

From Pastor Karen's Desk

January 2009

Every morning, I get a rude wake-up call. My radio alarm clock is set to a news station, and apparently 6:30 a.m. is their regular time for the business report. So every morning the first words I hear are about layoffs, bankruptcies, and corporate restructuring.

Sadly, we have been facing some of this same news at church over the past months, and while I hate to start the new year with a "rude wake-up call", I want there to be no surprises about what is happening in our finances here at First UMC and our response to it. I am going to give you a summary of the December 15 Ministries Council meeting, at which the 2009 budget was passed.

Our Financial Picture at the end of 2008 – Realize that I wrote this on December 16, and numbers will have changed. But as of November 30, we were still running about \$17,000 behind in pledged giving. And though spending has been kept down as much as possible, we still had spent \$13,600 more than we had taken in. December was looking up, and we were hopeful we might just break even for 2008.

Our Projected Income for 2009 – As of December 8, \$322,710 had been pledged for 2009 (compared with \$351,000 pledged for 2008). There were still 29 families who pledged last year that had not yet turned in cards for 2009, and when Karen Kellbach and I looked carefully at those families and what we know about them, we think we can realistically expect about \$28,000 more in pledges – meaning pledges for 2009 will likely be \$351,000, the same as for 2008. However – we expect "Non-pledged" giving to be down significantly – these are the gifts from people who choose not to pledge, but who give faithfully each year. Many of those people chose to pledge this year, which is a great help to our budget planning, but which means we should not look for their income in two columns. Also, there were two sources of income we had in 2008 that we do not have for 2009. We received a gift from a will of about \$24,000; and we began the year with a surplus of about \$13,000 from 2007. Altogether, we are now projecting that we will have \$65,000 less income in 2009.

The Response – Every ministry area in the church cut their budgets for 2009. We are cutting back in advertising, in music purchases, in education curriculum, in youth trips, in maintenance and repair. Our apportionments have gone down. Staff reimbursement accounts for travel and professional expense have shrunk, and the Parish Nurse will be funded half through a special gift received a few

years ago. It is nowhere near enough to meet the deficit. More dramatic cuts are needed.

The largest portion of our budget is staff costs. We have no choice but to make changes that will reduce staffing costs by reducing our staff size. Staff-Parish Relations Committee looked at a number of approaches to saving, including cutting all salaries and wages by 10%; but in the end, a different approach was chosen. We plan to reconfigure the entire staff. There is push and pull in this – we are being pushed to this by the financial problem; but we are hopeful that this will be a chance to re-design our staff positions to better reflect the needs of ministry in our congregation and this time in the world. To that end, SPRC is planning to reconfigure the entire staff, with new positions, new job descriptions, new hours, new pay packages. All current positions, both program and support staff, are being looked at. We intend to reduce our staff from 6.1 full time equivalents to 5.0 full time equivalents (note: a full time equivalent comes when you add up all the part time positions). We hope to save somewhere from \$30,000-\$40,000. And we hope to implement the plan by April 1 of 2009. We will design positions so that the four key areas of ministry within a church are cared for: Worship, Nurture, Discipleship/Education and Outreach, as well as caring for our Building and our Administration needs. But there is much work to be done before we know what this will look like.

The 2009 Bottom Line – The budget that was passed on December 15 (copies available in the office for those who want the nitty gritty details) does not show this proposed change in staffing, since we do not know yet what the cost implications will be. The budget will have to be amended when we have a concrete proposal. The only place it shows is that we have proposed taking a much larger amount from the endowment than we had aimed for – about \$75,000. We had hoped to take only \$24,000 – an amount that in most years would not dip into the principle (though this year, the endowment has lost \$125,000 in market change so far). The larger number is an interim figure that allows us to pass a balanced budget – but it is a placeholder number until we know the cost savings we will achieve through reconfiguring the staff. We do not intend to spend all of that proposed line in the budget.

Pray – I ask your prayers: for the Staff-Parish Relations Committee as they do difficult and painful work; for the Finance committee as they try to help us work within increasingly tight limits; and most of all, for the staff, as we face uncertainty about our job futures. And then, pray that through the work we do, God's will will be done, and we will find a way to do God's work in the best way we can.