

Finance Committee Minutes

March 16, 2023

6:00 p.m.

Present:

Kevin Baker, Marilyn Boyce, Christy Denham, Crystal Drum (Chair), Bren Feutz, Cleve Folger, Roger Fulp, Annette Harpine, Tonya Morton, Paula Roberson, Buddy Rogers, David Wilmoth

Crystal called the meeting to order at 6:00 p.m. and lit the Christ candle. Pastor Kevin opened with prayer.

It was noted that Christy Denham has resigned her position as Financial Administrator with her last day being March 24, 2023. This is her last meeting with the Finance Committee. The committee wished her well and gave a round of applause for her work with the committee and the church.

An agenda and several handouts were distributed to include the prior meeting minutes, February financial reports, and the 2023 preliminary budget.

February 16, 2023, Finance Committee Meeting Minutes

The committee reviewed the minutes from the February 16th meeting. There were no changes or corrections, and the **committee approved the minutes** as written.

February Financial Reports

The February 2023 Treasurer's (Income and Expenses) Report was reviewed by the committee. February income totaled **\$88,163.22** and expenditures were **\$96,246.51** for a deficit of **\$8,083.29** for the month of February. The YTD income was **\$154,066.60** and YTD expenditures were **\$176,449.04** for a YTD deficit of **\$22,382.44**.

Christy noted that unexpected expenditures in February were the gas bill for \$4,000 and pine straw for \$2,700. In March, the church expects several quarterly contract fees to be due to include the elevator contract, waste, security/fire (BFPE), and insurance.

Cash Analysis as of February 28, 2023

The total restricted cash balance as of February 28 was **\$138,307.40**. The total Childcare balance was **\$138,324.29**. The unrestricted fund balance was **\$383,345.48**. The total current bank balance was **\$681,012.01**.

Childcare

Traditionally, Childcare has transferred \$25,000 to the church's general fund each quarter to cover use of the building and associated costs. In 2023, Childcare will transfer **\$30,000** to the general fund each quarter for a total of **\$120,000** for the year.

Pastor Kevin recommended the committee approve the quarterly transfer from the childcare fund to the church's general fund in the amount of \$30,000, effective immediately. The committee approved the recommendation by consensus.

2023 Budget Status

The Finance Committee has been working together with other committees to develop a 2023 budget to submit to the Church Council for approval.

Crystal provided a list of changes made to the preliminary budget since the January 25, 2023, version. She noted that the Trustees have made cuts in the amount of **\$22,380**. The SPRC made significant cuts in the amount of **\$70,210**.

At the beginning of the year, there were no Building 3 mortgage pledges. Since that time, **\$25,500** has been pledged for that purpose.

In the first 11 weeks of 2023, income has averaged \$14,368 per week, separate from what has been received for the mortgage, for an annualized amount of \$747,000. Currently the preliminary budget lists annualized income at \$663,000. Discussion was held on increasing the estimated income line item to match the giving trend more closely. Crystal stated that in 2022 the average weekly income was \$17,300. Crystal and Christy will research the first 11 weeks of 2022 to determine the average giving for that period.

The committee approved by consensus to change the income line item on the preliminary budget from \$633,000 to \$745,000 if the average giving in 2022 for the first 11 weeks was at least \$14,368 per week. Crystal will be sending that information to the committee.

The committee reviewed an information letter provided by the SPRC detailing the budget cuts they have made. The SPRC is recommending the SUMC move to two worship services on Sundays at 8:25 a.m. and 10:30 a.m., beginning the Sunday after Easter. **The Finance Committee approved this recommendation by consensus.**

The SPRC is also recommending new church office hours to ensure appropriate staffing due to the re-sizing of the staff. Additional information is forthcoming.

Pastor Kevin gave an update on the phased reductions in staff and benefits which includes possibly moving to one pastor in July 2024. He is confident that SUMC will

receive monetary support from the conference in the areas of apportionment credits, pension and health benefits for the two pastors, and a ministry grant to assist with personnel reductions as of July 1, 2023.

Pastor Kevin shared that there is an office staff person that is volunteering 8 hours per week. There is also a person that is interested in voluntarily serving as a maintenance technician for 4 hours per day, 4 days per week. A meeting with him is taking place Friday, March 17.

Building 3 Mortgage

After discussion, **the committee approved by consensus to seek refinancing of the Building 3 mortgage with a plan in place to pay it off as quickly as possible.** This recommendation will be presented to the Church Council for approval. A finance committee team plans to meet with the bank in the coming weeks; however, to refinance, the church must have an approved budget and a Treasurer. Pastor Kevin has been working to appoint a Treasurer.

Crystal will be sending updated budget worksheets to the committee for review once the adjustments discussed tonight have been made.

Next Meeting

The Finance Committee will meet again on April 20, 2023.

Adjournment

There being no further business, the meeting adjourned at 7:15 p.m., and Crystal closed the meeting with prayer.



Tonya Morton, Recording Secretary