**Church Council Minutes Union Church, October 23, 2023**

**Present:** Joan English (Recorder), Dave Kobersmith (Staff), Kim Kobersmith (Vice Moderator), Kent Gilbert (Pastor), David Jones (FD & CL&G Staff), Jeff Hutton (Properties), Charles Hoffman (Finance), Steve Gowler (Moderator), Betty Sarafin (CL&G), Carla Gilbert (M&S, Staff), Jennifer Melton (Worship); Donna Lovell (Admin), Steve Bolster Pastoral Relations), Linda Parsons (Clerk)

Carla offered our devotional from The Book of Awakening by Mark Nepo

**Question of the evening:** Favorite candy? 😊 Everyone give your Reeses to Charlie.

**Action Items**

**Minutes:** Approval of September minutes. Charlie moved to approve, Donna seconded, minutes approved.

**Finance Report** Income exceeded expenses by $8000 in September! Nearly -$29,000 for the year, but good news is good news!

**Discussion - Budget Workshop**

Understanding our Savings - from our Statement of Financial Position, shared monthly, 3-pg doc.

[Understanding Our Savings](file:///C:\Users\Joan\Downloads\Understanding%20Our%20Savings.pdf)

After discussion of how funds in savings are encumbered, we see that the total of “Accessible Funds” is $126, 900. Charlie is happy to help anyone who would like to learn how to read the financial statements

**Budget Leadership Group:** the [2024 estimated income](file:///C:\Users\Joan\Downloads\2024%20Budget%20Tool%20for%20Council.pdf) of$320,000 (account #4100 pledges & gifts) does not include funds that were given to other agencies/organizations – just operational dollars. 4200 &4300 are based on 2023 numbers and are likely to be pretty accurate. 4500 is Lambert Trust Income, distributed in June. Financial Policy states that 20% of that distribution goes to 5 funds (Worship & Arts, Properties, Mission & Service, FD Leadership Development, Community Life & Growth, and 20% to endowment. This year, the group recommends we keep the special fund distribution, but not distribute to endowment. Savings – 4800 - this year we are using savings for some salaries. The deficit of $34,538 is being made up out of savings. Group recommended we put that into “income coming out of savings” We will spend 5% of anticipated revenue from savings, then decrease by1% each year.

**$379, 688 is 2024 anticipated needed operating revenue**

6100-6800 items are non-staff expenditures

Properties & Faith Development estimates came from those Boards; COLA was arrived at by Admin. Nurture & Care – are there other funds that they can use? Yes, in in Savings accts. They have $525 for ‘23, there are Stephen Ministry dollars, Prayer Shawls. They can ask for Leadership Development funds for Stephen Ministry training.

RE: Mission & Outreach. Is a certain percentage each year designated to Mission contributions? Used to be 7% of income; decided last year to change to a set amount every month ($1500 per month) so they have an amount they can count on (which is approx.6% of income)

3.2% COLA is recommended by Admin. The 2024 Worksheet shows a budget booth with & without that cola.

$13,566 deficit w/o cola

$22, 915 with cola

We set a goal of 5% from savings, but can increase. Still plan to knock that down 1% a year til we don’t use any savings in a yearly budget; and we are making efforts to raise income up.

Kim wants us to be intentional & know all the moving parts. Please think about it. Do we want the deficit to be 0 and, if so, how? This is not a unique problem to Union Church – other churches and nonprofits are also struggling. Over the last 4 years, we have had exceptional gifts for 3 years (PPP loan/grant, then large gifts for 2 years). We can have some time to think about before Nov. meeting. Dec. 6 budget meeting.

Remarks/Questions/Thoughts

* It’s key that we be intentional and not make decisions based on fear.
* The feeling that to try to do all the gymnastics to get to 0 may undermine our mission. We need to do things to grow, would doing those things hinder us getting to 0
* Another month to ponder will be helpful. Faith Development cut significantly; while Community Life & Growth’s spending is going up, especially with food costs. We are trying to get more people in to eat for free
* Echo of the feeling that we do not need to get to 0. How has our total financial status changed over 5 years? Kent replied that we have remained consistently spending more than the congregation has said they’ll support. We have not had much (if any) failure to keep up w/ pledged income.
* Unfortunately, another constant – every year it’s something…. heat, healthcare, equipment replacement.
* Good news - Whitaker Bank is not distressed about our Financial Position Statements. We paid off our $162,000 line of credit in the past 5 years. We have 0 debt. Steve thinks we are in a strong enough position to not cut programs.
* this is an excellent opportunity to right-size, not down-size. Want to be in balance w/ resources to maximize ministry.
* the hope is to present a budget the shows what we are taking out of our savings – we shouldn’t present a deficit budget.
* Some like the idea of working toward a 0 deficit, even if we don’t get there.
* It’s demoralizing to say we are in crisis, we are good at assessing along the way. It’s not all or nothing.
* We are a church and absolutely can’t get rid of ministry … but do keep in mind future years’ budgets. Working toward something is important.
* Idea of having a for leadership/staff/boards do retreat or ongoing gathering of visioning about budget starting early in the year, maybe with an outside facilitatior.

Kent is encouraged. The demonstration of our commitment to being responsible w/money may actually result in more money. We eliminate a deficit with 10 more tithing members. We take in members, nurture them, our message is welcome. $30,000 a year more is not impossible. We are doing authentic, good work.

This stewardship campaign is hoping for 20% more in giving .

Discussion of how the 2024 expenditures were arrived at. Some things are best guesses, some requests.

Finance Board would like to present a $0 deficit budget. We can transfer what is needed from savings. Finance Board does the work of assessing expenditures & income every moth.

Plan is that in 5 years we only spend what we take in.

Carla expressed appreciated Kim’s hard work and prayer

**Congregational Budget Meeting set for** Dec. 6 Weds; 6:30

**Board Updates or Highlights**

* Building Celebration –
* Admin -
* CL&G -
* FD –
* Finance -
* M&S – Auction – bid, bid, bid. Union Church is also making a large donation to BFCO
* Nominating –
* N&C – cards & postage will be needed in the new year. Hazel has been sending cards and is going to stop at the end of the calendar year. It’s been great for recipients to keep in contact ($300 min budget). Stephen Minsisters, need leadership (Stephen Leaders)
* PRB –
* Properties – They will hire a contractor to dig up the playground before engineered woodchips. Worried about drainage, will find the drain we think is under there first
* Worship –
* CL&G –
* Endowment –

**Pastor’s Report**

Attended the Kentucky Council of Churches Annual Meeting in Elizabethtown. Conversations with colleagues showed many others in similar straits financially. Good fellowship with interdenominational partners. Renewed energy re the life of Christian witness, advocacy in public square. New priest at St. Clare.

The Japan trip was very successful, good relationships with participants and our sister city. Attention turns now to Advent, Christmas, Epiphany. The Worship Team has a planning session on Thursday. Dec 1 & 2 Christmas Concert. Decorating Thanksgiving weekend, poinsettias to be delivered on Nov 30. Loyal Jones family has chosen Dec. 9, afternoon, for his memorial celebration. Diane Gammon memorial Nov. 4; 3-5.

Compline started and will be every Sunday at 6:30 pm, about a half an hour in Cowan Chapel. Singing psalms, Taize model.

**Announcements**

* Next scheduled consideration of Funding Requests – November, 2023
* Next Meeting Nov. 21.  Devotion: Jennifer Melton

 Meeting ended 8:30 with prayer by Rev. Kent.

Joan English