

2022 Budget Notes for Annual Meeting

Income

4999 · Draw from Endowment – This line is currently set at 4.5% of the 3-year rolling average as of August 31 of each year.

4997 · Draw from Special Music Fund –The Music Committee has set this draw at \$1000 which is approximately 5% of its current value. The Committee's thought is that the fund may be more sustainable with a specified annual draw. It is also important to recognize that the Music Committee could decide at any time to increase the draw from this fund to cover musical performances.

4001 · Plate – I have decreased this line because more members are donating their pledges electronically and fewer casual attendees are coming to church during the pandemic, leaving less cash in the weekly plate.

4002 · Pledges is just the current budget rounded up. While I remain optimistic that we will reach the 2021 pledge budget, I don't see any grounds for increasing this line in 2022.

Expenses

5000 · Compensation - The budget includes a 3% raise for current employees. The Sexton line is lower as we have hired a new sexton at a slightly lower rate. Nursery Care has been left out as it seems unlikely for 2022, but we have added a Sunday School assistant to work with the Coordinator of Religious Education in the Education line. There are also no plans for a Youth Discussion Leader at this point so that line has been zeroed out. Finally, the Cantor expense is now its own line, leaving Guest Musicians back at \$2200 where it had been pre-pandemic.

5030 · Other Personnel expenses – The percentage increase for Employee Health insurance in 2022 is higher than expected because the 2021 amount was under-budgeted. The 2022 amount is an actual number rather than an estimate. In addition, given current events and the difficulty in retaining employees, the Trustees have expressed an interest in reviewing and potentially expanding employee benefits. The budgeted amount in the Employee Pension line includes \$10,000 for that purpose, and the Personnel Committee will prayerfully evaluate available alternatives and decide whether/how to allocate the funds once they have been approved. The Workers Compensation Insurance line is lower because our broker negotiated a more favorable rate for us.

6100 · Ministry Support (Office Costs) Telephone service was upgraded in 2021 to support the internet requirements of live-streaming services and on-line meetings, leading to an increase in this line. The Worship Technology line was increased in expectation of live-streaming Sunday services. We continue to anticipate significant expenses in the technology area as we plan for a continued remote presence and extended support for electronic media.

6200 · Maintenance & Repairs I reduced the Church Maintenance line for two reasons: first, I don't expect that building usage will rise to the previous levels right away so regular maintenance may remain

depressed for another year. In addition, I anticipate that, with the new roof and solar panels, much of the usual Repairs & Capital expense will be covered by the Capital Budget in 2022.

6250 • Utilities – With the energy efficient lighting project completed we are already seeing substantial savings on the church electrical bills so I have reduced that line, leaving others unchanged.

6700 • Insurance - The insurance premium was raised substantially last year after last year’s budget was approved (we had an estimate in the budget based on conversations with the broker). The Trustees discussed whether to seek alternative insurance but ultimately agreed to stay with this plan, which is specific to churches and generally provides good coverage. The 2022 budgeted amount is an estimate based on a 5% increase over the 2021 actual premium.

6701 • Accountants – The Trustees have reviewed and updated our payment approval process and plan to have an auditor do a “Review of Agreed Upon Procedures” in early 2022. These funds are for that review.

7011 • Christian Action –The Christian Action budget line is notably higher because of two different additions:

First, in years prior to the pandemic, the Board of Christian Action disbursed the Fall Festival proceeds to local organizations. Since the Fall Festival will not be held this year for the second year in a row, the Christian Action budget line has been increased by \$5,000 to replace the amount typically raised by the Fall Festival. This is anticipated as a one-year increase and is not part of the baseline budget.

Secondly, the allocation of \$26,000 is the result of the Trustees’ desire to demonstrate a commitment to affordable housing in Salisbury, members of the board see as a critical local need. The details of how and where these funds will be disbursed will be decided in concert with the Board of Christian Action. This is also a one-time addition. Since the Trustees and others are very interested in considering how our Church can best use the resources available to us to support our community, there will likely be further discussion on this topic over the coming year.

Respectfully submitted,

Jennifer Weigel, *Treasurer*