

Beloved Congregation,

To say this last year was challenging would be an understatement in the extreme. This year will forever be remembered for the connections interrupted, the milestones unmarked, and most of all for the loved ones and friends that were lost. Our sacred community was not spared from these tragedies, but, thanks to our willingness to persevere, the leadership of our church staff we navigated through a once-in-a-century pandemic. We found new ways to spread our message, new ways to connect, and new spaces to make sacred. Our church will be forever changed by the pandemic, but not all the changes will be bad.

As we begin a new program year and can see our building opening on the horizon, we must confront a new reality. The financial effects of the pandemic have been and continue to be felt across our community, and this is no more apparent than in results of our recent stewardship campaign. **The budget we are submitting for your approval is a deficit budget.** We have worked with the executive team to reduce non-personnel expenses as low as we can reasonably manage. We are optimistic that revenue will exceed our projections once the building reopens, but to forecast that optimism into a balanced budget would not have been responsible stewardship.

Our balance sheet is still strong, and we are confident we can meet all the obligations set forth in this budget. Additionally, the Stewardship Team is continuing to reach out for renewing pledges and is optimistic that this shortfall CAN BE MET FROM MEMBERS WHO HAVE YET TO RENEW THEIR PLEDGES. But, as a church, we need to be prepared for the possibility that some members may not return. Such is the reality presented in this budget; our congregation will need to work together to find new sources of revenue or prepare to make difficult choices to reduce expenses.

Budgets are a promise and a statement of priorities. The Board of Directors has decided that one priority that we can no longer put off are cost-of-living adjustments for the staff. Suspending cost-of-living adjustments for another year is simply unacceptable. Continuing to balance our budget on the backs of our staff does not align with our principles of equity and fairness. And from a practical standpoint, eliminating the COLA would not have been enough to balance the budget. Additionally, the Personnel Committee, has highlighted pay level disparity between our current levels and the UUA recommendations for our region, congregation size, and staff experience. The Strategic Planning Committee, in conjunction with the Board, is working on a long-term plan to align salaries with UUA Guidelines in a timeline that is realistic and achievable given our current circumstances.

As we embark upon this new day, we encourage all congregants, leaders, and staff to work together to address this challenge. No idea is a bad idea. IF YOU HAVE NOT MADE YOUR PLEDGE FOR THE NEW YEAR, THERE IS NO BETTER TIME THAN NOW. Fundraising will be a priority of the Board for the next year, and we're asking for your help. **The Board is coordinating a matching contribution campaign for each of the generosity Sundays in July, details will be in the newsletter over the next few weeks.**

We know there will be a lot of questions and we look forward to answering them at the congregational meeting. If you have burning questions or comments that cannot wait, please feel free to contact the Board directly (Board@tvuuc.org).

The Board of Directors of the Tennessee Valley Unitarian Universalist Church