

**President's Report Summary Notes**  
**Conejo Valley Unitarian Universalist Fellowship**  
**Midyear Fellowship Meeting, Jan 13, 2013**  
**W. Lubka, Board President**

We have a standard practice in our Board meetings called "hallelujah time," when we acknowledge good news and successes in the congregation during the prior month. There is always a lot to talk about. The environment in this congregation is uplifting. There is joy and laughter, activity and energy. There's a nourishing quality in the air. This feels like a holy place. It's exciting to be here.

There many reasons for that. The reasons are close by; just look around this room. The worship service today was filled with reasons; the wonderful new members we welcomed today, the generous donations our members give to Manna, Frances' moving testimonial, the beautiful music from Merlin, Amanda, and Robin.

There is another big reason for the transforming spiritual experience this church provides – our Minister. When this Fellowship was searching for a new minister, we had a big wish list. We wanted a lot – and we got it all. Rev Lora is amazing. We are blessed to have her in our lives.

But it would be missing the point to say that we are lucky to have Rev. Lora. The truth is that we are fortunate to have each other. Lora checked us out carefully and saw an opportunity here, an opportunity to bring her ministry to a vibrant community of compassionate, creative, smart, sincere people, a community with tremendous potential. I believe she was right – we have a big opportunity here, together.

This is a great and beautiful congregation. The financial struggle we are dealing with right now does not change that. This congregation is worthy of our pride, enthusiasm, and love.

I wish I could devote this entire report to celebrating some of the great things this congregation has done so far this year. There is so much good news to talk about. Unfortunately there isn't enough time for that at this meeting. Today, we need to focus on just one hallelujah, which how we are going to resolve the congregation's budget deficit. I will begin by addressing a few "frequently asked questions" people have asked me.

***Why do we have a goal of "sustainability"?***

"Sustainability" is a goal because our current budget deficit that was shown in the Treasurer's Report is unsustainable. We are expending more money that we are bringing in. Unless we resolve the deficit condition, we could reach a point when we would be unable to pay our bills. We do not want to have a goal of sustainability; we want to be sustainable. We are working to achieve budgetary sustainability so we can replace the temporary goal of "sustainability" with a more permanent goal of "resilience."

### ***Why do we have a deficit?***

Here's why: Income projections the congregation made when we committed to our building and its mortgage have fallen short. The recession hit right about when we were moving in. Perhaps you've noticed that in today's economy we aren't the only ones facing a deficit. As Board President, my focus now is less on why this happened, and more on what we are going to do about it. I ask you to join me. As time goes by the issue is growing more and more urgent.

### ***Whose fault is the deficit?***

I don't like this question, but I have heard it and I am trying to address everything that needs to be said. Let me speak this one clearly. The question to ask is not who to blame for our situation - it is who to thank. This enterprise, including the buildings, our minister and staff, our programs, and all of us sitting here represent the fruits of incredible commitment, sacrifice, generosity, and courage from a lot of people. Many of them are here right now. To every person who helped turn the vision of having our own home into the reality we now enjoy, we owe you our gratitude. Thank you. I hope and pray that our congregation today will rise up and follow your example.

### ***Does the Board have a "secret plan"?***

No, there is no secret plan. A secret plan would be inconsistent with our values. A secret plan would be contrary to our goal of fostering a healthy congregation. A secret plan would betray the Board's obligation to carry out its responsibilities subject to the will of the Fellowship. If you hear anything about a secret plan, that would be a rumor. If you hear a rumor, please do not buy into it or repeat it. Rumors undermine trust. We need to strengthen trust.

### ***What options have been considered to resolve the deficit?***

Several options have been pursued and thoroughly investigated. Many of those have turned out not to be viable. There is one option that appears to be feasible.

#### **Cutting Expenses**

Whenever expenses are higher than income, an obvious course of action is to reduce expenses. We are always looking at ways to do things smarter and trim costs where it makes sense. But as the Treasurer's Report shows, the vast majority of our expenses pay for our basic program. What that means is that to eliminate the deficit now by cutting the budget would essentially force us to choose between having a building or a minister. We have a responsibility to this congregation and all its members to work together to resolve the budget deficit in other ways before undertaking such painful and damaging cuts. Where that leaves us at this time is that cutting expenses is not a viable solution to the deficit.

### Refinancing the mortgage

We've approached several banks. They have all told us they will not approve a new mortgage while we are running a deficit budget. Refinancing is not viable at this time.

### Renting building space to outside groups

Extensive efforts have gone into attempting to create a revenue stream from rentals. The result is clear, for several reasons, that this is not a viable answer for us.

### Holding more fundraising event

Our experience over the years has revealed that our best approach to fundraising events is to hold one big event per year. This annual event is an important source of income. This year we earned more than \$20,000 from our fabulous Exotic Evening in India auction event. But that is still a relatively small percent of the overall budget. We can consider additional fundraising events, but the energy and resources these efforts consume is considerable, they typically pull dollars from the same members that we really need to be making pledges, and it is difficult to reliably project the revenues. We're always open to ideas, but additional fundraising events are clearly not going to resolve our deficit.

### Attracting new members and adding their pledges into our budget

We are thrilled to welcome new members who join our congregational family, including those who were recognized today. Please know that we want most from new members are their presence and participation. And yes, that includes an expectation to pledge, as the rest of us do, to support the mission of the congregation. While we rejoice when new members join, we also have to recognize that at the same time others are leaving, due to moving away or for other reasons - so the new member pledges us do not necessarily produce a pure net gain. To state it plainly, we have no evidence that indicates an influx of pledges from new member will fix the budget deficit. It would not be responsible or realistic for the church leadership to expect that or to rely on that as the path to eliminating the deficit. By the way, some people have suggested that it's more likely to work the other way around – that we will become more appealing and more likely to attract more new members after we put ourselves on solid financial ground.

### Increasing pledges from current members

This is the one opportunity that really could work. It already is beginning to happen to a modest extent, but not at enough scale to solve the problem. Too many people are just checking off the box on the pledge card that says "same as last year." We need to ramp up the increase.

### Formulating potential “Plan B” scenarios in case we do not resolve the deficit

We do not expect or believe that really painful budget decisions will become necessary. But we have to face the reality that those difficult decisions may in fact become necessary. There is a finite amount of time before we reach a turning point. The leadership cannot take the risk of putting the congregation in the position of dealing with difficult decisions in a last-minute scrambling mode. So, it is necessary that we consider potential options in case we do not close the deficit. We have committed to discuss those options with you at the Annual Meeting in June (on June 9<sup>th</sup>).

#### ***What will happen if we raise pledge income sufficiently to eliminate our deficit without having to suffer painful cuts?***

I hope each member of this congregation will take some time to imagine that, to think deeply about it. Here’s what I imagine. I believe we will be energized. We will create an abiding, inspiring sense of triumph for having accomplished something significant together. The dark cloud of potential cuts will be replaced with the sunlight of new possibilities. Our love for each other will grow stronger than ever. Our members and families will feel that every day. Visitors will feel it. Take a moment to visualize how it will feel, how our lives will be changed, when we solve this problem together. We have a great opportunity here.

#### ***What will we do to motivate increased pledging?***

We will continue to carry out our mission, nurture children, be the love people, work for justice, and provide a church that is worthy of our support. We will foster a sense of ownership. Every member is a shareholder, with a stake in solving the budget issue and ensuring a resilient future. We celebrate members who are giving at the modern tithe level (5% of income), and all those who may not yet be at the modern tithe but who are truly giving all they can. Thank you! We are asking the rest of us, those of us who have the ability to increase our pledges if just decide to, to please do so. There is no need to wait. Anyone’s pledge can be increased any time.

#### ***How can each member help?***

Be conscious that when people are fearful, anxiety-driven behaviors may arise. Avoid “us and them” thinking – there is only us. Please do not entertain or spread rumors. Stay focused on our mission. The budget is about the mission. Do not make assumptions about others. Increase your pledge as much as you can.

And finally, help us collect vital information the leadership needs between now and the Annual Meeting in June. To really know where we stand, the church leadership needs good data.

We need feedback about the following questions.

Giving as a spiritual practice:

Do our members embrace the idea that sharing our money generously is a fundamental spiritual practice and a necessary way to actualize our values?

High expectation membership:

High expectation membership means we expect a lot of each other. It is mutual – we do this for each other. There are “3 T’s” to giving - (time, talent, and treasure), and we are saying that we cannot not pick 2 of the 3 T’s - we contribute in all 3 categories as best we can. Do our members agree with that?

Our canvassing process:

Are we doing it well? Are we doing it right? How could we do better?

How much pledge income is the congregation capable of?

Some members here are already giving as much as they can. We do not want anyone to give more than they can. What about the rest of us? How many of us are able to lift our pledges, and how much? Are we as a community willing and able to solve this issue? We do not know. We have to find out.

I will close with a personal note. In my family, we have asked ourselves some questions. What do this congregation and Unitarian Universalism mean to us? How much do we spend each month on nonessential things? How important are those things compared to the church? What are our priorities? Do we value this congregation and its mission enough to increase our financial support and help sweep away the deficit? Do we believe the Fellowship can get over its current financial teething pains? The answer is YES, we do.

We foresee a time not too far away, beyond the current struggle, when we’ll be talking about a new kind of Plan B – the right kind of Plan B - how to use a surplus. Perhaps to trade up to a building with a yard where the children can play, or to fund a community service outreach project. We believe there is a great opportunity here.

This congregation continues a proud heritage of Unitarian Universalism, providing an important voice for social justice and liberal religion. We want that voice to stay strong. This congregation makes the Conejo Valley a better place to live. It is a resource to preserve, to fight for.

Our family’s decision is that we are increasing our pledge. And it doesn’t hurt – it makes us happy. We know that every dollar we give to this community is an investment that pays dividends. Please join us.

It is an honor to be among you and to be member of this congregation. I welcome your questions.