

Minutes
North United Methodist Church
BOARD OF DIRECTORS MEETING
October 28, 2020 * 5:30 p.m.
ZOOM MEETING

Members

Ron Gifford, Chair
Marie Powell, Vice Chair
Troy Barker, Secretary
Jack Leonard, Treasurer
Jacqueline Blackwell (LL)
Alan Archibald (LL/MC)

Jeff Bonner (Trustees)
Peter Chen (At large)
VACANT (Finance)
Jeff Eggert (At large)
Mai Cooper (At large)
Garland Graves (SPRC)

Ex Officio

Darren Cushman Wood
John Drake, Finance Director

1. Roll call was taken. The following members were present: Ron Gifford, Marie Powell, Troy Barker, Jack Lenoard, Jacqueline Blackwell, Alan Archibald, Jeff Bonner, Peter Chen, and Jeff Eggert. Staff members present were Darren Cushman Wood and John Drake. Mia Copper and Garland Graves were not present.
2. Opening Devotion – Pastor Darren opened the meeting in prayer.
3. Approval of minutes of September 23, 2020 meeting. The minutes were approved without objection.
4. Action on recommendation from Endowment Committee regarding 2020 distribution. Ron presented a recommendation from the Endowment Committee to approve a 2020 distribution of 3.5%. A copy of the distribution schedule recommendation is attached. The use of the funds would be subject to the restrictions that attach to the specific account. The Endowment Committee recommends that the funds be approved to be distributed immediately.

Motion from the Endowment Committee: I (Ron Gifford) move that we accept the Endowment Committee's recommendation and approve a distribution in the amount of 3.5% of rolling 12-quarter average of the value of the funds ending as of 12/31/19, which amounts are shown on the attached spreadsheet ("Sustainable Income Distribution Calculation"). The use of these funds would be subject to any and all restrictions that apply to the specific endowed funds from which the distributed funds derive.

The motion was approved without objection.

Distributions for 2021 (based off 2020 performance) will be discussed in early 2021.

Marie and John indicated that they do not believe that the endowment distribution for 2017 occurred in 2018. This is being further researched.

5. Approval of 2020 clergy salaries and housing allowances (ratification of prior action). This allowance was approved at the Charge Conference. The following salaries and allowances were approved.

Darren Cushman Wood:

Salary – \$80,370.90, Housing Allowance - \$21,000, Income Exclusion – \$25,000

Diane Gattone:

Salary – \$36,042, Housing Allowance – \$5,000, Income Exclusion – \$20,000

Tiffany Williams:

Salary – \$41,389, Housing Allowance – \$15,000, Income Exclusion – \$10,000

Motion - Darren Cushman Wood

It is resolved that \$25,000 of the cash salary of \$80,370.90 provided to Pastor Darren Cushman Wood, as well as a housing allowance of \$21,000, to the extent that it is used to provide a home, be considered a Clergy Housing Exclusion and excluded from reportable compensation under section 107 of the Internal Revenue Code of 1986.

Motion - Diane Gattone:

It is resolved that \$20,000 of the cash salary of \$36,042 provided to Pastor Diane Gattone, as well as a housing allowance of \$5,000, to the extent that it is used to provide a home, be considered a Clergy Housing Exclusion and excluded from reportable compensation under section 107 of the Internal Revenue Code of 1986.

Motion - Tiffany Williams

It is resolved that \$10,000 of the cash salary of \$41,389 provided to Pastor Tiffany Williams, as well as a housing allowance of \$15,000, to the extent that it is used to provide a home, be considered a Clergy Housing Exclusion and excluded from reportable compensation under section 107 of the Internal Revenue Code of 1986.

Ron presented the above motions, and Troy Barker seconded the motion; the motions and resolutions were approved unanimously.

6. Land Development:

Flower Shop: The flower shop located at the corner of 38th and Illinois is currently held in trust by the West Foundation. North is seeking permission to spruce up/clean up the property by the end of the calendar year. The repairs would include but are not limited to the removal of flower boxes, door replacement, repainting the facade, possible repairs to the parking lot under flower boxes, removal of signage. The West Foundation is willing to provide funding for the needed repairs.

Ace Hardware: Ace Hardware has closed. North is interested in exploring the possibility of better controlling the future use of the property.

7. Finance

Notes to September 2020 Financial Statements Prepared by John Drake

Balance Sheet

Cash: \$699,024 as of September 30th compared to \$705,331.85 as of August 31st. Please note that we receive \$30,000 per month via online giving. Please review the Cash Summary for September to see cash amounts by account.

Budgeted Income Statement

Income

Budgeted Amounts Explanation: The monthly budget amounts shown for Current Year Pledges and Non-Pledge Contributions have been adjusted to reflect seasonal variations by using the average of actual results over the last three years as a guide. The budget amount shown for each of the other income line items is its annual budget amount divided by 12.

Pledges: \$29,612 over budget for September, and \$72,588 over budget YTD. Current YTD pledge income is \$210,000 greater than last year's YTD pledge income for the same period.

Forty-eight Giving Units have contributed at more than 100% resulting in \$85,000 in funds received ahead of schedule. Of the forty-eight, thirty are above 100%.

Non-Pledge Contributions: \$5,785 under budget for September and \$49,566 under budget YTD. Actual current YTD non-pledge income was \$33,000 less to Actual prior YTD.

Grants/Foundation: Received a reimbursement grant for the Central Indiana United Way for PPE supplies for 2,892.04.

Expenses

Budgeted Amounts Explanation: The monthly budget amounts shown for Utilities and other expenses such as Grounds and Upkeep, Audit, and Janitorial Supplies have been adjusted to reflect seasonal variations by using the average of actual results over the last three years as a guide. The budget amounts shown for other expense line items are annual budget amounts divided by 12.

Wage and Salaries: We were \$6,435 under budget for September and \$44,323 under budget YTD. This is the result of a Pastor changing their Housing Allowance to a more favorable tax treatment. Also, three positions are not filled: one custodian, one childcare, and the Pastor of Mission and Outreach. The result on the financial is more Housing Allowance and less to Wages and Salaries.

Housing Allowance: \$416 over budget for September and \$11,250 over budget YTD due to the shifting of Wages to Housing Allowance.

Health Insurance: YTD is \$2,189 under budget for September. We should be under budget for the balance of the year due to the lower Medicare supplement and Part D premiums we are paying for one employee in lieu of participation in the group plan.

Utilities: Total utilities (electricity, heating fuel, and water/sewer) were \$889 under budget for the month. Water/Sewer was \$367 under budget for September and \$605 under YTD. Electricity was \$544 under budget for September and \$3,026 under budget YTD.

Contracted Services: \$799 over budget for September and \$2,696 over Budget YTD.

Postage: \$299 under budget for September and \$1,007 over budget YTD. The additional expense has been the multiple mailings to members and non-members to encourage giving.

Ministry Supplies: \$130 over budget for September, and \$3,666 under budget YTD. Without food costs for Covenant Bible Study or weekly coffee are in alignment with the budget.

Janitorial Supplies: \$290 under budget for September and \$3,469 under budget YTD

Summary:

- Total revenue was \$24,811 over budget for September and \$14,581 over budget YTD, but was \$99,000 more YTD than actual prior YTD revenue.
- Expenses were \$19,670 under budget for September, and \$108,454 under budget YTD. The decrease in expenses for September and YTD are the result of staff attention to detail in regard to the budget. Actual YTD expenses were \$149,000 less actual prior YTD expenses,
- The actual operating deficit through September was \$47,009 compared to \$310,545 operating deficit for the same period last year. The deficit is largely attributed to the decrease in non-pledge contributions.
- Overall, the results of operations for the first nine months of this year are substantially improved over the same period last year. Staff continues to review their budget to actual both monthly and YTD.

8. Stewardship Campaign

107 Pledges submitted totaling \$460,000

- 51 increased 5 to 10 %,
- 26 increased greater than 10%.
- 6 new pledges

Three ways to pledge –

- Hard copy version by mail
- Email John Drake
- Complete online version

9. 2021 Budget Planning is in process.

10. Trustees

- The Trustees did not meet in October 2020,
- Parking Lot improvements in process,
- LED upgrades/updates are complete,
- Trustees are planning for lighting on West Stairs in process.
- RFP on restroom upgrades should begin by the end of the year.

11. Ministries Council

- Ministry Council met on September 29th.
- Programming was addressed, continuing to be built around virtual and social distance structures.
- They previewed stewardship and financial look ahead.
- Ministry Council is planning for Advent, Christmas eve services, and a live animal event on Dec 6 for the advent festival.
- Approved the idea of getting a Black Lives Matter banner to display
- The wise move is to stay virtual. But some folks experience their faith in the participation of rituals. Coming to the building is a ritual.

12. Staff Parish Relations Committee – No report at this time.

13. Leadership Development - Nominations are being readied for charge/church conference.

14. Senior Pastor/Administrative

1. Charge conference November 22nd – Drive Through at Roberts Park
2. COVID-19 cases for District 5 continues to increase, rolling average 10/19 329, 10/26 439. The positivity rate has risen to near 7%.
3. Darren will be issuing a survey to complete for membership with questions about returning to in-person worship.

15. Next Board Meeting – November 18, 2020.

Meeting adjourned at 6:40 PM

Submitted by Troy Barker, Board Secretary