

FUUSE Finance Committee Meeting Notes
January 18, 2009

1. Roll call of members and Board Liaisons
 - Jim Breeling
 - JB Gardner
 - Frank Heffron
 - Russell Tarason
 - Jennifer Morriss
 - Tish Lewis

2. A special meeting was held today because of forced cancellation of the Jan 13th meeting. The purpose of the meeting was to discuss the final version of a memo to the BOT recommending short term efforts aimed at balancing the FY2009 budget. The agenda for today's meeting was not circulated prior but an ad hoc agenda was created by JB. The customary format of the meeting will be resumed at the next meeting

3. Actions on the FY2009 budget
 - a. Jim B will hold a follow-up meeting with the Religious Education committee and with the DRE. In December, the DRE felt she could come in under budget. Also the DRE was "ok" with deferring additional professional expenses.
 - b. Jim B has a meeting with the chair of the Building Committee (Tony Tufts) via phone on Jan 20th. Tony has stated he has some ideas for cost control but wanted to discuss some possible "big ticket" expenses that are not currently budgeted. Examples include possible replacement of the two snow blowers that have been repaired so many times but may not be able to undergo further repair. Jim B raised the issue of the Capital Reserve fund as solutions to large capital equipment expenses that occur sporadically. The budget should deposit regular small amounts of money into accounts to replace computers, telephone systems, building maintenance equipment, boilers, etc.
 - c. Jim B was contacted by Wayne Demers (HR committee) who is seeking a FC liaison. Jim B will attend first meeting but future contact may be facilitated by another FC member. Over the phone, Wayne mentioned the possible need to hold the cost of living increase to a minimum in FY2010.

4. Memo to the BOT – discussion of the three "short term" suggestions
 - a. Tish and Jennifer discussed the Board's reaction to the initial draft. The first recommendation to defer payment of UUA dues until June when the Society's financial picture may become clearer was endorsed by the Board. Russell discussed his opinion that the UUA dues were a "pledge" of sorts and any payment other than payment in full would represent a reversal of a promise. Jim B mentioned that the UUA District has already asked for a draft 2010 budget including our estimate of the 2010 dues. Jim B will reach out to the UUA District contact to discuss 2009 and will submit the 2010 estimate by the Jan 26th deadline. The third recommendation to seek additional cost savings plans from Facilities, RE and Office Administration was also endorsed by the Board
 - b. The second recommendation – to hold further professional development expenses by the three salaried FUUSE employees caused a splitting of opinion on the BOT. Some felt that other costs should be controlled rather than professional expenses. Some members feel that cuts (if needed) should affect FUUSE members more directly so they could understand the linkage between their pledges and church services ('feel the pain'). Cutting professional expenses would not have this effect

but would affect the employees instead. Some FC members discussed that cutting professional expenses may cause FUUSE members to 'feel the shame' of not being able to honor employee compensation packages. Jim B discussed the elements of employee compensation and pointed out that only the professional expenses were even remotely discretionary. Employees are not being asked to take unpaid furlough or to have payments into retirement accounts reduced – options that organizations sometimes have to take to avoid going deeply in the red. Another line of discussion was that maybe services should be cut (like holding Sunday school only every other week) to highlight the linkage between budget shortfalls and services. Focus shifted to the problem FUUSE finances face on the pledge income side – fewer pledge units but some pledge units taking on larger pledges. The inequity of this situation potentially places FUUSE finances in jeopardy because if 1-3 very large donors leave the church, the budget shortfalls would become very large. Some churches limit any single pledge to less than 10% of operating budget to avoid this problem. The income problem cannot be solved with increased pledges from the major donors only – broad support from members must be obtained, even if the support is in many smaller pledges. Jennifer mentioned that the 'fair share' dues to the UUA amounted to ~\$72 per member, so giving per member must be in excess of that amount to help the overall budget.

- c. ACTION - - Jim B to contact Pat about holding further UUA dues until June.
 - d. ACTION – JB to initiate contact with Minister as the FC liaison. Subjects for discussion include the status of Professional Expenses as a discretionary part of salary & benefits expenses.
5. Memo to BOT – medium term suggestions. The FC agreed to drop these suggestions and take them up later as part of the draft FY2010 budget in preparation
 6. Other Business
 - a. Frank and Tish are working on a final draft of the Position Description for the Treasurer position with Ingeborg Lock. This will be presented to the FC as soon as available and if endorsed, the search for a Treasurer can begin
 - b. The Income Summary Statement provided at the end of the 2nd quarter was discussed. Mention was made of the differences between the Income Summary and Cash Flow reporting. The FC members want to see the “truth” about the budget and the Cash Flow report may represent a better report format for monitoring budget execution. At issue is the type of financial report that should be presented during regular monthly meetings.
 7. Meeting Close
 - a. Discuss task assignments
 - b. Review next meeting date – Sunday January 25, 2009 at 10AM (between services). Location will be the Parsonage.