Unitarian Society of Santa Barbara
Town Hall Meeting

2019-20 Proposed Budget
Sunday May 19, 2019

Our Mission and Our Values

Our Values
- Community
- Courage
- Love
- Diversity
- Generosity
- Joy

Our Mission
- Live with integrity
- Nurture wonder
- Inspire action
USSB Ends

Living with Integrity, we:
1. Support each other in life and life’s transitions with loving care, joy, celebration and gratitude.
2. Care for the earth and its rich web of life for current and future generations.

Nurturing Wonder, we:
3. Experience the transcendent that opens us to deep connection and life’s mystery.
4. Cultivate spiritual practices and engage in lifelong learning, utilizing our hearts and minds.

Inspiring Action, we:
5. Shift the larger culture toward justice and compassion through bold individual and congregational endeavors.
6. Welcome and connect people across differences of ethnicity, class, sexual identity, religion, politics and education.

Covenant of Good Relations

In my interactions with others in our congregation, I will:
• be receptive, listening with care and compassion;
• be truthful, speaking with care and compassion, and speaking directly to anyone with whom I have a concern;
• be committed to the group as a whole, honoring our long history as a congregation within the Unitarian Universalist tradition;
• expect that there will be differences among us and accept and care for one another despite those differences;
• remain engaged with gentleness and respect when times are uncertain, participate in the process, and do my part to sustain this Covenant;
• honor my responsibility for upholding the spiritual values, traditions and rituals of our community.
Town Meeting Budget & LRP Presentation

June 3, 2012

Agenda

1. Budget Planning Process & Timeline

2. Review Current 2018-19 Projections

3. Review Proposed 2019-20 Budget

*Question cards – Include your name with your question*

http://www.ussb.org/finances-at-ussb/
BUDGET PLANNING PROCESS & TIMELINE

USSB Budget Planning Group

- Keith Strohmaier, USSB Board President
- Onolee Zwieke, USSB Board Secretary
- Jack Rief, USSB Board Treasurer
- Deb Karoff, Member
- Erin Wilson, Director of Administration
- Rev. Julia Hamilton, Lead Minister
Budget Planning Principles

- Propose a balanced budget
- Build a budget that reflects our values and mission
- Respect the Congregation’s Ends
- What do we want? What can we pay for?
- Respect congregational priorities

Budget Planning Timeline

- Nov & Dec 2018
- Jan 2019
- Feb
- March
- April
- May
- June

- Budget Planning Group projects income & expense
- Budget Planning Group constructs balanced budget for 2019-20
- Board approval

Congregational vote to approve budget
Sunday, June 2, 2019
What Happens After the Budget Is Approved?

- Monitor budget monthly with
  - Monthly financials reviewed by Finance Committee
  - Report to the Board
  - Adjust throughout year as needed
  - Board vote required for any material deviation and subsequent revision to budget per bylaw 17.3.1

- Quarterly Budget reviews with staff – Staff review budget items in their areas to track spending formally on a quarterly basis

REVIEW PROJECTED 2018-19 BUDGET
How will this year end?

We are projected to be on budget for 2018-2019.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Adopted</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges (Net of fees)</td>
<td>$420,000</td>
<td>$411,080</td>
</tr>
<tr>
<td>Fundraising, Grants, Admin Fees</td>
<td>$50,500</td>
<td>$49,645</td>
</tr>
<tr>
<td>Contributions Revenue</td>
<td>$28,000</td>
<td>$30,387</td>
</tr>
<tr>
<td>Room Use, Weddings, Rentals, etc.</td>
<td>$267,600</td>
<td>$271,923</td>
</tr>
<tr>
<td>Investment Activity</td>
<td>$146,000</td>
<td>$147,537</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$912,100</strong></td>
<td><strong>$910,572</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>$498,373</td>
<td>$499,958</td>
</tr>
<tr>
<td>Benefits</td>
<td>$136,318</td>
<td>$136,731</td>
</tr>
<tr>
<td>Facility</td>
<td>$114,100</td>
<td>$118,000</td>
</tr>
<tr>
<td>Administrative</td>
<td>$62,688</td>
<td>$50,618</td>
</tr>
<tr>
<td>Supplements to Programs</td>
<td>$17,470</td>
<td>$17,470</td>
</tr>
<tr>
<td>District &amp; Association Support</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Interest Expense &amp; Principal Pay-down</td>
<td>$53,151</td>
<td>$54,358</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$912,100</strong></td>
<td><strong>$907,135</strong></td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td><strong>$0</strong></td>
<td><strong>$3,437</strong></td>
</tr>
</tbody>
</table>

OVERVIEW OF PROPOSED 2019-20 BUDGET
### Proposed Operating Budget 2019-20

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Projected 2018-19 This Year</th>
<th>Proposed 2019-20 Next Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Membership Pledges</td>
<td>$411,080 (46%)</td>
<td>$440,000 (47%)</td>
</tr>
<tr>
<td>Fundraising, Grants, Admin Fees</td>
<td>$49,645 (5%)</td>
<td>$50,500 (5%)</td>
</tr>
<tr>
<td>Contributions Income</td>
<td>$30,387 (3%)</td>
<td>$36,000 (4%)</td>
</tr>
<tr>
<td>Room Use, Weddings, Rentals</td>
<td>$271,923 (30%)</td>
<td>$266,400 (29%)</td>
</tr>
<tr>
<td>Investment Activity</td>
<td>$147,537 (16%)</td>
<td>$145,936 (15%)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$910,572</td>
<td>$938,836</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>$499,958 (54%)</td>
<td>$507,785 (54%)</td>
</tr>
<tr>
<td>Benefits</td>
<td>$136,731 (16%)</td>
<td>$135,842 (14%)</td>
</tr>
<tr>
<td>Facility</td>
<td>$118,000 (13%)</td>
<td>$122,713 (13%)</td>
</tr>
<tr>
<td>Administrative</td>
<td>$50,618 (6%)</td>
<td>$59,000 (6%)</td>
</tr>
<tr>
<td>Programs</td>
<td>$17,470 (2%)</td>
<td>$22,354 (3%)</td>
</tr>
<tr>
<td>District &amp; Association Support</td>
<td>$30,000 (3%)</td>
<td>$36,784 (4%)</td>
</tr>
<tr>
<td>Interest Expense &amp; Principal Pay-Down</td>
<td>$54,358 (6%)</td>
<td>$54,358 (6%)</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$907,135</td>
<td>$938,836</td>
</tr>
</tbody>
</table>

**Total Revenue = $938,836**
**Proposed 2019-20 Revenue: Annual Pledge**

- Proposed 2019-20: $440,000
- Projected 2018-19: $411,080
- Change: $28,920

  - Each pledge adjusted up or down throughout the year
  - Stewardship year-round

Pledge revenue is our largest revenue stream, and the one most in our control.

**Proposed 2019-20 Revenue: Fundraising, Admin Fee**

- Proposed 2019-20: $50,500
- Projected 2018-19: $49,645
- Change: $855

Fundraising includes:

- Annual Auction
- Other Fundraisers (Fashion Fling)

Admin Fee from Freedom Warming Center
**Proposed 2019-20 Revenue: Contributions Revenue**

- Proposed 2019-20: $36,000
- Projected 2018-19: $30,387
- Change: $5,613

Plate contributions net of outreach contributions

- Miscellaneous gifts (unrestricted gifts to USSB),
- End of Year Appeal
- Operating portion of unrestricted bequests
- Highly variable

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**Proposed 2019-20 Revenue: Room Use, Weddings, Rentals**

- Proposed 2019-20: $266,400
- Projected 2018-19: $271,923
- Change: $(5,523)

Weddings/Equipment rental

- Regular and one-time room users
- Rental Homes on La Paz and Arrellaga
- Rental to Starr King and Knox Schools
- Conservative budget; wedding income is variable
Proposed 2019-20 Revenue: Investment Activity

- Proposed 2019-20: $145,936
- Projected 2018-19: $147,537
- Change: $(1,601)

- USSB Endowment Distributions (6% per year)
- Distribution from Cummins Fund (Oregon Community Foundation)

Proposed Operating Expenses 2019-20

- Staff Payroll: 54%
- Benefits: 6%
- Facility: 13%
- Administrative: 14%
- Supplements to Programs: 3%
- District & Association Support: 4%
- Interest Expense: 6%

Total Expense = $938,836
Proposed 2019-20 Expense: Staff and Benefits

Proposed 2019-20: $643,627
Projected 2018-19: $636,689
Change: $6,938

Staff Benefit Expense Includes:
- Health Insurance
- Long Term Disability
- Worker's Compensation
- Pension Plans

Proposed 2019-20 Expense: Facilities

Proposed 2019-20: $122,713
Projected 2018-19: $118,000
Change: $4,713

- Maintenance
- Contract Services (Custodial, Landscaping)
- Utilities
- Repairs
- Property/Liability Insurance
Proposed 2019-20 Expense: Administration

Proposed 2019-20: $59,000
Projected 2018-19: $50,618
Change: $8,382

- Computer Software, IT Services, Web Hosting, etc.
- Bookkeeping/Accounting Fees
- Office Supplies & Paper
- Bulk Mailings, Postage
- Equipment (Computer, Phone, Internet Service)

Proposed 2019-20 Expense: Supplements to Programs

Proposed 2019-20: $22,354
Projected 2018-19: $17,470
Change: $4,884

- Supplement Music, RE, Membership, Social Justice, and Worship Arts
- This is not our entire expense budget for programs, merely what expenses are incurred in our Operating budget. Does not include income/expenses from restricted accounts
Proposed 2019-20 Expense: District & Association Support

Proposed 2019-20: $36,784
Projected 2018-19: $30,000
Change: $6,784

Fair Share Suggested by District/Association
Total: $40,462
• Now calculated by percentage of operating budget as opposed to membership count

Total Proposed Contribution: $36,784
(91% Fair Share)

Proposed 2019-20 Expense: Interest Expense & Principal Pay-Down

Proposed 2019-20: $54,358
Projected 2018-19: $54,358
Change: $(0)

• Principal and interest payments on Mortgage
• Interest Payments on Capital Campaign Member Loans
Summary

2018-19 Projections
• Projecting positive net income
• Actual income close to budgeted income in most areas
• Costs in facilities/contract services adjusted for vendors cost of living increase
• Fundraising, wedding and investment income slightly above budget
• Admin & Staff adjustments

2019-20 Draft Proposed Budget
• Increase in pledge income to $440k (from $420k)
• Some shifts between Admin/Staffing expense to reflect actuals
• Increased program expenses to better align with needs of the congregation
• Increased facilities expense to adjust to increased contract service cost of living
• Increase in District & Association Support (91% of fair share)

Questions? Pass your cards forward.

Next: ANNUAL MEETING
Sunday, June 2, 12:30 PM in Parish Hall
- Pick up absentee ballots today, or vote at the annual meeting