931</b>	<b>\$383,277</b>	<b>\$401,286</b>	<b>\$427,717</b>	<b>\$439,275</b>	<b>\$414,669</b>	
<b>NET:</b>	<b>(\$8,577)</b>	<b>\$7,072</b>	<b>(\$1,430)</b>	<b>\$15,415</b>	<b>\$5,709</b>	<b>(\$10,626)</b>	<b>(\$9,959)</b>	<b>(\$10,940)</b>	<b>(\$19,932)</b>	<b>\$7,156</b>	<b>\$23,432</b>	<b>TBD</b>	
<b>PER UUA DATA:</b>													
<b>Members</b>	217	234	239	237	237	272	260	251	257	231	245	213	
<b>Pledge Units</b>	159	171	177	176	196	196	197	182	183	168	162	150	
<b>TIME LINE:</b>													
<b>Reverend</b>	David Miller	David Miller	David Miller	David Miller	David Miller	David Miller		Meghan Cefalu	Meghan Cefalu	Meghan Cefalu	Meghan Cefalu	Thomas Perchlick	Jo Green
<b>Religious Education Director</b>	Alison	Alison	Alison	Alison	Alison	Alison		Alison	Alison	Alison	Alison	Alison	Alison
<b>Membership Director</b>													
<b>Payroll as a % of Expenses</b>	<b>75%</b>	<b>73%</b>	<b>70%</b>	<b>71%</b>	<b>73%</b>	<b>74%</b>	<b>76%</b>	<b>81%</b>	<b>83%</b>	<b>79%</b>	<b>79%</b>	<b>80%</b>	