

Congregational Church of Burlington

Budget Planning Meeting
January 25, 2015

Today's Agenda

- Present 2014 Budget vs. Actuals
- Present 2015 Business Committee Recommended Budget
- Key Budget Impacts
- Opportunity Costs, Income Strategy Options Available to Us & Large Project Needs Outside the Operational Budget
- Congregational Discussion & possible Vote

2014 Budget vs. Actuals

- Great News! The 2014 Pledges collected were 109% of what was pledged by us
- The Bad News: We still finished \$18.5k short of the needed Pledging Level
- The 2014 Budget finished with a \$19.9k deficit
- Wells Fargo fund liquidated to cover deficit and provide much needed cash flow for the checking account
- Fundraising still growing, but Scrips fell short of potential until November/December
- \$7.8k of Unrealized Investment Gains this year as compared to \$18k last year, so we are unable to offset the deficit this year

2015 Recommended Budget

- The Business Committee recommended budget is shown in the 3rd Column
- This budget has deep cuts, but does not affect our Pastor, Secretary or Music Director current budget plans
- Great News! Our anticipated 2015 pledging is about \$144.5k, a 10.3% increase over the Actual 2014 level!
- The Bad News: We need \$159.4k for this budget to break even

Key Budget Impacts

- All insurances went up: Health, Dental & Property Casualty Insurance
- Mortgage line now reflects true operational cost by including \$5k principal payment
- All stipends removed for Treasurer, Asst. Treasurer & Superintendent
- CT Conference Basic Support suspended in 2015
- Music, CE, Youth Group & Deacon budgets set to \$0
- Parsonage & Church Grounds budget set to \$0
- Took Music Series Income/Expenses out of Operational Budget as part of directed Fund
- The Pastor compensation package increase of 3% recommended by Pastoral Relations could not be included in this budget

Opportunity Costs

- Lost investment interest due to lack of donations back to the “Raise the Roof” campaign
- Cash flow issues have caused our Committee to postpone or scale back on large projects like the Church painting, parking lot lighting, roof design issues to name a few
- Unable to seriously consider Church Move plan now and in the near future

Income Strategy Options

- The stark reality is we have not been able to meet the true pledging necessary
 - The proposed budget needs \$15k MORE to balance and the Faith based budget needs a whopping \$28.3k increase
- We **MUST** figure out a way to increase income streams outside of pledging that are consistent and attainable
- How?

Income Strategy Options

- Ask many of us to increase pledging once again
- Conduct Special Collections throughout the year to cover important needs as they come up
- Sell Parsonage
 - > Will not solve long-term issue, but a \$50k to \$80k net would buy us a few more years
 - > We cannot afford the major maintenance that is around the corner
 - > A living stipend for the Pastor makes better fiscal sense when all costs of ownership are taken into account

Income Strategy Options

- Increase Fundraising Opportunities
 - > Bingo
 - > Partner with Little League and other community based organizations
 - > All of us commit to Scrips for at least one staple of life (gas, grocery). When we get used to that, increase usage and the FREE MONEY to our Church
 - > Ideas and volunteers to make things happen
- Fellowship Hall – Explore doing this part of the “move” first
 - > PPD can explore the potential wedding and big event potential, fundraising potential and community potential
 - > Establishing an income stream independent of pledging will solve any Budget needs, create funds for asset upkeep and make us an attractive lending partner with banks
 - > Can it be done? Possibly, but we cannot know the pros/cons without the research necessary

Income Strategy Options

- Sell Land
 - > As we already know, we will not be in a position of negotiating strength if our cash keeps depleting
 - > Our location makes the land desirable and help keep us open for several years
 - > But, it won't solve the underlying issue AND large maintenance projects could impact any gain
- Gifting to the Church
 - > Living Gifts (Investments with Capital Gains)
 - > Legacy Gifts – Plan with your financial advisor on how to structure gifts
- Day-to-Day Donations
 - > Give Staples Scrip card for church supplies
 - > Donate \$\$ for video or music licensing, Email service, etc.
- Share your ideas during Discussion

Don't Forget...

- We have some very large and expensive projects that fall outside the Operational Budget, but will hit our invested cash
 - > Painting Church
 - > Parking lot needs to be repaired/repaved
 - > Lights for the Parking Lot
 - > Labyrinth Maintenance
 - > Interior paint, repair, replacement as needed
 - > Unanticipated projects
- A HUGE Thank You to Memorials for our Bathrooms & Labyrinth upkeep, The Reitz Fund for the Labyrinth water line & beautification, TJ & Tim Higley for mowing and so many others who anonymously donate time and \$\$ for things we need such as licensing or Parsonage repairs.

Discussion and Q & A

