

Budget Narrative for the 2017-18 Budget

LMTopp, 05/17

This Budget Narrative accompanies the Budget Summary. It provides similar information to the PowerPoint presentation that was used for the Budget Hearing/Town Hall on April 23.

Commitment Income is estimated at \$638,000, lower than our goal of \$650,000. Due to adjustments of other income lines to match patterns seen in 2016-17, Total Income is estimated to be \$730,850, a 1% decrease from last year's total income of \$738,470.

During the course of the year, the Board and Executive (Rev. Mark Ward) made a decision to take time during 2016-17 and the first half of 2017-18 to lead the congregation through a process that will result in discerning the congregation's deepest values and its very-focused mission. With that information in hand in 2017-18, staffing for the congregation will be re-imagined to fit better with our income. This led to a decision that we would make no staff hour changes for 2017-18 except that we would add 5 hours/week for the bookkeeper, going from 20 to 25 hours per week.

This did not stop personnel costs from being higher next year than was true for the 2016-17 budget. Five additional hours, mid-year raises for the LRE Assistant and LRE Coordinator, new employees eligible for pension payments and rising health care costs have all resulted in increased expenses for 2017-18. Consequently, other line items outside of staff were reduced as much as possible FOR THIS YEAR ONLY, until we can "fix" our budget in preparation for the 2018-19 church year.

Another expense item increase was the addition of our Welcome Project mortgage. That is an annual amount of \$13,210.

In order to balance a budget that has slightly lower income and increased expenses, we did two things. We reduced expenses where we could, but since we've been running very lean budgets for more than 5 years, there wasn't much there. But by doing that, we got close enough to fill the gap between expenses and income with a portion of a bequest we've designated for this purpose AND will be using our Campus Development Fund to pay for the mortgage this year. That will set us up for significant adjustments in the 2018-19 budget to eliminate the expense/income gaps we have experienced for the past 5 years.