

Beth El Synagogue Annual Meeting Q&A May 2020

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How many members are there at Beth El today and what level of dues do they pay?

As of today, our best count is that we have 422 households as members. We are currently improving our headcount by calling members that are on our list but have not participated/paid dues in several years.

Here is a breakdown of the membership in more detail:

- 238 2-adult households (56%)
- 146 1 adult households (35%)
- 38 other (under 30, students, comped, rabbis, staff) (9%)
- ¼ of congregation cannot pay full dues
- We have 697 total adult members.

The pie chart overview of expenses is very helpful, can you clarify what is generally included in each category?

Member Ritual Life, Pastoral Care, Programming and Engagement: Includes compensation for Rabbi and Executive Director as well as other professional staff for adult engagement, High Holiday Expenses, Religious/Ritual expenses, and Programming expenses, and professional development and travel expenses for conferences (volunteers and staff).

Children/Youth Education and Engagement: Compensation for staff related to youth education and engagement, religious school expenses (i.e. materials), and youth activities.

Secure, Maintained and Welcoming Synagogue: Compensation for custodian, kitchen manager, and accounting service, expenses related to building and grounds, fundraising expenses, and general and administrative costs.

What is included in the Compensation and Benefits line of the budget?

Beth El has the following full-time staff:

- Rabbi
- Executive Director (Alan Friedman)
- Congregational Services Coordinator (Sheri Hoffman)
- Program and Membership Coordinator (Jenna Hyland)
- Education and Youth Director (Alexandra Bicks)
- Director of Youth Engagement (Averyl Edwards 19/20, TBD 20/21)
- Head of Building Maintenance (Zachary Marshall)

We added the Program and Membership coordinator position midway through 2019, so the full salary is reflected in next year's budget, while only half of it was last year. In addition, prior to last year, we used a janitorial service and concluded it would be more cost effective to hire a full-time head of building maintenance in 2019-2020. While that saved money, it moved that expense from maintenance into compensation.

We also have two part-time positions:

- Communications and Marketing Associate (Rachel Greene)
- Kitchen Manager (Sandy Fangmeier)
- As noted in the materials, in 2020-2021, the Director of Youth Engagement position will become part-time instead of full-time. This may be a temporary change-- we will be working with our Education and Youth Director to evaluate our youth education staffing and determine what is needed overall for the long-term. That position currently manages all teen programming including USY and Kadima, as well as our aleph/bet monthly programs.

Our compensation and benefits line also includes our hourly Talmud Torah teachers, Bnai Mitzvah Staff, Service Leader/Babysitting for Shabbat. It also includes compensation to our Rabbi Emeritus for his work with our congregation (a portion of this compensation is supported by a designated donor fund). Compensation and benefits also includes a bookkeeping service, who we hired about 3 years ago to replace a part-time accountant we had on staff. Payroll taxes, workers compensation, and payroll administration are also included in the compensation and benefits line.

Why is the compensation & benefits line increasing? Will it continue to rise at this pace?

In 2017, an ad hoc committee of Beth El volunteers with experience in nonprofits, human resources and synagogue administration conducted a personnel capacity and readiness assessment that resulted in changes to our staffing. The assessment team interviewed congregants and staff and compared Beth El to other synagogues in the area. Recommendations included increasing the responsibilities and competencies of the Executive Director, and increasing the ED's salary to reflect the increased role, and adding a Programming and Membership Engagement position. We have implemented these recommendations over the last two years. With the move into the new building, we also concluded that we would be better served by having a full-time Building Maintenance person on staff rather than contracting with a service.

At the same time, at the request of the board, we have worked to ensure that compensation to all of our staff was in line with their responsibilities and that we paid a living wage to all staff. Finally, starting in 2016 and 2017, we began improving staff benefits. In 2017, we shifted from providing a stipend for health care to a group health plan for all of our employees. In 2016, we began gradual implementation of a retirement plan for employees and have been increasing our retirement contribution by about 1% each year. All full-time staff, including the Rabbi, receive the same health care and retirement benefits. These changes have all been reviewed and approved by the Board and discussed with the Finance Committee. At this time, we do not anticipate additional major changes to staffing in the near future..

Some of the need for additional staff reflects the growth of the congregation-- since 2014, we have added over 100 member families, which places additional demands on both volunteers and staff. In the next several years, we are likely to engage in a strategic planning effort that will offer the congregation additional opportunities for input on this topic and how it relates to programming and engagement needs.

While the "blue" category of Member Ritual Life, Pastoral Care, Programming, and Engagement, on the expenditure graph in the narrative budget you received includes other expenses such as the costs of programming, these staff and compensation changes, plus raises to the existing staff, account for the bulk of the increase in that category.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
# Families	313	340	360	392	414	425	TBD @435
Full-time staff	4 Rabbi, Exec Director, Education and Youth Director, Congregational Services Coord.	4 Same as prior year	5 Same + Teen Engagement Coordinator	5 Same as prior year	5 Same	7 Same + Program and Membership Coordinator and Head of Bldg Maint. Teen coordinator also took on Aleph-Bet Programs	6 Same, except moved Teen/Youth engagement to be part-time
Part-time Staff *does not include Talmud Torah and Bnei Mitzvah staff or Rabbi Emeritus	3 Communication s, Bookkeeper, Kitchen Manager	2 Communicat ions, Kitchen Manager	2 Same as prior year	2 Same	2 Same	2 Same	3 Same + Youth engagement for teens/aleph-bet
	Added kitchen manager position.	Shifted from bookkeeper to remote synagogue accounting service.	Added teen engagement position	Hired interim ED	Hired Alan Friedman	Shifted from contract janitorial service to full-time maintenance when moved into new building; Added Programmin g and Membership coordinator midway through year	Hired Alexandra Bicks as Education and Youth Director. Planningl search for part-time youth engagement coordinator & determine full youth needs.
			Added 1% retirement contribution	2% ret.	3% ret. Began group health insurance	4% ret.	5% ret.

What was the process for negotiating the Rabbi's Contract?

The President and Vice President negotiated the terms of the Rabbi's new contract with him. We shared each step of the process with the full Board of Trustees, who weighed in midway through negotiations with input on key terms and then held a discussion and vote to approve the final terms. The Rabbi was a constructive and thoughtful partner in negotiating the contract renewal, and it was a positive process overall.

We approached the negotiations with three main principles:

- Agree to a contract that is fair to the Rabbi and recognizes his contributions and leadership of the synagogue
- Ensure that the contract is fiscally responsible and the synagogue can afford its commitment to the Rabbi for the whole of the contract
- Maintain the same level of benefits (health insurance, retirement) for all staff.

We consulted the 2019 USCJ Compensation Survey, which breaks out salary ranges for Rabbis based on size of congregation, as well as benefits and salary for several other synagogue positions. In addition, we considered data on salaries for Rabbis with similar years of experience at similarly sized congregations, especially those in the Southeast.

We also used the prior contract as a base for the renewal and made very few changes to the base contract language except where increased clarity would be helpful. The contract was reviewed by attorneys on both sides.

In recognition of the current economic impact of COVID-19, we mutually agreed to add a provision to the contract that if we make budgetary changes to staff compensation, the Rabbi's compensation would be adjusted in a similarly appropriate way.

What are the terms of the Rabbi's contract?

This contract is for five years, from June 2020-June 2025.

It has become the practice of Beth El to share the terms of the contract with the Board of Trustees, but to maintain confidentiality beyond the Board. In large part, as the congregation has reached over 400 families, it seems challenging to debate the full detail of the Rabbi's contract with so many people and avoid infringing on his ability to build relationships and provide pastoral care to congregants. As noted above, we did share the full detail of every term with the board multiple times and invited their input during negotiations. This practice is consistent with the practice of many nonprofits.

We do want to share that the Rabbi's health insurance and retirement benefits are the same as the full staff. In addition, we want to share that his vacation and sabbatical plan is as follows: The Rabbi's

vacation is in line with other similarly situated Rabbis. As part of his last Sabbatical, the Rabbi has enrolled in the Hartman Institute and will be in Israel for 3 weeks in July 2021 and July 2022 (the program was cancelled this year). We have agreed that he will take July off in addition to his regular vacation this summer and from 2023-2025. The Rabbi's next Sabbatical will be for 6 months in the year between July 2024 and June 2025 (vacation is prorated during his Sabbatical year).

Do the Rabbi and staff receive regular evaluations?

The President and another member of the Executive Committee currently conducts an annual evaluation of the Rabbi, and these have been completed for the last several years. The Rabbi's last review was done in April 2019. A typical evaluation solicits input from the staff, committee chairs, and the board, and includes a self-reflection from the Rabbi and written summary of feedback.

We are currently revising the plan to conduct reviews of the Rabbi and Executive Director every 18 months. We will rotate their evaluations in such a way that we can conduct a fuller 360 degree review that includes broader feedback from the congregation on alternating evaluations. The Executive Director conducts evaluations for the rest of the staff.

How realistic is it that we will lease the Freedman Center?

We have made a fairly conservative estimate of the income we could earn from the Freedman Center in 2020-2021 and expect it could provide more income in the future. We have assembled an ad hoc committee of 5 congregants with experience in the local real estate market and nonprofit rentals and agreed that we should seek to put the Freedman Center on the market as soon as possible to assess what is feasible for a lease. Our goal is to get a tenant in soon, but then to do additional long-term planning for the building. Based on conversations with three local realtors, our understanding is that we could earn about \$10-15/sq foot for the 8500 sq ft space and we could negotiate with any tenant to have them bear the cost of any needed improvements/upfit to the space. Our budgeted revenue of \$50,000 conservatively assumes that we would rent the space for at least 6 months next year (or half the space) at the lower end of the range. While we are concerned that COVID-19 could have some impact on the local rental market, we believe there are significant opportunities for rental given our location--some tenants may actually need more space to spread out workers or seek lower cost space than their current rental, and the Freedman Center can suit many needs. We also recently saw [this interesting article](#), which suggests Durham will continue to grow for some time.

What are our contingency plans if we do not raise the revenue anticipated?

While we have budgeted for a cost of living raise and retirement contributions for the full staff for 2020-2021, we have told the staff, including the Rabbi, that we will hold those increases until at least January 15, 2021. These increases will only be implemented if we successfully raise most of our dues and annual fund contributions before December 31, 2020. Based on commitments that donors have already made to the annual fund for the next two years, we are optimistic that we will be successful, but we are being cautious in light of the ongoing economic downturn.

If holding raises and retirement contributions is not sufficient to address any shortfall, our next step would be to consider reducing some programs. These programs may be limited anyway if we continue to experience outbreaks that require precautions at the synagogue-- examples include Kiddush lunches, Community Shabbat Dinners, Scholars in Residence programs, etc. We are also continuing to look at ways we can reduce our utility costs and other cost savings in the budget.

Finally, the synagogue did receive a PPP loan from the federal government of \$107,000, which will pay for salaries of our staff in May and June. This loan is fully forgivable if used in this way and we do not lay off any staff, and it will help provide a cushion against any unplanned shortfall in revenue.

The finance committee reviews our revenues and expenses every month, as does the Board of Trustees. We have recently also implemented increased oversight of expenses and can implement further changes if we do not raise anticipated revenue.