

# First Christian Church Corvallis, Oregon

## Finance Cabinet Minutes July 14, 2014

**Call to Order:** Tom Frederick called the meeting to order at 7:03 PM.

**Attendees:** Tom Frederick, Tom Garbacik, Bob Young, Ann Smart, Matt Gordon, Beth Baird, Bruce Cotton and Kelley Marchbanks.

**Devotion:** Tom Frederick read "If I had my life to live over" by Erma Bombeck.

**Minutes:** The minutes of the June meeting were approved as corrected: Alice Kelling noted that the last paragraph of the Treasurer's Report said that we could be \$18k in the hole by the end of the year. That should have said by the end of next year. In the Trustee's Report it was stated that the Russell Estate funds were deposited for cash flow. That was incorrect; it was deposited while awaiting investment directions from the Trustees. Ann Smart and Beth Baird noted that Jennifer Dai's last day would be August 17. Bob Young noted that the next to the last sentence of his report should have said: Three of our larger giving units have paid a majority of their commitment for the year. The Minutes were approved as corrected.

**Financial Secretary:** Bob Young provided the following report:

At the end of June, halfway through the year, we have collected \$67,246.27 that is credited to Estimates of Giving. This amounts to 53.3% of the \$126,218 estimated for the year. This compares to 54.8% of Estimates that had been collected at the same time last year.

Of the 41 estimating units;

19 units are on target (up 3 from last month)

12 units are ahead (down 1 from last month)

and 10 units are behind (down 2 from last month)

H. ROBERT YOUNG  
Financial Secretary

Bob noted that the financial statements for the first half of the year have been prepared and are being distributed.

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

**General Fund:** Through June, 50% into the year, the total YTD operating income received is \$116,252 which is 48% of the annual plan. The total YTD operating expense is \$130,625 which is 50% of the annual plan. Those expenditures that exceed their 50% target are listed below.

Although these figures look good, we must remember that the budget was prepared with a \$16,868 forward balance from 2013 and a faith income line of \$6009. If we do not meet the faith income by the end of the year, we will have a deficit at the end of the year.

**Outside the General Fund:** A new sub fund has been created for Family Camp to make it easier to track those expenses; it had been part of All-Church Events. We will begin using it for next year's camp, for which reservations are now being made. CE Support, Minister's Discretion and Stone Soup balances are getting low relative to expected expenditures. There is \$2360 in the Undesignated Memorials; some of it would probably be directed to Stone Soup. The Disciples House balance has dropped to the amount we paid last year for property tax (\$6205). We need to watch expenses or possibly consider paying the tax in three installments

(which loses our 3% discount). The Money Market account is so large because the Russell bequest is currently on deposit pending its investment with the Permanent Funds.

### **Expenditures much over 50% at the end of June:**

(Accounts expected to be “over budget” because of their billing cycles are not listed.)

Office Supplies

Postage

Gas - the coldest months (Dec-Mar) are paid during this period and it was very cold.

Building/Custodial Supplies

Maintenance and Repairs - 80% of those expenses have been for the furnaces

Custodial services - we will have 13 months billed during this year

Elevator service contract

Curriculum and Supplies

Pulpit Honoraria

Musician Honoraria

SM Continuing Education & Books - the Convention and Business Expense lines are still available and may be used for continuing education or books at Pastor's discretion.

Pianist Salary - budget was set low in anticipation of Jennifer leaving in August

Nursery Attendant Wages

Workers Benefit Fund

Ann was concerned that the Stone Soup and Minister's Discretionary Fund balances are really low. One of the Burris Memorials has been moved into Stone Soup Fund. We need to be sure that Sue Schulz is notified when the fund balance gets low. She can request funds from the greater Stone Soup group. The gas bills have been high, but we are receiving rebates. The ending balance in the General Fund is very low.

**Capital Campaign Report:** Ann Smart said there will only be two more quarterly reports. From April to May we received enough funds for 1.82 loan payments. Our giving is still slightly ahead of target and there is almost enough money in the bank to make all the loan payments. However we still need to repair and paint the west windowsills and pay back the loan from the PFI.

Our loan payment total will be about \$39,345 which is \$2,445 over budget. At this point we are under budget on \$1,218 in other items, but we don't know the cost for the window sill repair. We owe PFI Capital \$9, 9946.

**Trustees Report:** Pamella Doerksen had suggested we talk about the Beth Russell Bequest. Kelley Marchbanks said that the Trustees had talked about the Bequest, but had not reached a final decision. Kelley said that as the new Trustee she was asking a lot of questions. When the Trustees make a decision, they will need to inform Alice Kelling so that a check can be issued to the appropriate fund at Christian Church Foundation.

**Disciples House Report:** Matt Gordon said that Neil Reynolds and Trish Martin have finished painting a room on the second floor. The house is half full for the summer, and as of right now only the basement rooms are open for the fall. Meggie Wright said that we appear to have bats in one of the chimneys. Matt will follow up with Meggie. The exterior doors at the house need to be repaired. Matt got an estimate from Bashful Bob's for the repairs. Do we have the expertise to do the repairs internally? Disciples House does have funds available for improvements (intended for window repair). Should we ask Mike Dyer for an estimate? Two of the doors are not locking properly, creating a security issue. **MOTION: Tom Frederick**

**moved that Matt Gordon contract to repair the doors utilizing the best of the bids. The motion was seconded by Ann Smart and passed.**

How do we want to approach the window repairs at Disciples House? We could have the windows removed, sent to Portland, rebuilt and then reinstalled. We have three options: wood, wood with a fiberglass exterior or a wood and fiberglass infill window. The prices range from \$44,000 to \$28,000, including permits. Can Bruce Cotton work with Bashful Bob's to prioritize the project? Disciples House has \$21,000 minus the cost of the door repair. The house will also be needing paint and a new roof. The paint on the west side is flaking. Bruce will check on getting a quote for the third floor. Bruce will talk to Bashful Bob's about replacing the third floor windows only. **MOTION: Ann Smart moved that Bruce Cotton be empowered to contract for new windows for the third floor, spending no more than \$10,000. The motion was seconded by Tom Garbacik and passed.**

**House & Grounds Report:** Bruce Cotton said that he knows nothing. Bob Young said the pipe is under the sidewalk for the sprinkler system. The front sidewalk and the Disciples House sidewalk have been ripped up as the City has decided they need work. Bob and Neil Reynolds pushed a pipe through so we can water the new tree out front. The new Disciples House tree still needs to be watered manually.

The company that did the new coverings for the stained glass windows is out of business. We need to take the covers off, paint/repair sills, and reinstall covers. We're starting over looking for somebody to work on the windows. The original owner sold to one of the workers, and he isn't interested in that kind of work. The repair of the windows was part of the Capital Campaign. We had agreed to do the painting of the sills, and it didn't get done before the new coverings were installed. There is some rot in the sills. Bruce will ask Bashful Bob's if they are interested in removing storing and reinstalling the glass.

Vicki Young hasn't heard anything regarding the new. Bruce hasn't head from the electrician doing the Gethsemane window/sign work. Beth Baird said it would be good to have the sign done prior to the Craft Fair, since that was a Craft Fair designated project from two years ago.

**Personnel Report:** Beth Baird asked if Matt had talked with Jill Shinkawa and Charlene Lincoln about summer hours. Jill asked if she could flex the time to do a 40 hour reduction during the year. Beth said that we need to do a better job of funding those positions if we want to retain good people. This is a very emotional issue, stemming from a practice put in place several years ago. We need to address this for the long term. Jennifer Dai's last day is August 3. We have one candidate for the pianist position. The 10<sup>th</sup> of August we won't have a pianist. August 17 will be the Folk Musicians. Something is being planned to celebrate Jennifer's last day.

**Long Range Planning Report:** The committee has a meeting coming up on Thursday and they will be discussing all of our real property. They will also talk about the Permanent Fund Policy to see if some of the income can be diverted into the General Fund.

#### **Additional items:**

**Solar Proposal:** There are three action items to discuss: maintenance, second bid and a check of references. Sunwise doesn't work on systems this small. Solar Ki looked and will send a bid; Matt will scan and send out the information. They talked about leasing option. Aaron Marchbanks findings were fairly benign. Ann sent out information about a possible loan from Church Extension. A green Energy loan would need to be repaid in 5 years. Ann

annualized the costs and projected at a repayment rate of \$3,800 per year the loan would take 12 years to pay off at 4.5% interest rate. They no longer do loan support. We could pay the loan off early with no penalty. Alice expressed her thoughts that we need to see champions for the project commit to taking care of the system. Matt will take that on. Who will monitor solar output? Moss control will be needed. It appears that the roof warranty, for the sloped roofing, runs out in 5 years. If the roof needs to be replaced, it should be done prior to installation of panels. We should ask Mike Dyer for an opinion as to the life of the roof.

**MOU for Church Van use:** CDDC van use MOU. Matt talked with Alieta Hass-Holcombe about the Corvallis Daytime Drop in Center's use of the church van. The van has been used to support HELP and CDDC. They offered to pay \$0.52 per mile. We just received a check from CDDC for the last two years of usage.

The next Finance Cabinet meeting will be the 11th of August.

The Finance Cabinet stood in adjournment at 8:12 PM. Matt Gordon led the group in prayer.

Respectfully submitted,

Tom Garbacik,  
Clerk of the Board