

**FIRST PARISH BROOKLINE**

**PARISH COMMITTEE MEETING**

**November 5, 2013**

Parish Committee Members Present: , Steve Davis, Ann Gilmore, Stacey Raczek, Ryan Kim, Greg Buckland, Ann Dinsmoor, Ann Congleton , Anya Thomas and Jake Walters

Others Present: Rev. Jim Sherblom, Karla Baehr, Sophia Johansson and Senofer Mendeoza.

**Minutes:** The September and October 2013 minutes were reviewed and approved.

**Minister's report:** Rev. Jim addressed concerns that have been voiced about First Parish's ability to fund the salary for a second minister given the likely drop off in income from "other sources" such as auction, rentals etc. Rev. Jim suggested that the message we send to the congregation be that we are committed to hiring a 2<sup>nd</sup> minister and we will readjust our budget as necessary to make that goal a reality. Rev. Jim mentioned that at present by necessity we have a number of part time staff members but we may, in the future, be able to have a smaller more full time staff. Rev. Jim also touched upon the R.E. program, remarking how hard our Director of Religious Education was working, sometimes in difficult circumstances.

**Treasurer's report:** Ryan presented a number of handouts, (attached hereto) and indicated that he and Rev. Jim have been discussing the overall issue of sustainability, the immediate decisions before us and some of our longer term questions. A discussion followed during which it was agreed that we are putting too great a burden on too few people (BS &CDT, Holiday Party Chairs and Rev. Jim) when it comes to fund raising, and not enough on the congregation as a whole. We again addressed the role of the Parish Committee in financial stewardship.

**BS & CDT:** Karla Baehr and Sophia Johansson gave a brief update. Karla indicated that there would be an article in the December newsletter and suggested we offer regular reports by a member of the P.C. from the pulpit. The committee agreed to have a member speak at least once a month at the beginning of Sunday services. When discussing the Parish Committee's role

in financial stewardship it was the consensus that the Parish Committee needs to lead the way. A suggestion was made that one way to demonstrate greater leadership might be for PC members to offer to increase their individual pledges for the coming year. It was generally agreed that by taking the lead the Committee might influence the congregation to do the same.

**Holiday Party:** Senofer Mendeoza, co-chair of the holiday party updated the committee on the December 21<sup>st</sup> event. Senofer indicated that more donations to the silent auction were needed and asked the PC to assist in spreading the word. Some of the items needed for the auction were tickets for cultural and sporting events, a weekend away and gift baskets. The holiday party is an adult event as no babysitting will be provided. The \$25.00 entry fee will include a drink ticket. In addition to food and drink there will be tree decorating, tree lighting, music, the silent auction and the party will end with caroling. Senofer also suggested that First Parish add two new events to its calendar, a Valentine Day dance and a pancake breakfast. It was agreed that the breakfast would be held on March 2<sup>nd</sup>.

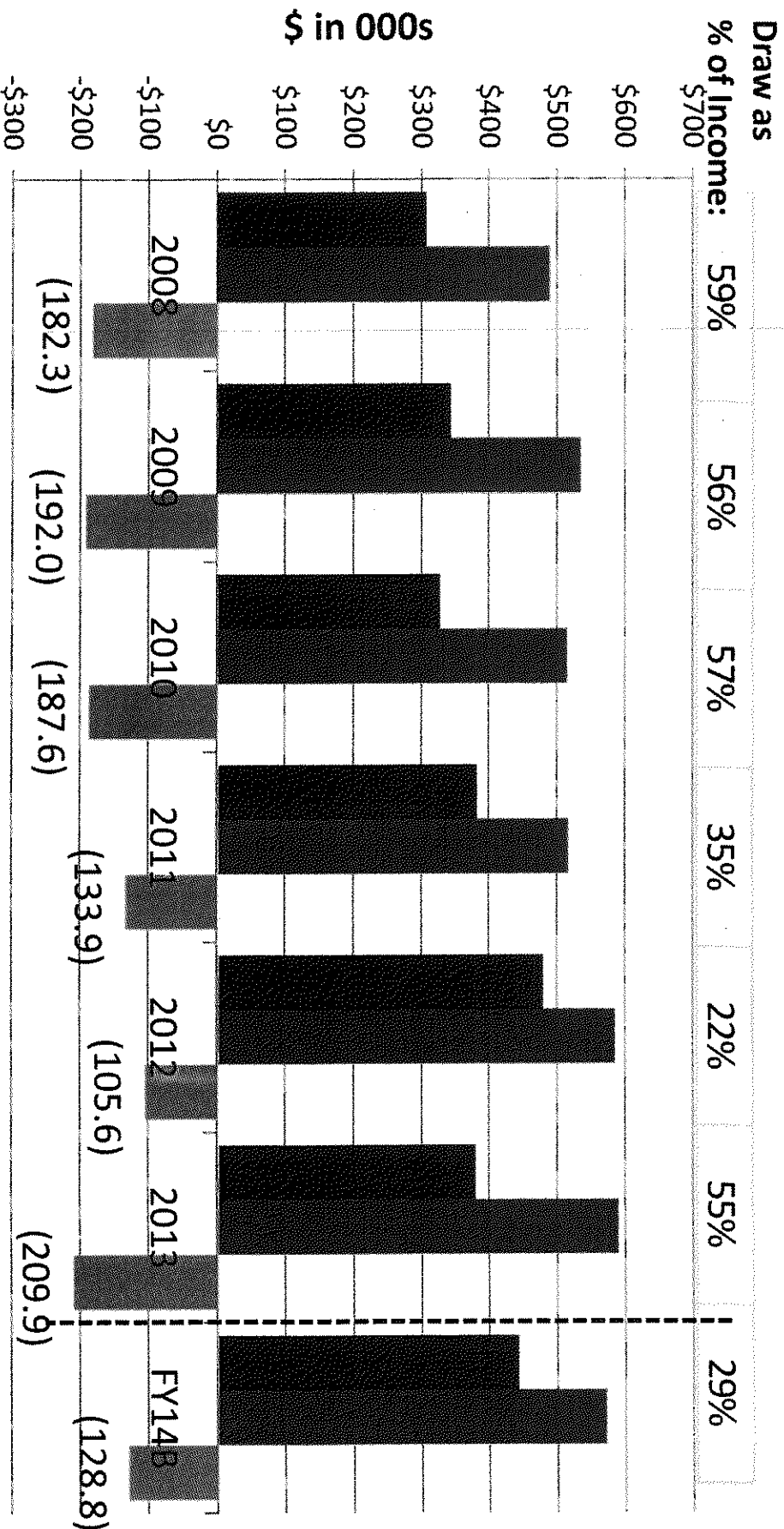
There being no other business it was unanimously voted to Adjourn.

Respectfully submitted

Jake Walters, Clerk

# Overview of FPB Cashflow

- Annual FPB funding need generally between \$150k and \$200k
  - Income of \$350-400k (blue bars) vs. expenses of \$500-600k (red bars)
  - Some noise from Building & Grounds Capital Projects and Movie Rental Income
- This shortfall is funded using our endowment

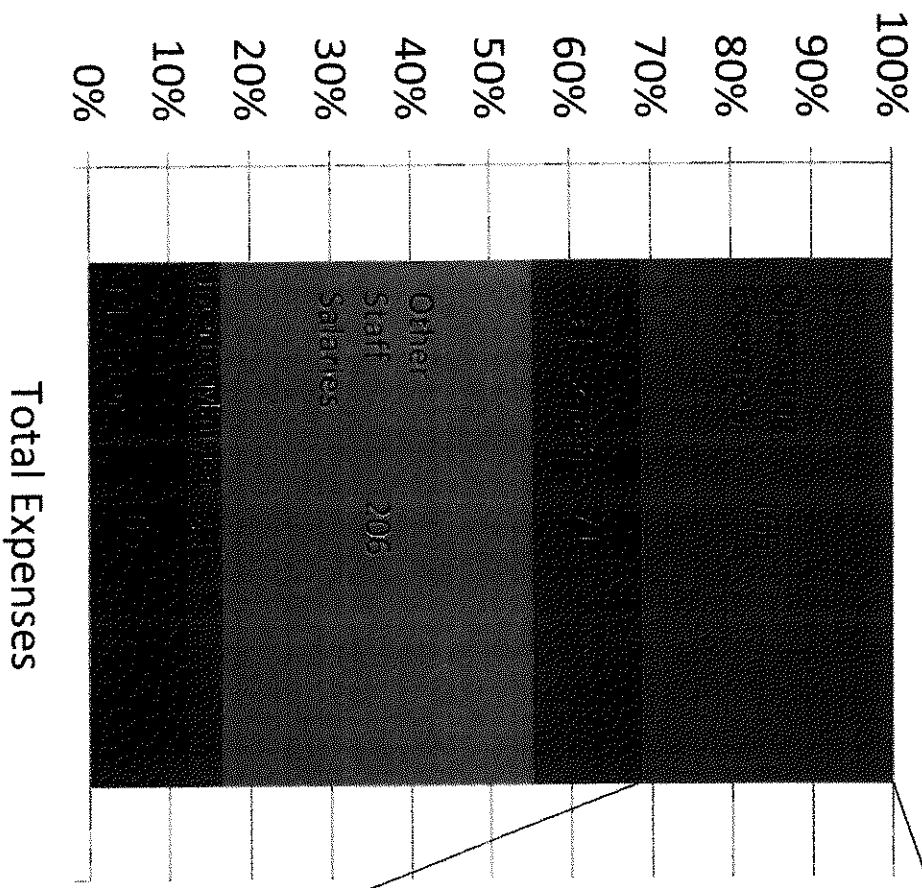


■ Income ■ Expenses & Bldg Projects = ■ Funding Need

Funding Need does not equal to draw on endowment in FY12 and FY13 based on creation of a supplemental building reserve using movie rental income.

# Breakdown of Expenses – FY13

- Difficult to reduce expenses (particularly mid-year) as generally we are run leanly
- But there are some discretionary items and “cushion” built into the budget

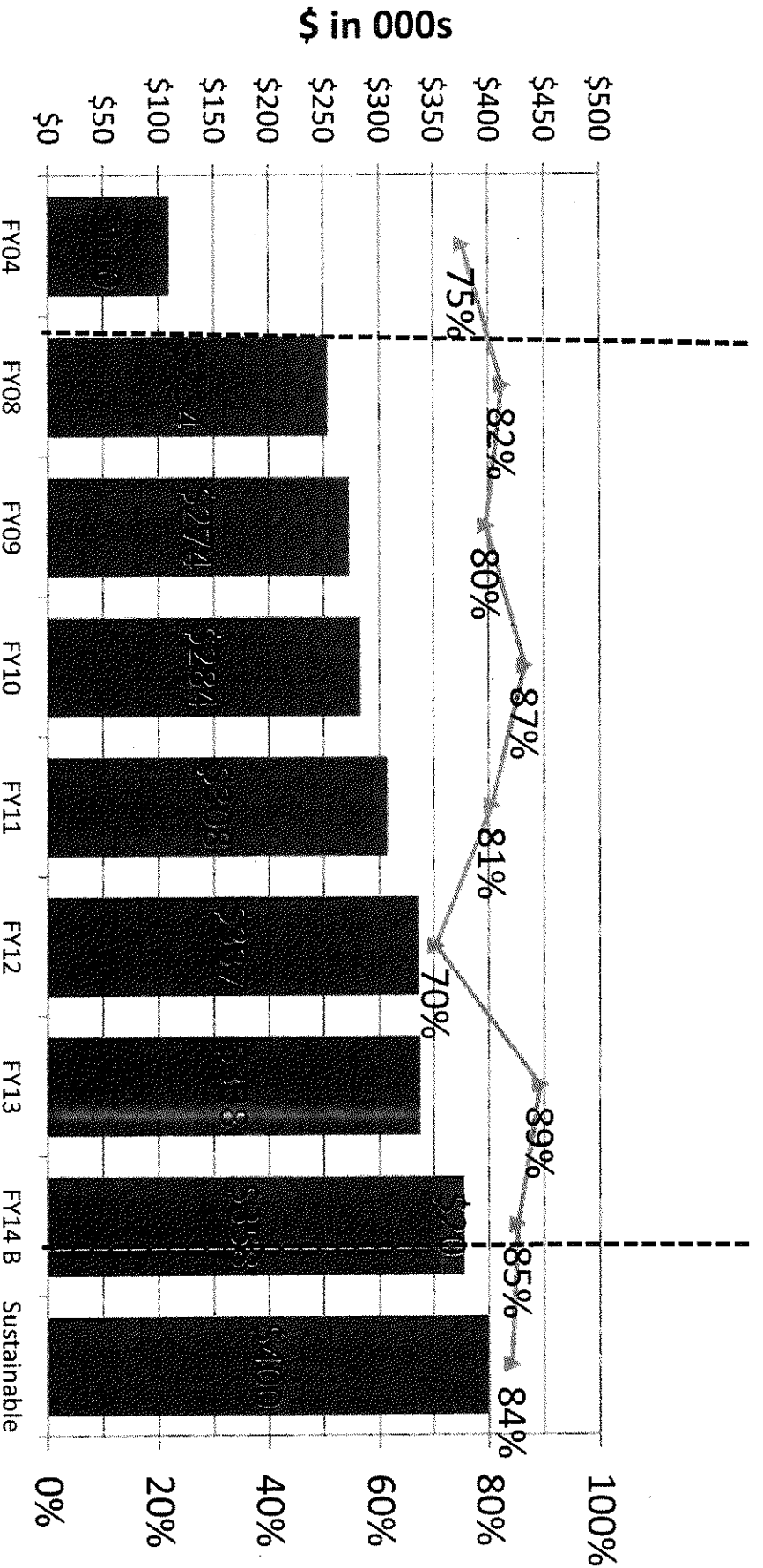


Fuel - Oil	36.9
Dues & Subscriptions	19.5
Commercial Insurance	18.2
Program/Project Expenses	17.8
Repairs & Small Projects	12.6
General Maintenance	8.7
Utilities	7.6
Hospitality	5.5
Telephone	4.7
Equipment Lease	4.3
Snow Removal	4.2
Office Supplies	3.8
Music Expense	3.5
Payroll Processing Expenses	3.2
Cleaning Supplies	3.2
Computer/Software	3.0
Municipal Fees	1.9
Postage	1.5
Printing & Copying	1.0
Temporary Help	1.0
Seminars/Workshops/Retreats	0.9
Website	0.8
Parish Furnishings	0.5
Ministers Discretionary Expense	0.4
Credit Card Fees	0.2
Donations	0.1
Bank Services Fees	0.1
<b>Total Operating Expenses</b>	<b>165.1</b>

Note: Figures are actual FY13 figures other than Senior/Interim minister figures which reflect FY14 cost structure.

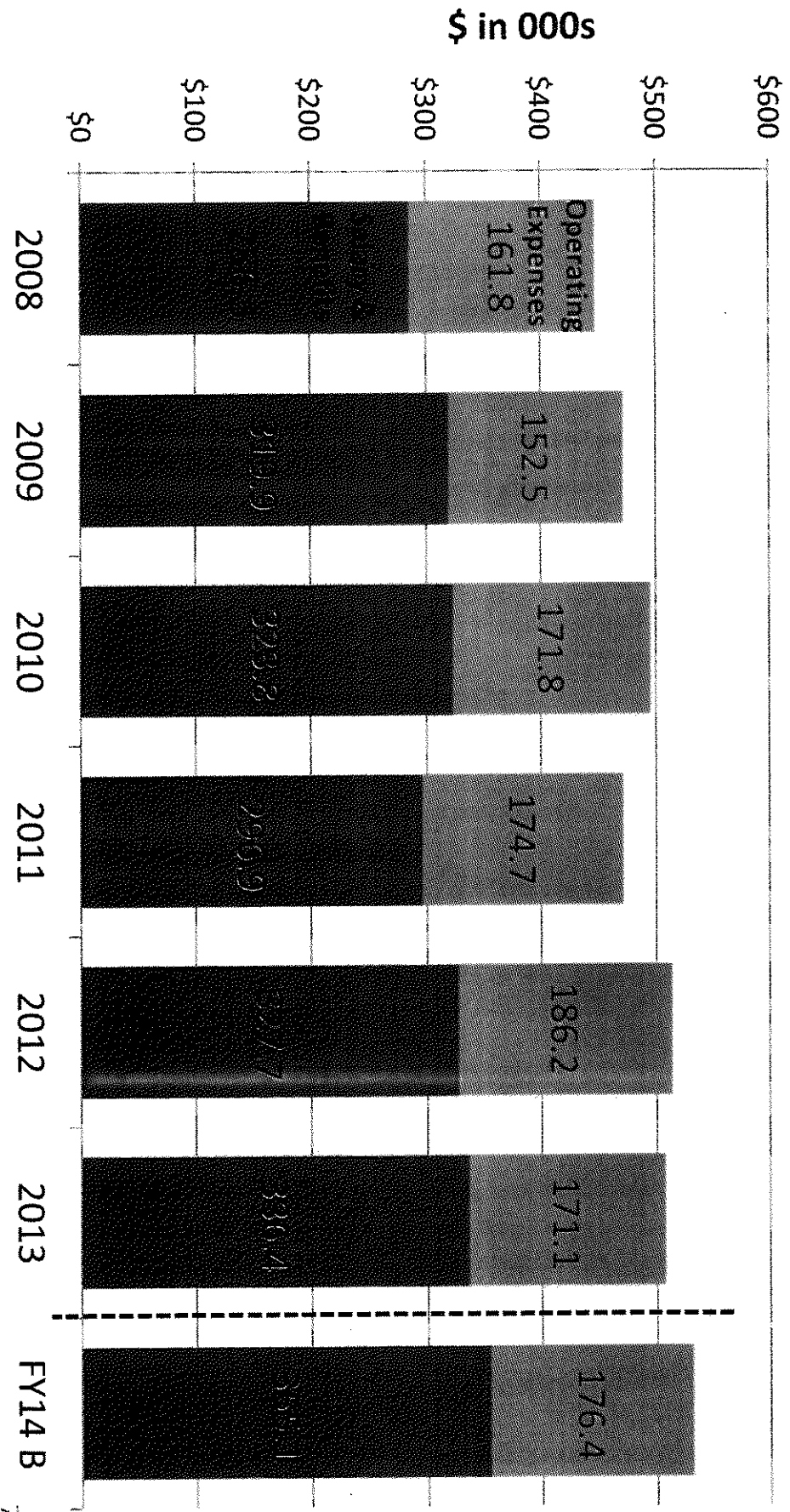
# Pledge Revenue History

- Annual Pledge Revenue (excluding matching gift) is currently at \$360k
- Historically represents 80-90% of total income
- Growing at 5.9% per year based on larger average donations and increasing membership



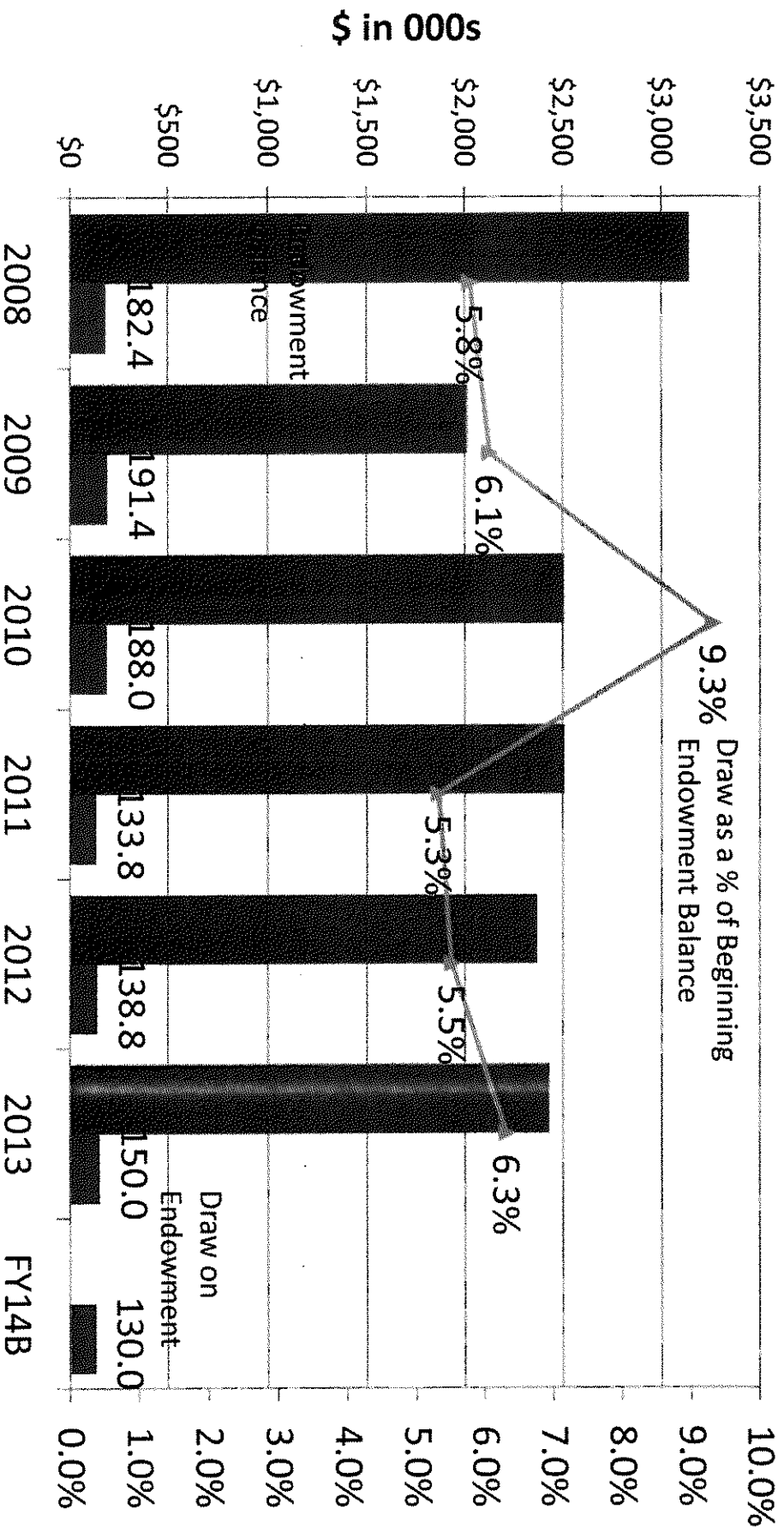
# Historical Expense Growth

- First Parish salary expenses have been growing at 2.5% per year (FY '08-'13)
  - Salary/benefits growing 3.3% as staffing has grown with congregation
  - Operating expense growth of 1% per year



# Historical Endowment Draw

- Our % draw on the endowment is somewhat volatile but has not changed much since 2008-9
- 2008 was lower based on aggressive cost cutting, where



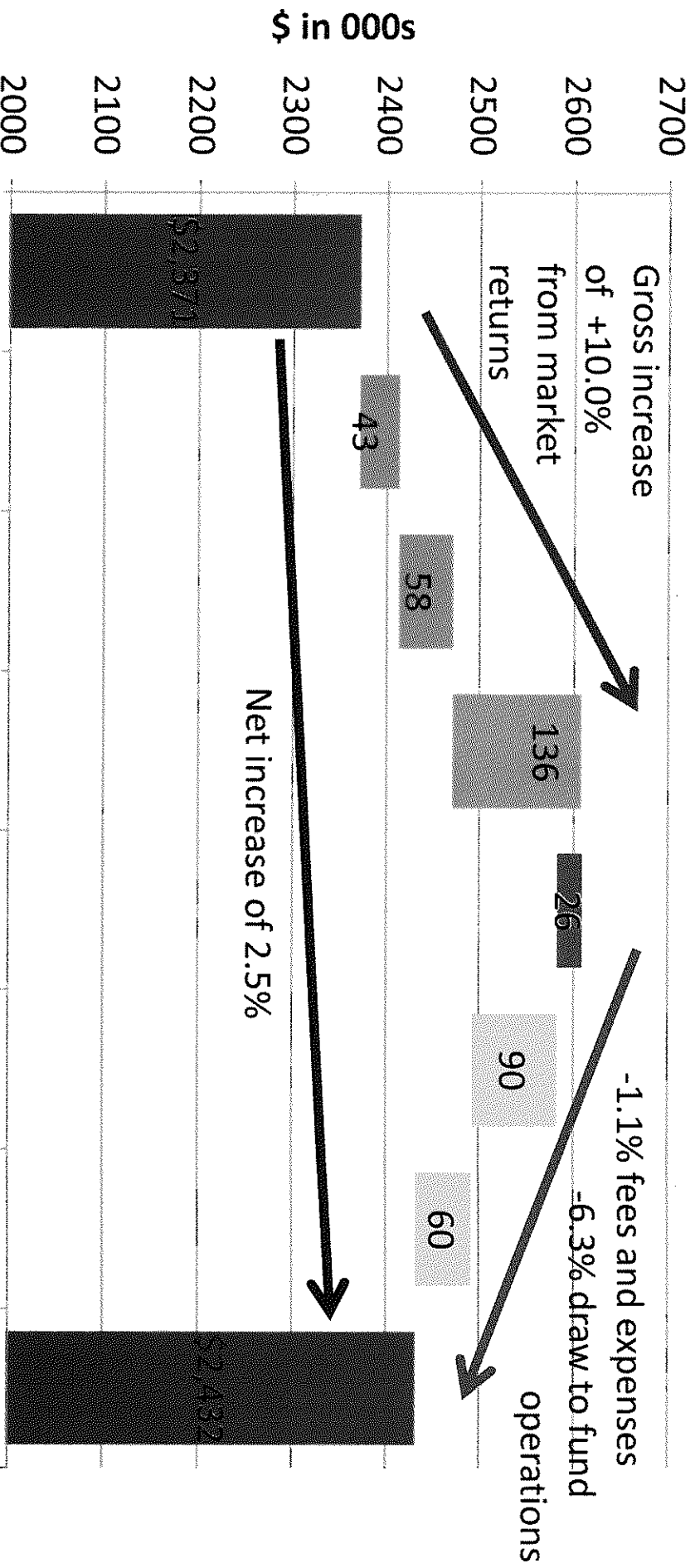
# Budget vs. Actual 2011-2013

	FY11		FY11		Actual vs. budget	FY12		FY12		Actual vs. budget	FY13		FY13		Estimate vs. budget	FY14	
	Budget	Actual	Budget	Actual		Budget	Actual	Budget	Actual		Budget	Actual	Budget	Actual		Budget	Actual
Pledges	295.0	308.0	347.2	337.0	4%	-3%	355.0	338.4	-5%	377.6	377.6						
Sunday	12.0	15.5	17.0	12.6			17.0	10.9		17.0	17.0						
Other Donations	4.0	21.5	3.0	10.4			5.0	6.0		3.0	3.0						
Subtotal Support	311.0	345.0	367.2	360.0			377.0	355.2		397.6	397.6						
Fund Raisers	15.0	14.6	20.0	21.1			25.0	-		25.0	25.0						
Bldg Use	15.0	17.5	17.0	79.8			20.0	14.4		17.0	17.0						
Activity Fees	1.7	4.7	2.0	3.1			3.0	3.7		3.0	3.0						
Designated Income	-	-	-	7.3			-	0.4		-	-						
Grants	-	-	-	7.0			-	5.0		-	-						
<b>Total Income Pre Draw</b>	<b>342.7</b>	<b>381.8</b>	<b>406.2</b>	<b>478.3</b>	<b>11%</b>	<b>18%</b>	<b>425.0</b>	<b>378.8</b>	<b>-11%</b>	<b>442.6</b>	<b>442.6</b>						
Salary	247.2	232.7	265.7	266.5			283.8	265.1		265.4	265.4						
Fringe	75.5	64.2	69.5	61.2			63.2	71.4		89.6	89.6						
Subtotal Personnel	322.7	296.9	335.2	327.7	-8%	-2%	347.0	336.4	-3%	355.1	355.1						
<b>Total Op Expenses</b>	<b>167.8</b>	<b>174.7</b>	<b>164.6</b>	<b>186.2</b>	<b>4%</b>	<b>13%</b>	<b>167.8</b>	<b>171.1</b>	<b>2%</b>	<b>176.4</b>	<b>176.4</b>						
<b>Total Expenses</b>	<b>490.5</b>	<b>471.6</b>	<b>499.8</b>	<b>513.9</b>	<b>-4%</b>	<b>3%</b>	<b>514.8</b>	<b>507.5</b>	<b>-1%</b>	<b>531.4</b>	<b>531.4</b>						
<b>Total Operating Deficit</b>	<b>(147.8)</b>	<b>(89.8)</b>	<b>(93.6)</b>	<b>(35.6)</b>			<b>(89.8)</b>	<b>(128.8)</b>		<b>(88.8)</b>	<b>(88.8)</b>						
B&G Capital Projects	(40.0)	(44.1)	(60.0)	(70.0)			(60.0)	(81.2)		(40.0)	(40.0)						
<b>Total Funding Need</b>	<b>(187.8)</b>	<b>(133.9)</b>	<b>(153.6)</b>	<b>(105.6)</b>			<b>(149.8)</b>	<b>(209.9)</b>		<b>(128.8)</b>	<b>(128.8)</b>						
As a % of Total Income	-55%	-35%	-38%	-22%			-35%	-55%		-29%	-29%						
As a % of Beginning Endowment	-7.5%	-5.3%	-6.1%	-4.2%			-6.3%	-8.9%		-5.3%	-5.3%						
Endowment Balance		2,510.7		2,370.7				2,431.9									
Cash Balance				125.1				102.5									
Endowment Transfer - Operating	147.7	93.8	93.8	78.8			90.0	90.0		89	89						
Endowment Transfer - Capital	40.0	40.0	60.0	60.0			60.0	60.0		40	40						
<b>Total Draw</b>	<b>187.7</b>	<b>133.8</b>	<b>153.8</b>	<b>138.8</b>			<b>150.0</b>	<b>150.0</b>		<b>129.0</b>	<b>129.0</b>						



# Endowment Inflows and Outflows

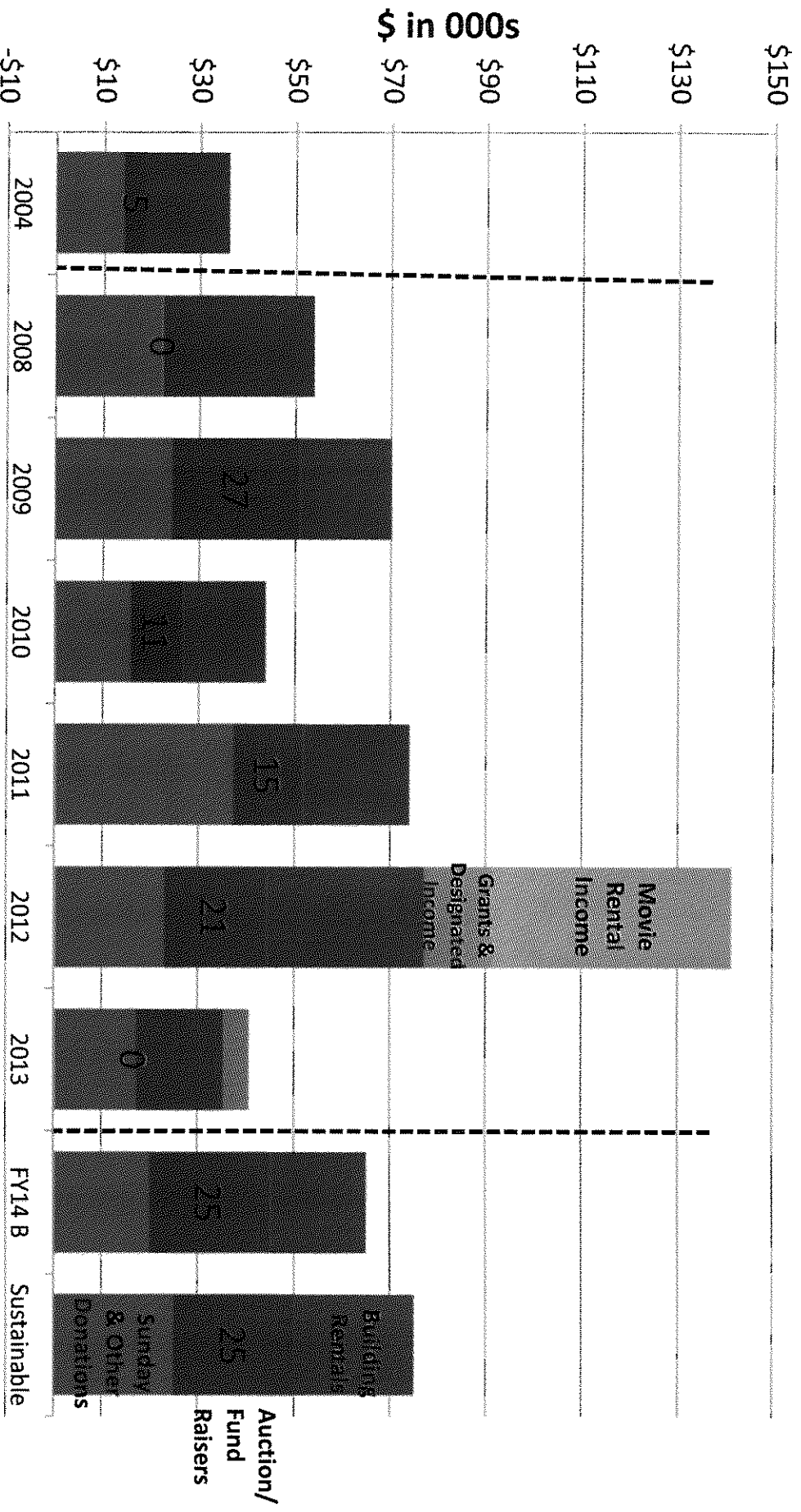
- First Parish endowment is roughly \$2.4 million, not including operating cash
- In a very strong market environment, our endowment grew 10%
- We spent 1% managing the endowment and drew 6.3% to fund operating and building repair/improvement costs



Green bars are sources of income, Red and yellow bars are uses of cash (expenses).

# Non-Canvas Revenue History

- Fundraisers historically produce \$10-27k in income
- Sunday & other donations have been declining and volatile
- We need to determine prioritization and ownership of these activities



Red - Sunday Collector  
 Purple - Auction + Fund Raisers  
 Blue - Bldg Rentals

# Staff Salaries 2008-2013

UUA Salary Recommendations: Geo Index 6 July 1, 2013				Mid Sized II (250-349 members)			
Title	Min	Mid	Max				
Senior Minister	70,600	91,800	112,900				
Associate Minister	56,500	73,400	90,300				
Assistant Minister	45,400	59,500	73,400				
First Parish Brookline	FY12	FY13	FY14	FY15	% FTE	Full Time	
Rev Martha	43,550	21,775	-	-	75%	86,837	
Rev Jim	43,550	65,325	65,128	65,128	50%	45,400	
Interim Minister	-	-	22,700	-	50%	70,000	
2nd Minister	-	-	-	35,000			
Ministerial Intern	12,000	6,000	9,000	9,000	?		
Subtotal Ministerial Staff	99,100	93,100	96,828	109,128			
Increase (Decrease)		(6,000)	3,728	12,300			
Director RE	36,150	37,275	37,930		?		
Music Director	21,300	24,000	24,550		?		
Section Leaders	13,600	13,600	16,000		?		
Accompanists		3,000	-		?		
Parish Administrator	41,300	42,500	42,750		?		
Controller	2,413	-	-		?		
Membership Coordinator	9,300	9,300	9,300		?		
Admin Assistant	9,300	15,600	15,719		?		
Sexton	18,000	18,200	13,728		?		
Custodian	8,775	8,892	14,040		?		
Nursery	3,600	4,100	3,600		?		
	262,838	269,567	274,445				