

NARRATIVE TO PROPOSED FY10 BUDGET

NOTE: This narrative was updated on June 1 to reflect the current status of the matching challenge grant. All revisions and updates are highlighted.

We encourage you to email us at jcoberlv@comcast.net with your specific questions so that we can address those in advance of the congregational meeting on June 7.

The Budget Committee is thrilled to report that we finally have a proposed balanced budget to present for your vote. The Board is recommending approval of this budget at the congregational vote scheduled for Sunday, June 7.

Our Stewardship Committee has done an outstanding job in these turbulent times and has gathered over \$301,000 in pledges for the 2009-2010 fiscal year. In addition, the matching grant challenge provided an additional \$8,000 in pledge increases and \$41,000 in gifts.

Accompanying this narrative and the proposed budget is a summary of the budget survey results. It was inspiring to see that 141 members and friends provided opinions which we meticulously reviewed and used to guide our decisions.

The 2009-10 budget is not a crisis. It is an occasion, financially and strategically, for us to identify ways to continue moving forward with our mission and vision using available financial resources while increasing the human resources that lie within the congregation.

We hope this narrative will provide you with the knowledge you need to reflect on and decipher our current financial picture as well as support our staff and continue the great works of this community.

Please have the UUCE proposed budget FY10 (found on the www.uueugene.org website) in hand so you can easily follow the categories and bullet points below.

INCOME

- Pledge income reflects the total amount committed to date for fiscal year 2010. This includes both pledges committed in advance of the matching challenge grant (\$301,000) and increased pledge commitments through the matching challenge grant (\$8,000).
- The offering total fluctuates greatly each year. We are anticipating a lower offering next year due to the continuing economic climate. We have revised this number slightly to reach a balance budget.
- Planned fundraising income for next year will come from an auction (\$5,000), another garage sale (\$1,000), eScript (\$1,000), another book sale (\$500), an event led by the RE Committee (\$500) and an event led by the music committee (\$500).
- Gifts reflect actual gifts promised to date and expectations based on historical gifts. In addition, all one-time contributions to the matching grant challenge (\$41,000) are included here.
- Rental income has been increased. In the budget survey, the congregation supported scheduling church facilities for church activities only two days per week in addition to Sundays. This will allow UUCE to be available for increased use by outside paying groups.
- There is no interest or dividend income applicable to the operating budget.

- Program registration fees have been removed. All fee income will be dedicated to committee expenses.

EXPENSE – Administration

- Most of the line items in this category are fixed. We cannot decrease advertising, telephone, computer or bookkeeping expenses.
- The congregation felt strongly that paper copies of the newsletter, directory and order of service should be reduced or eliminated. As such we were able to reduce applicable office expenses, postage and copier expenses.

EXPENSE – Denomination

- The survey reflected uncertainty about lowering our dues payments to the Unitarian Universalist Association (UUA) and the Pacific Northwest District (PNWD). The Board and Budget Committee reduced UUA dues by 50% and PNWD dues by 20% to support staff compensation.

EXPENSE – Facilities

- As in the situation with Administration expenses, these line items are mostly fixed and cannot be adjusted. No changes were made to building insurance, repair reserve fund, custodian supplies, and garbage service.
- The EWEB utility bill was increased slightly to accommodate anticipated energy cost adjustments.
- For the Sound line item, costs associated with the sound board were included.

EXPENSE – Programs

- The Budget Committee and the Board reduced all program, committee and organizational expenses so that additional monies were available to support staff compensation. Funds for food, district or national training opportunities, publications, and event expenses were not provided.
- The Religious Education Committee voluntarily restructured RE budget needs. Youth program expenses were reduced only slightly to synch up with the timing of the program next year. The congregation felt strongly that the youth program was important to our work and should be funded.
- The Worship Associates voluntarily reduced their budget request.
- The Music Committee has agreed to use their reserve fund to support the music program next year. Some funds were retained for piano tuning.
- The Campus Ministry program will receive a small amount for advertising on campus.
- This year Adult RE and the Small Group Ministry (see Committees) line items are being combined to reflect the shared work in this area. These programs are self-supporting through registration fees. Funds for annual membership dues to UUA were provided.
- Non-wage child care expenses include background checks, and CPR and first aid trainings. These expenses are fixed.

EXPENSE – Committees

- The Budget Committee and the Board reduced all program, committee and organizational expenses so that additional monies were available to support staff compensation. Funds for food, district or national training opportunities, publications, and event expenses were not provided.
- The Social Justice Committee has agreed to use their reserve fund to support the social justice program next year.
- The Green Sanctuary Committee voluntarily retracted their full budget request.
- As noted above, the Small Group Ministry and Adult RE (see Programs) line items are being combined to reflect the shared work in this area.
- A nominal amount of funds were provided to the History/Archives committee for archival supplies.
- No funds were provided to acquire or produce additional materials by the Library and Publications Committees.
- Dues for national chapter and regional welcoming congregation membership were provided to Interweave.
- The CARE Committee received a small stipend to subsidize background checks for volunteers.
- The Accessibility Committee voluntarily retracted their full budget request.
- The Centennial Celebration Committee was able to reduce its original budget request by 80%.

EXPENSE – Organizational

- The Budget Committee and the Board reduced all program, committee and organizational expenses so that additional monies were available to support our current staff. Funds for food, district or national training opportunities, publications, and event expenses were not provided.
- The Membership Committee voluntarily reduced their budget request. Additional items were also removed from the request.
- The Strategic Planning, Building Oversight, Planned Giving, Finance Oversight, and Budget Committee requested no funds.
- The Facilities Council expenses are allocated in the Repair Reserve Expense under Facilities.
- The Kitchen Committee expenses were reduced to cover minimal supplies only.
- No funds were allocated for Board Development, Board Discretionary Fund, Lay Leadership, Staff Development, Church Consulting or the New Minister Installation. Some of these line items are left over from previous years when expenses were incurred.
- The biggest change overall in the budget is the reduction of the Stewardship Drive request. A poll of UU churches around the country (who were approximately the same size as UUCE) was conducted informally via one of the UUA chat lists. The majority of those churches indicated that they spend no more than \$1,000 on fundraising efforts. We reduced this line item with that knowledge and to use our funds to support staff compensation.
- The Reserve Fund Expense line item has been added. We are currently facing a year to date deficit of \$23,500 for the current 08-09 fiscal year. Our current reserve is approximately the same amount as the year to date deficit. Although we do not yet know the final outcome of the current year, history indicates that the current deficit will increase in June. If the final 08-09 deficit is greater than our reserves, we will have to borrow from ourselves to balance the 08-09 fiscal year. The Reserve Fund Expense is intended to be used for immediate repayment of any loans to ourselves and/or to

replenish the depleted Reserve Fund. It is possible we will face a similar scenario next year and we must have funds available to access if income in the 09-10 fiscal year is not fully realized.

EXPENSE – Payroll

- Note that all payroll line items include total compensation comprising *both* salary and benefits.
- The Minister, RE Director and Music Director salaries were reduced by 2%.
- No changes in hours or hourly rate were made to the Office Administrator, Administrative Assistant, Publication Specialist, Accompanist, RE Assistant and Custodian.
- The Volunteer Coordinator position was not funded, nor was the Children’s Choir Director.
- Hours for childcare staff were reduced to reflect the consensus that church-funded child care will now be provided only on Sundays.
- There were no salary or hourly wage increases.
- SAIF provides disability insurance for the church employees. The premium increased dramatically this past year when we retained additional support staff.
- Payroll expenses are down slightly with voluntary reductions of professional expenses by Steve, Candee and Tom.

EXPENSE - Contingency

- We are currently at the end of the 08-09 fiscal year and facing a shortfall. We currently have approximately 16% of pledges that have not been paid. We have used the current pledge deficit percentage along with historic pledge deficits to guide us in a reasonable expectation of what we may face next year at this same time.