

Unitarian Society of Germantown
Congregational meeting to present draft budget
March 22, 2015

Meeting notes

Marina Patrice Nolan, Vice President of the Board of Trustees, introduced Dave Bruton, who presented on behalf of the Finance Council. Under the current governance structure, the Board sets limitations for the budget, and the Ministry Executive Team (MET) is responsible for involving appropriate stakeholders and, working with the Finance Council, preparing the budget for review and approval by the Board. The Board set the following limitations for the FY 2015-2016 budget: (1) fair compensation for our employees; (2) fair share UU Association dues and Joseph Priestley District dues; (3) no paid intern minister, but pursue student minister with grant support; (4) vigorous support of increasing income to reduce the deficit; (5) deficit be reduced by 10% each year for the next three years.

Two documents were distributed: Budget Summary This Year and Next Year, and Budget Development Report Current & Proposed, both dated March 20, 2015. The Budget Development Report was broken down by line items. The budget format has been revised to separate out CIF transfers to cover the deficit, in order to increase visibility, and some other changes in account lines were made to better reflect income and expenditures. Income from pledges, gifts and grants is projected to rise. This is based on well-founded current projections of receipts, not on amounts in the current year's budget. Expenses are projected to be slightly lower. No raises are budgeted for employees; their salaries will remain flat. The deficit is projected to decrease from the \$48,000 budgeted in FY 2014-2015 to \$25,843. This is a reduction of the deficit by 46 percent.

A lengthy question and answer session ensued. Following is a summary.

- Are expenses tracking year to date as projected? Generally yes. The MET has identified some discrepancies and is working with key leaders to adjust them by reducing their expenses for the remainder of the fiscal year. The MET, which is responsible for budget administration, is not permitted to exceed the budgeted deficit. If pledge income is over the amount budgeted, as projected, it will reduce the deficit.
- If USG is committed to fair compensation, how was the decision reached to keep salaries flat? Currently employees earn within the range of UUA Fair Compensation Guidelines. It was felt that addressing the financial concerns should be a team effort, and that this was the right thing to do right now. Health insurance is going up, so the total cost of employees is increasing slightly.
- Are the 2013-2014 budget actuals on the website? They were. They were recently removed because the change in budget format carried backwards, and adjustments need to be made. They will be re-posted.
- Since the Board endorses vigorous efforts to increase income, why is there not a line item for increased income? How do we know that is being pursued? There is no line for increased income

because budget projections require a higher degree of certainty. Efforts to pursue increased income were discussed.

- Why are we expecting program and rental income to be less? Wedding rentals are down. There has been a suggestion we need an increased visibility on Google searches, which is how many people locate wedding sites.
- If salaries are flat, why is FICA going up? This is because unemployment compensation had been a separate line item and is now being combined with FICA. There is no total increase.
- Suggestion that the Edna Jones Building Maintenance fund contribute \$10,000 to reduce the deficit. Discussion of the purpose and benefits of having the Maintenance Reserve Fund as opposed to taking money for building emergencies and other building and grounds expenses outside the operating budget from the CIF. The 2013-2014 Board voted to establish the Maintenance Reserve Fund. This decision can be reconsidered by other Boards, but will not be part of this year's budget process.
- There should be a line in the budget for contingencies. Others disagreed. This year there is a mid-year revision to the budget projections underway, which is a way to address contingencies.
- We should think about areas of church life to which we would want to devote more money if we could. Is there more we could invest in our youth so that we create a strong connection for them as they reach adulthood? How does the budget reflect our priorities? How our budget reflects our mission is an excellent question. Rev. Daniel is a full-time staff person who has responsibility and skills for youth. For a church with ~312 adult members, we are spending more on that sector of the population than many churches our size.
- How do we better fulfill our mission both to increase our diversity and community awareness of who we are and the good things we do? Our communications budget is small; can we increase our visibility?
- Concluding comment by a member of the congregation: I feel heard. Appreciation expressed for the work that went into this budget and all the effort made towards a mutual goal of living on what we take in. Sees good steps in that direction.

Respectfully submitted, Andrea Parry

3/23/2015