

May 5, 2017

Dear Plymouth Friends,

It's the time of year for us to consider and approve our church's annual operating budget for this next fiscal year. I actually welcome this process since I believe that how we spend your gifts is an important reflection of our values and commitments. Plymouth's Deacons are proposing this 2017-2018 fiscal year budget for your consideration. Once again we have prepared the proposed budget accompanied with some brief narrative so that you may better understand Plymouth's finances. Even so, let me highlight a few significant components.

- Last fiscal year we overestimated our pledge income. That was not a result of optimistic thinking so much as a mistake in understanding what all we include in that pledge line. Our Deputy Treasurer Ray Martin, our Operations Coordinator Diane Merz, and I have spent considerable time in these past months reviewing Plymouth's pledge history and accounting practices. We now believe the pledge number you see in this proposed budget is a very realistic, albeit conservative, number. What you can't see from this report is that while our pledge dollars have declined over the past 10 years, they are declining at a significantly slower rate. That's good, but not good enough. We will continue to work hard on both pledging and restricting our expenditures to more closely align with current financial and demographic realities.
- You will see that we are (reluctantly) proposing a budget that takes more than the recommended 4 percent draw from our investments. Since I began my work with you, I've been committed to reducing our draw, which has occasionally in the past 10 years been as high as 15-16 percent. I remember saying to you last year that this is a difficult habit to break and that it cannot be done in just one year. That is still true and, while I confidently tell you that we are making progress with that goal, we are not yet there. So I promise you that we will continue to work on reducing our draw to a sustainable level. In the meantime, this budget, while considerably tighter in most areas, still does not accomplish that goal. I hope (and I will do all I can to realize my hope) we will not need to take as much as the proposed additional 2.9 percent. Additionally, we will be aggressively seeking a long-term school tenant for the lower level of our Education wing.
- I draw your attention to our personnel budget and, in particular, highlight several important commitments. Last year we made significant cuts to our administrative support. Additionally, we replaced Catherine Crooks with a part-time transitional minister, Beth Faeth. This allows the Deacons and me to courageously evaluate Plymouth's program staff needs, a process we have begun with the assistance of a wonderful consultant. Until that process is completed, I think it would be a mistake to make further cuts in personnel. At the same time, we recognized and improved how we compensate our support staff. We are now able to say that no employee of Plymouth Church will receive less than \$15 an hour, and, by making a part-time custodian full time (with accompanying benefits), we can now say that none of our support staff are working uncompensated hours. I'm proud of those two achievements and I hope you are as well.

- You will see that here and there in our proposed budget, we are funding some projects with the earnings from several restricted funds (Camp Plymouth, for example). A powerhouse committee of Jim van Iwaarden, Ray Martin, Diane Merz, Margaret Shreves, Jeff Sartain and I spent some interesting hours investigating both the history and restrictions on some of our endowment funds. God bless Archivist Mary Welfling for her amazing research abilities! We discovered that we have not been spending the money available to us from several of these funds. This year and over the next two to three years, we will be spending earnings from those funds left to Plymouth from the generous estates of Plymouth saints who have gone before. We have a much clearer and, I believe, more accurate picture of our entire endowment and Legacy Fund. That was one goal we did meet!

The devil is in the details (did you know that the origin of that idiom is “God is in the details”?). We know you may have questions or helpful observations so we invite you to attend any of the following three opportunities to gather with those of us who, like devils, swam around in these details for the past three months. I hope you’ll come and ask your questions, so that when this budget is moved at the congregational meeting on June 4th, you will be able to make an informed vote.

Sunday, May 14th, 9 a.m., in Jackman Hall

Wednesday evening, May 17th, 6:30 p.m., in the Chapel

Sunday, May 21st, after worship, in Jackman Hall

Thank you all for your faithful support for this remarkable church.

Lovingly,

A handwritten signature in black ink, reading "Carla J. Bailey". The signature is written in a cursive, flowing style with a large, prominent initial "C".

Carla J. Bailey
Senior Minister

Plymouth Congregational Church of Minneapolis

Proposed Budget 2017-2018 (FY18)

Narrative

	2016 - 2017 Annual Budget (FY17)	2016 - 2017 Annual Forecast (FY17)	2017 - 2018 Annual Budget (FY18)	Narrative
REVENUE				
Contributions				
Pledge Income	1,770,000	1,640,000	1,650,000	Individual pledges minus 4% - the estimate of what will actually be received; this includes pledges paid ahead of the fiscal year as well as payments on past due pledges
Non-Pledge Income & Open Offering	202,000	169,500	170,000	Unpledged gifts and Sunday offering.
Donation for Drop-In (Strobel)	20,000	20,000	20,000	Plymouth receives an annual gift from the Bob and Alice Strobel Foundation to be used to support the staff and projects of the Strobel Drop-In Center
Total Contributions - Support from Congregation	1,992,000	1,829,500	1,840,000	
Other Income	148,200	154,000	155,000	We lease sections of our parking lots to area businesses, rent to theater groups in the Howard Conn Theatre throughout the year, host groups such as Vocal Essence; and other organizations for events and meetings
Planned "endowment draw" 4% from Investments	183,000	183,000	195,000	This is a 4% draw from the Legacy Fund, calculated over the previous 12 quarters.
Additional "endowment draw" from Investment	42,800	108,871	139,325	To meet the demands of this proposed budget, we will likely need to take this additional amount. This is 2.9% above the 4% planned draw.
Total Revenue	2,366,000	2,275,371	2,329,325	Total anticipated revenue to meet the expense budget

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Staff Expense				
Clergy	504,400	491,137	462,557	We have 3.5 clergypersons. This line includes salaries and benefits and anticipates a rise in health and dental insurance costs.
Music	169,400	169,200	174,342	The music staff line is increased this year to include additional hours for the Chapel Choir (adults and youth together).
Religious Education	79,850	76,020	97,692	Our religious education staff includes the Director of Children and Youth Programs, Junior High leader and assistant, Children's Dance leader, Director of Young Voices and childcare. We are adding staff hours this year.
Office	294,200	298,059	308,743	Our office staff includes our Director of Communications and Executive Assistant to the Senior Minister, half-time Operations Coordinator, Accounting Manager, Ministry Assistant for Programs, Ministry Assistant for Hospitality, and AudioVisual Manager.
Building	325,000	323,079	360,516	Our building staff includes our Building Supervisor, Public Safety Manager, and one additional security staff member, Housekeeping Manager, three Custodians, and two evening/weekend Receptionists.
Outreach	18,000	18,000	19,000	Drop-in Center Coordinator
Other Employee Expenses	24,000	19,926	22,000	Other employee expenses include honorariums, staff development, training, mileage reimbursements, and other miscellaneous expenses.
Total Staff	1,414,850	1,395,421	1,444,850	Total Personnel Costs
Board Programs				
Deacons				
Deacons Retreat	500	-	200	
Wider Church Relations	2,000	-	1,000	This funds projects and programs we support in conjunction with other denominations and Indiscernment for Ministry for several ministerial candidates who are Plymouth members.
NACCC	1,500	1,500	1,500	Our annual contribution to the National Association of Congregational Christian Churches.
UCC Contribution	10,300	10,300	10,300	Our annual contribution to the Minnesota Conference of the United Church of Christ.
NACCC Convention Expense	500	-	-	
Total Deacons	14,800	11,800	13,000	Total for the Board of Deacons

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Leadership Council				
Council Programs	8,750	10,000	10,000	The Leadership Council Programs will fund the costs for implementing ministry priorities. An example of this is the priority of addressing our racial justice commitment.
Council, Other	650	500	650	Other expenses approved by the Leadership Council—an example is the Leadership Day scheduled for September.
Total Leadership Council	9,400	10,500	10,650	Total for the Leadership Council
Fine Arts				
Fine Arts	1,125	1,125	1,125	Fine Arts Board programs include supporting special music programs, our wonderful art gallery and artist receptions and Plymouth theater programs.
Literary Witness	525	525	500	The Fine Arts Board also supports the Literary Witnesses program, which brings writers to Plymouth throughout the year.
Total Fine Arts	1,650	1,650	1,625	Total for the Fine Arts Board
Spiritual Formation				
Children and Family				
Crib thru 6th	3,500	800	3,000	
General Expense	400	-	-	
Curriculum	2,200	2,200	2,000	
Gift Bibles	1,000	1,000	500	
Teacher Recognition	100	100	250	
Wednesday Evening	3,200	2,600	2,000	This Wednesday evening programming is a cornerstone of our children and youth programming.
Family Life	1,200	1,200	1,200	Expenses to support family programming
Library	-	50	100	
Peace Camp	1,500	2,500	1,500	Peace Camp - a fabulous summer program for children and youth at Plymouth
Total Children and Family	13,100	10,450	10,550	Total Children and Families program Expenses
Spiritual Exploration				
Adult Forum	5,500	5,000	5,000	We enjoy a wide range of speakers for our Sunday morning forums.
Spiritual Exploration Budget	4,500	400	4,000	This pays honorariums and other expenses for that program.
Total Spiritual Exploration	10,000	5,400	9,000	Total Spiritual Exploration

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Youth				
Confirmation	2,000	1,000	1,500	
Youth Choir	500	500	500	
Junior and Senior High	3,500	1,600	1,750	
Retreats and Trips Expense	1,500	200	1,500	We take our youth on interesting and challenging trips and retreats.
Camp Plymouth	2,000	-	-	Camp Plymouth is a family camp opportunity that will be funded through earnings from the Sabra Hamilton restricted fund.
Total Youth	9,500	3,300	5,250	Total for Youth Programming
Total Spiritual Formation	32,600	19,150	24,800	Total for all Spiritual Formation Programming
Worship				
Worship	3,250	3,900	3,900	The Board of Worship expenses include supplies for our worship services - candles, communion elements, etc.
Music	13,800	6,400	10,000	These lines includes the purchase of music for ALL our choirs, organ and piano tuning, regular cleaning of the choir robes, etc.
Total Worship	17,050	10,300	13,900	Total for the Board of Worship
Total Community Life	12,600	10,450	12,200	Befrienders, Faith Partners in Recovery, prayer shawls and grief resources, health ministries committee, new member materials, and a hundred more things!
Total Finance and Administration	9,500	6,000	8,000	Promotional materials and expenses for the annual financial pledge drive and the Legacy Giving Committee. Also includes support for supplies and materials for our wonderful Archives Committee.
Outreach				
Benevolence	158,000	158,000	150,000	The Outreach Board chooses community organizations, partners and projects that address some of the most challenging needs of people in our wider Minneapolis community and around the world. This is funded by the money allocated from our annual operating budget. Additionally, the Outreach Board determines the recipients of the special Christmas and Easter offerings; 100% of the money received through those offerings is distributed.
Board / Working Groups Expenses	2,350	2,500	2,000	
Strobel Drop-In Program	1,700	1,600	1,700	Plymouth's long-standing, wonderful drop-in program for adults living with challenges occasionally incurs expenses.

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Drop-In Camp Knutson	3,000	-	-	Plymouth supports Drop-in participants to attend a week of camp at Camp Knutson. This is funded from interest earnings from restricted funds.
Families Moving Forward	-	200	-	Though we do not budget for our Families Moving Forward program, we occasionally incur some expenses. These are covered by interest earnings from restricted funds.
Walk -In/Hospitality	1,000	1,700	2,000	Walk-in hospitality includes expense vouchers for transportation services, Target gift cards and other modest supports for those who walk into our church with financial needs.
Total Outreach	166,050	164,000	155,700	Total Outreach and Benevolence support
Total Board Programs	263,650	233,850	239,875	Total of all Board Programs
Administration/Operations				
Supplies	44,680	35,400	37,000	Supplies include paper, printing, toner, ink, postage, stationery, etc.
Maintenance/Furnishings	15,600	18,800	23,000	Maintenance repairs, maintenance equipment, Internet network support.
Services	123,720	109,400	108,000	Insurance, telephone, auditing and legal counsel, line of credit interest, data processing, background checks, and on and on and on!
Communications	21,000	17,700	18,500	The Flame, advertising and other communications support
Total Administration	205,000	181,300	186,500	Total Administrative support services
Building				
Supplies	18,000	14,700	15,600	Housekeeping and maintenance supplies, uniforms
Equipment and Furnishings	13,000	13,000	12,000	Furnishings and equipment
Maintenance	64,500	33,900	41,000	Systems repairs - HVAC, electrical, plumbing; roofing maintenance, carpet repair
Services	55,700	74,900	59,500	Trash, recycling, security, pest control (yecch), snow removal, fire alarm, etc. We had two unusual expenses this past year that we don't expect again.
Utilities	96,300	102,500	100,000	Fuel gas, water and sewer, electricity. We are expecting savings in our move to more solar-generated energy.
Property Taxes	47,000	35,000	40,000	To the City of Minneapolis
Other Expense	4,000	3,100	3,500	Licenses, training, and miscellaneous expenses

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Food Service	14,000	17,700	16,500	Plymouth enjoys the catering services of Chef Jeff, who prepares meals for Wednesday evenings, Sunday noon and special occasions. Additionally, this covers coffee service for groups and events.
Total Building	312,500	294,800	288,100	Total building operating costs
Major Improvements	170,000	170,000	170,000	Building improvements and upgrades not included in the capital campaign building projects.
Total Administration/Operations	687,500	646,100	644,600	
Total Non Staff Expense	951,150	879,950	884,475	
Total Expenses	2,366,000	2,275,371	2,329,325	