

## BOARD OF FINANCE AND ADMINISTRATION

### Meeting Agenda

Wednesday, March 21, 2018

#### Attendance:

Yes	No		Yes	No	
■		Annette Abel, <i>Staff Liaison</i>		■	Paula Northwood, <i>Staff Liaison</i>
	■	Todd Aldrich (2019)	■		Gary O'Brien (2019)
■		Jen Glaeser (2020), <i>Secretary</i>	■		Eric Olsen (2018), <i>Chair</i>
■		Jill Hennesen (2020)		■	John Schenk (2019)
■		Ray Martin, <i>Deputy Treasurer</i>	■		Jason Schuller (2018)
	■	Rick Neville (2018)	■		Melinda Wellvang (2020)

**GUESTS:** Jim Van Iwaarden, Treasurer and Deacon

#### *Actions Taken:*

**Item 1. Minutes from the 2/21/18 meeting electronically approved.**

**Item 2. Financial Statements:** Board accepted the financial statements as submitted and reviewed.

**Item 3. Fiscal Year 2019 Budget Guidelines:** Board recommended the preliminary budget draft be shared with deacons and leadership council.

#### *Opening Thought*

Eric Olsen opened the meeting at 5:08 pm. He welcomed Jim Van Iwaarden, Deacon and Treasurer.

Jen Glaeser provided the opening thought.

*The amazing thing about love and attention and encouragement and grace and success and joy is that these things are infinite. We get a new supply every single morning and so we can give it away all day. We never, ever have to monitor the supply of others or grab or hoard. There will be more in the morning and it will be enough. Glennon Doyle Melton*

Mr. Olsen thanked Ms. Glaeser for the thought and thanked Jason Schuller for the toothsome and tasty snacks.

#### *Electronic Approval of February 21, 2018 Meeting Minutes*

Mr. Olsen noted that the board had approved the last set of meeting minutes via email.

#### **Minutes Procedure**

Minute-taker submits draft to group within 10 days of meeting; members have 7 days to submit revisions (no response is treated as approval).

If any revisions, minute-taker forwards revised draft to group within 3 days for electronic approval; members have 2 days to respond (no response is treated as approval).

Minute-taker submits approved minutes in Microsoft Word format to the Ministry Assistant for Programs (Doug Freeman, dougf@plymouth.org) upon approval.

## ***Financial Report***

---

Ray Martin reviewed the financial statements through February. The Statement of Operations continued positive trends with positive net cash flows. February YTD Revenue exceeded budget by ~\$66K, while YTD Expenses were under budget by ~\$85K resulting in a net positive of ~150K. In the context of congregational giving, he stated that PCC is ~\$100K behind for the fiscal year, noting that many people pre-paid ~\$148K toward their 2018 pledges.

Mr. Martin noted that the cash and investments accounts were in good shape, with ~\$819K in cash accounts. Next meeting, he intends to present a forecast through end of fiscal year for review.

**Motion was made to approve and accept the financial statements as submitted. The motion was seconded and carried with no further discussion.**

## ***Fiscal Year 2019 Budget Guidelines***

---

In advance of the meeting, Mr. Martin submitted revisions for the FY 2019 budget recommendations.

Mr. Martin recapped the budget process in this cycle: Paula Northwood, Annette Abel (both new to the process) and Ray spent an intense month reviewing the three components and their details.

**Revenue Assumptions** – worked with Rick Neville and John Schenk on pledges, with Seth Patterson on Theater and School, with Annette on Parking lot. Conservative assumption that revenue will be flat in FY2019.

**Transition Costs** – placeholder amount for transition minister updated per last meeting.

**Expenses** – discussed briefly circumstances of higher electricity consumption compared to prior years: this is due in part to the addition of new HVAC units; thus, PCC is doing more cooling than in prior years. Mr. Martin stated that Mr. Neville will be following up with Xcel to identify ways to improve on our use. Another material increase was the addition of fees for technical support from technology vendor and replacement of 2 PCs.

Ms. Abel noted that she is working with building and grounds committee to develop a project list for building improvements that will be used for managing scheduling and commitment to future work. She indicated that she hoped to have that pulled together in advance of final budget reviews.

In concluding the FY19 budget review, Mr. Martin stated that the current proposal required ~\$396K to balance the budget.

Transition Minister (Foundations for the future)	\$50K	0.9%
Building Needs (Legacy Fund)	\$205K	3.8%
Operating Needs (Legacy Fund)	\$141K	2.6%
<b>Total</b>	<b>\$396K</b>	<b>7.3%</b>

Mr. Olsen recognized again the hard work and great efforts to bring this information and budget process together. This process has been a significant improvement in quality and experience for PCC.

**A motion was made to send the preliminary draft budget as presented to Deacons for review and comments; and to consider a final budget for recommendation on 4/18 at next BoFA meeting. Motion was seconded and carried with no further discussion.**

## ***Stewardship Committee Report***

---

No report provided due to absence of committee members.

## ***Leadership Council Report***

---

Mr. Olsen highlighted activities related to Beth Faeth's call, the work of the transitions tasks force, and the interim ministerial search committee. He indicated that deacons will be putting together a communication for the congregation.

## ***Restricted and Designated Fund Discussion***

---

At last, the committee members were able to review the materials regarding the Restricted and Designated Funds from Mr. Martin. Gathering his second wind, Mr. Martin reviewed the Overview document, noting that it is the board's responsibility to understand the distinctions between the funds, both designated and unrestricted, and the activity that flows through the funds (as part of fund accounting) during the year but doesn't show up on the operating statements.

Actions from FY2017 were as follows:

- Board of Finance and Administration becomes responsible for "Board Designation"
- Consolidation of several unrestricted and previously "board designated funds" into Legacy Fund
- Memorial Fund and supporting policy established
- Legal Opinion that "endowment" from Capital Campaign to Legacy Fund
- Westminster Presbyterian accepts administration of Bowen Fund for Boy Scouts
- Balance of Mrs. C.H. Woods fund given to EastSide Neighborhood Services

Next Steps for FY2018 are as follows:

- Find a "home" for two donor restricted funds (Dodge, Harbison) whose restrictions are beyond our purview.
- Further review of 6 Endowment Funds where earnings are restricted
- Work with Legacy Giving Committee to make sure donors understand their choices
- Implement policies and procedures for fund management
  - Roll forward who is authorized to reflect the new governance?
  - Develop Thresh-holds for review? Frequency of review.
- Consider use of these funds when balancing the operating budget, or for building needs.

Allowing that the board needed additional time to review, Mr. Martin will re-send the updated policies and requests for their approval at the April meeting. After new policies, he and staff will make additional recommendations for fund simplification and disposition.

## ***Other Business***

---

Melinda Wellvang noted concerns in securing counters and that we would benefit from more bench strength. She will be sending out a note to through either the Flame or an appeal in the bulletin.

### **Next Meeting**

April 18, 2018, 5:00 p.m.

- Treats to be provided by John Schenk and opening thought to be provided by Gary O'Brien.
- Next meeting: Eric Olsen noted he will be absent; Jill Hennesen noted she will likely be absent as well. Todd Aldrich noted via email that we too will be absent.
- Jason Schuller will chair the meeting in Mr. Olsen's absence.

The meeting closed at 7:00 pm.

*Respectfully submitted,*  
*Jen Glaeser, secretary*