

Proposed Budget FY 2025-2026
Budget Memo
April 2025

The Finance Committee unanimously supports this proposed budget and recommends affirmation by the Board.

This budget reflects a collaborative effort by the Personnel Committee, Finance Committee, and staff, with input from committees and groups active in our congregation. This year's budget began with a kick-off meeting with the Finance and Personnel Committees, Ministry, and staff. In addition to the collaborative meeting, the Board Vice-President, Bev Ryan, again made an inclusive outreach to groups and committees active in our congregation. The early discussion led to a broad discussion and understanding of the ministry priorities, the Personnel Committee's evaluation of salaries, general operating costs, and the strong desire for this year's budget to reflect the actions of the long-range plan. These defining conversations led to priorities and an understanding of the funding required to make the priorities a reality.

This budget also reflects a transition in staffing. For most of this fiscal year, staffing has undergone a significant change in moving from a full-time Director of Administration and Finance to two part-time employees and a better understanding of the needs for contracted work to provide services in specific areas such as IT support and high-end financial advice. In addition, the Personnel Committee, after a thorough review recommends that two current positions move from a contractual relationship to an employee relationship by making these positions part-time. These two positions are the: AV Tech and a Childcare Worker. The FY 25-26 budget reflects the transition and changes.

A strong pledge drive and the transition in staffing led to much more flexibility in using available funds to meet our stated priorities. Overall staffing costs decreased to 70% of the budget vs 75% in FY 24-25. In addition, the new Operations Manager has identified cost savings in several line items, allowing shifting of funding to areas of greater need.

Importantly, this proposed budget is balanced with projected revenues slightly exceeding proposed expenditures. The Proposed FY 25-26 Budget is \$587,950, an increase of \$2,966 from the Adopted FY 24-25 Budget, which is a modest .05% increase in both revenues and expenditures.

What does this budget fund:

The budget line items are redefined to align with the long-range plan. The line items are increased in many areas to support the stated funding priorities and action steps of the plan. Specifically, the new budget categories and increases in funding are as follows:

- Nurturing Heart, Mind, Body, and Spirit: Funds Worship, Music, Faith Development, and Pastoral Care. Increases funding for guest preachers.
- Safe and Welcoming Space for All: Funds for Caring Community, Family Ministries, Membership, Campus Plan, Young Adult Ministry, Fun and Friendship, Inclusive Ministries, and Childcare. Creating or increasing funding in most areas.
- Justice, Equity, and Peace: Funds Community Partnerships, Justice Ministry, Interfaith Ministry, and the Ministry for Earth. Increasing funding in most areas.
- Congregational Leadership and Administration: Funds Communications, Campus maintenance, Utilities, Office Supplies and Equipment, Multi-Peril Insurance, IT support, Admin support, and Facility Improvement Projects. The long-range goal to create a Marketing Plan is not funded.

Although funding has increased significantly, not all requests from the Buildings Committee for Facility Improvement Projects have been funded.

- Debt Service: Funds Debt Service and Interest payments on Bonds Reserve
- Funds increased Operating Contingencies, and Buildings and Grounds Contingencies. Because of the economic unknowns and the long-range impact of national financial policy, the operating contingency funding was increased significantly.

Revenue

Revenue projections are \$589,427.

The following are important notes on revenues:

- Annual pledge donations increased \$460,000 to \$488,250. For budgeting purposes. 93% of the pledged amount is projected to be honored. In total pledge donations are 85% of the projected revenue.
- Non-pledge projections donations are decreased. There has been a decrease in one-time donations over the past several years.
- Projections for Ongoing Fundraisers were increased.
- Other Revenue was decreased largely because of a conservative use of the Endowment Fund. Although the Endowment Fund has increased since last FY, this budget relies less heavily on funding from the Endowment, leaving capacity to draw from the Endowment to meet critical unfunded needs during the Fiscal Year, if needed.

Budget Expenditures/Priorities

Expenditure projections \$587,950.

- Staff salary increases range from 1.5% - 7%. Significant drivers in determining the level of increases were the UUA guidelines and gender equity. Compression is also an issue because of hiring new staff at competitive rates.
- Other significant changes are noted above.

Conclusion

This proposed budget is the culmination of the work of many people. Thank you to the Finance Committee, Personnel Committee and Chair Carol Gardner, Bev Ryan (Vice President), and Sandra Schwartz, Operations Manager for their work on this budget. A special thanks to Rev Tim and Rev Leia for their leadership and insights.

Submitted by Kay Frazier, Treasurer