

**Gulf Cove United Methodist Church**  
**Experience. Embrace. Engage.**  
**Finance Committee Meeting**  
**January 16, 2018 – 7:00 PM**

**Attendees:** John Furtado (Chairman), John McGuire (Vice-Chairman), Pastor Mike Weaver, Jeanne Shrout, Dawn Tesauro, Linda Starck, Rick Starck, John Rowland, Carrie Humke

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

Corrections to Previous Minutes:

There were no corrections proposed to the minutes from the 10/16/2017 meeting. There were no Finance meetings in November or December 2017.

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.

**2017 FINANCIAL REVIEW**

John reported that in 2017, other than Easter and Christmas, we did not achieve a worship attendance of over 500 during the peak snowbird months. In 12/2017 our average attendance was 455, while in 12/2016 it was 480, in 12/2015 it was 554, and in 12/2014 it was 540. This lesser attendance negatively impacted our donations, which through November were less than the comparable year-to-date totals of 2016. We were also impacted by no donations on 9/10/2017 due to Hurricane Irma (because we had no Sunday service at all).

In mid-2016, the Townsend Estate bequeathed a large amount to the church which was earmarked for the outside electronic sign which was finally installed in mid-April 2017. When the Estate was finalized in November 2017, another check of slightly over \$3,900 was received by GCUMC. This unexpected check obviously helped with the overall shortage for the year.

However, December 2017 was a banner month for giving. We received spendable income of \$51,214.58, the highest amount received for one month that anyone could remember. Because of the December generosity of our congregation and guests, our spendable donations for the year reached \$437,823 -- exceeding our 2016 total by over \$19,300. (The total spendable includes the \$21,500 transferred from the Reserve Fund during the year.) John McGuire reiterated his statement made several times over the years, that being on the Finance committee is definitely a faith-building experience. *All things are possible with God! Thank you, Lord!*

We ended the year 2017 with \$16,770 in the checking account and \$17,875 in the Reserve Fund.

Other accounts, into which a set amount is placed most months, reflect the following balances as of the dates shown:

	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017
A/C Fund 320.007	9,289	9,389	9,589	9,789	9,989	9,989
Church Property Taxes 320.024	2,720	3,080	3,440	3,800	360	360
Facility Expansion 320.026	13,511	13,751	13,991	14,201	14,416	14,631
Facility Up Keep 320.028 (prior mort. pmt.)	16,117	16,117	16,142	16,142	16,142	16,142
Pastoral Changes 320.031	210	240	270	300	330	330
Parsonage/Oaks Cove Taxes 320.040	700	800	900	1,000	100	100

Reserve Fund: The following schedule reflects Reserve Fund withdrawals. Our withdrawals during 2017 were not unusual, since our attendance drops quite low over the mid-year months, and tapping the Reserve Fund is expected.

	2015	2016	2017	2018		2015	2016	2017	2018
January	0	0	0	?	July	6,000	0	0	?
February	0	0	0	?	August	0	6,379	6,000	?
March	0	0	0	?	September	0	10,000	9,500	?
April	0	0	0	?	October	0	0	0	?
May	0	0	0	?	November	0	6,000	6,000	?
June	0	4,000	0	?	December	0	500	0	?
					<b>TOTAL</b>	<b>6,000</b>	<b>26,879</b>	<b>21,500</b>	<b>0</b>

### 2018 FINANCES

The total budget for 2018 is \$496,435 (about \$10,200 more than 4017). The average spendable income needed each month is \$41,370, or \$9,547 each week. Dawn advised that she has still not received from Conference the final amount for insurance premiums. The 2018 budget will be revised slightly when that amount is received. A summary of the 2018 budget by category is reproduced below, and reflects a total, overall budget increase of 2.1%.

Category of Expense	2018 Budget	2017 Budget	Difference
Administration	\$30,575	\$29,521	\$1,054
Apportionments	45,050	42,524	2,526
Pastor	102,125	101,125	1,000
Lay Staff Salary	191,287	187,783	3,504
Payroll Taxes	14,000	14,000	0

Category of Expense	2018 Budget	2017 Budget	Difference
Utilities	39,600	36,600	3,000
Building & Taxes	54,698	56,553	-1,855
Mortgage	0	0	0
Education & Programs	10,000	9,200	800
Worship	5,600	5,600	0
Music	2,600	2,600	0
Outreach	900	700	200
	<u>\$496,435</u>	<u>\$486,206</u>	<u>\$10,229</u>

Pastor Mike added that GCUMC is actually in very good financial shape compared to some other churches in the area. In addition, he has observed that our committees and teams are very good stewards of the funds that are available to them.

### **OLD BUSINESS**

Audio-Visual: John made a special plea to the congregation last year for funds to replace certain musical equipment, iPads, headsets, etc. We still have not received sufficient funds to replace the keyboard or the speakers. Liza McDaniel owns the keyboard currently in use and has indicated the church can continue to use it until a replacement can be purchased.

Stewardship: This discussion continued the lengthy discussion that was had during the 10/16/2017 Finance meeting.

GCUMC has not conducted a true stewardship campaign for several years. We need to do something that ensures our continued growth and good health. John emphasized to the recent new member class that operating this church is like running your own house. The individual and the church both need to pay the day-to-day expenses just to keep the household or church going (electricity, water, insurance, phones, etc.). The one big difference, however, is that the individual generally knows what their household income is, while the church does not. That leads not only to difficulties in forming a budget, but difficulties in operating day-to-day because we don't know with certainty what the next day or week or month will bring.

A question was asked about the portables. Pastor Mike said that they will probably be the first to go because their space will most likely be needed for any new building. Because they are in such bad shape now, the bare minimum of time and money is being put into them – just enough to keep them usable and safe.

We were reminded that right now we are paying just to keep things going. We try, but do not *always*, to set aside an amount in anticipation of a major expense, such as roof replacement.

Ideally, the cost of facility expansion would be considered in any stewardship campaign. We need to keep our commitment to providing for this church as it currently sits. Then we need to develop a consolidated vision as to what we want it to look like when we start expansion.

Pastor Mike said one thing to keep in mind is that even after a stewardship campaign is conducted, it usually accounts for only 60% to 70% of the needed budget. Not everybody wants to, or is in a position to, put their name down for a specific amount every week, even though that is exactly what they might do. He hopes the Church Council -- all the church leadership -- will develop the stewardship program so that everybody in the church has a vested interest in it, not just the Finance Committee. Whatever is decided upon, the congregation must be kept apprised (probably through Sunday morning announcements) of the status of any plan.

Carrie added that as a congregant, she appreciates when they are informed of a specific need that the church would like to obtain (such as the recent announcement of A/V needs). Jeanne agreed that is very important, but she emphasized that people must realize that those are considered to be special gifts for a very specific purpose. An individual's tithe is used to keep the church in operation. Any special gifts *should be above and beyond the tithe* since special gifts do not help keep the church going on a daily basis. If the church does not keep going and has to fold, no special gifts are even needed. Just like your household, if you run short of money one month, you have to give up that special "want" that you hoped to buy just so you have enough money to pay the electric or water bill.

### **NEW BUSINESS**

2018 Communion Schedule: After a short discussion, the following communion schedule was adopted for the year:

January	General budget
February	Englewood Helping Hand
March	Courage Over Cancer *
April	Conference Special
May	VBS
June	Englewood Helping Hand
July	Closet of Hope
August	UMCOR
September	Open
October	World Communion
November	Cuba
December	Pastor Discretionary Fund

\*This ministry was initially known as Our Journey of Hope, since it was based on the outreach program of the same name which was developed by the Cancer Treatment Centers of America. However, the CTCA recommends that each participating organization adopt its own name. So in August 2017, our ministry's name was changed to Courage Over Cancer.

When asked about the "Conference Special" (the April communion), Dawn said it is whatever mission the Bishop decides upon. The communion is then received in April, and a check is actually taken to the Annual Conference over the summer. September remains our "open" month, for whatever problems might arise (especially hurricanes).

Habitat for Humanity: Our church's financial responsibility for the Apostles Build 2018 is \$4,200. As of the end of December, there was \$1,583 in our Habitat account. Alfred Current indicated

that, if insufficient funds are donated, an amount from the Pig Pickin' could possibly be used for Habitat. Pastor Mike pointed out that after the second service last Sunday, an anonymous family indicated a willingness to match dollar-for-dollar whatever was received from that day forward until the \$4,200 amount was reached. *Thank You!!!* It was noted that on Sunday a special video highlighting the recipient of this particular house was shown at all three services; the amount received on that Sunday alone was around \$1,400. The \$4,200 figure is determined by Habitat. The estimated cost of the house is divided equally among the churches which will be assisting with that house. If there is a shortfall by any church, the shortfall is divided among the remaining churches which are able to pick up the slack.

*Investment of Dedicated Funds:* Rick posed a question about Account 100.101, Checking 2, which has a balance of \$109,481. He asked whether some of those funds could be invested in some way so as to grow and/or earn interest. Dawn explained that those funds are dedicated funds, earmarked for a specific purpose and must be readily available. In addition, Dawn said she is constantly putting money in and pulling money out of those dedicated accounts.

Dawn and Jeanne said that in the past, the dedicated funds were invested in CDs with due dates being staggered, generally every three months. By staggering the due dates, it was felt that if the money was needed, it would be available soon. However, due to an unforeseen expense, the money was needed earlier than expected, and the church had to pay penalties for closing the CDs early. It caused major problems, and those involved said they'd never do it again.

John McGuire said he personally uses a "demand note account" which earns more interest than a checking account. He can write drafts/checks against that account so that the money is readily available. John Furtado said he has a similar arrangement with a special account through AAA. He can electronically and immediately transfer between that account and his checking account. Both of these funds pay around 1% interest a year. Rick invests in mutual funds, not stocks, which can be liquidated quickly; it earned around 20% last year.

It was thought by several that Conference may have similar accounts or recommendations into which a large portion of the dedicated funds could be placed. Pastor Mike said he'd check with Conference in this regard.

After the meeting, Dana Hanson reviewed the financial statements for the year 2017. According to account 320.003, Interest Earned for Checking II, \$48 was earned during 2017. That equates to about 0.04% interest on an account which has had a month-end balance ranging from a low of \$97,347 to a high of \$112,487 all year long. The Treasurer's Reports for Checking 2 indicate that in January, dedicated funds totaling \$20,298 was spent (\$15,990 of which was paid for the new outside digital sign); and in April, \$15,221 was spent (of which \$2,506 went toward the new outside digital sign). The rest of the year the dedicated funds spent each month ranged from a low of \$343 to a high of \$8,869.

**SUMMARY**

*Finance Committee Lights & Resolutions for Church Council:*

Red:	➤ None. <i>Yay!!</i>
Yellow:	➤ Facilities Upkeep fund, in that we have been unable to increase the balance on a monthly basis.
Green:	➤ We ended 2017 much better than what was expected, even as late as November. ➤ We are off to a good start for 2018. ➤ Educating our congregation about the stewardship program.

The meeting was adjourned at 8:05pm with a prayer by Pastor Mike. The next scheduled meeting is Tuesday, February 20, 2018, at 7:00pm (Monday the 19<sup>th</sup> is a holiday).

Respectfully submitted,  
Dana Hanson