

April 25, 2018

Chevre,

May 6 will be my last Annual Meeting as President, as I hand the baton to Debbie Goldstein, and to the other members of the Executive Committee, Leslie Winner, Dan Schnitzer, and Syd Miller.

As I look back over the last two years, I am reminded of our many strengths. As part of an *Organizational Capacity and Readiness Review* that the Board commissioned last Fall, congregants identified what they value about Beth El and what they want to stay the same regardless of change:

They had high praise for the Rabbi, who they found to be scholarly, warm, and good at community building and pastoral care. Congregants value the participatory nature and the spirit of our services and rituals. Beth El is perceived as inclusive in the sense that all kinds of people are welcome and because the congregation is not wealth and status driven, the lay decision-making is transparent, and it has an unusual level of gender equity. Many of our children think of Beth El as a second home, they are prepared well for B'nei Mitzvah, and our teens stay engaged. We are viewed as warm, welcoming, and *haimish*. This is in part due to our staff's welcoming and helpful presence in the front office. People value being part of the Beth El community, which is described as supportive, attentive, and like extended family, as well as "knowledgeable, skeptical, and scholarly."

As we strive to sustain this culture, we are also growing and changing. An overview of our proposed budget highlights the new opportunities and challenges this growth presents. This memo provides context for the Board's unanimous approval of the proposed 2018-2019 budget, and is followed by a more detailed summary of key items.

Budget Overview

This budget continues to support much that brings enrichment to Beth El members. The variety and quality of programming that Beth El offers its members have grown over the last 5 years. From Lunch and Learn in Chapel Hill, Teen Takeover, and the Innovation Fund to First Fridays, Social Action, and the Community of Caring, it's exciting to see the energy and sense of renewal spreading throughout the community.

Our budget continues to support our commitment to enabling every Beth El member to feel it is the home to which they truly belong and can engage at the level they desire. Beth El membership continues to provide benefits that we have always offered, including cemetery access, High Holiday attendance, and no extra security or building maintenance fees.

At the same time, a key finding in the extensive *Organizational Review* is that the number and variety of programs and services has stretched thin our small staff. Compared to synagogues in the Triangle, the staffing of our professional positions has historically been lean. We rely heavily on the time, energy, and skills of our volunteers and these volunteer contributions have always been one of the core strengths of our community. I cannot foresee a time when this will not be the case. To be effective, however, our volunteers need support. The *Review* made clear that we cannot hold steady, let alone continue to improve, if we don't begin to do some things differently.

In particular, the *Review* identified a pressing need to coordinate strategically across our programming in order to offer a more integrated and holistic experience for members. While we look carefully at opportunities to launch new ventures, we must be equally attentive to forging connections among and across our communities; the goal is not simply more programming, it is well aligned programming that offers pathways for enhanced membership to everyone, from Talmud Torah and teens to empty nesters and retirees.

Improving our members' experience is no small task, and it is a central reason we are seeking to hire an Executive Director who exhibits strategic and systems thinking, high level organization skills, management capacity and responsiveness, and who has strong interpersonal skills. The other primary reason for hiring a new Executive Director is the need for a growing synagogue to establish more efficient, sophisticated, and effective operational and financial procedures and systems.

After doing national and local salary research, we determined that recruiting an Executive Director who could achieve these required increasing the salary we offered such a leader. That compensation, coupled with increased benefits and cost-of-living adjustments for all staff, has meant that we need to increase dues. The proposed budget does this by asking two-adult households to pay an additional \$200 annually and one-adult households to contribute an additional \$140 annually. We retain our strong commitment that **no one will be turned away from full membership for financial reasons**; providing for needed dues abatements is included in this budget.

While the growth in our membership has increased our revenues, it has also brought new demands for programming and new stresses on our operations that have not been offset by dues and contributions to the annual operating budget. This budget, then, is very much a human capital budget.

A congregant might reasonably ask: **Given the added contributions many members are making to the building project, why not wait to upgrade our staff until we are back in the new building?** The answer is that if we are to attract an Executive Director who can help us to re-enter our renovated space, improve our operations, and begin building even better membership experiences, we need to start now. Waiting until after we return from the "diaspora" will keep us in a holding pattern for another year. After several months of extensive discussions, the Board voted unanimously to move forward with hiring a new Executive Director and to seek improvements in the benefits we offer all our staff. At present, all Beth El year-round employees receive well over a living wage, but they receive below market benefits. This budget also begins our efforts to address that. We aspire to hire, retain, and support the highest level of synagogue staff as we can reasonably afford.

An analogy to our building renewal project may be helpful here. Part of our motivation for renovating the building has been to make possible new forms of individual and communal engagement. Part of our campaign has also been to upgrade our physical plant, which had deteriorated over the past 30 years. Rather than keep fixing one problem at a time, we determined that a holistic make-over of the building would both catch up on neglected maintenance and provide a platform on which to build our future. Similarly, part of our increased dues is meant to build a staff that can partner with our lay leaders and volunteers to significantly enhance the positive impact Beth El makes in its congregants' lives and in the world. And part of the increase will repair a funding deficit in support of Beth El staff.

This budget will enable us to build and maintain a staff that can help us be the congregation we want to be in our new physical home.

B'Shalom,

Noah Pickus