

Background Information for the Board of Directors Resolution Pertaining to the Current Year (2009) Budget

The current worldwide recession is impacting Conference finances. The Conference ended 2008 in the black, but income for 2009 is coming in at levels significantly below our projections. It seems unlikely that we will receive all the income we expected when delegates passed this budget at the 2008 Annual Meeting. The Finance Committee struggled with ascertaining realistic expectations for income for both this year and next year, and then sought to find ways to reduce expenses to compensate, so that the budget would stay in balance, as directed by the delegates.

During our interim time, prior to the call of our settled Conference Minister, we reduced staffing, cut expenses, and sought ways to increase our income; seeking to return the Conference to fiscal health and end a period of several years of overspending. This effort was successful, witnessed by our ending 2007 and 2008 with a surplus, while most Conferences had significant deficits. Despite that good work, the recession has forced additional changes to our budget. On the single page budget, Document "E", (see page 8) you can compare the 2009 budget approved at the 2008 Annual Meeting to the revised 2009 budget. The changes involve asking virtually every area to decrease expenses, while also being more realistic about anticipated income.

The most significant change is the one which will require a vote of Delegates, to wit: adjusting the distribution of Basic Support for Our Church's Wider Mission (OCWM). Currently, 55% of OCWM contributions are retained in Vermont, while 45% are forwarded to the national setting of the United Church of Christ (UCC). The Board recommendation (see page 6) is to adjust the percentages from 55/45 to 60/40, so that 60% of OCWM received is retained. This was a gut wrenching decision, one that the Finance Committee recommended to the Board with sadness and regret; seeing no other way to balance the 2009 budget.

While reducing our financial support of the UCC is unpalatable, it is perhaps overdue. The next page details OCWM giving to the UCC by all Conferences. On it, you will notice that only the Massachusetts and Connecticut Conferences* give more, on a percentage basis, to the

National setting than we do. Adjusting the split from 55/45 to 60/40 will keep us in the top five*, still a significant expression of covenant for our mutual ministries.

So, delegates at the 2009 Annual Meeting will be asked to revisit their vote taken at the 2008 Meeting in reference to the division of undesignated Basic Support for OCWM for 2009. The Board of Directors recommends that the division be adjusted from 55/45 to 60/40. The complete resolution is on page 6.

The budget for 2010 continues the recommended 60/40 division. The complete list of resolutions recommended by the Board of Directors relative to the 2010 Budget are on page 7.

** corrected verbiage above and chart (page 5) on May 20, 2009. Earlier versions contained some errors, most notable underreporting the % the Connecticut Conference sends to the UCC.*