

## FIRST UNITED METHODIST CHURCH

### Finance Committee Notes – December 18, 2019

Present: Peg Ferrel, Naomi Niimi, Pastor Lori Sawdon, Larry Wofford, Jack Dupre, Heather Young, Lynne Garrison, Mike Ferrel, Janis Brewster, and Sam Cox.

The meeting opened with a prayer by Sam.

The November meeting minutes were approved, with thanks to Jack for producing them.

The November financial statements were reviewed:

- The net income over expenses was \$7,769, leaving a deficit of \$30,284 heading into December.
- Personnel costs were again slightly below budget --- \$34,821 versus a budget of \$35,717.
- The negative figure of \$574 in the Safe Sanctuary line reflects a reimbursement from the VIM team for certifications.
- Checking account balance on 11/30/19 was \$54,545.

The committee held a lengthy and wide-ranging discussion regarding the 2020 budget draft, which currently showed a \$112,802 deficit.

- The committee discussed the analysis of the pledges received so far. This is the first year in several years that the average pledge did not increase over the previous year. Heather commented that further analysis such as determining the median and mode of the pledges might be helpful.
- Naomi reported that, given the size of the deficit, she, Pastor Lori and Sam were thinking that the 2.7% cost of living increases may not be doable.

- Lynne pointed out that, even though the Trustees' Maintenance & Repair line is proposed to increase by \$2,000 to \$16,000, this may not suffice for repairs needs already known.
- Heather asked about the likelihood of additional pledges being received beyond the \$633,000 projection. Sam replied that we are already factoring in an additional \$13,000 from what we have received. The committee discussed the need for a larger contingent of people willing to serve on the Stewardship Committee.
- The committee discussed the need to generate some financial benefit from the Susanna Wesley House. Pastor Lori said we are seeking clarification from City planning staff as to how we can use the house with its current permitting.
- It was observed that, since Personnel-related costs comprise half the expenses, our Conference tithe is 10% of the expenses, and Building and Maintenance (including mortgage) makes up nearly 30% of the expenses, there aren't many places in the budget work groups can control.

The conclusions reached were: to continue to seek 2020 pledges during the weeks ahead; and to request the Staff Parish Relations Committee to consider staff cuts which may needed to make the budget manageable.

The Budget Summit Group will meet in early January to make recommendations on the budget to the Church Council, which meets on January 11.

Pastor Lori gave a closing prayer, especially offering prayers for Tokasa Buinimasi, upon the death of her daughter in Fiji.

(Notes taken by Sam)