

Gulf Cove United Methodist Church
Helping Everyone Meet, Know, and Serve Jesus
Finance Committee Meeting
January 17, 2017 – 7:00 PM

Attendees: John Furtado (Chairman), John McGuire (Vice-Chairman), Pastor Mike Weaver, Doreen Alvarez, Jeanne Shrout, Dawn Tesauro, Linda Starck, Loretta Barche, Gail Borden, Ray Dunfee, Dana Hanson

The meeting was opened with the lighting of the candle representing Jesus Christ, followed by a prayer by John Furtado. (All references to “John” are to John Furtado unless otherwise stated.)

Corrections to Previous Minutes: There were no corrections proposed to the minutes of the 10/17/2016 meeting.

In General: There are four terms that we tend to use interchangeably: general ministries, general fund, spendable income/donations, and operating expenses. These four terms mean the same thing: paying for the day-to-day operations of the church (electricity, water, mortgage, salaries, telephone, etc.), not necessarily for any specific charitable activity or event.

FINANCIAL REVIEW

John provided everyone with a copy of the “2016 Weekly Worship/Second Mile Fund” report that reflects spendable income received weekly and Reserve Fund income & disbursements for all of 2016. During 2016, the amount needed each month to pay anticipated bills was \$39,762. The report reflects that spendable income varied between \$47,538 (in March) and \$23,252 (in June), with the monthly average (including Reserve Fund transfers) being \$34,869. The year-end reports indicate we spent 93.38% of the total 2016 budgeted amount.

John’s “2016 Monthly Spendable” report indicates that during 2016 we received \$418,435 in spendable income, which amount includes a total of \$26,879 transferred from the Reserve Fund.

John advised that with two weeks remaining in January 2017, spendable donations received so far this month are \$21,290. The current balance in the Reserve Fund is \$23,589.

Reserve Fund: The following schedule reflects Reserve Fund withdrawals:

	2014	2015	2016	2017		2014	2015	2016	2017
January	0	0	0	?	July	5,000	6,000	0	?
February	0	0	0	?	August	0	0	6,379	?
March	0	0	0	?	September	8,500	0	10,000	?
April	0	0	0	?	October	5,000	0	0	?
May	0	0	0	?	November	0	0	6,000	?
June	0	0	4,000	?	December	0	0	500	?
TOTAL						18,500	6,000	26,879	0

The reason such a small amount was pulled from the Reserve Fund during 2015 is because of a bookkeeping procedure which was being done incorrectly. After the correction, we had a

substantial amount available which obviated the need for Reserve funds during the balance of the year.

Regarding the August 2016 transfer to the checking account, the amount of \$2,379 was used to pay the balance of Pastor Mike's moving expenses. Because of this expense, it was decided to establish a new account into which an amount will be placed monthly to cover future moving expenses which will eventually be incurred (or at least provide a good start). Pastor Mike emphasized that he has no plans on leaving any time soon....

Financial Summary: We closed out 2016 with \$17,164 remaining in the Reserve Fund. Other accounts reflect the following balances as of the dates shown:

	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016
A/C Fund 320.007	8,226	8,426	8,626	8,826	9,026	9,226
Church Property Taxes 320.024	1,400	1,550	1,700	1,850	2,000	0
Facility Expansion 320.026	10,626	10,971	11,211	280	585	865
Facility Up Keep 320.028 (prior mort. pmt.)	15,917	15,917	15,917	0	15,917	15,917
Parsonage/Oaks Cove Taxes 320.040	2,267	2,267	2,267	2,267	0	0
Reserve Fund 100.102	35,731	30,468	21,456	17,171	16,532	17,164

The above accounts are outlined in detail in the 9/22/2015 Finance minutes and are summarized here:

- 320.007, A/C Fund: The \$200 amount moved into this account monthly represents approximately half of the average monthly savings after the new air conditioners were installed in April 2012. This amount was calculated about 6 months after the installation.
- 320.024, Church Property Taxes: This account is for taxes on the main church property. The amount of \$350 is to be put into the account each month until about \$3,500 is available.
- 320.026, Facility Expansion: Several different accounts were combined into this account. Money going into this account is considered to be designated funds; i.e., when people make a donation, they state that the funds should go into this account.
- 320.028, Facility Up Keep: When the mortgage was paid off in July 2014, it was determined that \$1,500 would be placed into this account each month, unless it was needed to pay expenses. This usually happens in the summer and fall months. During October 2016, this account was depleted in full in order to help pay for parsonage renovations. When an anonymous donation was received, this account was replenished.
- 320.040, Parsonage/Oaks Cove Taxes: A portion of previous rental income from the parsonage (\$225/month) and from Oaks Cove (\$50/month) is put into this account

monthly to cover real estate taxes when they become due. Dawn said this evening that since the parsonage is no longer rented, the amount of property taxes due has reduced.

- 100.102, Reserve Fund: Donations into this account come from designated amounts as well as from the second Sunday special donation.

2017 Budget: The total budget for this year is \$488,453. Although the actual amounts paid will fall non-uniformly throughout the year, we need an average spendable income each month of \$40,704, or \$9,393 each week. We have still not yet received the actual amount of insurance from Conference. That line item was determined by adding 10% to the 2016 amount.

OLD BUSINESS

Parsonage Renovation Expenses: Rick Starck previously asked how these expenses were paid. This was covered in the October 2016 minutes, which state:

Parsonage Renovation: The anticipated bill was \$48,000, but the actual bill was for \$45,412.07. Dawn Tesauro advised it was paid as follows:

\$12,807.96	from Facility Expansion, account 320.026
\$15,917.83	from Facility Up Keep, account 320.028
\$11,211.95	from Parsonage Maintenance/Repair, account 320.033
\$ 5,474.33	from Trustee Fund, account 320.039

With this action, these accounts have been, or are close to being, completely depleted. John Furtado has asked Dawn to replenish the Trustee Fund from the Reserve Fund, since during past meetings we had decided to use the Reserve Fund instead of the Trustee Fund.

Church Tax Issues (Special Fee Assessments): A meeting was held on 11/15/2016 with Bill Bigelow and Bob Starr to discuss the issues relating to the special fee assessments made by Charlotte County against churches. In our most recent bill, about \$4,200 of the total \$4,600 paid was a result of the items in question. The issues are outlined in the minutes of Finance's 9/19/2016 meeting. After their meeting, John made a short presentation to our congregation. As a result, 15 people signed the necessary paperwork in support of their proposals, which was then forwarded to Bill Bigelow.

Digital Sign for Outside: It should be delivered to the church later this week. John believes the total cost of the sign is slightly cheaper than what was estimated. This will leave us with \$5,000 to \$7,000 for installation, which will include a concrete pad and three 20-amp electrical lines going out to the sign. We believe that it will include a substantial electrical surge protector to avoid the numerous problems we had earlier this year after an electrical storm.

Pig Pickin': This is coming up on Friday, January 27. There is no seed money for this event. Instead, advance sales provide the initial money which is needed; as it comes in, it is used. It was suggested that we consider establishing a seed account for the future, since some expenses occur before any sales – purchase and printing of tickets if nothing else. All funds this year are being used for GCUMC missions and outreach. Dawn mentioned that some recent events have not donated 10% of their proceeds back to the general fund to cover church expenses (water, electricity, bathroom use, kitchen use, etc.).

NEW BUSINESS

Sanctuary Lighting Repairs: The total cost was \$1,281.94, which was paid to Creative Lighting from funds in the Dixon Sound Booth Memorial Fund and the Video Fund. We also need to pay for new sound booth chairs. Paying these items pretty much depleted those two funds. Pastor Mike mentioned that the Trustees have indicated a desire to have a stronger connection with the Audio-Visual group since the A/V purchases are property of the church.

Electrical Damage from Early 2016: As mentioned above, there was an electrical storm early in 2016 which also affected many other churches in our area. Doreen pointed out that some of the damage from the storm was not noticed for several months; it was internal and continued to “cook” until it manifested itself. Some damage was evident right away, when we lost router connections. Soon after that the soundboard went bad, and then we became aware of problems with the sanctuary lighting. It was asked whether we had surge protection in the electrical room; Dawn said one was put in several years ago, but it does not seem to do too much good. She said the trustees previously checked into the matter and were advised that there was no replacement of items used by a business.

Youth Director: The church hired the Youth Ministry Institute (<http://yminstitute.com/>) to assist in locating a new youth director who meets our needs. Last week some from our church met with Steve Schneeberger, the executive director of the institute. The total cost is \$3,500, half of which has been paid. All resumes are sent to that organization. They take the criteria we provide and find the top three or four youth director candidates who meets that criteria. They do the leg work in this procedure, but the final decision is made by a group from GCUMC. The whole process takes two to four months. The salary for this individual is already included in the 2017 budget.

Old Sanctuary Lights: The large black lights that used to be in the sanctuary have finally been sold for \$200; that money was put into the Video Fund. The spotlight that we used has also been sold for \$500. Dawn thinks the spotlight may have been purchased through the Wish List, or by someone simply providing the funds for the purchase. After discussion, it was decided that when the payment is received, it should be put into the Trustees Fund.

Square Credit Card Reader: Dawn questioned whether we had a need for this item. It would be used by those people who do not carry cash. The cost would be 3.5% of each transaction amount processed plus 15¢ for every transaction. Some questions and comments that were posed included:

- Would it have to be somebody from the Finance committee who would sit there and operate the reader?
- Where would it be used? (Probably at dinners or by the Crafty Ladies.)
- We would most likely need one central hub for payments; for example, if people made purchases from the Crafty Ladies, and then went to the kitchen to buy lunch. Then the need would arise to determine how much was from crafts and how much was from food.
- People tend to buy more since they don't have to have the cash.
- There are other options which cost less.

After discussion, it was felt it would cause more concerns than it would be worth.

SUMMARY

Finance Committee Lights for Church Council:

Red:	➤ None
Yellow:	➤ None
Green:	➤ We made it through 2016!
	➤ We have challenges waiting for us in 2017!

Rick, you can borrow the recording of the meeting if you'd like to hear how much you were missed this evening!!!

The meeting was adjourned at 7:45pm with a prayer by Pastor Mike. The next scheduled meeting will be Tuesday, February 21, 2017, at 7:00pm (Monday is a holiday). HOWEVER, John is scheduled for surgery on 2/16/2017, so the meeting might be cancelled. Everyone will be notified next month.

Respectfully submitted,
Dana Hanson