

**The Motion**

The congregation of First Unitarian Universalist Church of Austin hereby approves the use of \$70,000, over three years, from the Memorial Savings Fund for the purpose of hiring a membership/volunteer coordinator.

This motion supersedes any current policy restrictions.

The funds may be spent as follows: \$40,000 during the first twelve months of employment, \$20,000 during the second twelve months, and \$10,000 during the third twelve months.

All effort over the next three years shall be made by the leadership of the church to replace the \$70,000 from the Memorial Savings Fund.

This motion will become effective upon the approval by two-thirds of those members casting votes at both the December 2010(*sic*) and May 2011 congregational meetings.

## DOES THE END JUSTIFY THE MEANS ?

In all other cases, salaries are paid from the Operating Fund and are budgeted in the normal annual budget process. Is hiring a new position in between budgets suddenly so urgent that we should “supersede any current policy restrictions”? Let’s not start down the road of back-door deficits, disregarding the yearly budget process. A Membership/Volunteer Coordinator may well be a good idea, but it’s not an emergency.

If the Board cannot wait to prioritize this new position until the next budget, there are other, less expensive ways to pay for it between now and year end. Rather than selling income producing investments to withdraw money from the Memorial Savings Fund in order to fund at most the \$20,000 that would be spent in 2011, before next year’s budget, consider the following alternatives:

- 1) As of the end of March, the (unrestricted) Operating Fund had a cash balance of over \$122,000. After setting aside \$60,000 as one month’s operating expenses reserve, there remain \$62,000 in excess reserves. The Financial Asset Management Plan (FAMP), which we all approved October 2009, allows the Board to spend up to \$10,000 on “Unanticipated Expenses”. So the Board has \$10,000 of the \$62,000 in excess Operating Fund reserves from which to draw, without needing approval from the congregation.
- 2) If a Volunteer Coordinator is a long term priority but would require a front-door deficit budget to begin, there remain sufficient excess reserves in the Operating Fund to cover another ~ \$40,000 deficit. But with a new Minister and anticipated greater membership and pledge/contribution income, it may not be necessary to have a deficit budget in order to add the Volunteer Coordinator position.
- 3) There is approximately \$130,000 in Board Restricted Funds available at the discretion of the Board, without the requirement to consult any committee or get approval from the Congregation. The Board may re-allocate these Restricted Funds any way the please. For example, recently, \$6,000 was used from the Long Range Fund to supplement the salary of the new Minister, and there still remains over \$35,000 in the Long Range Fund. So this source alone could cover the costs until the next budget, and if this position is not important enough to budget for, then why spend anything on it to begin with?

Let’s clarify what this debate is about. It is not about a Volunteer Coordinator. There is broad agreement that a VC would be good for the church, and there are appropriate ways to pay for it, same as every other position. This debate is not about amending our Financial Asset Management Plan (FAMP). There is nothing in the motion that would change a single word of the FAMP. This debate is about violating our Financial Asset Management Plan (FAMP) by improperly selling off assets in our Memorial Savings Fund (MSF).

The FAMP is our covenant for how we've agreed to manage the church finances. It's a living document, most recently reaffirmed by the Congregation in 2009. The FAMP says:

- The primary intent in managing the MSF is to have it **grow over time**
- The amount that may be transferred annually to the Operating Fund is 5.5 % of the MSF value
- Other distributions would occur only in **rare and extreme circumstances**
- In no case may the value of the MSF be reduced through withdrawals **to less than \$250,000**

The MSF provides a source of perpetual income for the operations of the church, and it has done this very well. This year alone, the 5.5 % transfer provided our operations with **\$14,394**. The market value of the Memorial Savings Fund portfolio has increased 20% over the past year, and at even half that rate it is the fastest growing, income producing asset the church owns. This is the last fund we should ever sell off, and then only in "rare and extreme circumstances." Hiring a VC outside the normal budget process is not a rare and extreme circumstance. Furthermore, the current MSF value is \$281,000, so reducing it by \$70,000 violates the \$250,000 minimum requirement.

There is more at stake here than hiring a Volunteer Coordinator a few months earlier or later. The motion says, "This motion supersedes any current policy restrictions." Either we live by the rules we adopt for ourselves, or we don't. Either we mean it when we say "we covenant with one another", or we don't.

Let's vote "no", we will not violate the FAMP and breach our covenant of financial management; no, we will not break into the MSF and sell it off piece by piece, year after year; and no, we will not reduce or eliminate the MSF's perpetual contributions to our operations. Let's honor our covenant of financial management. Let's protect and preserve our church.