

First Congregational United Church of Christ
Portland, Oregon
CHURCH COUNCIL MINUTES
October 19, 2017

Members Present: Moderator Peace Young, Past Moderator Al Horn, Ass't Moderator Frank Baldwin, Secretary-Treasurer Belinda Moos, Member-at-Large Karen Wriggle; Senior Minister Michael Ellick; **Members Absent:** Members-at Large Karen Hurst and Christian Logerstedt, **Asst. Minister** Elizabeth Durant; **Staff Present:** Business Manager Cara Rothe; **Guests Present:** Ted Heid, Martha McKay, Kitt Reidy, and Sarah Vazquez

1. Call to Order: Moderator Peace Young called the meeting to order at 6:05 PM. Michael Ellick offered the opening prayer.

2. E-Vote: The following e-vote was entered into the minutes of this meeting:

- a. Minutes of the September 21, 2017 Council Meeting, approved by e-vote on October 12, 2017

3. Treasurer's Report: Belinda Moos

- a. The September Financial Statement indicates that while Pledge income is running below budget expectations, both General gifts and Memorials/Bequests are running above expectations. Cash flow is positive for the first nine months of the year.
- b. Expenses are running a little higher than budget expectations, but it seems possible to anticipate a balanced budget by the end of the year.

4. Review 2018 Preliminary Budget: Belinda Moos. Reporting on behalf of the Budget Development Committee, Belinda presented two documents for Council consideration (both are attached and should be considered part of these minutes): a Summary on Major Changes to 2018 Budget vs. 2017 Budget, and a FY18 VS FY17 BUDGET WORKSHEET. There was opportunity for thoughtful questioning, thorough explanation, and the offering of requests and suggestions, as Belinda led the Council through a detailed line-by-line discussion of the Proposed Budget.

Summary on Major Changes:

- a. Major changes include a net increase in ordinary income due to an anticipated increase in gifts and bequests, as well as building rental from a major choral event.
- b. Higher expenses are expected due to an outside audit, higher facilities and office expenditures, enhancements for core ministries and designated personnel, hiring of a Teen Ministry Coordinator/Youth Teacher as well as categorical adjustments.
- c. Several of these projected new expenditures will be totally or partially offset by the Bud Shafer Bequest and transfers from Reserves. Transfers are expected for Youth Mission, Youth Teacher, and the bespoke Audit.

FY18 VS FY17 BUDGET WORKSHEET

- a. 2018 Budget projections are based on our historical experience with the current and previous budgets, as well as analysis of the 2017 run-rate to date in all budget lines. Several budget categories – including Parking, the Pastor’s Discretionary Fund, and expenses for Christian Education personnel and program – have been reassigned or adjusted to be clearer and more descriptive.
- b. Income to be expected from Pledges has been held to the 2017 level, pending completion and analysis of the Stewardship program currently in process.
- c. Designated Gifts, Building and Grant income are projected from current run-rates, plus contracted revenue expected from a major national choral event.
- d. Core Ministry Expenses are mostly based on run-rate actuals, along with certain categorical adjustments or re-allocations as referenced above. Additional funding has been provided for several developing ministries of the church, including Christian Education and Youth, Peace-making, Open & Affirming, Hospitality, and Community Service. Additional budgeting has been provided for fundraising.
- e. Personnel expenses have been adjusted for reasons of equalization, market comparisons, run-rate analysis, and changes resulting from staffing changes.
- f. Increased use of our facilities by community renters as well as our own congregation will require additional expenditures for staff and maintenance. Utility expenses – water, gas, electricity, sanitation – along with office web/telephone expenses and most of the items under Other General Expenses (2018 Budget line 6950), are also expected to go up in 2018.
- g. Additional funding is provided to adequately reimburse delegates representing First Congregational Church at the Annual Meeting of the United Church of Christ Central Pacific Conference. Our per capita dues to the Central Pacific Conference have been increased to reflect the recommended formula of \$17 X 260 members.
- h. Income is expected to increase by 4% in 2018, Expenses are expected to increase by 8%, with a total deficit between Income and Expense of \$126,851 for 2018. Proposed transfers from Reserve Funds will provide \$127,145.
- i. Net Income in the Proposed 2018 Budget (the “bottom line”) is \$294 (\$127,145 minus 126,851).

5. Closing Prayer: Moderator Peace Young offered the closing prayer, and adjourned the meeting at 7:42 PM.

Respectfully submitted,
Frank Baldwin, Secretary *pro tem*

ATTACHMENTS:

Summary on Major Changes to 2018 Budget vs. 2017 Budget

FY18 VS FY17 BUDGET WORKSHEET

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference
Income			
4000 · Giving			
4050 · Pledges	\$170,000	\$170,000	\$0
4051 · General gifts	\$42,000	\$50,000	\$8,000
4052 · Flowers	\$900	\$900	\$0
4053 · Memorials and bequests	\$2,000	\$5,000	\$3,000
Total 4000 · Giving	\$214,900	\$225,900	\$11,000
4100 · Tower receipts	\$2,000	\$2,500	\$500
4200 · Designated gifts			
4202 · Pastors Discretionary donations	\$500	\$0	(\$500)
4205 · Youth missions donations	\$0	\$800	\$800
4210 · Choir donations	\$100	\$200	\$100
4212 · Eve's Circle	\$0	\$500	\$500
4213 · Eve's Grandma Agnes donations	\$0	\$0	\$0
4216 ArtReach	\$5,000	\$5,000	\$0
4218 Other Designated Donations	\$0	\$0	\$0
Total 4200 · Designated gifts	\$5,600	\$6,500	\$900
4300 · Building income			
4301 · PCPA lease	\$190,524	\$190,524	\$0
4305 · Building rentals	\$65,000	\$84,500	\$19,500
4310 · Annex subleases	\$28,000	\$28,000	\$0
4315 · Weddings	\$8,000	\$5,000	(\$3,000)
4320 · Do Good rental	\$0	\$0	\$0
Total 4300 · Building income	\$291,524	\$308,024	\$16,500
4400 · Grants			
4401 · Brown Grant #1	\$10,352	\$10,352	\$0
4402 · Brown Grant #2	\$103,829	\$101,229	(\$2,600)
Total 4400 · Grants	\$114,181	\$111,581	(\$2,600)

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference	
4500 · In kind donations	\$0	\$0	\$0	
4600 · Church sponsored activities				
4601 · Art Reach commissions	\$1,000	\$1,000	\$0	
4602 · Oliver annual lecture	\$1,900	\$1,900	\$0	
Total 4600 · Church sponsored activities	\$2,900	\$2,900	\$0	
4700 · Interest income	\$0	\$0	\$0	
Total Income	\$631,105	\$657,405	\$26,300	4%

FY18 VS FY17 BUDGET WORKSHEET

2017 Budget	2018 Budget	2018 Difference
----------------	----------------	--------------------

Expense

6000 · Community Core Ministry

6010 · Community general	\$1,000	\$1,000	\$0
6021 · Music director	\$16,516	\$16,516	\$0
6022 · Organist	\$16,516	\$16,516	\$0
6023 · Choir leaders	\$17,900	\$17,900	\$0
6024 · Fourth Sunday musicians	\$3,400	\$3,400	\$0
6025 · Organ repair	\$700	\$700	\$0
6026 · Organ tuning	\$700	\$700	\$0
6027 · Piano tuning	\$550	\$550	\$0
6028 · Other musicians	\$0	\$0	\$0
6029 · Music supplies	\$500	\$500	\$0
6030 · Music honoraria	\$0	\$0	\$0
6031 · Choir Director parking	\$800	\$300	(\$500)
6032 · Choir Parking	\$700	\$500	\$200
6810 · Member Parking	\$3,000	\$2,000	(\$1,000)
6035 · Eve's Circle expenses	\$0	\$500	\$500
6036 · Eve's Grandma Agnes expenses	\$0	\$597	\$597

Total 6000 · Community Core Ministry

\$62,282	\$61,679	(\$603)
-----------------	-----------------	----------------

6050 · General worship

6051 · Sub. preacher	\$400	\$400	\$0
6052 · Flowers expenses	\$900	\$900	\$0
6053 · Other worship expenses	\$1,000	\$1,000	\$0

Total 6050 · General worship

\$2,300	\$2,300	\$0
----------------	----------------	------------

6070 · Christian education

6071 · Chr. Ed. general account	\$900	\$2,025	\$1,125
6073 · Adult Education	\$0	\$750	\$750
6080 · Youth ministry	\$800	\$1,500	\$700
6081 · Youth mission trip	\$0	\$3,000	\$3,000
6082 · Fam. retreat scholarships	\$1,000	\$1,000	\$0
6083 · Teen Ministry Coordinator	\$10,000	\$20,000	\$10,000

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference
6084 · Childrens Ministry Coordinator	\$6,400	\$4,840	(\$1,560)
6085 · Child Care Provider	\$0	\$3,600	\$3,600
Total 6070 · Christian education	\$19,100	\$36,715	\$17,615
6200 · Peace-making core ministry			
6201 · Peace-making general account	\$600	\$2,600	\$2,000
6202 · Local service projects	\$4,000	\$3,600	(\$400)
6203 · Our Church's Wider Mission	\$7,300	\$7,300	\$0
6204 · Pastor's disc. fund expenses	\$2,000	\$502	(\$1,498)
6205 · Open & Affirming expenses	\$500	\$750	\$250
6206 · MACG Expense	\$2,400	\$2,400	\$0
Total 6200 · Peace-making core ministry	\$16,800	\$17,152	\$352
6300 · Hospitality core ministry			
6301 · Hospitality gen. account	\$2,000	\$2,500	\$500
6302 · Sunday fellowship expenses	\$2,000	\$2,000	\$0
6350 · Church sponsored events			
6351 · Oliver Lecture	\$1,900	\$1,900	\$0
6352 · ArtReach Gallery	\$7,000	\$7,000	\$0
6360 · Other CSE's	\$2,000	\$3,500	\$1,500
Total 6350 · Church sponsored events	\$10,900	\$12,400	\$1,500
Total 6300 · Hospitality core ministry	\$14,900	\$16,900	2,000
6500 · Ministerial staff			
6501 · Sr. Min. Salary	\$40,000	\$40,000	0
6502 · Sr. Min. Housing	\$40,000	\$40,000	0
6503 · Sr. Min. SECA	\$6,120	\$6,120	0
6504 · Sr. Min. Health/dental	\$4,000	\$4,200	200
6505 · Sr. Min. Life/disability	\$1,200	\$1,200	0
6506 · Sr. Min. Pension	\$11,200	\$11,200	0
6507 · Sr. Min. expenses	\$2,000	\$2,000	0

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference
6508 · Sr. Min. Continuing Ed.	\$100	\$100	0
6509 · Sr. Min. Transport exps.	\$1,000	\$1,000	0
6510 · Sr. Min. Cell/Internet	\$1,000	\$1,000	0
6511 · Sr. Min. Auto expenses	\$1,000	\$1,000	0
6550 · Asst. Min. Salary	\$24,000	\$24,480	480
6551 · Asst. Min. Housing	\$24,000	\$24,480	480
6552 · Asst. Min. SECA	\$3,682	\$3,682	0
6553 · Asst. Min. Health/dental	\$11,274	\$9,000	-2,274
6554 · Asst. Min. Life/disability	\$720	\$720	0
6555 · Asst. Min. Pension	\$6,720	\$6,720	0
6556 · Asst. Min. Expenses	\$2,000	\$2,000	0
6557 · Asst. Min. Continuing Ed.	\$1,500	\$1,500	0
6558 · Asst. Min. Parking	\$2,040	\$2,040	0
Total 6500 · Ministerial staff	\$183,556	\$182,442	-1,114
6600 · Personnel expenses			
6611 · Communications Coordinator	\$35,360	\$35,360	0
6612 · Accounting Coordinator	\$17,940	\$19,490	1,550
6613 · Facilities Manager	\$46,760	\$44,423	-2,337
6614 · Custodians	\$26,200	\$26,200	0
6615 · Business Manager	\$52,884	\$60,000	7,116
6616 · Business Manager parking	\$2,520	\$2,520	0
6617 · Staff health / dental insurance	\$21,000	\$17,500	-3,500
6620 · Payroll tax expense	\$19,000	\$20,963	1,963
6621 · Workers Comp Insurance	\$4,750	\$5,000	250
6600 · Personnel expenses - Other	\$600	\$1,000	400
Total 6600 · Personnel expenses	\$227,014	\$232,456	5,442

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference
6650 · Business Operations Expense	\$3,500	\$3,088	-412
6655 · Fundraising Expense	\$0	\$1,000	1,000
 6700 · Building and rental expenses			
6701 · Building rentals	\$10,000	\$15,588	5,588
6702 · Wedding expenses	\$4,000	\$2,500	-1,500
6703 · Sublease expenses	\$1,500	\$1,500	0
6705 · Do Good Expenses	\$0	\$0	0
Total 6700 · Building and rental expenses	\$15,500	\$19,588	4,088
 6800 · Building/facility expenses			
6801 · Water	\$5,000	\$6,500	\$1,500
6802 · Gas	\$8,000	\$13,500	\$5,500
6803 · Electricity	\$9,000	\$11,300	\$2,300
6804 · Sanitation	\$5,000	\$6,000	\$1,000
6805 · Security & Safety	\$6,000	\$6,000	\$0
6806 · Repairs - ordinary	\$12,000	\$12,500	\$500
6807 · Repairs - major	\$45,000	\$45,000	\$0
6809 · Building & kitchen supplies	\$7,500	\$5,000	(\$2,500)
6811 · Elevator monitoring	\$600	\$700	\$100
Total 6800 · Building/facility expenses	\$98,100	\$106,500	\$8,400
 6850 · Annex expenses			
6851 · Annex electricity	\$2,800	\$2,800	\$0
6852 · Annex security	\$600	\$600	\$0
6853 · Annex rent	\$22,236	\$22,236	\$0
Total 6850 · Annex expenses	\$25,636	\$25,636	\$0
 6900 · Office Expenses			
6901 · Office supplies	\$3,000	\$3,600	\$600
6902 · Office Equipmt. Maint.	\$3,000	\$4,000	\$1,000
6903 · Office Equip. Purch.	\$3,500	\$3,500	\$0
6904 · Postage	\$1,900	\$300	(\$1,600)

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference	
6905 · Printer lease expenses	\$8,500	\$8,500	\$0	
6906 · Web/telephone expenses	\$8,400	\$9,500	\$1,100	
Total 6900 · Office Expenses	\$28,300	\$29,400	\$1,100	
6950 · Other general expenses				
6951 · Insurance	\$20,500	\$22,000	\$1,500	
6952 · Delegate Expenses	\$750	\$1,250	\$500	
6953 · Payroll service	\$2,000	\$2,500	\$500	
6954 · E-giving expenses	\$900	\$1,300	\$400	
6955 · Audit Review	\$0	\$15,000	\$15,000	
6956 · Bank charges	\$50	\$50	\$0	
6959 · Other prof. services	\$150	\$300	\$150	
Total 6950 · Other general expenses	\$24,350	\$42,400	\$18,050	
6960 · Dues and subscriptions				
6961 · Conference per capita dues	\$4,000	\$4,400	\$400	
6962 · EMO Dues	\$300	\$300	\$0	
6963 · Other dues	\$0	\$0	\$0	
6964 · Licenses & permits	\$800	\$800	\$0	
6965 · Stewardship	\$1,500	\$1,500	\$0	
Total 6960 · Dues and subscriptions	\$6,600	\$7,000	\$400	
Total Expense	\$727,938	\$784,256	\$56,318	8%
Net Ordinary Income	(\$96,833)	(\$126,851)	(\$30,018)	-31%
Other Income				
6970 · Unrealized gain (loss) on funds	\$0	\$0	\$0	
9000 · Budgeted investment transfers				
9005 · Knapp Fund transfer	\$2,316	\$2,423	\$107	
9015 · Oliver Lecture transfer	\$2,058	\$2,079	\$21	
9020 · Restr. Endow. transfer	\$2,057	\$2,064	\$7	
9025 · Reserve fund transfer	\$41,185	\$41,577	\$392	

FY18 VS FY17 BUDGET WORKSHEET

	2017 Budget	2018 Budget	2018 Difference
9030 · Pastor's Disc. transfer	\$500	\$502	\$2
9035 · Youth Mission transfer	\$0	\$2,500	\$2,500
9040 Building Transfer Fund	\$45,000	\$45,000	\$0
9050 Reserve Fund Youth Teacher transfer	\$4,000	\$16,000	\$12,000
9055 Reserve Fund Audit Transfer	\$0	\$15,000	\$15,000
Total 9000 · Budgeted investment transfers	\$97,116	\$127,145	\$30,029
Total Other Income	\$97,116	\$127,145	\$30,029
Net Other Income	\$97,116	\$127,145	\$30,029
Net Income	\$283	\$294	\$11

Summary on Major Changes to 2018 Budget vs 2017 Budget

Income

Gifts/Bequests	12,000	Runrate
Building Income	17,000	Choral Event
Reduction Brown Grant	<u>(3,000)</u>	Based on 2017 Grants received

Income 26,000

Expense

Christian Education	18,000	16,000 utilized for Bud Schafer Bequest; 2,500 from Reserve Transfer Youth Mission expense
Core Ministries	2,000	
Ministerial & Personnel Labor	4,000	Detail on this increase to be reviewed during our 10/19 Meeting
Fundraising - new category	1,000	New Fundraiser Committee
Building Rental	4,000	Increased Events
Facility Expenses	8,000	Primarily Utilities & Increase Security for our Safety Program
Office/General Expenses	19,000	Audit is 15,000 and remaining 4,000 IT and increased usage of printing (runrate)

Expense 56,000

Transfers

Youth Mission Transfer	2,500	To offset Youth Mission Expenditure
Youth Teacher Transfer	12,000	Bud Schafer Memorial earmarked for 2018 expenses
Audit Transfer	15,000	Fund our Audit for 2018
Increase Reserve Account Tx's	<u>500</u>	Based on our Policy of 4% increase 12 Quarter period

Transfers 30,000