

Dear People's Church Members,

Below is the proposed draft budget that you all will be voting on following the May 19 annual congregational meeting.

This is a good budget. People's people were generous this spring. Our pledges increased by 19% over the last fiscal year. Because of this, we have a nearly balanced budget. Highlights include a 3.5% cost of living adjustment for all staff, keeping up with increased costs, and relying less on our unrestricted reserve account. Thank you!

This budget was built by many people working together: committee leaders, leaders of fundraisers, church staff, the finance committee, our treasurer Tom Hackley, and the board. We looked over recent expenses, did our best to forecast trends, and prepared the best estimates we could. We know this is only an estimate, as every year brings gifts and challenges that are unforeseen.

As you review the budget below, I want to highlight some areas that might require special explanation:

**Credit card fees:** the church is charged to process payments made on credit cards, which typically adds up to 1% of pledge payments. For this reason, it benefits the church when you pay pledges or make other donations by check, bank transfer, or opt to pay credit card fees yourself when giving online.

**Memorial donations:** it is common for people to give money to the church in honor of People's people who have died. We are planning to track these sorts of donations separately now.

**Fundraisers:** This year, our fundraisers earned more than we anticipated, largely thanks to expanded offerings at the bazaar, including a raffle and a mini-café. We have increased our estimates in this category to reflect this.

**Building Use Fees:** This year, Melissa Emrich, our church administrator, has done incredible work bringing in renters to use our building when we aren't. We more than doubled our budgeted rental income this church year and expect increased building rentals going forward. Good work, Melissa!

**Personnel:** While all church employees are receiving a 3.5% cost of living increase, that is not all reflected evenly across budget lines.

- Because of strangeness in the tax code, the compensation for the minister is divided between salary and housing allowance. The cost of living adjustment for both of these budget lines is added to the minister's salary budget line.
- Our administrator, Melissa Emrich, has chosen to take an unpaid extra week of vacation in the coming fiscal year and her salary reflects that.
- Diane Melvin, our director of religious education, will be doing a continuing education program at a UU seminary, beginning in the fall. For tax reasons, she is shifting some of her compensation from her salary to her professional expenses. (It might look like her salary is decreasing, but her overall compensation is increasing.)

**Audiovisual:** Several years ago, the church received a directed donation to support the AV program. Thank you, Phil and Drue Kramer! These funds have been used to support AV needs in recent years. We expect this fund to be depleted during the upcoming fiscal year. When it does, we will combine the AV

and technology budget lines. As we now stream our Sunday services, it has become increasingly difficult to differentiate between AV and technology expenses.

**Library:** This church year, the church received a large directed donation to support the church library. Thank you Jerry Spade for honoring Kay Spade in this way! The library committee will be spending these funds over the next several years. Expect great things in the church library.

**Denominational Support:** Every year, the UUA assesses what they believe is the 'fair share' for People's Church to pay to support the work of our broader association. In this year's budget, we are only paying 50% of that number. We hope to move toward right relationship with the Association in the coming years.

**Property Taxes:** We have been paying property taxes on a portion of our property. We have filed the necessary paperwork to no longer pay property taxes, as is our privilege as a non-profit organization, beginning in 2025. Thank you, Brian Lewis for this good work! We have a final payment before this is in effect.

**Minister's Sabbatical Expenses:** As was shared in the May newsletter, the board has approved a sabbatical for Rev. Rachel to begin in April 2025. Just over half of the projected sabbatical expenses will be part of the 2024-25 budget with the remainder in the following fiscal year.

**Difference:** This gap between our expected expenses and expected income is -\$12,062. That is 3% of our budget. We think we might be able to close this gap by reducing expenses or increasing income. Should we end the fiscal year with a deficit next June, we will be drawing from the Palmer Fund, our unrestricted reserve fund.

**From Palmer Fund:** This is our unrestricted reserve fund. Ideally, we would not spend it on operating expenses, but on major opportunities (or emergencies). The plan is to put 5% of the fund toward operating expenses this year. While this withdrawal rate is deemed sustainable, the board aspires to decrease our dependence on these funds for routine expenses.

If you have any questions about the budget, please bring them to the budget briefing following the service this Sunday, May 5 in the Commons and on Zoom, or reach out to us by phone or email.

Wishing you well,

Tom Hackley  
Treasurer

Rev. Rachel Lonberg  
Minister

	Account Name	2023-2024	2024-2025	
		Annual Budget	Proposed	Notes
<b>INCOME</b>				
	Current Pledges	300,000	357,000	
	Credit Card Fees	-3,000	-3,570	
	Mid year Pledge	40,000	0	unnecessary in 2024-25
	Old Pledges	2,000	2,000	
	New Pledges	2,500	2,500	
	<b>Pledge Totals</b>	<b>341,500</b>	<b>357,930</b>	
	Non-pledged Contributions	10,000	7,500	
	Sunday Collections	3,500	5,000	
	Memorial Donations	0	1,000	
	<b>Contributions</b>	<b>13,500</b>	<b>13,500</b>	
	Holiday Bazaar	10,000	13,200	
	Silent/Service Auction	4,000	3,700	
	White Elephant Sale	0	3,000	
	Raffle Ticket Sales	1,200	1,100	
	<b>Fund Raisers</b>	<b>15,200</b>	<b>21,000</b>	
	<b>Building Use Fees</b>	<b>5,000</b>	<b>11,000</b>	
	Restricted - Comm Svc and Outreach Fund Trsf	2,503	2,525	
	Restricted - Perpetual Fund Trsf	12,903	12,999	
	Grants	3,000	3,000	
	<b>Interest, Grants &amp; Transfers</b>	<b>18,406</b>	<b>18,524</b>	
	<b>TOTAL OPERATING INCOME</b>	<b>393,606</b>	<b>421,954</b>	
<b>EXPENSE</b>				
	Salary - Minister	36,925	39,477	
	Housing Allowance	36,000	36,000	
	Pension - Minister	7,293	7,548	
	Other Benefits - Minister	7,562	7,562	
	Medical Insurance - Minister	21,750	22,838	
	Salary - Administrator	47,509	48,226	
	Salary - Custodian	13,241	13,704	
	Salary - Choir/Music Director	12,000	12,420	
	Salary - RE Director	54,325	53,226	by request, \$3000 has been shifted from salary to professional expenses
	Salary - RE Summer Assistant	600	621	
	Salary - Instrumentalist	6,000	6,210	
	Salary - childcare and nursery	10,066	10,418	
	Salary - Bookkeeper	16,223	16,791	
	Payroll Taxes	9,562	9,897	
	Pension - Administrator	4,751	4,917	
	Medical Insurance - Administrator	6,500	6,825	
	Group Insurance - Administrator	1,000	1,000	
	Pension - DRE	5,433	5,323	
	Medical Insurance - DRE	11,500	12,075	
	Group Insurance - DRE	1,100	1,100	
	Professional Exp - Minister	2,700	2,700	
	Professional Exp - Music Director	1,000	1,000	
	Professional Exp - DRE	3,000	6,000	by request, \$3000 has been shifted from salary to professional expenses
	Professional Exp - Bookkeeper	500	500	
	<b>Personnel</b>	<b>316,540</b>	<b>326,378</b>	salaries, wages, and pensions were increased by 3.5%; medical insurance increased by 5%
	Special Music	200	200	
	Bell Choir	75	75	
	Music - Church Choir	400	400	
	Organ/Piano Maintenance	600	600	
	Music Streaming	700	700	
	Sunday Services	400	350	
	Honoraria	1,890	1,890	

	Account Name	2023-2024	2024-2025	
<b>Church Sunday Services</b>		<b>4,265</b>	<b>4,215</b>	
	Office Supplies	2,500	1,500	
	Technology/Computer expense	2,008	2,000	includes A/V expenses
	Copier Expense	2,500	2,500	
	Postage	750	900	
	Telephone	1,200	1,200	
	Internet	600	600	
	Misc Expense	500	500	
	<i>Office Expense - sub-total</i>	<b>10,058</b>	<b>9,200</b>	
	Aesthetics	450	350	
	Library	350	0	the library is supported by a memorial grant until exhausted
	Safety and Preparedness	840	800	
	<i>Other Support Expense - sub-total</i>	<b>1,790</b>	<b>1,150</b>	
<b>Church Operations</b>		<b>11,848</b>	<b>10,350</b>	
	Building & Grounds	12,000	12,000	
	Elevator	2,000	5,000	
	Snow Removal	7,000	8,500	
	<i>Building and Grounds - sub-total</i>	<b>21,000</b>	<b>25,500</b>	
	Electric	9,000	5,000	
	Electricity - Helios Solar	0	3,476	
	Gas	6,000	6,000	
	Water	700	700	
	<i>Utilities - sub-total</i>	<b>15,700</b>	<b>15,176</b>	
	Custodial Services	4,500	4,500	
	Trash Removal and Recycling	1,500	1,500	
	Custodial Supplies	1,300	1,300	
	<i>Custodial Expense - sub-total</i>	<b>7,300</b>	<b>7,300</b>	
<b>Plant Operations</b>		<b>44,000</b>	<b>47,976</b>	
	Kitchen Supplies	250	600	
	Membership - Visitors and new members	800	700	
<b>Congregational Services</b>		<b>1,100</b>	<b>1,300</b>	
	Art Wall	200	200	
	Young Adult Ministry	300	300	
	Green Sanctuary	1,000	950	
	Community Svc and Outreach Operations	400	400	
	Community Service Outreach	2,503	2,525	
	ARAOMC	1,125	1,125	
	Publicity	250	250	
<b>Outreach &amp; Community Relations</b>		<b>5,778</b>	<b>5,750</b>	
	Youth Education	5,500	5,500	
<b>Education</b>		<b>5,500</b>	<b>5,500</b>	
	Denominational Support	10,604	11,665	1/2 of the UUA requested support is allocated
	Board Discretionary	500	500	
	Stewardship	350	500	
	Insurance Premiums	9,000	11,500	based on January billing
	Property Taxes	1,000	500	Oshtemo Twp. has agreed to combine parcels, and thus apply religious exemption to all People's property
	Payroll Service	3,000	3,200	
	Bank Fees	75	50	
	Minister's Sabbatical Expenses - FY24-25 (56%)	0	4,632	10 weeks in FY24-25, and 8 weeks in FY25-26
<b>Board &amp; Finance</b>		<b>24,529</b>	<b>32,547</b>	
<b>TOTAL OPERATING EXPENSE</b>		<b>413,560</b>	<b>434,016</b>	
<b>Difference (total income less total expense)</b>		<b>(19,954.00)</b>	<b>(12,062)</b>	
	<b>funds needed from the Palmer Fund or other sources</b>	<b>\$59,954</b>	<b>\$12,062</b>	Board Policy states that at the end of the fiscal year, operating surpluses will be transferred to the Palmer Fund, and operating deficits will be transferred from the Palmer Fund. The amount shown equals 4.8% of the current value of the Palmer Fund