Executive Summary

Temple Emanu-El/ Or Chadash Finance Task Force Report

Congregation Or Chadash: Gary Kippur (First VP), and Mark Ross (Treasurer)

Temple Emanu-El: Scott Arden (President), Jeff Rein (Treasurer), and Jerry Cohen (VP)

The finance task force members first signed a non-disclosure agreement in Spring, 2019, and then reviewed the budgets and financial situations of both synagogues together. The initial review revealed that both synagogues are facing financial challenges and that our financial situation would very likely be stronger with a merger than remaining independent/separate with ongoing collaborations.

Therefore, they proceeded to conduct a more detailed analyses to compare financial projections if we remain independent (with continued collaboration) versus financial projections if we merge. The following factors were incorporated into projections for the first year after our merger, a second year with merger, and a third year. These are based on a plan to market the Or Chadash property and centralize the new, combined congregation at the current Temple Emanu-El facility.

Assumptions applied in financial projections:

1) Two Rabbis, a Cantor, and a Cantorial Soloist- our anticipated clergy with larger congregation
2) Legal fees: $25,000 for legal fees related to merger of the two synagogues
3) Maintaining Or Chadash property until sale: $25,000 during the first year and $15,000 in the 2nd year.
4) Facility repairs and upgrades at the current Temple Emanu-El facility: The facilities task force created a plan to prioritize repairs/upgrades over several years. Their report will be sent out before the Nov 17 Town Hall meetings. We worked from an assumption that the costs of repairs/upgrades would be drawn from existing cash flow. Funds from the sale of the Or Chadash property were not included in these projections.
5) Membership dues: based on information from URJ about the experiences of other congregations who have merged, we considered a scenario as follows: an overall loss of no more than 10% of combined membership in the first year and increases of 5% in the second years and third years. Projections were based on current membership dues structures at both congregations.
6) Elimination of duplicate services and facility expenses (one property to maintain instead of two and staffing for a larger, single congregation)

Here is the Summary of the analyses based on the above assumptions.

---Remaining separate: We are likely to break even, at best. We may face budget shortfalls with consequent implementation of new cost-saving measures along with increased reliance on fundraising strategies.

---Financial Forecasts for the first three years, beginning with the first year:

*Note: The term "net income" means the amount of money available after all expenses are subtracted from expected revenues i.e. in the black.

Year I: Net income about $200,000.00

Note: the first year would have some one-time expenses e.g. maintaining Or Chadash property until it is sold.

Year 2: Net income up to about $250,000.00

Year 3: Net income up to over $300,000.00

We cannot provide you with more details on the projected budget with merger as this is sensitive information for both congregations, and this executive summary will be made available to congregants. We will provide congregants with hard copies (numbered) and more details at the in-person discussion at Or Chadash (and Temple Emanu-El) on Sunday, November 3. We look forward to talking with you soon.