

# URCC BUDGET MESSAGE

June 25, 2009

*URCC Board of Directors:*

It is my privilege to present the 2009-10 Draft Budget, as approved by the Finance Committee, for your review and adoption. It is my belief that this draft budget is a prudent and conservative approach to the continued delivery of Center services, based on sound fiscal principles, and remains responsive to the needs of our members and the Upper Rogue community.

## OVERVIEW

Fiscal Year 2009-10 for the Upper Rogue Community Center will begin July 1, and revenues and expenditures for the non-capital projects budget total \$294,005. This amount compares to \$296,305 for the current fiscal year.

The General Fund for Fiscal Year 2009-10 totals \$154,400 in revenues and expenditures, compared to \$148,050 for the current year. This 4.3% increase is largely due to anticipated increases in Youth Activities, Adult Activities and increases in utility costs and. These particular increases are funded through increased foundation support and increased administrative fees for Center programs.

In addition, there are budgeted increases in payroll costs to accommodate cost-of-living increased for staff. The budget anticipates decreases in Building Services budgeted amounts that reflect more accurate information on actual costs.

The Transportation Fund for Fiscal Year 2009-10 totals \$139,605 while the current fiscal year comes in at \$148,255. This 5.8% decrease is due to projected revenue decreases from Translink and STF, partially offset by the Energy Tax Credit Program over last year's budget.

This increase in funding will result in a service increase, allowing us to provide STF-reimbursed trips four days of the week, in the first half of the fiscal year, increasing back to five during the last half, both up from three, starting in July 2009. The service increase would mean increases in other operating expenses, including payroll and fuel costs, with payroll also reflecting cost-of-living increases for the drivers, but these are offset by the decreases in the Translink and STF revenues.

In addition, we have small increases in insurance and administrative overhead. We also anticipate placing half of the Energy Tax Credit money into the savings account to sustain the service increase until the next ETC money arrives in 2011.

The Capital Projects Budget for Fiscal Year 2009-10 will be the costs anticipated for the Building Remodel and Expansion Project, funded through a Capital Campaign and Foundations.

The Building Remodel and Expansion Project estimated at \$932,500, with 91% from Foundation grants and the remaining 9% from a Capital Campaign. 53% of the projected costs are for new construction, 16% for the Remodel work and 11% for site work such as, grading, paving and landscaping. The remainder, some 20%, is for professional services, permits, furnishings and equipment and contingency, and there is quite a bit off budget for in-kind donations.

### ***Budget Presuppositions for FY 2009 - 2010***

Board will want to balance the budget and conduct operations within revenues rather than allocating funding from reserves. The reserves are generally held for capital and emergency expenditures.

The budget should estimate revenues conservatively and expenses liberally. Ideally, the outcome of this process should result in a positive year end balance.

All program fees will be examined and adjusted, if necessary, to offset any increase costs of service delivery or decrease in other revenues to support the program at current levels. The fees will all remain at or below the actual cost of service delivery.

A personnel C.O.L.A. of 2% for selected employees is planned in the budget.

The adopted operating budget sets the outside parameter of expected costs. Management will continue to operate in a conservative manner and only expend \$ as necessary to continue core missions of the Center programs.

Executive Director is expected to control all costs, provide accountability and remain alert to revenue shifts.

*Some of the major changes from the prior year:*

General Fund:

Payroll up 5.8% for COLA and delayed merit increases, scheduled for January'10.  
Youth Activities up 12.3% due to increases in outside funding, program addition of the Drama Summer Camp and increases in program costs.  
Building Services, which includes janitorial, maintenance and landscaping, down 36%, due to additional data on costs in this area and the transfer of part of the budget to a new line item, Technology. The combined total is down 20%.  
Emergency Services up 14% due to anticipated increases in funding and additional data on actual program costs.  
Insurance up 2.4% for anticipated rate increases.

Transportation Fund:

Fuel costs down 34.5%, due to actual data from decreased Translink rider ship levels, lower fuel costs, partially offset by the restoration of service levels for the STF program.  
Payroll down 18.7%, due to Translink service levels, offset by COLA increases for Drivers, scheduled for January'10.  
Vehicle Maintenance down 18.75%, due to the new fleet vans on hand and proposed lower costs associated with the replacement of three fleet vehicles, offset partially by the increase of two new vehicles to the fleet.  
Administrative Overhead up 7.7%, to reflect increased admin services costs.

For the upcoming fiscal year, the proposed budget contains no expenditures financed by the use of operating reserves.

**Basic considerations of the FY 2009-10 budget**

Executive Director will continue to pursue grant funding for infrastructure and other programs.

All Capital Expenditures for needed improvements and vehicle acquisition will be made from anticipated grant funds and local targeted fundraising.

Fuel costs will continue to increase, but a lower incline.

Selected personnel will receive adjustments in salary.

## **Conclusion**

There are two major components to the Community Center's annual fiscal process. The first is development of and adoption of a budget that responds to policy direction and balances revenues, demands for service, and expenditures. The other major component is execution. Adoption of a budget does not ensure that it will be executed appropriately. Management is charged with executing the budget in accordance with law and Board policy. Management needs to ensure that timely reporting takes place and remain accountable to the Board.

Management will make periodic reports to the Board on the status of revenues, projects, services, and expenditures. Lastly, the budget is the Board's annual statement of fiscal policy. As such the budget states what 'businesses' the Center is in. The budget provides for and funds the implementation of identified functions, it denotes which projects shall be done, funds services and implies a level of service.

I believe the attached draft budget will enable staff to address the major issues identified in the Center's planning, carry out infrastructure and programs improvements, continue to serve the Board of Directors and members of the Upper Rogue Community Center and provide a user friendly, ethical, responsive Center at the service of residents and the Upper Rogue community.

Respectfully submitted,

Steve Hauck,  
Executive Director