

## Administrative Council Meeting Agenda

December 19, 2013

6:30 p.m.

**Present** Lori Randall, Jim Naatz, Melinda Taylor, Carolyn Meneely, Rich Hill, Steve Miller, Marianne Rogenski, Jeff Greenwalt, Jill Wood-Naatz, Sunny Ahn, JoAnne Gregorash, Bruce Bedingfield, Julie Kuhn, Jon Montgomery

**Devotions** Jill read a passage from The Journey by Adam Hamilton about Mary and Joseph, and how adversity may be part of God's plan, bringing good from bad situations. She closed with a prayer. Jim will do the devotion in January.

### **Discussion:**

Discussed reducing the email list because there are many still on the distribution list that only get partial information through the minutes because they have not attended Ad Council in a long time. We should let everyone know that they are welcome to attend any meeting. Lori will ask Jerry to include something in the newsletter and add a note to the calendar that all are welcome. Anyone who wishes to continue receiving minutes can let Melinda know.

Jim reminded us that this meeting is mostly about the 2014 budget, and anything important that someone wants to address today. Jim asked if anyone had comments about the November minutes. Jill asked that "not" be removed from "Jeff cautioned that we not be careful with volunteers". Steve moved, JoAnne seconded, that the minutes be approved.

Carolyn explained the 2014 Budget Summary, which compared in column format the 2014 Recommended Budget, 2014 Original Budget(committee requests), and 2013 Approved Budget line items. Income was retained as is (total of \$305,577). Total expenses changed from \$385,699 (original) to \$322,610 (recommended); the biggest changes were to eliminate the 50<sup>th</sup> Anniversary Jubilee (\$6,000), reduce apportionment by \$36,200 to \$1200 and eliminate Rainbow Covenant (\$1200), eliminate new second pastor (\$15,400), reduce senior pastor by asking for a \$50,000 cap on Sunny's replacement in July (\$2730), and reduce youth by \$1500 (eliminate a conference). This brings the deficit from \$80,122 to \$17,033, which will be covered by savings. Although Marianne's responsibilities are scheduled to be reviewed in June/July, the budget assumes that she will continue with the added responsibilities rather than search for a new second pastor. Rich thanked all who helped to make these hard decisions, and moved that we accept the recommended budget. We have underspent in 2013 by about \$11,000, so finance feels comfortable spending some of the savings (money market fund), although much of that was realization of interest income that had accrued on the CDs over a number of years. We do need enough cash to cover our liabilities (mostly

covered by CDs). We anticipate getting a loan for about \$200,000, so estimated payments are included beginning this summer. Lori said that her hometown church has a large fund that they lend to other churches. Rich said that Dave Willeumier is investigating bank options. Carolyn asked Lori for the contact info for her old church.

Bruce asked about the Anniversary fund; it was eliminated, under the hopes that it would be covered by fundraising or contributions. Steve said that UMM is planning to donate \$500. Rich added that ASP has always been funded, and it is not in our regular budget. JoAnne reminded us that we should add it to the online giving options. (Jon joined the meeting here). Rich said that we want to be careful about what to add to the site, and Ad Council should approve it. He moved that the option be added to the online giving, Steve seconded, approved on voice vote. Bruce asked about airfare for the pastor, has he been told that? Sunny said no, but they would have that conversation at their January meeting. The \$6,000 was mainly to cover the October meal and airfare; more detail will be figured out at their meeting. Jill asked if we were planning to give an honorarium; maybe.

Julie asked if we are confident about the pledge number; answer – yes. Sunny noted that there are more people giving, but not enough revenue to offset those who have left the church. Rich added that current giving is down 7% versus the typical 10%, which is good. Jill asked about communicating the budget to the congregation; Carolyn said that the budget is usually approved at the January meeting and then announced. Bruce said that our congregation has wanted to be kept informed about our financial situation. There was much discussion about how and what to communicate, to give a clear picture without overwhelming them. There was then discussion about how not paying apportionments will affect us; will the conference now offer help (non-financial) since they will see we cannot afford to pay full apportionments? Lori remembered the conference coming out many years ago to see what the situation was, and to offer suggestions for our stewardship drive, when we were having financial problems. Sunny noted that they offer training on how to grow the church, etc. Jill and JoAnne suggested that Marianne sign up for the conference newsletter to be informed about training and other events.

Jeff asked where we think we will be in 2-3 years, and for clarification of some budget line items, as it may come up in conversations with Rev. Oscar Carrasco in the near future. After walking through the explanations behind the numbers, it looked like 2015 changes would be a wash, and the bottom line would be similar to 2014.

Sunny asked if we are committed to paying apportionments if our finances improve during the year. Carolyn responded that we knew we would pay full apportionments last year during the first six months, and it would be harder to catch up this year. Bruce suggested that we could pay increased, if not full, apportionments if things improve; we are a role model and should try to fulfill our obligations. Jeff drew a parallel with home

budgets, are we drawing from savings, the 401k, or selling the house? We need to know what our message is. Rich said that we had at one point figured out that we need to have about \$125,000 in reserve (CDs and Money Market) to be sure we can run the church.

Rich repeated the motion from Finance that we approve the budget as recommended, Jill seconded. Julie asked if we have any comparisons with other churches as far as percentages, etc; response – we are not atypical. Staff parish is similar, trustees may be a little low compared to others. Motion passed on a voice vote.

Rich said that as our income and expense changes over the year, he would like to split the overage/shortage between drawing down money and apportionments (shortage up to \$1200 to come from apportionments). Melinda commented that she would like to leave the token amount of apportionments. Steve pointed out where would the money for a shortage come from? Jon seconded the motion. JoAnne asked when would these decisions be made – monthly? Rich responded quarterly. Motion amended to include quarterly reviews. Steve asked if we should address possible shortages and deficits separately. Rich amended the motion to say that if there is a surplus, it will be split evenly between apportionments and reducing the contingency amount. Bruce suggested that we put more into apportionments than contingency. Marianne, Julie like 50/50. Jon brought up that the amount of the estimated surplus could influence thoughts about how to split it. Carolyn responded that we would be doing very well to get 100% of pledges, so it is unlikely that there will be a surplus. Jeff added that being able to say that if we do have an unexpected surplus, a two (apportionments) to one (contingency) would be great to be able to share with others, including Rev. Oscar. Bruce said that any extra would come from current members, future members, and even past members that we reach out to. Rich again amended the motion to any surplus will go 2 parts to apportionments 1 part reducing our draft from savings; motion passed on a voice vote.

Rich moved that if there is an increased deficit, it will be taken completely out of contingency funds, Jill seconded. Steve commented that he is not comfortable drafting more out of savings, but at some point there needs to be a cap on it, and other steps taken. Motion was amended to drafting up to a maximum of \$25,000 total from contingency funds, to be reviewed quarterly, then brought to Ad Council for further review and guidance. JoAnne seconded, approved on voice vote.

JoAnne said that the conference is having a half day training session in January 25 for lay servants; all in this room are lay servants. Need to register by January 15. JoAnne asked if anyone wants to be put on the email list; Marianne & Jim asked JoAnne to be added.

Jim reminded everyone that the January meeting will focus on membership growth.

Meeting adjourned at 8:00.

Respectfully submitted,

Melinda Taylor

Secretary