

Finance Meeting Minutes  
Prospect United Methodist Church  
August 24, 2023

In Attendance: Tim Krauss, Pastor Yongyeun Lee, Chairman Arthur Paul, Sue Powers, Beth Provost, Mary Rogers, Don Titus, Chris Wilson and Jill Wilson

Minutes From Last Meeting: The minutes from the meeting of July 13, 2023 were approved as written.

Old Business: No updates were given on the upcoming church audit. A paper from the Church Conference dealing with the proceeds from the sale of discontinued and abandoned church property was examined by the Committee. Most of the meeting focused on the formulation of a preliminary PUMC budget for 2024. (See : "New Business")

New Business:

Financial Report: At the end of July, 2023, the Unrestricted Net Assets line (spendable cash) was -\$4,349.09 compared to -\$5,703.24 the previous year to date. Total income was \$79,657 compared to \$85,805 the previous year to date. Total expenses through July, 2023 were \$130,192 compared \$117,368 year-to-date prior year. The PUMC monthly apportionment of \$1,921 has been paid through May, 2023. Pledge and general offering income was \$61,538 through July, 2023 compared to the YTD prior year figure of \$65,903. Tim Krauss attributed the increase in expenses this year to the price increases in fuel and utilities. More should have been budgeted for electricity, and there were some extra staff expenses.

The Committee approved the Middle Age Group request for setting aside December 9th, 2023 for the Breakfast With Santa event, and setting December 15, 2023 for Open House.

PUMC Budget 2024: The Committee spent most of the meeting formulating a preliminary 2024 church budget. On the income side, anticipated pledge income was reduced from \$91,000 to \$85,000. Non-pledge regular giving income was reduced from \$15,000 to \$9,000. Chris Wilson (Trustees) related that most outside groups presently using the building would stay through 2024. Some of the bigger groups would be paying more in rental fees. The Trustees are also looking into suspending the use of the security alarm system which would reduce the \$3,000 yearly cost for fire and security protection. \$20,000 was placed in the budget as income from the PUMC Restricted Fund (upped \$2,000). The PUMC Restricted Endowment Fund has about \$810,000. The Trustees are committed to keeping Prospect United Methodist Church functioning as long as possible.

Therefore, Chris felt about about 4% of the PUMC Restricted Endowment Fund could be sold adding about \$32,000 to the income side of the 2024 budget. Chris Wilson did remind the Committee, however, that the sale of shares in the restricted account could reduce the monthly income that the church receives to pay its expenses.

On the expense side, the pastor's salary (\$50,724--5.9%), pension (1.7% jump), and accountable reimbursement payments (6.7%) are not set locally. Other staff salaries have been kept at the 2023 level. Utility fees--electricity (+\$1,300), water/sewer (+\$500) have been raised. Insurance has been increased from \$12,000 to \$13,500. Snow removal has remained at \$5,175, but this may need to be increased. The fire/security line of \$3,000 in the 2023 budget needs to be revisited for 2024. Some discussion occurred over whether the parsonage needs a landline telephone, because most of the clergy rely on cellphones today.

The deficit in the preliminary budget that Tim Krauss presented to the Committee contained a \$46,501 deficit. He said it reflected an overall increase over the 2023 budget of about \$2,000 (\$232,184). The Committee increased some areas of the budget to raise it (\$240,134); but it was able to find additional sources of income and some cuts to reduce the deficit to from \$46,501 to \$28,251.

The formulation of a preliminary budget was necessary to consider the question of whether or not PUMC can continue to afford a full-time pastor. Pastor Lee mentioned some possible options. He mentioned one church was able to save \$30,000 with a pastor 3/4s of time. A half-time pastor may mean the church parsonage would have to be sold. The Committee asked Tim Krauss to provide some data on how much savings there would be with a part-time minister versus a full-time minister using our preliminary budget for 2024. It was also felt a stepped-up stewardship campaign for 2024 might increase parishioner giving.

Next Meeting: The Finance Committee will meet on Thursday, September 14, 2023 at 7:00 p.m.

Respectfully submitted,

Don Titus