

Narrative Budget for 2012

The Context

As I write, we are preparing for a TSP Board Retreat that will wrestle with our recurring challenge of financial sustainability. Ten years ago the TSP congregation focussed on increasing its membership and finances to become self-sustaining. With 8% increases in giving from 2003 to 2009, we (mostly) achieved that goal. However, deferred building maintenance have led to \$100,000+ drawdowns from trust funds over each of the past three years, and again undermined our overall sustainability. These building costs promise to continue over at least the next five years.

Until recently, managing the building made few demands on our funds or volunteer time. But that situation for TSP -as for many other United Churches and public bodies- has changed. We have looked outside to other congregations or governments to assist us, but we have not yet found any promising leads. Looking to our congregation now, we see limited capacity in our 220 members to stretch our givings to meet this challenge. We have concluded that this 125 year old building will have to earn its own keep by increased usage or higher rents -or significant staff reductions. And we feel that the type of management needed to reduce our deficit gap has to be more proactive, more creative, more experienced than any of our congregation volunteers can provide. Several of us have tried to fill this gap, but we do not have enough time or resources to do this as required.

The Board is undertaking assessments to provide the congregation with the information and options we need to proceed in three key areas:

- our volunteer (leadership) capacity,
- our congregational staffing needs
- alternative and better ways to manage our property

Over this coming season, we will rely on all congregation members becoming better informed about our present situation so that at the coming March AGM, we together can make some critical decisions about our immediate future.

Against this backdrop, presenting a realistic budget for 2012 itself becomes a challenge.

As in earlier years, I could make some minor adjustments to 2011's budget, but that would presume that this year's \$120,000+ drawdown from trust funds can continue. Not really a responsible action. Yet discussions underway for the March AGM are still too uncertain to map out the likely consequences of the staffing and building governance options. I have therefore chosen to draw out the picture of our collective challenge and ask you to engage with the Board over these next few months to define the best, most responsible ways to deal with these challenges.

In order to present the elements of our situation more clearly, I am outlining first the congregation's income and expenses, then the building's. Simply on operations, the building promises a slight surplus next year, but the congregation will run a deficit. Adding the \$90,000 drawdown from trust funds, would leave us with an overall deficit of \$107,000.

To date, 2011 appears to be mostly on budget. Thanks to your meeting your pledges, our congregational income is almost covering our congregational expenses, **provided that we meet our 2011 Fall Appeal for \$42,000**. We have continued our various mission programs as well as the building improvements (narthex painting, East-end roofing, stained glass maintenance). However, the decision to install 50-year shingles pushed our capital budget \$20,000 over.

2012 will be the third year of the congregation's Five-Year Plan.

Congregational Operations: Pastoral staff, music staff, and Circles expenses are budgeted for about **\$320,000**, with a 1.8% salary increase and 5% reduction in Circle/Committee expenses.

Our 2012 target for congregational local givings is **\$290,000**, including \$248,000 from regular givings to Local Church and \$42,000 for the Fall Appeal. This year we ask the TSP membership to contribute a total of **6% more** than in 2011. *This means a **\$30,000 deficit** overall for strictly congregational income/expenses.*

Building Staff and Maintenance: We project \$470,000 in expenses for 2012. This includes the part-time staff and cost of living allowance increases in salaries, as well as general administration.

On the income side, income from the Annex Montessori School is partially meeting the growing expenses for building operations. In fact, with a 6% increase in rental income for 2012, *building operations project a **\$13,000 surplus**.*

Capital Renovations: We are planning capital **Renovations** of the Sanctuary (floors/painting), requiring \$90,000. Thus, including these capital expenses of \$90,000, overall building income will still fall \$77,000 behind building expenses.

For 2012 we are projecting, therefore, to **draw down \$107,000** from the Congregation's Trust Funds (\$30,000 for Congregation; \$77,000 for Building).

Designated Contributions: We are substantial contributors to the national church, sending \$115,000 in 2011 to Mission and Service Funds. For next year we are budgeting a minimum of \$113,000 for M&S, plus \$15,000 in designated funds for other programs.

Since not all members are able to increase their offerings, we hope that you who can will give even more generously to support the life and work of the Trinity-St. Paul's Congregation. We also ask envelope-givers to consider shifting to Pre-Authorized Remittance (PAR).

Bob Fugere
TSP Treasurer