

DRAFT MINUTES OF THE CONGREGATIONAL MEETING OF THE FIRST UNITARIAN CONGREGATIONAL SOCIETY

March 15, 2023

Patrick Gunn, Moderator, called the meeting to order. The meeting was held both in person and via Zoom. Mr. Gunn welcomed members to the meeting and referred to the Meeting Agenda, Meeting Rules, and Right Relations Covenant that had been made available on the website. A determination of both in house and Zoom participants showed a quorum present.

Ana Levy-Lyons, Senior Minister offered opening words and Mr. Gunn lit the chalice.

Mr. Gunn appointed Liz Davis as Parliamentarian. Mary Most was appointed timekeeper. Laura Leslio and Catalina Bertani were elected in-house election inspectors. Maxine Shuloff was elected online election inspector.

Board Co-President's Report

Mr. Gunn recognized Co-President Robin Bossert and Board member Judith Sedaitis, representing Co-President Mary Huhn. They announced that Garnett Losak, Director of Congregational Life, is in real need of help to manage her daily workload. As a lead-up to hiring a new employee there will be a review of current staffing and job descriptions. It has become apparent that we are in need of more staffing due to the increased rental income, increased expenses, and a significant increase in building projects managed by the building staff. It was noted that we have been understaffed since 2016. More than 50% of our budget income comes from increased rentals. We need to cover increased expenses by not increasing withdrawal from our endowment or cutting programs. We are asking members to consider a 15% increase in their pledges.

They also noted some great news:

- We have welcomed 15 new members, which brings the current membership to 272.
- Sunday attendance is almost back to pre-pandemic levels.
- A mid-week vespers service has been added.
- UniFair chairs are already at work.
- Solar panels are now on the roof of 48 Monroe building.
- Vibrant youth ministry.

Leadership Development Committee

Mr. Gunn recognized Cara Haft for the LDC report. She nominated the following members to represent us at this year's UUA General Assembly:

- Michael DeSantis
- Beth Evans
- Julie Elting
- Lisa Pacenza
- Diane Crothers
- Catalina Bertani

Ms. Haft moved, and it was seconded that the slate be elected.

A member raised the question of whether any of the nominees intended to attend the GA in person. It was reported that all 6 intend to participate in person.

The motion was approved by a show of hands.

Treasurer's Report

Mr. Gunn introduced Treasurer Lee Pardee for her report. Ms. Pardee reported:

- Operating budget revenues are at 104.4% and expenses are at 97.7% through January 31, 2023.
- Capital budget revenues are \$222,200 and expenses are \$221,461 as of January 31, 2023.
- The Investment account as of January 31, 2023, is
 - General Endowment \$4,383,420
 - Capital Reserve Fund \$ 367,417
 - WLA Endowment \$ 502,405
 - TOTAL \$5,253,242
- The Money Market account as of January 31, 2023, is
 - Operating \$ 90,488
 - Capital \$104,985
 - McKinney Music \$ 40,642
 - Lafever \$ 5,513
 - Unemployment Reserve \$ 6,000
 - TOTAL \$247,628
- Checking account \$ 73,195
- We are doing very well so far this year.

Facilities Report

Mr. Gunn introduced John Carroll to present the Facilities report. Mr. Carroll reviewed the history and need for repairs of the brownstone façade. The last repairs were done in 1995 and the good news is that, since that time, techniques and materials have greatly improved. This is not a cosmetic procedure; it is being done for the safety and protection of our members and the public. This project has 3 components:

- Façade- the FC members joined the architect in sounding and marking each stone. Mr. Carroll provided pictures to demonstrate the damage needing repair. Only 28% of the stones need to be repaired on the lower brownstone. One hundred percent of the mortar will be repaired. The FC has received 2 bids and will make a recommendation to the Board later this month. They will also pay for supervision by the architect. These bids do not include the windows or the spires.
- Windows- Mr. Carroll introduced Matt Castle to speak about the windows. Mr. Castle spoke about the 3 front windows describing their structure and need for repair. The glass is fine, but the wooden tracery needs repair. He had brought in some examples and had pictures of the damage needing repair. He described the method of repair and the need for future maintenance.
- Spires-Mr. Carroll reported that the spires are in worse shape than the façade. He displayed pictures of the damage to the spires and ornamentation. There is a need to repair or replace the top part of the spires and most of the ornamentation lower down on the spires. They need to decide which material to use and are collecting more bids to help determine this. They hope to have final bids in the coming weeks and make recommendations then to the Board.

It is hoped to complete all this work before December 2024. There was a question on what the ornamentation will look like, will it be like it currently is or more modern. Mr. Carroll said that will be dependent on the cost of the repairs, and that the hope is that it will be close to the original design. If it is too expensive, they will consider a less elaborate design. There was a question about what have we learned since the last repair, which was supposed to last 40 to 50 years, about the materials and techniques that will make sure this is longer lasting. Mr. Carroll and Tom Check stated materials have greatly improved and that some of the repairs are from deterioration that wasn't present in 1995 but needs to be addressed now. A question was raised as to why will this take until December 2024. Mr. Carroll answered that it is extremely complex work with many steps involved. The spires, for example, are an intricate problem. They need to coordinate with fabricators who have to do scans of the spires to make a 3D replica and to determine which material to use in the repair. There is also the fact that weather will

limit what can be done in the different seasons. At each stage, work will need to be checked and approved to be in line with the Department of Buildings and Landmark Commission. The fact that the scaffolding had to go up so early for protection of members and the community adds to the feeling of how long this process is taking. Care is being taken at every step. A couple of members who were involved in the 1995 repairs rose to commend the current committee for their careful and thoughtful work. The next question concerned whether there would be any issues with the Landmark Commission. Mr. Carroll said he believed not as they were being very careful to get Landmark's approval.

Finance Committee Presentation, Motion, and Vote

Mr. Gunn called on Lee Pardee to make a presentation on behalf of the Finance Committee. She first thanked the Facilities Committee for their diligent work and then asked, "How much will all this cost?" and answered, "A lot!". She then presented the following breakdown of the cost:

• Façade	\$ 500,000
• Spires	\$ 500,000
• Window Tracery	\$ 250,000
• Scaffolding & Sidewalk Shed	\$ 150,000
• Architects & Consultants	\$ 125,000
• Mics & Contingency	\$ 75,000
• TOTAL	\$ 1,600,00

Some of these figures are fairly accurate; others are not. The façade is, but the bids for the spires are not yet in. The contingency figure may be a little low. We have gotten a \$30,000 matching grant from NY Landmarks and have already raised \$3,000 of the \$30,000 needed from the concert last September. First U has \$4,750,837 in funds available from our investment and money market accounts. But paying for façade out of the endowment reduces it by a 1/3 and doesn't seem like a good idea. If we use a line of credit loan to pay for the whole thing in 10 years, it will cost us \$160,000 in principle and \$60,000 in interest every year for the 10 years. The Finance Committee consulted with our investment consultant who suggested hedging our bets. No one knows what will happen in the next 10 years. The consultant's advice is to pay for the façade half from our endowment and half from a variable rate line of credit. This would require the segregation of some of our endowment funds as collateral, but because our endowment is in the same bank, this will not change how any of our funds are invested. The Finance Committee has proposed to the Board, and the Board is now proposing to the congregation that the façade be financed about half from our endowment and half from a variable line of credit. The Finance Committee will review the endowment earnings and the line of credit interest rate monthly, and depending on those 2 things, will make a recommendation at least every quarter to the Board about the next quarter's payment. The following questions were asked:

- When do we have to pay back the line of credit used? Ms. Pardee said the goal would be to pay it back in 10 years. With a line of credit, you only pay back what you have used plus interest. Interest currently is about 6.5%.
- What plans are in place to provide consistency, that times and people can change? Ms. Pardee noted that it will be on the agenda for the Finance Committee to look at every month and they will be required to report to the Board every quarter what's the story with interest rates and earnings and what the Finance Committee is recommending be done. At least every year there must be a report to the congregation about all of this.
- Would it make sense to reduce our annual draw from the endowment and challenge the congregation to increase their pledges? Yes, an increase in giving will reduce what we need to take from endowment or LOC.
- When do we talk about growing the endowment? We have our financial endowment, and our building is also an endowment which now needs help from the financial endowment. Last year we took only half of our prudent draw.
- Can we build the endowment by encouraging members to be part of the Legacy Society? Yes, include us in your will.
- Is the capital reserve fund part of the endowment? Yes, it was funded to cover about 15 years of repairs, does not include the façade.

Ms. Pardee made the following motion:

On behalf of the finance committee, facilities committee, and board of trustees, I move that the congregation approve the plan to obtain a line of credit for up to \$1.6 million to finance the repairs to the sanctuary façade, windows, and spires, said line of credit to be paid off within ten years and reported on to the congregation at each annual meeting.

The motion was seconded. The floor was opened for comments. It will be open for 15 minutes or until there are no more comments. An amendment was suggested to add the word revolving to describe the line of credit. The amendment was accepted. The motion now reads:

On behalf of the finance committee, facilities committee, and board of trustees, I move that the congregation approve the plan to obtain a revolving line of credit for up to \$1.6 million to finance the repairs to the sanctuary façade, windows, and spires, said revolving line of credit to be paid off within ten years and reported on to the congregation at each annual meeting.

A voice vote was held to close discussion. It was approved.

A hand vote was held on the amended motion. The amended motion for the revolving line of credit was approved, 71 approved, 0 opposed, 1 abstention.

Mr. Gunn adjourned the meeting.

Respectfully submitted,

Elees L. Woods

Clerk of the Society

Ms. Steele said that it is a good news - bad news situation. Since the budget forums, we have become less optimistic. The good news is that we are offering a balanced budget which meets our sustainable goal, and this is the first time in several years. Additional good news is the significant increase in rental income both from Imagine and from increased rentals due to addition of AC. Now the bad news, expected pledges have been dropped from \$330,000.00 to \$305,000.00. This is a \$25,000.00 deficit. Working with the Board, the following adjustments have been made.

1. Roll back salary increases from 5% to 4%; \$5,000 savings (also affects pension and FICA).
2. Eliminate \$3,000 for unemployment.
3. On Program side, cut back on consultant, reduced music purchases, reduced RE supplies, reduced hard/software, DCL, and Weavings budgets. Removed financial review.
4. Projected \$5,000 increase in other rentals
5. After all adjustments, the budget ended at \$595.00 over sustainable.

Ms. Steele then presented our current financial position.

Financial Position

Cash on Hand (as of 4/30)

	Money Market	297,547
	Checking	<u>77,763</u>
TOTAL CASH ON HAND		375,310

Endowment Balance (as of 3/31)

	General	4,655,873*
	Capital	<u>556,887</u>
TOTAL INVESTED		5,212,760

***This is likely the highwater mark for the endowment**

Ms. Steele noted that we have likely hit the highwater mark for our endowment, given the current stock market, and next year's sustainability figure is probably going to be lower than this year's. We adhere to a socially responsible investment policy.

Ms. Steele then moved, and it was seconded, that the Operating Budget for Fiscal Year 2022-2023 be adopted as presented.

The floor was opened for clarifying questions: There was a question on the Prepaid Unemployment. Ms. Steele responded that we have changed how we budget for it. Working with a Board member in HR, it was decided it is better to build a fund through annual payments. Three thousand dollars was determined to be the figure that should be added each year. It is likely, though, that at the end of this current fiscal year there will be a surplus and that can be added to the fund. Nancy Wolfe asked that if the budget improves, please put the financial review at the top of the list for reinstatement. Ms. Steele noted that there will be a congregational meeting probably in October and the new Board can make its determination of how to spend any additional funds, if there are any.

No one wished to speak for or against the budget as presented. The vote was called. The Fiscal Year 2022-2023 Operating Budget was adopted by a show of hands as presented.

Capital Budget Report.

Mr. Alcott introduced Tom Check for the Capital Budget. Mr. Check reminded the congregation that in 2019 it approved a plan to set up a 15-year plan to identify major repairs to the building. It approved the formation of the Capital Reserve Fund which was seeded by \$400,000.00 segregated from the endowment, 10% from annual rentals, and a Capital Fund Campaign. We are on target and doing well balancing funds. Earlier this year the Board asked the Capital Reserve Group to take on the responsibilities of the Facilities Committee and therefore changed the group's name to Facilities Committee. Chairman John Carroll has written a report that can be read on the church's website. The Facilities Committee is composed of John Carroll, Tom Check, Lee Pardee, Kevin Brunson, Liz Davis, Judith Sedaitis as Board Liaison, [Sara Seahofer](#), and Matt Castle.

Mr. Check then presented a slide of this year's (FY2021-22) with anticipated differences as follows:

FY21-22		Budget	Anticipated Expense Thru 6/30	Difference
	Planned projects		\$ 233,000	\$ 37,100
Additional Green Projects		\$ 70,000	\$ 90,000	\$ (20,000)
Unanticipated Urgent Projects			\$ 36,500	\$ (36,500)
Façade Project (Unanticipated)			\$ 108,800	\$ (108,800)
Total		\$ 303,000	\$ 272,400	\$ 30,600
Planned: Sanctuary wheelchair seating, sidewalk repair, daycare AC leak repair fire alarm system - started, organ repair - started				
Green Projects: HVAC in Chapel and FWR, solar panels on 48 Monroe roof				
Unanticipated Urgent: Gas line inspection & replacement, 48 Monroe roof replacement				
Façade: Architect, boom lift to inspect conditions, sidewalk shed				

AC will be live by June 30 and solar panels installed in July. A number of unanticipated issues arose this year that are life safety issues and are shown as the Unanticipated Urgent Projects on the chart. Next, Mr. Check presented the proposed Capital Budget for FY 2022-23.

FY22-23			
Projects Carried Over from FY21-22	\$ 174,500	Fire Safety System and Organ Repair	
Green Projects Carried Over	\$ 13,000	Solar Panels	
Unanticipated Projects Carried Over	\$ 10,000	48 Monroe Roof Replacement	
New Projects	\$ 15,000	48 Monroe Stoop Repair	
Façade Project - July-October 2022	\$ 109,200	Preparatory Work (roof joists, window tracery)	
Total FY22-23 Capital Projects	\$ 321,700		
Façade Project Nov 2022 - June 2023	\$ 690,923		
Financing of the Façade Project to be investigated over the summer. Congregational vote Fall 2022			

The issues with the façade were first highlighted last year and an architect was hired to assess. The architect reported that high on the spire stones were loose (from the 1995 repair) and ready to fall. As a result, the sidewalk shed was erected as a life safety project and to provide a place for the eventual erection of the scaffolding necessary for the repairs. Between July 2022 and October 2022, a similar assessment will be done on the windows facing Pierrepont. By October we will have a concrete scope of the extent of the repairs and or replacement that needs to be done to the façade. We are already seeking bids from contractors based on the assumption of significant work needed. In all the capital projects we are following the guidelines recommended to the Board by the CRG. In October a congregational meeting will be necessary to inform before commitments are made and contracts are signed.

Mr. Check moved that the Capital Budget for FY 2022-2023 be adopted as presented. Robin Bossert seconded. There were no questions, but Judith Sedaitis stepped forward to thank Mr. Check for all he has done. A clarifying question from online - Tom, please clarify that the façade work will not be paid for by the Capital Fund. Mr. Check replied that at the October meeting all the information will be given as to the extent of the repairs and length of time involved. At that time, it will be up to the Board to make recommendations about the financing. Mr. Alcock asked a clarifying question - is the amount we are voting for the \$321,700.00? Mr. Check answered yes.

The Capital Budget was adopted unanimously by a show of hands.

Mr. Alcock adjourned the meeting.

Respectfully submitted,

Elees Woods,

Clerk of the Society

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