

First Christian Church Corvallis, Oregon

Finance Cabinet Minutes
January 11, 2016

Call to Order: Steve Herb called the meeting to order at 7:06 PM.

Attendees: Tom Garbacik, Steve Herb, Matt Gordon, Irami Osei-Frimpong, Teresa Shaw, Lee Mason, Bruce Cotton, Ann Smart and Beth Baird.

Minutes: The Minutes of December's Finance Cabinet meeting were approved as corrected. Teresa Shaw noted that it was she who noticed that the line for the Senior Minister Health Reimbursement Account was blank. Alice Kelling suggested that the line after the items over budget be changed to "In an email regarding the 2016 budget, Alice Kelling..."

Ratification of email vote regarding Sanctuary Lights: Tom Garbacik reported that it was difficult to ascertain the results of an email vote to approve relamping the pendant lights in the Sanctuary with LED lamps. There was an original motion with some for and one against, then an amended motion with some in agreement. To clarify matters, Ann Smart restated her **MOTION: To spend \$970 from the Sanctuary Memorial Fund to replace the lamps in the pendent fixtures with LED lamps.** Steve Herb provided the second, and the motion passed.

Financial Secretary: Bob Young provided the following report:

For the 2015 year, we have collected \$151,194.41 that is credited to Estimates of Giving. This amounts to 103.0% of the \$146,720 estimated for the year. We had collected 103.8% of Estimates at the same time last year.

Of the 38 estimating units;

16 units are on target (up 5 from last month)

12 units are ahead (down 5 from last month)

and 10 units are behind (same as last month)

We now have 43 Estimates of Giving for 2016, for a total of \$158,440. This is up by 5 giving units and \$11,720 over 2015.

Last month I projected 2015 income of around \$175,000 from Estimates of Giving and loose offerings combined. Once again, I was too conservative in my estimate and the actual total was \$179,760, as December was an above average month. That would change my last month recommendation to use about \$178,000 for developing the 2016 budget. It would now appear that the figure should be something in excess of \$180,000. I will leave that determination to the collective wisdom of the Finance Cabinet.

The 2015 giving statements have been printed and are being distributed.

Memorial Committee Report: Matt Gordon said that he and Pat Malone had talked about the Memorial Committee and had discussed a process to combine small Memorials. Ann Smart noted that the church process is already outlined in the Memorials Policy. Ann said there is a list of already approved funds that could be suggested to a family. If the family desires something else, it needs to be approved by the Finance Cabinet. Matt said the Committee needs some details on Memorials from 2011 and before. There is one Memorial that could be used to acquire something for Stone Soup that would also benefit the church. Ann noted that the donors to memorials usually prefer a tangible item - a one-time purchase. We might want to add a Memorial Fund for the kitchen. Small memorials can be combined and transferred to existing funds per the church policy.

Treasurer's Report: The Treasurer's reports were distributed by email.

General Fund: Through December, 100% into the year, the total YTD operating income received was \$261,716 which is 105% of the annual budget. The total YTD operating expense was \$268,193 which is 101% of the annual budget. The electric bill included a \$46 solar credit. The year-end balance is \$12,020, which is \$6477 less than the beginning balance in January.

Those expenditures that significantly exceed their 100% target are listed below.

Outside the General Fund: A few Funds currently have a negative balance: Adult Education, All-Church Events, Family Camp, Landscaping, and Folk Musicians MF; some of these may be covered by future income. The sweatshirt sales have so far only recovered 56% of the cost, leaving a deficit of \$430 in a sub-category of All-Church Events. The Solar Incentive check for November was \$220.

The annual 5% overhead charge to the starred funds has not been made, pending approval of a motion to the Board that these charges not be taken in 2015. The money in the Permanent Fund Income for Outreach account, General Missions account, and the Mission Pass Through account has been disbursed according to direction from the Board. The total disbursement to the 13 charities (including the Disciples Mission Fund) totaled \$14,699.

The Fixed Assets (Church properties) were revalued based on the insured and assessed values

Expenditures much over 100% at the end of December:

Professional Services
Office Supplies
IT services
Garbage Disposal
Carpet Cleaning
Youth Curriculum & Supplies
Choir music
Music licenses
Bulletins & Worship Material
Musician Honoraria
SM CE & Books (but still within limits of total benefits)
SM Convention (but still within limits of total benefits)

Pianist
Communications Manager
Nursery Coordinator
Director of Youth and Young Adults
Outreach Coordinator - still below target with the Stone Soup reimbursements factored in
FICA
WBF

Lee Mason suggested that if some of the “outside the general fund” items are for tangible purchases, we should consider utilizing the Memorial Funds.

Ann Smart suggested that we make a transfer to cover the shortfall in Adult Education. The shortfall is due to books acquired for the visioning process. The other shortfall that should be made whole is the sweatshirt project. Matt Gordon suggested that we use money in the Outreach funds to cover the costs. Ann Smart explained that Outreach is usually a mission cause. Funds such as Minister’s Discretionary, Stone Soup, and General Missions are outreach.

The Outreach Fund monies are added to Permanent Fund Income to be distributed according to church policy. The Finance Cabinet usually makes a decision and covers shortfall from existing accounts. There is a line item for church growth, but it isn’t funded. Teresa Shaw said that people give monies specifically for defined projects in outreach.

The funds with positive balances were checked to see if funds could be transferred in order to make the accounts whole. The best option is the Minister’s Discretionary fund. That fund could cover the cost of books used in the visioning process and could cover the sweatshirts, with Matt’s permission. Matt agreed. **MOTION: Ann Smart moved that we transfer \$163 from Minister’s Discretionary Fund to cover the shortfall in Adult Education and \$430 from Minister’s Discretionary Fund to All Church Events to cover the shortfall in the sweatshirt sales with the provision that any additional monies received for sweatshirts be refunded to Minister’s Discretionary Fund. The motion was seconded by Bruce Cotton and passed.**

Trustees: Lee Mason said that there was a water leak at the Jefferson Street properties. Elite Property Management called Matt Gordon and said that he authorized the repair. Elite is supposed to seek approval from the Trustees. Lee would like to have Elite tell us how much the water leak cost. He has several receipts that could be attributed to the leak, but might for something else. According to Elite, the water was leaking into a downstairs apartment which went unnoticed until the downstairs tenant returned from vacation back in December. The cost of the repair negatively impacted our carry-over balance for 2016.

Disciples House: Irami Osei-Frimpong said that the electric heating bill was higher in November and December. The meter for the basement apartment is the one showing the increase. Irami said that the main reason for the difference is due to the lack of cold tolerance of the resident. There was a pipe burst years ago in the room on the

main floor because the heat was turned off in that room. The heat in that room could be turned down but should not be turned off. Bruce Cotton said that the hot water heating system has three zones, all of which need to have the air bled off. Irami said that some radiators don't work. The spare washing machine has also failed. Irami contacted Stover, Evey and Jackson for repairs. There is still one working washing machine. It was suggested that Irami put something in *The Dispatch* asking for a new (or newer) washing machine. He should also consider the cost of replacement versus the cost of repair. If the cost of repair is 50% of new cost, it would most likely be better to purchase new.

House and Grounds Report: Bruce Cotton said that the lamps in the Sanctuary pendant fixtures have been replaced with LED lamps. We don't have the bill yet. The new lamps are not dimmable, so the contractor replaced the dimmer switches with on/off toggle switches. The fixtures in the balcony were not relamped. The donor approved the use of funds to replace the incandescent lamps with LED lamps. Tom Garbacik said that there was an original motion, with some votes for and against and an amended motion with a couple of votes. There was discussion about how we should handle email votes. Generally, email voting should be very black/white with limited discussion. Steve Herb expressed frustration with the way we've been dealing with email voting. Matt Gordon suggested that this could be dealt with at the Board level. Steve Herb indicated that Finance should draft something during our February and March meetings. Ann Smart may have an example from another organization.

Downstairs Women's Restroom: Matt Gordon said he talked to Dan at Henderer Construction. Dan said he assumed we don't want to replace all the subflooring with marine grade wood. If it's a seamless piece of vinyl floorcovering, that is correct. Matt talked with Kristy at Benson's. They had three rolls of commercial vinyl in stock in a range of costs. We chose the one most like dirt, which is the least expensive. With all the clarifications, Henderer's quote is now at \$5475, and is still the lowest. There is a 30% contingency fund built in to the price. During construction we will feel the impact of not having the restroom available, especially nights and during Stone Soup meal times. Renting a portable toilet was discussed.

Tom Garbacik withdrew his original motion regarding requesting approval of funds for the project, and made the following **MOTION: The Finance Cabinet recommends that the Board approve spending \$5475 from Board Capital to fund a contract with Henderer Construction for flooring repair in the downstairs women's restroom. The motion was seconded by Bruce Cotton and passed.** We will explore the rental of a portable restroom with the cost being born by maintenance contingency. Matt Gordon will contact Henderer Construction tomorrow to get the project on Henderer's schedule, pending Board approval of funding.

Personnel Report: Beth Baird said that she didn't have anything urgent to report.

The 2016 Budget:

The budget was discussed at length. Topics of discussion included:

- Estimate of Giving increase per Bob Young.
- Reduction in Jefferson Street Property income per Lee Mason.
- Carry-over had declined in each of the last three years.
- Senior Minister health insurance is up 15%.
- The funding of the Senior Minister Health Reimbursement Account was discussed.
- Disciples House Operations will pay \$1588 of the salary for the Community Director position over the course of the year (approximately 50/50 split FCC/ DH including housing).
- It is anticipated that the Church Secretary will reduce her hours somewhat.
- We have booked fewer recitals than in past years.
- Building use donation suggested amounts have increased.
- 12 step groups pay differing amounts.
- We don't charge the Boy Scouts since we are their sponsors.
- Carpet cleaning is done twice a year (before Easter and before Christmas).
- The cost for Communion supplies was reduced from \$10/week to \$5/week.
- The amount being set aside in the Jefferson Street Reserve account will be lowered from 15% to 10%.
- The estimate for loose offerings could be increased.

If the Congregation approves the proposed change to the Permanent Funds Policy, we will accrue more dollars that can be used to offset some expenses in existing funds.

The proposed budget will be put up on the website and distributed to members of the Board. There will be a summary distributed at the Congregational Meeting.

The Finance Cabinet stood in adjournment at 8:58 PM. Matt Gordon led the group in prayer.

Beth Baird said that several members of the congregation donated to staff gifts over the holidays!

Respectfully submitted,

Tom Garbacik,
Clerk of the Board