

Review of Proposed FY22 Budget and Agenda items for Congregational Information Sessions

Brian McDermott

05-15-2021

Budget Section Outline

- Budget Assumptions with Covid in mind
 - Review of Income Forecasts
 - Review of Expense Forecasts
 - BTF recommendations for beyond this Budget
 - Link to the Proposed Budget:
 - [Copy of UUCUC Budget FYE 6.30.22 for review and Board approval.xlsx](#)
 - Board approved the proposed budget at the May 11th, 2021 business meeting
-

Budgeting in a time of COVID-19

- Assumption:
 - Services remain on-line for July/August, hybrid opening in September
 - Any facilities-based investments for coming back in a hybrid capacity is considered off-budget
 - Would need a special fundraiser for any upgrades
 - items needed are still to be determined
 - possible examples are: wiring the church, new projectors or displays, a tent?, improved ventilation?
 - Hybrid = services are both in-person and on-line
-

What does the proposed budget accomplish?

- **Lead Minister can be at $\frac{3}{4}$ time to support her during a year of adapting to her health challenges**
 - Associate Minister at $\frac{3}{4}$ time as part of maintaining ministerial support
 - **Staff is being funded for Re-opening** (Key part of Generosity campaign - help build the foundation for the coming years of the strategic plan)
 - **Increased hours for support staff (Office assistant, RE assistant, Dir of Facilities)**
 - **Membership Coordinator returns at 15 hours a week**
 - **AV tech shifted from Worship to Staff Budget Lines**
 - **Seed Green UU funding**
 - **Money for Generosity consultant**
-

How did we get to a balanced budget?

- **Funding for committees and staff-led programs are roughly 6% lower than their initial budget requests**
 - Note: IJTF and RJP are higher than last year's funding while Social Action is considerably reduced
- **No Chalice Lighters Funding proposed**
- **No Set aside Fundings (No savings)**
- **Trustees contingency significantly reduced**
 - Proposed: \$534, this year's budget \$4171

Income Summary

- Pledge forecast
 - 9.7% increase from last year!
 - Pledge est = \$505,000
 - yes, over a half million! (\$45K more last year)
- Assoc. Minister tgt'd donations
 - \$32,000 (2nd of 2 years)
 - Chalice Lighters Grant of \$10,000
- **Total Budget: \$616,468!**
 - \$30,548 more than last year: ~ 5.2% increase
 - **Why doesn't the pledge increase flow directly to the bottom line?**
 - Biggest effect is from not having grant money to replace the Vision Legacy funds (\$22K more last year)



Income Details by category

Title:	Proposed 2022 Budget	2021 Budget		Delta (Proposed budget minus last year budget)	Percentage increase (from last year)
Pledges	\$505,000.00	\$460,000.00		\$45,000.00	9.8%
Donations	\$44,500.00	\$39,409.00		\$5,091.00	12.9%
Plate and Trust	\$28,348.00	\$20,013.00		\$8,335.00	41.7%
Fundraising	\$26,800.00	\$26,000.00		\$800.00	3.1%
Facility Use fees	\$1,820.00	\$3,474.00		-\$1,654.00	-47.6%
misc	\$10,000.00	\$35,024.00		-\$25,024.00	-71.5%
SubTotal	\$616,468.00	\$583,920.00		\$32,548.00	5.6%

Associate minister donated funds are included in Donations line (last year)

Donations higher: Adding in estimate for plate collection that we did not have budgeted last year.

Miscellaneous is much lower due to 2 items: (1) last year's use of Vision Legacy Funds and that (2) we do not have any excess reserves

If other questions - look in the detailed budget, where BTF rationale was included in comments

(Note: this table is not directly linked to the budget)

Expense Summary

- Current Proposed Expense forecast

- \$616,468

- **Balanced Budget**



- Ministerial Plan: Lead and Associate Minister both at $\frac{3}{4}$ time

- Associate going to $\frac{3}{4}$ time starting Sept 1; Lead going to $\frac{3}{4}$ time Aug. 1

- Rev. Sally acknowledges this increase may be temporary and that the Board and church can not commit to $\frac{3}{4}$ time ongoing at this time

- Staff has cut 6% from their initial budget requests

- Committee initial budget requests reduced by 6% from their initial Budget requests

- \$2500 for consultant for Generosity in the budget

- All funding for setasides have been zeroed out

Expense Details

Row # from Budget's Summary tab	Line Item	Title:	Proposed for 2022	2021 Budget	Delta (Proposed budget minus last year's budget)	Percentage increase (from last year)
78	53000	Congregational	\$64,239	\$61,310	\$2,929	4.8%
93	54000	Office	\$18,800	\$19,582	-\$782	-4.0%
105	55000	Worship	\$5,352	\$9,985	-\$4,613	-23.6%
120	56000	RE Expenses	\$13,500	\$13,450	\$50	0.4%
143	57000	Property	\$56,481	\$67,222	-\$10,741	-16.0%
170	58000	Minister(s)	\$179,482	\$180,972	-\$1,490	-0.8%
278	60000	Staff	\$275,614	\$229,885	\$45,729	19.9%
282		Other expenses (staff dev)	\$3,000	\$1,500	\$1,500	100.00%
		Subtotal	\$616,468	\$583,906	\$32,562	5.6%

Large drop in Worship funds mostly due to 2 items: transferring AV support to a paid position in the staff section and reducing the summer services budget (more free online resources for music are available)

Health Insurance premiums for Ministers and Staff increased by 10% by our provider

(Note: this table is not directly linked to the budget)

Proposed Budget -future Funding requests

- Recommendations by BTF to the Board and congregation
 - **As surplus Funding becomes available, these are the items that were most impacted, in the budget-creation process**
 - Trustee Contingency - return to ~\$3920 if possible
 - Sabbatical set aside - add funds as the Board determines, BTF recommends a minimum of \$2,000 if available
 - Health care set aside - Add \$2,000 to bring to \$12,000, if available
 - Property set aside- add funds as the Board determines, BTF recommends a minimum of \$2,000 if available

Questions on the Budget?



New items coming up in the Annual Meeting

- 8th Principle
 - Mediation committee - plans to review
 - Proposed Bylaws Change
 - Reduced size of Board for an experimental evaluation
 - Acceptance of a Restricted Gift
-

8 Principle Proposal

- We choose to add the 8th Principle of Unitarian Universalism to the 7 Principles we have already affirmed and urge the UUA to do the same. We resolve as follows:

"We, the members of the Unitarian Universalist Church of Urbana Champaign, covenant to affirm and promote journeying toward spiritual wholeness by working to build a diverse multicultural Beloved Community by our actions that accountably dismantle racism and other oppressions in ourselves and our institutions."

Mediation Committee



- This committee has been inactive and under/unstaffed for several years, and Nom. Com. has not solicited volunteers for these positions
- But, it is mandated by the Bylaws
 - what to do?
- **Our Goal:** Study what we need to do, find out what other congregations do, plan next steps
 - COSM has agreed to help the Board to review investigate and report at next annual meeting (maybe with bylaws proposals)
- **Till then, the Board recommends that no openings be filled for positions on Mediation**

Proposed Bylaws change

- **Adjusting the size of the Board for an experiment this year**
 - Data from Program-sized churches in the UUA points generally to migrating to smaller sized boards as congregations get bigger (Informal poll by Rev. Florence)
 - More programming and ministry is accomplished by staff in larger congregations, compared to lay-leadership running with the baton in smaller congregations
 - The proposed Bylaws change is required in order to not trigger automatic nominations from the floor at the Annual meeting (a Robert's rules, rule)
-

How will the Board conduct this experiment?

Approved at the April 27th Board Meeting:

The Board of Trustees will operate with reduced membership (no fewer than 5) for the 2021-2022 church year (no fewer than 7 in total with Clerk and Treasurer)

- i. This will be considered an experiment to assess whether, as a smaller Board:**
 1. Board business will be done thoughtfully and effectively
 2. Necessary discussions/debates will be done more deeply, as needed
 3. Critical groups within the congregation will continue to be supported by staff and Board.
 4. The strategic plan and its action initiatives will be supported as part of the primary work of the Board.
- ii. Board to review progress by mid-year, and to report to Nominating Committee if there are any changes proposed to the experiment, or whether changes be made permanent**
 1. If permanent changes are planned, the Board is to share results and findings with the congregation.
 2. After congregational discussions, propose amendments to the Constitution and Bylaws, and Board Job descriptions, as appropriate.

In parallel, continue work on the Authority structure of our church, through a task force that evaluates our structure (action item from the Strategic Plan - goal 5, action step 3)

Proposed Bylaw Changes

Changes proposed to Bylaws, (Blue - additions; ~~red-strikethrough~~ - deletions)

Article VII: The Board of Trustees

Section 1:

The Board of Trustees shall include **six (6)** ~~nine (9)~~ elected members and the Clerk and Treasurer for a total of **eight (8)** ~~eleven (11)~~ voting members. **Six of these eight Trustees** ~~members~~ shall constitute a quorum.

Section 2:

The members of the Board of Trustees shall be elected for three-year terms. ~~, with three being elected each year.~~ Terms shall begin and end with the beginning of the Board Organizational Meeting for the relevant years.

Congregational Acceptance of a Restricted Gift Offered by Clifford Singer and Brigitte Pieke

Congregational Motion: The Congregation authorizes the acceptance of the \$6,100 from Cliff Singer and Brigitte Pieke, for the purpose of paying down the mortgage.

Background: Our Constitution and Bylaws govern the acceptance or rejection of non-recurring gifts and restricted bequests (see below)*. Restricted gifts greater than \$5,000 can be accepted by the congregation and smaller restricted gifts must be accepted or rejected by the Board.

Cliff Singer and Brigitte Pieke wish to donate \$6,100 to UUCUC to be promptly used to make an extra principal payment on the church's mortgage.

As of June 9, 2021, we will owe approximately \$48,333 and we are paying 5.15% interest. The terms of our loan require monthly payments of principal and interest of \$1,435, with a balloon (lump sum) payment of \$20,236 due in May 2023. Acceptance of this gift will allow us to make an extra payment of principal, reduce the interest owed over the term of the loan, and reduce the size of the balloon payment that must be paid or refinanced. **The Finance Committee and the Planned Giving sub-committee recommend that this gift and all other gifts restricted in this manner be accepted by UUCUC. We thank Cliff and Brigitte for their generosity, and we share their hope that others will be inspired by their generosity.**

*Article 5, Section 3e of our Constitution states, "The following matters are specifically reserved for decision by the voting membership. e. Acceptance and disposition of non-recurring gifts or restricted bequests having a value greater than \$5,000. Article XV, Section 7 of the church Bylaws states, The Board of Trustees of the Church may accept or reject any restricted bequest or non-recurring gift subject to the limits set forth in the Constitution Article V, Section 3e.

Final Required Information

Financial Condition of the Church

Bylaws requirement that the Treasurer report the financial condition at the Annual Meeting

[April 21 Financials.xlsx](#)

[Summary Report April 2021.pdf](#)

Bylaws, Article VI: Treasurer

Section 6: The Treasurer shall report on the financial condition of the Church, including a current Balance Sheet, Statement of Revenue and Expenditures, and Statement of Cash Flows at the Annual Meeting. A final Statement of Revenue and Expenditures for the fiscal year shall be prepared for the Board of Trustees no later than its September meeting, and shall be made a part of the next Annual Report to the congregation.



**That's all folks -
thanks for
coming**

