

79

To the MEMBERS OF BETH ISRAEL CENTER:

The board has voted to recommend to the membership that the upcoming budget not include the Rabbi expense of \$7000 that we carried this year. Apparently other expenses have increased sufficiently to strain our budget without the expense of the Rabbi, hence that service to the congregation is proposed to be eliminated. We, the undersigned, believe that this action is unnecessary and unbusinesslike, and that other means exist to arrange our finances. The Rabbinical service desired by half of our congregation need not be discontinued on the basis of lack of money.

Our debt at present is \$22,000; it requires payments of over \$10,000 each year for the next two to three years. Our income from membership dues has barely held even, even as our expenses have risen 10 to 15%.

A business similarly faced with sluggish patronage, increasing expenses, and high short-term debt service, and faced with the alternative of decreasing services to cut expenses, will seek instead to revitalize their business by:

1. Seeking out sacred cows to eliminate or white elephants to sell.
2. Refinancing their debt to decrease the expense of debt service.
3. Checking whether they are underselling their competition by too great a margin.
4. Seeking means to attract customers, rather than decreasing services that are desired by customers.

We believe that our congregation, faced with business stagnation, cannot afford to cut our services and to hoard our remaining assets against a rainy day. We believe it is necessary that we act boldly and confidently, as a growing business would, if we are to remain vital, alive, in our service to the community.

We know that the following steps are available:

1. Sell the house on the property; it is not necessary to our existence nor necessary to our service to the community.
 - a. The house could bring perhaps \$50,000, which, after commission and shift of the driveway, would bring us a net of approximately \$40,000.
 - b. With the proceeds of the house sale, we could pay off the \$22,000 debt and emerge with a balance of \$18,000 for capital improvement.
 - c. Saving in annual debt payments would be \$10,000, which, after deduction of house rental, would net a savings in expense to our budget of \$7000.

2. If the house cannot be spared, there is available to us the resort of all businesses in like situations, namely, refinance the short term debt for a longer term to reduce the annual debt service payment.

- a. A loan of \$22,000 taken for 10 years, at the current interest rate of 10%, would cost \$290 per month, which is \$3500 per year.
- b. Paying off the \$22,000 in remaining debt would eliminate the more than \$10,000 in current expense for debt service.
- c. The result would be a net saving of more than \$6500 annually, which can then be used to pay for the service of a Rabbi.

This refinancing would cost us a total of \$13,000 interest over the ten years, and were we to stretch the payments out over 15, 20 or 30 years, as in a home mortgage, the total of interest would be two or three times as great. The fact is that almost all of us have done it with our home mortgages, as a way to stretch out our debts to fit our budgets without discarding necessary services to our families. The money that it costs will buy Beth Israel the money that it needs to permit the necessary services to the community to continue.

We, the undersigned, agree in the principle of the ideas stated here, although some of us may disagree with the desirability of one or other of the methods outlined. There is no question that we can afford to retain our Rabbi if we take proper measures, and we believe that some such measure should be taken to retain the vitality of Beth Israel Center.

We urge you to attend the meeting at the Center on May 15, at which time these matters will be discussed and voted upon.

Shirley Schultz
Dorothy Blalock
Elliot Binner
Janet Selsley
Hy Schultz

John C. Calkins
Luth Weingart

Ellie Weingart
Margaret W. Peters
R. J. Melchior