

Operations and Management Council 2026-27 Budget Rationale

The OMC has adopted a balanced budget, which we have sent to the Board for approval.

Revenue Assumptions

For the past two years, we have received pledge income over the amount pledged, leading to surpluses. We believe this is due to people returning to the church after being away since Covid and new members beginning to pledge even though they did not participate in the pledge campaign. General donations are also strong. We are continuing to see a robust number of visitors and participation in newcomer lunches and the introduction to UU course Starting Point, so we believe this trend will continue. Our renewed environmental ministry is also drawing in new members and visitors, and events will bring community members into the church. Therefore, we have set revenue from pledges to 100% of the amount pledged for the coming budget year. In the prior two years it was set to 99%.

We have increased revenue numbers for rental income to \$7,000, based on actuals from this year, and a plan to increase rental rates (which have been the same for many years). We believe rentals will continue strong as our building renovation is almost complete. With improved seating, renovated flooring and bathroom upgrades as well as improved A/V, the building is in great shape. We are planning more marketing as well.

This budget includes the revenue from the 2025–26 Service Auction. The OMC budgeted to carry that revenue into the 2026–27 fiscal year. Another auction is planned for this fiscal year.

Expenditure Focus

Our major expense, as always, is salaries for our staff. In the 2026-27 fiscal year budget, we have continued to budget to pay all our staff according to UUA guidelines, which are based on the cost of living in our region, level of responsibility, and the staff member's time in the position. We also

budgeted all wages at or above the San Jose living wage, currently \$26.73 per hour (if health benefits are offered) or \$27.98 per hour (if health benefits are not offered).

One of our highest priorities at our recent leadership team meeting was offering health benefits for our Music Director. In the 2025-26 fiscal year we increased the Music Director hours from 17 to 18 hours, but it remained a non-benefited position. This fiscal year, we propose to raise the hours to 20 (half-time) with benefits including health insurance, retirement, and paid vacation days. As an ethical employer, one of our goals is not only to pay a living wage, but to make it possible for our staff to live in this expensive valley. Increasing the Music Director hours and adding benefits helps address this goal.

Adding an additional two hours to the Music Director position also allows for a slight expansion of responsibilities. In addition, we hope that having a more visible music program will attract new members to the church and more singers to our choir.

When we hired our new Religious Education Director earlier this calendar year, the OMC voted to increase the hours for the position back to 17 hours (after it was cut to 12 hours in a prior fiscal year). This budget preserves that increase. This budget also preserves the six hours per month of childcare we added last year to provide childcare for activities beyond Sunday mornings. Due to growth in the program, we have also increased other expenses for religious education.

Our other inreach and outreach expenses are continued for this year based on committee requests and actuals from last year.