

Westminster Presbyterian Church
Finance Committee Meeting
Tuesday, January 16, 2018
6:00 pm

Todd Willis, Moderator
Jeff Bornstine
* Ralph Davis, Endowment Trust
Marcia Holcomb

Jon Hauerwas, Pastor
Shelley Koutnik
Eileen Martinez, Staff Accountant
Alec Works

An asterisk denotes those not in attendance

MINUTES

1. Meeting was called to order at 6:15pm with prayer led by Alec.
2. A motion to approve the minutes from the November 21, 2017 committee meeting carried unanimously.
3. Review of December Reports:

Analysis of Revenue and Expenses:

For the first time since 2011, Westminster finished the fiscal year with a surplus. Revenues in excess of expenses provided a surplus in the amount of \$36,646.31. This is the result of increased contributions, endowment trust distributions, including the new Rowley Designated Endowment Trust, and increased interest and dividends combined with conscientious fiscal management on behalf of our Committee Moderators.

Revenues:

- Contributions in excess of budget by \$27,939
- Endowments - \$19,019 in excess of budget - \$11,000 one time from Telford Distributions from Rowley Designated Endowment are in excess of budget
- Interest and Dividends ahead of budget –we are reinvesting short-term investments as we have not needed the cash
- Outreach – removed \$6,000 in budgeted revenue from Christmas in July event

Expenses:

- Discipleship Expenses are \$6,433 – savings from mission trip and senior high ministry total \$4,440

- Office and Admin expenses are under budget by \$7,912 – new copier and computer leasing and operating expenses save \$4,500
- Outreach – Christmas in July event reduced expenses by \$6,000.
- Personnel Expenses - \$11,026 under budget due to reduced and/or volunteer staffing as well as reduced overtime costs. Note that the Director of Communications is over budget as is the Children’s Choir Director.
- Properties – under budget by \$12,642 – major savings (\$6,800) from reduced utility costs due to mild 2017 winter, general repairs also under budget.
- Worship - over budget due to Organ maintenance. Corns Endowment covered part of cost.
- Deacons – under budget by \$871.
- Overall – expenses under budget by \$46,108

Summary of Restricted Accounts

- U40-8044 Bequest Fund - \$50,000 from Spindler and \$14,632 from Dr. Joseph Lichty Charitable Remainder Trust – Typically expended by Properties Committee
- R20-9007 – New – Pentecost Youth Project
- R20-9040 - New - Membership Committee History Project
- D20-9525 – Ministry Architects is fully expended. Future billings will be paid from E50-9064
- R20-9005 –\$50 reclassified from D30-9032 after reports were printed.

Balance Sheet and Investment Reports

- Statement of Financial Position – Total Cash & Investment \$1,878,284 at cost
- Rowley Fund Reconciliation – We did not expend Rowley Principal this year
- Investment Recap – pulled \$25,000 in June – returned \$25,000 in November.
- Portfolio value at FMV is \$1,778,226 at year end; \$173,000 increase from start of year

4. Stewardship Campaign Results

- 110 pledges for \$334,485 - \$47,910 prepaid as of January 1, 2018
- Transfers, deaths, etc. represent loss of \$14,240
- Gained \$39,935 with 23 new pledges (\$35,000 in 2017 unpledged)
- 18 households representing \$32,205 did not pledge
- 2016 - 107 pledges totaling \$328,190

5. 2018 Operating Budget

General Income – Pledges \$334,485
 Unpledged \$80,000
 Rowley Designated Endowment based on current year \$19,000

- Interest and Dividends - \$22,000 (investments and mortgage)
- Office & Admin - \$500 for the Membership Committee
\$640 in new online giving charges – ACS and Vanco
\$1,500 for graphic design and PDF conversion software
- Per Capita - Budgeted at \$32 per head – 407 at 12/31/16 - \$13,024
- Discipleship - Budget decrease \$900 from prior year.
No Godly Play training in 2018
Reduced Student Support
- Outreach - Net Operating Budget remains the same for 2018
Christmas in July Project Income and Expense removed
- Properties - Increase in electric to \$21,000
Cleaning and Paper supply increased
Expense categories revised for better cost tracking
- Worship - Adjusted substitute organist and pulpit supply
- Deacons - Net budget reduced by \$250
Estimate savings in Fellowship Expenses, Church Meals and
Training/Retreat Expenses
- Investment - Interest and dividends estimated at \$22,000 per WF statement
- Personnel - New Music Director/Organist

Current Situation - Fifteen percent of Jim's hours have always been designated for Five @ Five Concert - 6 hours per week or \$10,000 of Restricted Five @ Five Funds from 2001 through 2014

For 2015, the church needed funds – Five @ Five reimbursement was increased to 25% of Jim's salary and benefits. Justified because cost of Jim's benefit package had increased considerably over the years.

New Organist – 15 hours per week will be for worship services, choir practice and other WPC music department related activities and 5 hours per week (25% of total time) for Five @ Five Concerts. This estimate is based on Jim's estimates and his knowledge of other part time Music Director/Organists (Valerie Thorson)

If new salary is \$26,000 – 25% or \$6,500 per year will be expended from Five @ Five restricted funds for the salary.

Recommend that in future years, annual fundraising efforts and goodwill collections be stated as “to benefit the music programs offered by Westminster Presbyterian Church. Current solicitation states “to assure the continuation of these concerts in the future”

Could save up to \$40,000 in 2019 due to change in Music Department staffing.

Other Personnel Expenses:

Salary/Wage Increases - \$7,135 budgeted for staff wage and salary increases in 2018 including increase in Terms of Call

Expenses related to changes in Custodial services to be determined at a later date.

The Bottom Line: **Estimated Deficit of \$34,581**

Rowley Fund - An expenditure in the amount of \$34,581 from Rowley Fund principal is still required to support the operating budget. The amount could increase/decrease depending on the final cost of restructuring the Music Department and Custodial Services.

Motion to approve the budget for Session’s review and approval was made and carried unanimously.

6. Annual Meeting –

Motion to recommend to Session that the annual meeting be conducted Sunday, March 18, 2018 was made and unanimously carried.

7. Next Meeting – Tuesday, March 20, 2018

Meeting adjourned shortly before 7:20pm.