



# Finance Forum Agenda

May 6, 2018 at 12:30 – 2:00 p.m.  
Atrium Auditorium

**Welcome,** Joe Kremer, *Board President*

**Opening Reading,** T.Kay Browning, *Ministerial Intern*

**Agenda Review,** Adam Simcock, *Finance Committee Chairperson*

**3<sup>rd</sup> Quarter Financial Update,** Monica Nolan, *Executive Director*

**Visions of Organizational Health,** Monica Nolan

**Visions of Ministry,** Rev. Kelly Crocker

**2018-19 Proposed Budgets,** Monica Nolan

**Foundation Update,** Connie Beam, *FUS Foundation President*

**Restricted Donations,** Dorit Bergen, *Board Member*

**Parish Feedback**

**Closing Reading,** Rev. Kelly Crocker

## Proposed Operating Budget for 2018-2019

<b>Income</b>	<b>18-19 Budget</b>	<b>17-18 Budget</b>	<b>Difference</b>
Pledge Payments	\$1,195,000	\$1,220,000	-\$25,000
Rentals	\$240,203	\$233,878	\$6,325
Foundation Income	\$135,400	\$130,254	\$5,146
Collection & Gifts	\$145,537	\$131,514	\$14,023
Fundraising	\$38,225	\$55,500	-\$17,275
Program Income	\$50,000	\$51,800	-\$1,800
Fund Transfers	\$89,816	\$112,039	-\$22,223
<u>Other Income</u>	<u>\$6,102</u>	<u>\$5,375</u>	<u>\$727</u>
<b>TOTAL</b>	<b>\$1,900,283</b>	<b>\$1,940,360</b>	<b>-\$40,077</b>

<b>Expenses</b>	<b>18-19 Budget</b>	<b>17-18 Budget</b>	<b>Difference</b>
Personnel Compensation	\$896,477	\$882,343	\$14,134
Personnel Benefits/Taxes	\$268,991	\$299,122	-\$30,131
Mortgage	\$294,228	\$294,228	\$0
Building	\$196,948	\$204,102	-\$7,154
Program	\$149,588	\$153,662	-\$4,074
Administrative	\$64,100	\$80,693	-\$16,593
Communications	\$19,450	\$17,900	\$1,550
<u>Fundraising/Membership</u>	<u>\$10,500</u>	<u>\$8,250</u>	<u>\$2,250</u>
<b>TOTAL</b>	<b>\$1,900,282</b>	<b>\$1,940,300</b>	<b>-\$40,018</b>

<b>NET</b>	<b>\$1</b>	<b>\$60</b>
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### Proposed Capital Budget

2017 - 2021

<b>Income</b>	
Capital Campaign Income	\$2,368,912
Insurance	\$450,992
<u>Other Donations</u>	<u>\$143,867</u>
<b>Total</b>	<b>\$2,963,771</b>

<b>Expenses</b>	
Administrative	\$100,000
Prow	\$100,000
Roof	\$1,900,000
Mortgage Paydown	\$561,271
Heating Systems	\$35,000
Solar	\$37,500
Atrium Furnishings	\$50,000
Emergency Capital Projects	\$45,000
<u>Mortgage Transfer to Op</u>	<u>\$135,000</u>
<b>Total</b>	<b>\$2,963,771</b>

<b>NET</b>	<b>0</b>
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### Proposed Designated/Restricted Budget

<b>Estimated Cash Balance July 2018</b>	<b>\$124,023</b>
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<b>Total Income</b>	<b>\$16,111</b>
<b>Transfer to Operating</b>	<b>\$33,316</b>
<b>Total Expenses</b>	<b>\$21,898</b>

<b>NET</b>	<b>-\$39,103</b>
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<b>Estimated Cash Balance July 2019</b>	<b>\$84,920</b>
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**NOTES:**

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# Financial Forum

May 6, 2018



# Financial Forum Agenda

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**Opening Reading**, T.Kay Browning

**Agenda Review**, Adam Simcock, Finance Committee Chairperson

**3<sup>rd</sup> Quarter Financial Update**, Monica Nolan, *Executive Director*

**Visions of Ministry & Organizational Health**, Kelly Crocker & Monica

**2018-19 Proposed Budgets**, Monica Nolan

**Foundation Update**, Connie Beam, *FUSF Board President*

**Restricted Donations**, Dorit Bergen, *Board Member*

**Parish Feedback**

**Closing Reading**, Rev. Kelly Crocker



# Finance Committee

Monica Nolan (staff)

Adam Simcock (chair)

March Schweitzer (board)

Jennifer Conroy

Alyssa Ryanjoy

Chuck Evenson

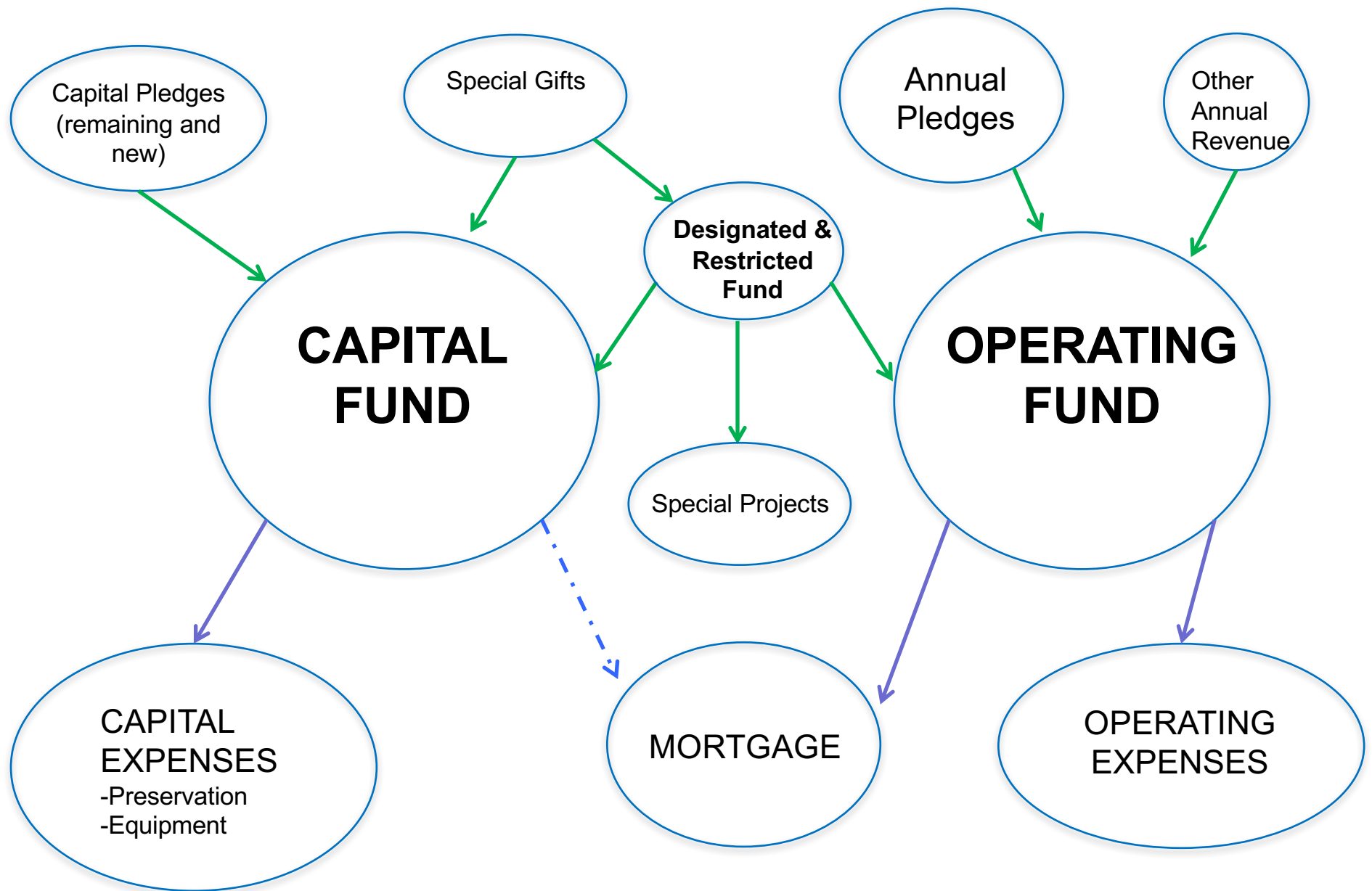


# Our Current Financials

*As of March 31, 2018*

Monica Nolan, Executive Director





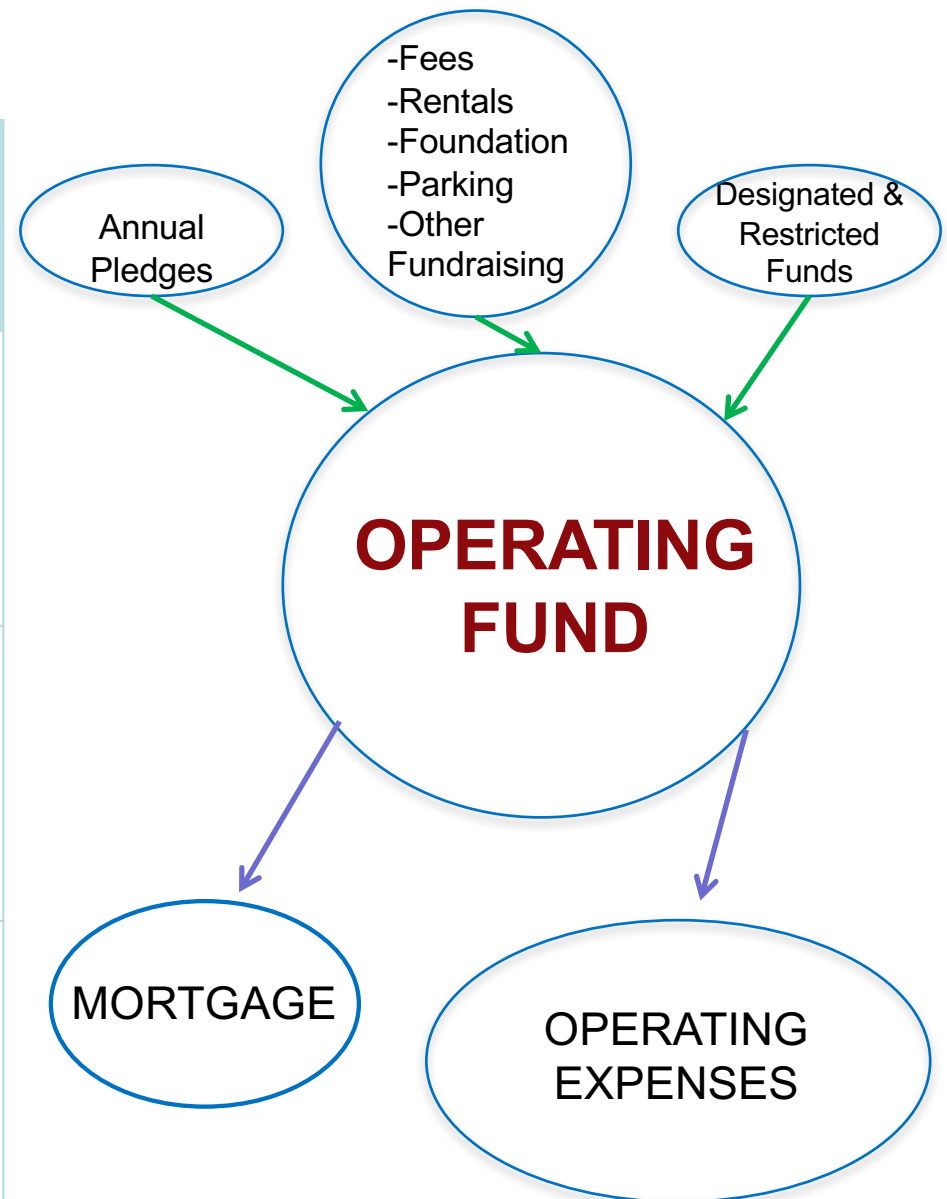
# Cash on Hand

<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>Change</b>
<b>\$1.97 million</b>	<b>\$275k</b>	<b>\$1.69 million</b>



# Operating Fund

	YTD Actuals (approx.)	Difference from last year
Income	\$1.36 million	Earned approx. \$31k more than last year
Expenses	\$1.44 million	Spent approx. \$30k more than last year
Net Income	<b>-\$75,000</b>	<b>Nearly identical net income as last year at -\$75k</b>



# Mid-Year Revenue Update

Income – *Higher Than Expected*

	<u>Budget</u>	<u>Actual Income</u>	<u>Variance</u>
<b>Unpledged Contributions</b>	\$48k	\$60k	<b>\$12k</b>

*21k from the Women's Alliance, 7k hearing loop,  
5k for energy assessment,  
27k other donations*

# Mid-Year Revenue Update

Income – *Lower Than Expected*

	<u>Budget</u>	<u>Actual Income</u>	<u>Variance</u>
<b>Parking Income</b>	\$61k	\$38k	-\$23k

*We had more parkers prepay for the whole year in June of 2017 (end of last fiscal year) instead of paying monthly. We're assuming the same will occur again in June of 2018.*

<b>Fundraising Event Income</b>	\$53k	\$30k	-\$23k
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*We hope we made up the 20k difference at Cabaret on Friday night. We'll know more in the coming week.*

# Mid-Year Revenue Update

Income – *Lower Than Expected*

	<u>Budget</u>	<u>Actual Income</u>	<u>Variance</u>
<b>Pledge Payments</b>	\$924k	\$855k	-\$69k

*Last year at this time we were \$49k under budget in terms of pledges. We ended last year with a small 11k deficit, despite being 33k shy of our pledge goal at the end of the year.*

The amount of pledge payments we will received in each quarter is hard to budget for, as the average quarterly amount varies by around \$50k, or 4% each quarter.

- *Ex: One year we may see \$342k in pledge payments the third quarter (FY13) and the next we see \$256k (FY14).*
- We're actively encouraging member and affiliates that have yet to pay their pledges, to do so before June 30.

# Mid-Year Expenditure Update

Expenses – *Lower Than Expected*

	<u>Budget</u>	<u>Actual Expenses</u>	<u>Variance</u>
<b>Pension</b>	\$56k	\$37k	<b>\$-19k</b>

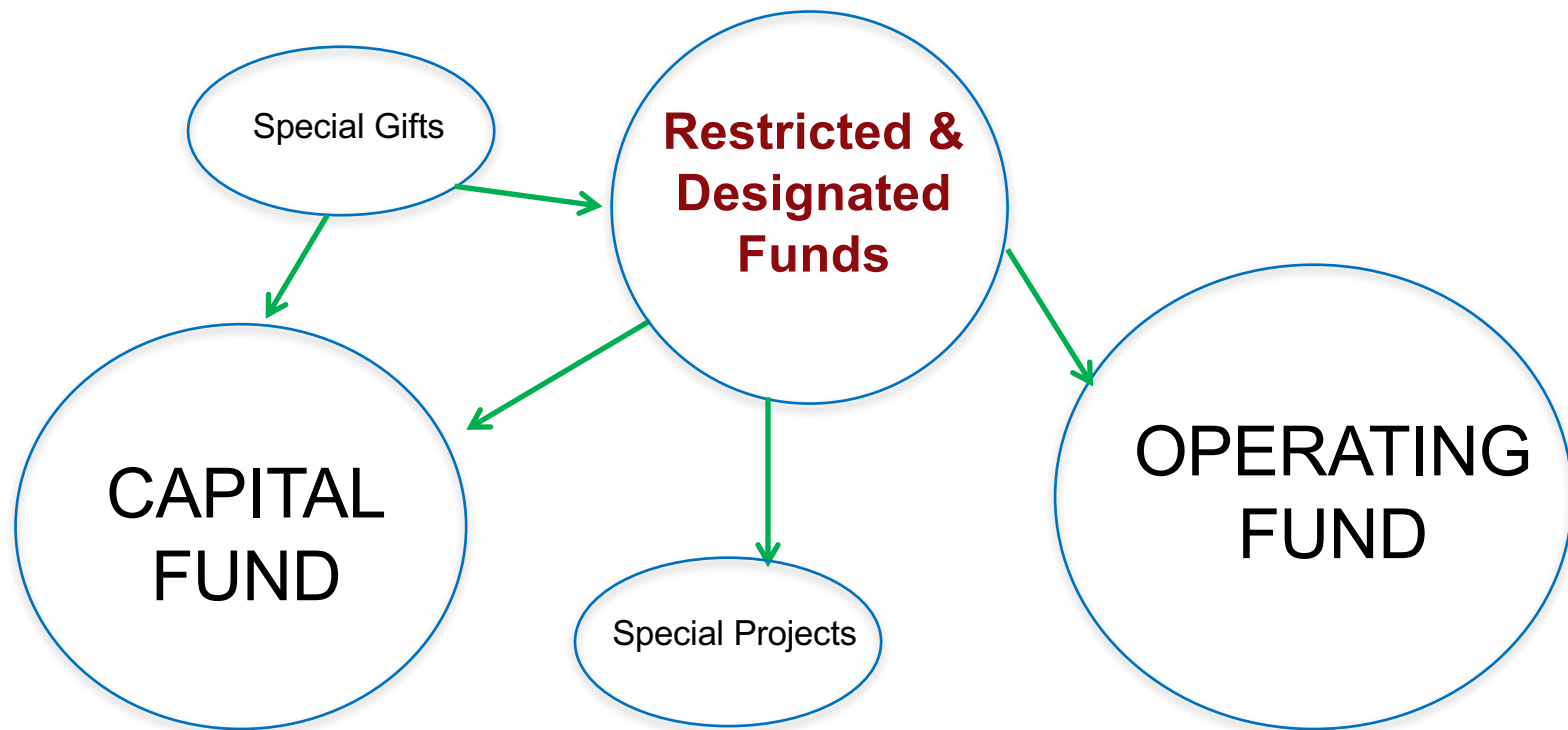
*New staff members pension payments don't begin until they've completed one full year of employment, so our pension payments decreased this year.*

<b>Program Expenses</b>	\$117k	\$101k	<b>\$-16k</b>
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*Across the board, programs spent 1k to 3k less than budgeted.*

# Designated & Restricted Fund

Beginning Balance 7/1/2017	Income YTD	Transfers YTD	Expenses YTD	Ending Balance 3/31/2018
\$173k	\$66k	\$71k	\$43k	\$124k



# Restricted & Designated Fund

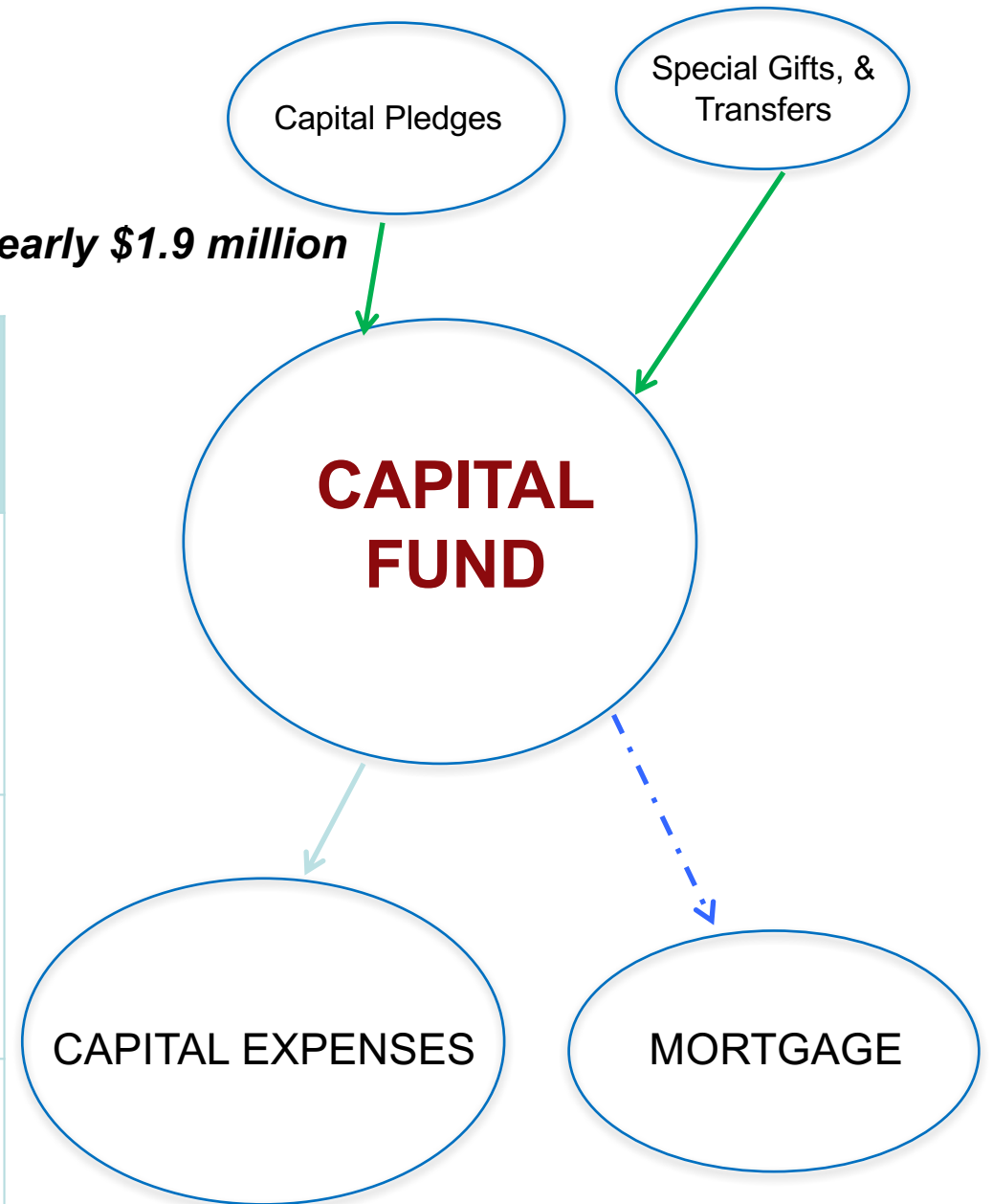
## *Current Fund Balances*

	Ending Balance
	3/31/18
Music	52,789.75
Art Fair Fund	19,883.41
Nelson/Leonardi Fund	14,110.00
Memorial Garden Fund	14,025.00
Microfinance - Local	6,043.00
Partner Church	5,952.29
Lay Ministry	3,340.00
Eviction Prevention	2,330.86
High School Youth Group	1,795.00
Tree Planting	1,570.00
Parish Minister	1,513.60
Assoc Minister Discretionary	531.92
Library	402.01
UUPCC Student Sponsor	373.18

# Capital Fund

*Account Balance as of March 31, 2018 is nearly \$1.9 million*

	YTD Actuals	Annual Variance
Income	\$1.36 million	Approx. <b>\$1.32 million</b> more than last year
Expenses	\$84k	Spent approx. <b>\$10k</b> less than budgeted YTD
Net Income	\$1.28 million	Woohoo!





# End of Year Reflections

## *Moving Forward*

- If you are behind on your pledge payments, now's the time to catch up. Member volunteers and staff will kindly remind those members that have fallen behind on payments via email, snail mail and phone.
- If you're contemplating gifting FUS an unpledged donation, now would be a fabulous time to do so!

**2018-2019**

# **The Vision for Next Year**

Monica Nolan, Executive Director



# Our Vision for FUS's Ministry

Within us, enhance opportunities for spiritual, intellectual, and personal growth

*Implement new and diverse ways of delivering religious education content that enables more member participation.*

# Our Vision for FUS's Ministry

Among us, nurture members in all stages of life and  
commit to build deeper connections

*Make it easier to get involved in the life of the congregation.*

# Our Vision for FUS's Ministry

Beyond us, embody our UU principles in the larger community as we engage in outreach, service, advocacy, and activism

*Work toward the creation of a just society through partnership and advocacy.*

*Offer more opportunities to discuss the many privileges we have and take for granted, which impact the way we interact with others.*

# We Envision Improving FUS's Organizational Health in 18-19

- We will facilitate the successful transition of our Senior Minister and Music Director.

*This has impacts on our overall compensation levels*

# We Envision Improving FUS's Organizational Health in 18-19

- We will facilitate the successful transition of our Senior Minister and Music Director.
- We will implement the Landmark capital projects approved during the last Capital Campaign.

*These renovations, reflected in the Capital Budget, are still budgeted at 2.1 million dollars, as we've previously discussed at Parish Meetings*

# We Envision Improving FUS's Organizational Health in 18-19

- We will facilitate the successful transition of our Senior Minister and Music Director.
- We will implement the Landmark capital projects approved during the last Capital Campaign.
- We will continue to improve the FUS work environment, so that all staff feel supported, honored, and confident in their ability to fulfill their positions.

*In addition to the modest addition of a Staff Appreciation line item in the Operating Budget, we hope to continue to discuss staff salaries and our denomination's UUA compensation guidelines throughout 2018-2019. Unfortunately this year, we didn't have sufficient income to make systemic salary changes.*



# We Envision Improving FUS's Organizational Health in 18-19

- We will facilitate the successful transition of our Senior Minister and Music Director.
- We will implement the Landmark capital projects approved during the last Capital Campaign.
- We will continue to improve the FUS work environment, so that all staff feel supported, honored, and confident in their ability to fulfill their positions.
- We will improve the consistency, efficiency, and efficacy of internal and external marketing and communications.

*One of the most significant programmatic increases we see is within the communication department – with an 8% increase over last year's budget.*

# We Envision Improving FUS's Organizational Health in 18-19

- We will facilitate the successful transition of our Senior Minister and Music Director.
- We will implement the Landmark capital projects approved during the last Capital Campaign.
- We will continue to improve the FUS work environment, so that all staff feel supported, honored, and confident in their ability to fulfill their positions.
- We will improve the consistency, efficiency, and efficacy of internal and external marketing and communications.
- We will revisit our financial opportunities and responsibilities to ensure they allow our mission to flourish today and in the years to come.

*Join us at next year's Financial Forum to learn more ☺*



# Where We Started

***The first draft of the 18-19 Operating Budget had approximately a \$125k year-end projected deficit.***

## **Contributing Factors:**

- Projecting expenses for 3 new staff members taking full benefits (\$107k more in expenses)
- More realistic projection for pledge income (\$25k less)
- Lack of a gala income (\$35k less)
- Less transfers of designated funds to the operating fund (13k less)

# What We Considered

*The executive team considered a wide range of areas where we could decrease expenses and increase income.*

## **AREAS TO INCREASE INCOME**

- Increase parking fees
- Move more funds from designated fund to operating fund
- Generate new facility rental (despite construction challenges)
- Make a less conservative projection of unpledged donations
- Raising income from within the congregation via a special “fill the gap” campaign

## **AREAS TO DECREASE EXPENSES**

- Scaling back programs
- Reducing discretionary expenses
- Cut staff hours
- Reducing salaries
- Cut staff benefits

# What We Propose

*Ultimately the Finance Committee, myself, Kelly, Michael, and Joe Kremer agreed upon on four viable solutions:*

- Increasing parking fees by 9%,
- Offering no staff-wide UUA salary bumps, nor cost of living increases,
- Merging the Director of Adult Spiritual Programs (Janet Swanson's role) and the Membership Engagement Coordinator position when Jeanne Sears retires in August 2018 (thankfully, Janet Swanson will be at the helm of this new role),
- Returning one staff (Fundraising Project Coordinator, Molly Kelly) from full-time to part-time status.

**Making these modifications resulted in a balanced budget.**



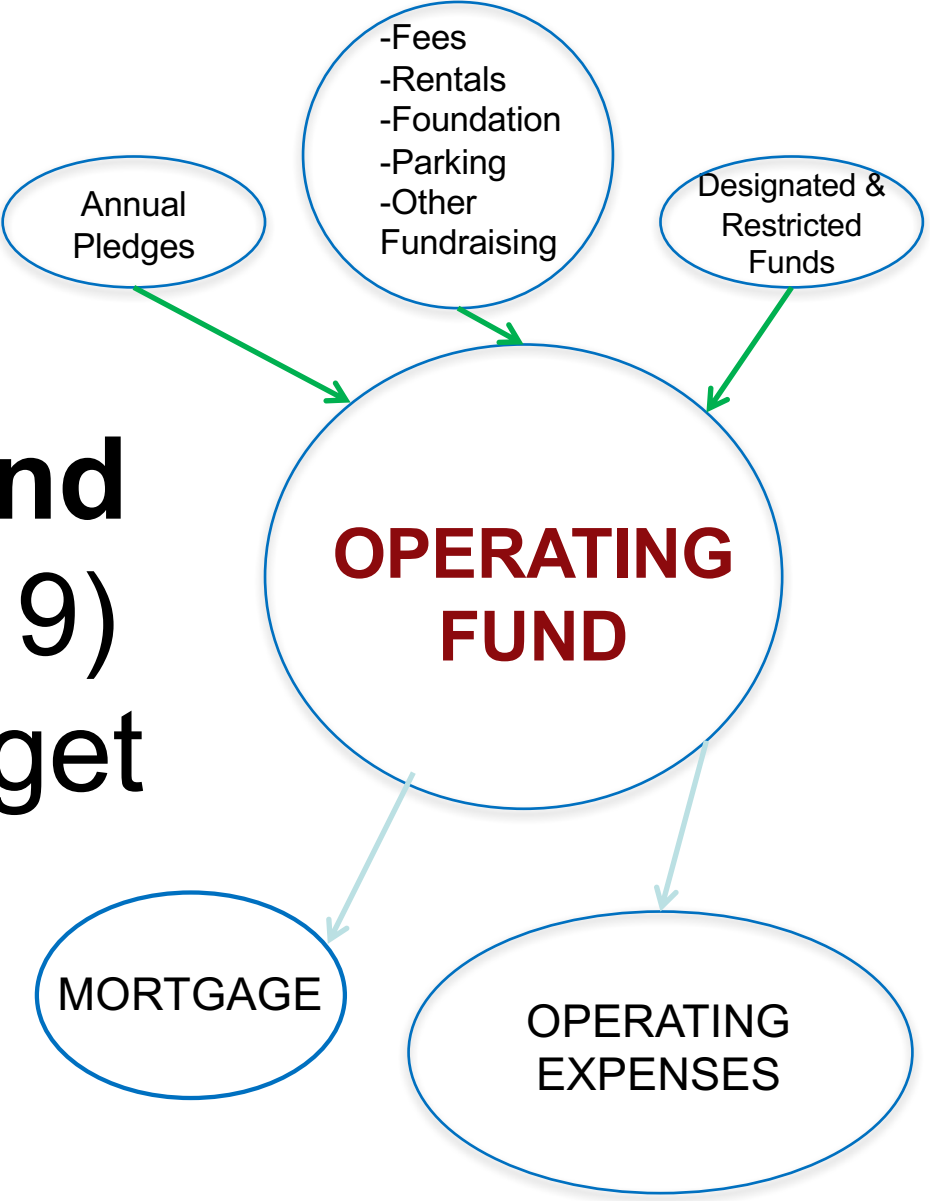
# What We Understand

We deeply appreciate our staff, and understand the weight that even modest cuts can place on them.

We are hopeful that our income increases or expenses decrease in the coming years and we can continue to consider increasing staff compensation.

***In the meantime, we recognize that as a community we must spend within our means, and make prudent financial decisions to ensure that the mission of FUS continues to thrive.***

# Operating Fund 2018-19 (FY 19) Proposed Budget



# Proposed Operating Budget Revenue

*Let's check out the back of your agenda to review our three budgets.*

<b><u>Income</u></b>	<b><u>18-19 Budget</u></b>	<b><u>17-18 Budget</u></b>	<b><u>Difference</u></b>
<b>Pledge Payments</b> <i>This year's estimate is based on two-years of actual pledge income.</i>	<b>\$1,195,000</b>	<b>\$1,220,000</b>	<b>-\$25,000</b>
<b>Rentals</b> <i>In addition to contracted increases for rent, parking is increasing 9% from last year's rates.</i>	<b>\$240,203</b>	<b>\$233,878</b>	<b>\$6,325</b>
<b>Foundation Income</b>	<b>\$135,400</b>	<b>\$130,254</b>	<b>\$5,146</b>
<b>Collection &amp; Gifts</b> <i>The Collection amount now includes approx. \$7500 in Eviction Prevention funds that used to go to Restricted</i>	<b>\$145,537</b>	<b>\$131,514</b>	<b>\$14,023</b>
<b>Fundraising</b> <i>The Art Fair funds will now benefit the general Operating Fund, not restrict account. Estimating \$25k for spring.</i>	<b>\$38,225</b>	<b>\$55,500</b>	<b>-\$17,275</b>
<b>Program Income</b>	<b>\$50,000</b>	<b>\$51,800</b>	<b>-\$1,800</b>
<b>Fund Transfers</b> <i>Transfers of designated funds will help support program expenses in the operating fund.</i>	<b>\$89,816</b>	<b>\$112,039</b>	<b>-\$22,223</b>
<b>Other Income</b>	<b>\$6,102</b>	<b>\$5,375</b>	<b>\$727</b>
<b>TOTAL INCOME</b>	<b>\$1.9 million</b>	<b>\$1.94 million</b>	<b>-\$40k</b>



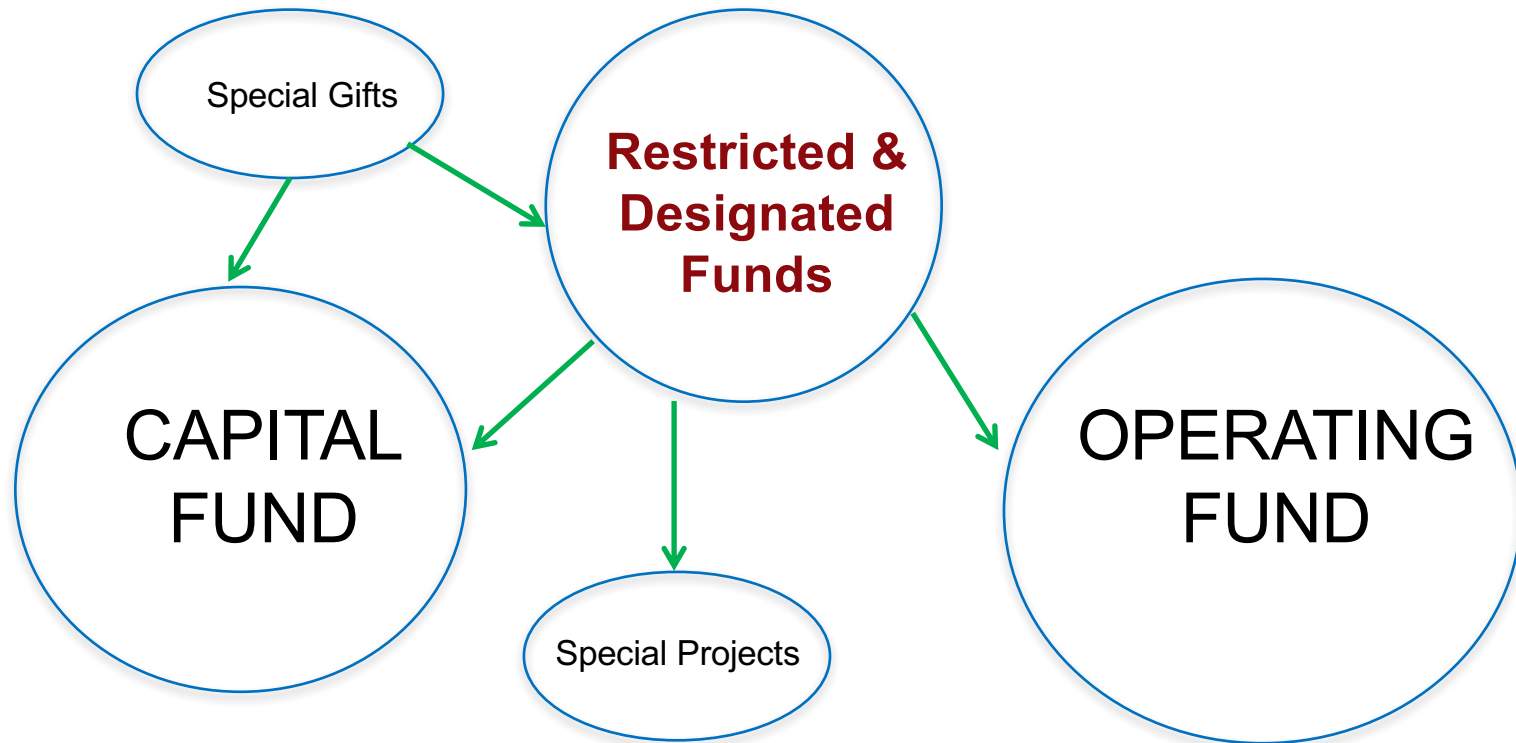
# Proposed Operating Budget Expenditures

*Let's check out the back of your agenda to review our three budgets.*

<u>Expenses</u>	<u>18-19 Budget</u>	<u>17-18 Budget</u>	<u>Difference</u>
<b>Personnel Compensation</b> <i>The hire of interim minister has resulted in the addition of a new FICA Offset (15k) and moving expenses (5k).</i>	\$896,477	\$882,343	\$14,134
<b>Personnel Benefits/Taxes</b> <i>Personnel modifications detailed previously resulted in one less set of benefits.</i>	\$268,991	\$299,122	-\$30,131
<b>Mortgage</b>	\$294,228	\$294,228	\$0
<b>Building</b> <i>Our insurance premiums decreased. I know! Shocking!</i>	\$196,948	\$204,102	-\$7,154
<b>Program</b>	\$149,588	\$153,662	-\$4,074
<b>Administrative</b> <i>5% increase for UUA &amp; Regional contributions (approx. 8k). Decreased software expenses (4yr average).</i>	\$64,100	\$80,693	-\$16,593
<b>Communications</b> <i>Increased marketing budget.</i>	\$19,450	\$17,900	\$1,550
<b>Fundraising/Membership</b> <i>Now includes 2k Art Fair expense and planned giving campaign expense.</i>	\$10,500	\$8,250	\$2,250
<b>TOTAL EXPENSES</b>	<b>\$1.9 million</b>	<b>\$1.94 million</b>	<b>-\$40k</b>

# Restricted & Designated Fund

## FY18 Proposed Budget



# Proposed Restricted & Designated Budget

## Proposed Designated/Restricted Budget

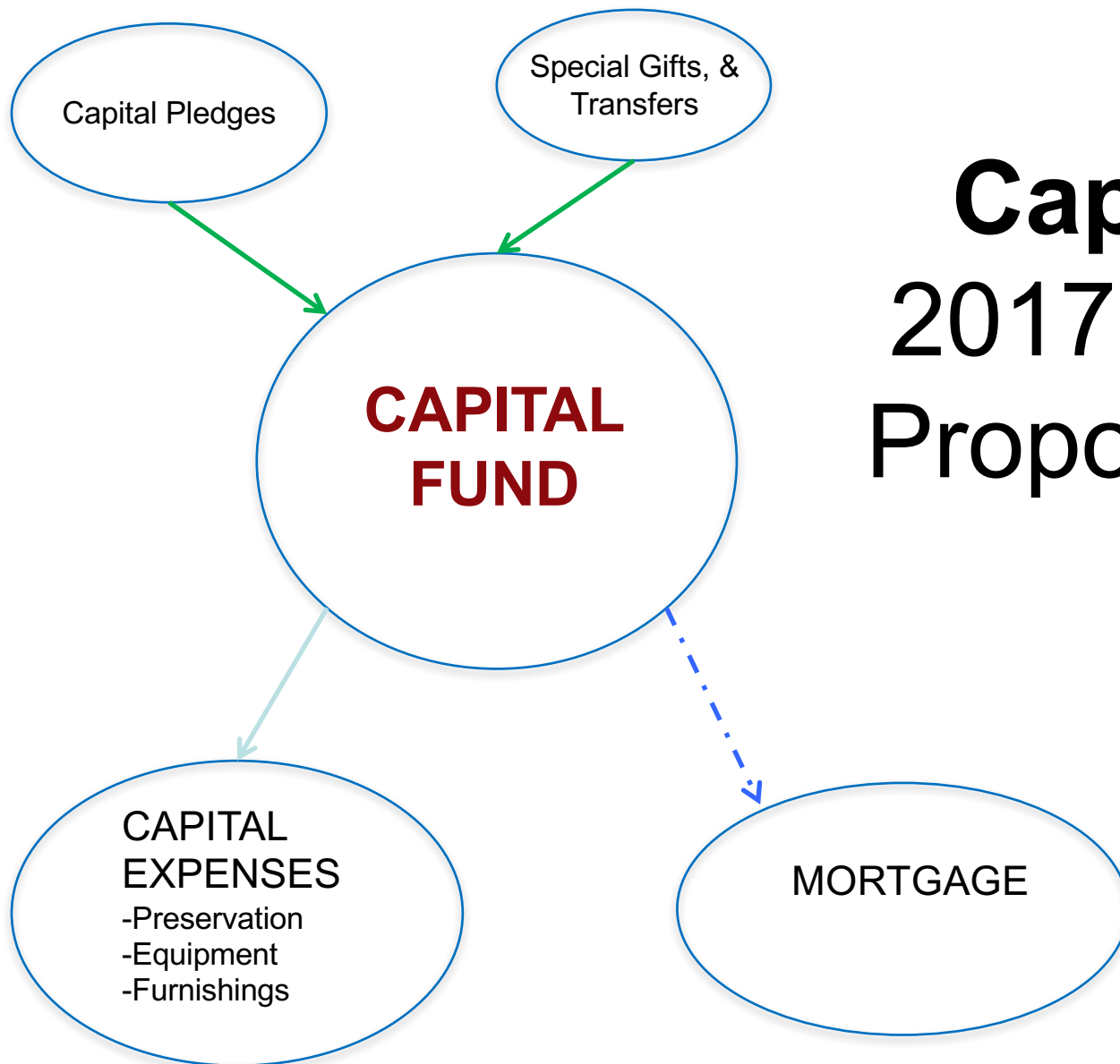
*Estimated Fund Balance July 2018* *\$124k*

<b>Projected Income</b>	<b>\$16k</b>
<b>Transfers to Operating</b>	<b>\$33k</b>
<b>Projected Expenses</b>	<b>\$22k</b>

**NET** **-\$39k**

*Estimated Fund Balance July 2019* *\$85k*

# Capital Fund 2017-18 (FY 18) Proposed Budget



# Proposed Capital Fund Budget

## 5-Year Capital Budget for July 2016 - June 2021

Capital Campaign Payments	\$2.37 mil
Insurance	\$451k
<u>Other Income</u>	<u>\$144k</u>
<b>Income</b>	<b>\$2.96 million</b>
Administrative	\$100k
Prow	\$100k
Roof	\$1.9 millions
Mortgage Paydown	\$561k
Heating Systems	\$35k
Solar	\$37k
Atrium Furnishings	\$50k
Emergency Capital Projects	\$45k
<u>Mortgage Transfer to Op</u>	<u>\$135k</u>
<b>Expenses</b>	<b>\$2.96 million</b>

# In Closing

***To an increasing degree we're thinking about long-term fiscal sustainability.***

- Our Capital Campaign was a step in the right direction
- Decreasing expenses, although challenging, is another positive stride

***Though we have are close to a balanced operating budget each year, looking across our three funds, we're not yet sustainable.***

**And we're even further from operating in a manner that allows up to build up a viable cash reserve. My vision for FUS is that over the next 5 years we make this a top financial priority. And that we continue to explore that issue in spaces like this.**

# Annual Campaign Update

# Annual Campaign Update

## Pledges for 18-19

Things look good at the moment!

- ❖ As of April 22, we had received **505 pledges totaling \$911k**
- ❖ Last year at this time, we had **457 pledges totaling \$854k**
  - ❖ **That's \$57k more than last year and 48 more pledges.**
- ❖ We are only **\$288k** shy of our goal of **1.2 million dollars.**
- ❖ Can we end this campaign before June 30?
- ❖ Please pledge your support today!





# Foundation Update

Connie Beam, Foundation President



# Restricted Donations

Dorit Bergen, Board Member



*Per the Finance Committee's recommendation "New donor-restricted funds will not be accepted, unless they are equal to 1% or more of the annual budget, and are then subject to Board approval. All other gifts are to be given to the operating or capital fund and used at the discretion of the executive director, in accordance with the parish approved budget. Donors are encouraged to participate in the annual budget planning process, via the Budget Parish Forum, to advocate for the funding of specific initiatives."*

# Parish Feedback

# Closing Words

**Visions of Ministry**  
July 2018 – June 2019

**Within us, enhance opportunities for spiritual, intellectual, and personal growth**

*OUTCOME 1: Make FUS a more personally nurturing spiritual home.*

*OUTCOME 2: Develop engaging religious education content that both anticipates and meets member needs.*

*OUTCOME 3: Implement new and diverse ways of delivering religious education content that enables more member participation.*

**Among us, nurture members in all stages of life and commit to build deeper connections**

*OUTCOME 1: Make it easier to get involved in the life of the congregation.*

*OUTCOME 2: Make radical hospitality a common practice as we welcome and engage visitors and new members.*

*OUTCOME 3: Foster a culture of shared responsibility for ministering to each other.*

*OUTCOME 4: Create new tools for members to communicate with each other that take into account demographics and life stages of the congregation.*

*OUTCOME 5: Continue to implement Growth Task Force initiatives.*

*OUTCOME 6: Make it easier for people to figure out how to volunteer.*

*OUTCOME 7: Within our congregation, work on building authentic relationships with people across differences in a spirit of respect and humility.*

*OUTCOME 8: Create a communications strategy.*

*OUTCOME 9: Review new member and visitor materials to enhance the communication of “welcome!”*

*OUTCOME 10: Improve staff and member’s knowledge of the diversity of membership.*

*OUTCOME 11: Develop congregational data – demographics and life stages – and distribute it to members and staff.*

**Beyond us, embody our UU principles in the larger community as we engage in outreach, service, advocacy, and activism**

*OUTCOME 1: Continue social justice work in the wider community by building authentic relationships with people across differences in a spirit of respect and humility.*

*OUTCOME 2: Work to help the underserved.*

*OUTCOME 3: Work toward the creation of a just society through partnership and advocacy.*

*OUTCOME 4: Respond publicly to local and national events with our unique UU and FUS perspective.*

*OUTCOME 5: Offer more opportunities to discuss the many privileges we have and take for granted, which impact the way we interact with others.*

*OUTCOME 6: Live out our commitment to racial justice by actively working to dismantle racism.*

**Visions of Organizational Health**

**Create a work environment in which all staff feel supported, honored, and confident in their ability to fulfill their position.**

*OUTCOME 1: Facilitate trainings and opportunities for staff to better cope with current organizational challenges and increase self-care techniques that may assist in the management of stress.*

*OUTCOME 2: Provide regular opportunities for staff to identify barriers to the implementation of the Vision of Ministry and Vision of Organizational Health and generate corresponding solutions.*

*OUTCOME 3: Ensure staff is honored in meaningful ways for their passion, experience, quality, and dedication.*

*OUTCOME 4: Continue to assess workload issues, including an exploration of the use of member volunteers, to combat feelings of being overworked, exhausted, and burnout.*

### **Identify and execute ways to improve the consistency, efficiency, and efficacy of internal and external marketing and communications**

*OUTCOME 1: Create a communication plan that enumerates the *target audiences* (within our FUS community) we want to reach, the *messages* we want to communicate to each audience, the *means and mechanisms* for communicating the messages, and the *specific action steps* we will take.*

*OUTCOME 2: Create messaging that clearly shares our values.*

*OUTCOME 3: Capitalize on the burgeoning interest in spirituality in American culture overall, and reach out to young urban professionals in general – and the Epic community in particular – to let them know what Unitarian Universalism and FUS have to offer.*

*OUTCOME 4: Demystify the many communications platforms and methods available to our community (i.e. Red Floors, website, Facebook, etc).*

*OUTCOME 5: Clarify external audience and purpose of external communications.*

### **Revisit our financial opportunities and responsibilities to ensure they allow our mission to flourish today and in the years to come. Address the ongoing fiscal challenges that our institution faces in meeting its operating and capital needs, while remaining aware of our current resources and those we can confidently anticipate in the future.**

*OUTCOME 1: Identify fundraising best practices for faith communities and nonprofits alike, and implement a fundraising plan that aims to increase member giving via a variety of means, including estate planning, online giving, unique fundraising events, etc.*

*OUTCOME 2: Conduct a constructive review of cost to revenue ratios for program areas and the degree to which each successfully aligns to our overall mission and institutional goals. Are there areas where we could increase expenditure in an effort to increase income (returning to a 3- minister model for example)? Make the necessary adjustments where possible, and present recommendations to the appropriate person or deliberative body where needed.*

*OUTCOME 3: Monitor Capital Campaign payments, and ensure successful collection of all pledges donations.*

### **Begin implementation of capital projects approved during the last Capital Campaign.**

*OUTCOME 1: Restore the Landmark roof, prow, and implement required structural repairs*

*OUTCOME 2: Continue analysis of solar energy in tandem with other sustainable capital projects*

### **Facilitate the successful transitions of senior staff positions (Minister and Music).**

*OUTCOME 1: Assure that the process is transparent, inclusive, and democratic.*

*OUTCOME 2: Foster thoughtful reflection on all aspects of our congregational experience, including worship, music, and service style, and encourage innovation in all domains.*

*OUTCOME 3: Keep staff engaged in the transition process.*