

**MINUTES**  
of the  
**CHURCH COUNCIL**  
Saint Mark United Methodist Church  
April 24, 2022

The April 2022 meeting of the Church Council was held in person in Room 111 on April 24, 2022. Amber Stewart, Council Chair, Presided.

The meeting was called to order at 12:31pm by Amber Stewart.

Jeff Collins-Smythe led the council in prayer.

Discussion about minutes, some prefer details. It was decided that we will have detailed minutes for the more in-depth topics, such as Finance and Trustees. Committee chairs will send their script to me to use in minutes.

Darrell Card-Harper - Motion to approve the March 2022 minutes. Belva seconded

- Accepted and approved

## **Reports**

### **Vision**

- Mitch not present - no report

### **Ministries**

Children's Ministry - Mary Murray presented – committee chair

- Wonderful Easter Egg Hunt
- Still not many children
  - Need to improve reach more children
- What is the new norm/virtual vs in person
- Areas identified to improve
  - Make sure front lawn is cleaned up
  - Make sure Deana is aware
  - Advertising more to the neighborhood
  - Is there a plan in place?
  - Digital sign is intermittent in operating.
  - Member of Midtown Alliance, need to leverage them.
- How do Committees leverage these resources?
- Midtown Alliance, Spotlights for new parking deck
- Reach out to more kids – fun event, on the front lawn, asking the kids each one bring one. Bring their friends.
- Lily advises that we delineate what area of the front of the church what you need and want
- Could we have a reunion event to welcome families with children back to in person church?

- In conjunction with the opening of the parking deck?

#### Other Ministries Updated

- Drama ministry revamping
- Worship – CPR Training for Ushers
- Make your Mark Day – mid May, maybe June
- Wiggins House
  - What about cleanup
  - Where do we go moving forward
  - Honoring legacy of gift of women children
  - Waiting response from PAD
  - Agreement from PAD that they will cleanup
  - We have uncoded all of access
  - William is detailing Wiggins House
  - Jennifer is asking for William's cost and more to cover damage.
  - Some options
    - Refugee housing – more capacity for our staff
    - Double checking facility
    - Paying rent – some income to pay for cleaning, etc.
    - Homeless to house nonprofits
    - Unaccompanied Youth as they age out of foster care
  - Overall, feeling of being burned with relationship with PAD.
    - Not in a critical rush to get this resolved.
  - Are we aligning with the Wiggins Gift?
    - Focus on Women/Children
    - One year commitment
    - One larger family rather than 2 smaller families
    - Training provided for refugee interacting

#### Robert Gileo reported:

- 25 Visitors for Easter
- Ad Instagram and Facebook
- \$31.55 to reach 6,704
- Matthew to get with Greg Washington to find out more metrics.
- We shouldn't wait for big events to market big events
- Anything special for Mother's Day? Action Item
  - Celebration of a Christian Home

#### Belva White reported:

- BEAT Grant submitted for \$637,000 to renovate the gym and programing around that.
- We are asking for half of their grant \$1.4M
- Feedback from committee on what to beef up
- If you build it, they will come
  - How are we going to get the word out?
  - What is the return on investment?
  - If they say it will happen, will it?
  - Is Saint Mark contributing anything to this project?
  - Want to know that this investment will grow the church.
  - Are we committed to paying apportionments? Are we faithful as a church council?

## Finance

Mark Woods reported:

### **Finance Committee and Treasurer's Report for the April 2022 Church Council Meeting**

- I will be walking us through the financial statements for March which are posted on the Dropbox site.
- On page 1 for the balance sheet, there haven't been any significant or unusual changes in cash or investment balances or fixed assets relative to what we saw at the end of February, though we have seen a moderate decline in the value of our trustee investments.
- Down in the liabilities section, there is an item labelled "Excess Cash Received" with an amount of (\$33,532). What that represents is the year to date deficit that the church has generated. That's after making some withdrawals from trust and other designated funds that helped to cover our operating deficit, with more withdrawals to be made later in the year to fully cover that deficit by year-end.
- On the second page titled "Revenues", I'll point out that the sum of pledge and non-pledge contributions (accounts 40010 and 40020) have come in at almost \$194k on a YTD basis and which is running about \$16k better than last year, so that's a good sign.
- Then in the next section on that page, for the line item labelled "Other Building Use", we're showing \$5,800 in revenue and which included one payment of \$5,000 from a film production company for some exterior and interior film shooting. We don't budget any revenues for that line item so that's why there is a negative (\$5,800) shown in the "Annual Budget Remaining" column on the right side of the page.
- Then in the last section on this page, for the account labelled "Income From Other Trust Funds", you'll see an entry of \$39,360 there. This is part of our deficit funding for this year, where over the course of the year we projected in our 2022 budget that we will need to draw down just over \$118k from unrestricted trust funds. After a discussion with Deana, we decided to spread those withdrawals evenly over the first three quarters of the year (since contributions typically surge in the fourth quarter). This is consistent with how the recognition of trust fund drawdowns were handled by the previous Finance Committee, and while it results in deficits still being shown on a month to month basis in our financials, we know that by the end of the year the deficit will be covered.
- The third line from the bottom ("41100 – Funds From Designated Accounts") includes transfers over from designated funds for Youth Ministry, Children's Ministry and Music Ministry to cover actual expenses made in those areas. It also includes the pro rata monthly income transfer of our CY 2021 surplus of \$34,155, spread over the first 11 months of the year since giving is relatively heavy in Dec. and we are least likely to need any income supplement for that particular month.
- Total Revenues for the month came in at \$111,369 as shown at the bottom of the page.
- Moving to expenses on the third page, I'll point out that a starting point for identifying unexpected deviations from budget amounts for the month is the fourth column over labelled "% of Annual Budget Used This Year". Since we're three months into the year and if we assume that each expense item is incurred evenly through the year, that percentage should be 25%. Of course, not all expenses will be incurred evenly but at least that's a starting point for identifying deviations to investigate and discuss.
- Then looking at specific expense items and noteworthy deviations:

- The senior minister's salary, housing and pension show up as slightly over budget, which is due to the fact that the actual expense will be dropping from July onward once our new senior pastor is in place.
- The Associate Minister's salary, housing, pension and insurance are all showing as over-budget but that is due to those actual expenses being front-loaded into the first six months of the year during Jennifer's remaining time with us.
- Moving down under "Staff Salary", we have a similar situation with the "Associate Pastor for Social Justice" with Josh's paid sabbatical for the first three months leading to using up 100% of the annual budget for that item, but then dropping to \$0 for April onward.
- On a line a few rows down in that section that is labelled "Custodial Assistant", that expense % has jumped a bit to 32.7%. That's due to the fact the Wednesday night suppers have resumed, but when those go on hiatus this summer that expense item will drop back down so that is still expected to come in on budget.
- In the next category of expenses labelled "Staff Benefits/Expenses", we have an ongoing unfavorable deviation for "Payroll Services" where through the end of March we've already used up 45% of the annual budget amount. As we discussed last month, this relates to higher charges in the first part of the year for W-2 and W-4 statements to be issued and filed with the IRS as well as an annual fee of \$350 for an E&O type of insurance to protect the church against fines and penalties from the IRS for incorrect payroll information being filed.
- In the next section titled "Fine Arts", we have a higher expense of \$1,350 shown this month and where we cumulatively have already used up 37% of the annual budget. I understand from Deana that this relates to Jon Easter's purchase of music for the Easter service and apparently the expenses for this line item are very seasonal.
- Then moving into the next section of expenses labelled Education/Worship, we have several variances here to point out. Under account 53300 for "Hospitality and Evangelism", you'll see a negative expense amount for March of \$897. That's due to the reclassification of a couple of expense items out of that category and into the "Contingency / Misc." account that shows up under the "Administrative Expense" section on the next page. Then two rows down, we have a noteworthy item for "Youth", with \$2,025 spent in March and pushing the YTD % of annual budget consumed to 113%. As we discussed in the March meeting, the large bulk of this represents advance spending on upcoming youth trips to Puerto Rico and the Hinton trip this summer. We fully expect that these expense amounts will be covered by contributions and other sources of revenue so the net expense amount should come more in line as we move further into the year.
- Then flipping to the next page and moving down to the "Utilities" section, you can see that our natural gas charges are running at a higher % of the annual budget through March (more than 49%) and looking ahead to April gas expense, that will be higher than expected as well due to some chilly weather we've had. As our natural gas usage will dip during the summer months, we'll make up some of this ground and then hopefully have a warmer Nov and Dec as well.
- Moving down under "Administrative Expense", the "Contingency/Miscellaneous" account expense amount is higher this month, but that's due to the reclassification of some prior months' spending into this line item that I had mentioned

previously.

- For the line right below that labelled “Kitchen Operations”, we had an unusually high expense this month for repairs to the dishwasher in the kitchen and which consumed over half of the annual budget for this item. That expense category covers strictly appliances in the kitchen so hopefully we won’t have any problems with the other appliances such as the refrigerators, the ovens, etc. for the rest of the year.
- Under the “Building/Grounds” section, these expenses were all reasonably in line with expectation for March.
- Moving down to the next section labelled “Other Property/Maintenance”, the one and only account in that section titled “Multiperil Insurance” is already at 50% of the annual budget consumed. We had talked about this account for both of the months of January and February because this expense item was high even back then. This is all due to the insurance payment schedules for our various policies being front-loaded toward the early part of the year and we don’t see any problem with the annual expense amount for this category right now.
- Total Church expenses shown at the bottom of that fourth page came in at \$97,384 for the month of March and which represents an increase in expense of \$5,365 or 6% higher relative to March 2021 expenses. On a YTD basis we’re at a very similar position relative to last year, having spent \$15,993 more than the same point as last year or 6% more relative to March 2021 YTD expenses.
- Moving on to the church’s Designated Funds on the following page, I’ll point out the following:
  - In the second section from the top labelled “Designated Funds-Restricted”, we have revenue in the “Memorial Fund Donations” account of \$5,300 so far this year. Deana has already transferred that over to the trust fund accounts in April.
  - In the third section down titled “Special Offerings-Restricted”, you can see under the third account called “Youth Minister Discretion Fund” that YTD revenue of \$4,025 is shown and which includes Jess’ fundraising for the mission trips with the higher upfront outlays that we talked about earlier.
  - And then further down on the page in the section labelled “Ministries-Restricted”, I’ll mention that for account #84170 for “Breakfast/Supper Club”, the balance in that designated fund from contributions is running lower than normal and in fact the month-end balance of \$173 won’t even cover one month’s of actual expense for this activity. If this designated fund runs dry, the breakfast/supper club expenses won’t be charged against the general church budget. Instead, we’ll use funds in the “Missions Allocated Fund” in the section above this one.
  - Finally, down toward the bottom of the page in the section titled “Miscellaneous-Restricted”, I’ll mention that we’ve had some durability committee expenses come through at around \$18,847 for the month of March and captured in account #86155. At some point this year, very large bills for work to be done on the Walters Chapel building will be coming in but it’s been fairly light activity so far.
  - One more comment on a designated fund in this section – if you go down to toward the very bottom, in the “Parking Lot Fund” account we are showing a higher expense amount of \$3,500, of which \$3,200 was spent in March. This was to replenish the parking stickers that we give out to members and guests for parking in the AT&T garage and where we bought an additional 400 parking stickers at \$8

- each.
  - Then moving to the next page, we have a couple of noteworthy items here. In the section titled “Trust Spendable Income”, on the first line labelled “Trust Funds-Unallocated Gain/Loss”, you’ll see an expense amount of \$120,990. What that represents is the unrealized capital loss hit that our trust fund investment portfolio suffered in the first quarter of this year, due to the general market drop.
  - Then four lines down from that, for the “Steve Garrett Endowment Fund”, you’ll see an expense amount for \$39,360. This is where we drew our first quarter trust funds subsidy to help cover our deficit spending and that was mentioned earlier in the financials.
  - I had one other follow-up item from our March meeting to address and that relates to determining if we can obtain an audit of the church’s books for year-end 2021, who will do that and how much it will cost. That is still being researched so that topic will need to be deferred to the May meeting.
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- That concludes the combined report from the Finance Committee and the Treasurer on the March financials.

Finance Comments for Apr 2022 Church Council Meeting v1

## **Youth**

## **Trustees**

In partnership with the Ministries Committee, we propose having quarterly “Make Your Mark” days to invite members and friends to spend a few hours at church to take on different projects. The Council endorsed moving forward with the idea. We will develop a list of projects and communication plan.

Next, we discussed the creation of the Saint Mark Endowment Fund (“Endowment”) as part of our financial realignment to create more formalized discipline around our investment funds. The Endowment would be managed under the guidelines of the Uniform Prudent Management of Institutional Funds Act. This would formalize our governance, create policies for investment and distribution, and allow us to use and grow these critical funds to support our ministry. We also want to be sure we spend restricted funds first, so having a formula to withdraw funds in a consistent and systematic way will support our budget planning each year as well. As we use the funds, we need to be sure to honor the donor by recognizing and acknowledging their support of our ministry. In terms of the spending distribution formula, which is proposed to be based on a three or five year average market value, we will calculate under both methodologies to make a final decision. However, the Council supported the creation of the Saint Mark Endowment Fund to support ongoing growth of our financial resources.

MOTION: The Saint Mark Endowment Fund will be created as of January 1, 2022 and will incorporate unitization of the accounts contributing to the fund and a spending distribution formula.

The motion was made by Darrell Card-Harper, seconded by Lily Berrios, and passed by unanimous vote.

**Staff Parish Relations**

discussions held for Executive Session.

Moved to Executive Session at 2:35pm