

Operating Plan 2016-2017
Unitarian Universalist Congregation of Fairfax
Submitted to the Board of Directors by the Coordinating Team (CT)
May 17, 2016

Current year context

As we come to the end of the first year of this settled ministry, we are encouraged but also cognizant of important work still to be done to return to a pattern of growth in numbers and impact. We are encouraged that about 50% of pledging households increased their pledges this year but also note that the total number of pledging households is 3% lower than last year. Since September last year, 35 new members have joined but our overall membership number is about the same – 720. Attendance has also been about the same compared to last year.

This data seems to indicate that UUCF is still in the transition period. Two other factors may be significant and figure prominently in our planning for the years ahead. First is a general trend away from regular attendance at Sunday services more broadly across most denominations. We will need to find ways to engage people where they are as we go forward. Second is our facility limitation. While we have added live streaming to permit people to participate in services from their homes, we still bump up against seating and RE space and, perhaps more importantly, parking limitations on many Sundays. We need to find an alternative to the Saturday third service in order to provide another venue for people to gather for worship and RE.

This time last year, the congregation approved a budget for the 2015-2016 year that included a 50% cut in Unitarian Universalist Association (UUA) and District dues, no pay increase for staff and a two-week furlough. Fortunately, a generous bequest from Stan Richards' estate in the fall allowed us to pay full fair-share dues, eliminate the furlough and to give staff a 3% pay increase, the first in two years. Stan's bequest also brought the operating and capital reserve funds up to more acceptable levels and provided an Innovation Fund to support new initiatives to expand the reach of Unitarian Universalism (see Priorities section below). However, as the Richards' bequest was a one-time influx of cash not available this year, we essentially started the budget process this year with a \$68,000 deficit, which presents a significant budget challenge given flat membership and a small decline in pledging households.

Income projection for 2016-2017

The attached budget projects a 1.3% decrease in income over last year's budget based on \$965,000 in projected pledge income for the year. The reduction in income is largely due to the Richards' bequest not being available this year as projected pledge income is about the same as last year. The total income budget is \$1,239,907.

In order to offset the impact of the Richards' bequest last year, we are proposing to use \$49,000 from three sources – projected 2015-2016 operating net income at the end of the year, an Endowment Fund subsidy for the Intern and Operating Reserves, if needed. Without this subsidy, we would need to either cut current staff, go back to the congregation to ask for pledge increases or again resort to a furlough. We don't think any of those options is in the congregation's best interest at this point in time.

- Cutting staff positions or hours would hamper our ability to provide the services the congregation now expects and, perhaps more importantly, would limit our ability to give attention to the priorities for growth listed below. We will be presenting a staffing plan and timetable to meet our strategic goals by the fall.
- Asking congregants to further increase their pledges seems ill-advised given that about 50% have already done so. Many have clearly already carefully considered what they can contribute this year. This fall we also are planning to ask those not currently contributing to the Reach Campaign to make a pledge or contribution toward debt reduction leading up to the December mortgage balloon payment deadline.

- Resorting to a furlough and campus shutdown should be a last resort as it penalizes staff and cuts off congregants from their religious community.

We are projecting positive net income for the current year of around \$35,000 due to better-than-expected pledge fulfillment and lower than budgeted expenses. If this projection is correct, we will not need to use any operating reserves. The Endowment Fund Committee has given its tentative approval to fund the intern, although we will need to formally request the grant during the committee's fall cycle.

Expense budget for 2016-2017

The total proposed expense budget is \$1,239,907, also 1.3% lower than last year even though a full-time music director and an intern have been added back this year. In addition, the budget includes steps taken to get closer to UUA fair compensation and benefit guidelines. Program budgets are slightly higher than last year as well. To balance the budget, the following cuts have been made.

- Office and facilities expenses reductions - \$11,000.
- No pay increases for staff and other minor staff adjustments - \$18,000.
- Pay off 50% of the mortgage (from Reach Campaign funds) in December when the balloon payment is due and refinance the remaining \$650,000 - \$28,000 savings over 6 months.

Priorities for the coming year

The priority for the coming year will be to continue building excitement about the future of the congregation with Rev. David's leadership and to lay the groundwork for the next phase of UUCF's growth. Within that overall goal, the Coordinating Team is proposing the following specific priorities to guide our work in the coming year.

- Begin work on the 2016-2020 strategic goals.
 - The first two goals call us to reach beyond our borders to expand the reach of Unitarian Universalism - work collaboratively with other UU congregations in our area and begin a major impact project or projects that demonstrate UU values in new ways. We are fortunate to have two separate funding sources that might be used for these initiatives – the Reach Campaign 10% social justice set-aside and the Innovation Fund. Both funds have committees established to lead the project vetting process. The CT, working with these committees, the board and other lay leaders, will begin to explore possible high impact initiatives, including how/where to provide an alternative worship and RE experience off-campus.
 - A third goal, to increase UUCF's cultural competency, requires broad congregational education and engagement. Specific action plans will be developed by the fall to address this goal. The work already done through the 30 Days of Love campaign is the beginning of this effort.
 - The fourth goal, to strengthen UUCF's focus on its mission, will require evaluation of current programs and activities and new work, particularly within small groups and adult education programs, to identify and implement core mission focused activities and themes.
- Finalize and begin implementation of a 3-year plan to align staffing resources with UUCF's strategic goals. Needs to be addressed in the first year will be facilities management, worship and ministerial support and member engagement.
- Continue to implement the Reach Campaign projects and priorities. Areas to receive priority attention in the coming year will be:
 - Grounds improvements, including improvements to the grassy area in front of the Program Building.
 - Working with the Generosity Team, support a supplemental fundraising effort directed at households not currently supporting the Reach Campaign to help pay off at least \$650,000 (50%) of the mortgage before refinancing in December.
 - Planning for new social justice initiatives, led by the Social Justice Reach Task Force, which will be formulating the process to decide how to utilize the 10% Reach set-aside funding.
 - Consider the opportunities and costs of UUCF making a "Paris Pledge" to reduce carbon emissions by 50% by 2020.

- Finalize preparations for connecting to the public sewer in summer 2017.
- Develop and begin implementation of plans to respond to the Program Evaluation Committee's report on property stewardship. The two primary areas of focus will be funding for deferred maintenance needs and facilities management staffing.
- Maintain high-quality worship services, RE and Adult Programs and social justice programming, which is our core work every year.

Conclusion

As we look to the new congregational year, we are challenged by all that needs to be done to *transform ourselves, our community and the world through acts of love and justice*. But, we also see encouraging signs that the year ahead can be one of growth, deepening commitments and expanding impact, and we look forward to working with UUCF's committed lay leadership and engaged membership to achieve our goals.