

Palmer Memorial Episcopal Church
Finance Committee Meeting
Minutes of August 15, 2019

A. Opening

1. Attendance: Jessica Evans, Fritz Glover, Dave Maxey, Tara McConathy, Posey Saenz, Dick Sylvan, Kirk Waldron.
2. Dick S. opened the meeting with a prayer at 5:36 p.m.
3. The minutes of the June 2019 meeting of the Finance Committee were reviewed and a few questions were discussed.
 - a) Bet H. asked if we looped back with the endowment regarding some of the comments in the minutes. Jessica E. said she now has all of the monthly financials for the endowment.
 - b) Dave M. asked who makes disbursements for the endowment. Jessica E. said the treasurer requests transfers and sends the money to Palmer. Dave M. asked if we should have more controls for the Endowment regarding how disbursements are made. Bet H. said that she is under the impression bot Jere and Bob are check signers but she is not 100% sure of the full process. Dave M. asked the committee if we should recommend that the same processes we have for the church be incorporated by the Endowment? We are trying to increase our controls on all fronts and this would seem like a reasonable next step. Bet H. said she would ask Jere and Bob to send over the controls procedures for the Endowment so the Finance Committee can see what they have in place.
4. The minutes were moved for approval by Dave M., seconded by Fritz G. and approved by all.

B. Financial Reports

1. Dick S. led the committee in a discussion of the July financial statements.
 - a) Dick S. first asked if we can start getting a copy of the previous month's balance sheet with each report so we can do a better comparison. Dave M. agreed that this was a good idea but would also like to include the same month for the previous year, or at least a summary.
2. Fritz G. noted that there is no balance sheet on the website. We only put a summary report of the income/expense sheets – he thinks a balance sheet would be helpful.
3. Dave M. noted that we are 75K under in income but we are 100K under in expenses. Kirk W. pointed out that if we were “on budget” we would be dipping into the restricted funds already. We need to make note of that. The staff and clergy have saved our bacon by staying under budget on expenses.
4. Dick S. stated that the amount we are under in income is consistent with past summers and we are also under in pledges. He also added that the stewardship committee met a few days ago and are going to make a bigger push than past years. The more aware people are of what it costs to run a church, maybe they can do more.
5. Kirk W. added that we have started looking at the 2020 budget but we don't think it will be any different than this year's budget. We don't think it will go down at all. Historically, expenses have been around 2.something million.
6. Bet H. added that she seconds everyone's thoughts on staff keeping expenses down. She added that she wanted to let the Finance Committee know that she is also on the Stewardship Committee this year and it really is a good group. We are going out intentionally to recruit younger families. When we talk about stewardship the committee only has \$500 for Covenant Sunday and Evangelism is only \$3500; we should put more support behind some of these efforts as well as evangelism.

- a) Tara noted that the evangelism line went from \$2000 in 2018 to \$10,000 at the start of 2019 but when we had the last round of budget cuts in Feb or March we dropped it down to \$6000.
7. Fritz G. said we need to be prepared that new pledgers are not giving equal to the amount of pledges we lost. It takes X number of new pledges to equal 1 older pledge that we've lost. Take a look at the sheet Jessica prepared on pledge increases vs. decreases. There has got to be some increase in income from some other source. Dick S. said we can't be in charge of coming up with other income. That's not the job of the Finance Committee. Fritz G. replied that he is aware of that but something has to change. What can we do to attract more young folks? There has got to be some change in the way the church is managed. Bet H. responded that she agrees, but isn't this why Jim K. wants two members of the Finance Committee to start coming to vestry meetings? To facilitate these discussions? Dick S. said that is will be him and Dick V. who will start attending the vestry meetings. It's not just a financial issue but for growth and life of the parish and if those grow then you hope the budget will follow other growth. This all means that we need to do a better job working together and not as individual silos. Dave M. asked if the evangelism committee wanted to hire an outside consultant is that something the Endowment would support? Bet H. responded possibly. But we are somewhat limited and we have been maxing out those amounts and I have asked for a September meeting that we can have Junior and Senior Wardens, 2 members of finance committee and clergy all present. Dick S. said that this meeting with the Endowment will be good. We need to get them on board with the real needs of the church. Fritz G. added that this gets to the whole business of missioning and visioning which is what he's been talking about. What does the congregation feel? It seems to me we are out of phase with our mission. Dick S. said he hears what Fritz is saying; we need to all be on the same page to get these goals and I think these meetings we are putting together are a good start. Bet H. added that it is critical that Neil is involved. Also, it would be helpful if each finance committee member could send Dick S. & Dick V. their ideas and suggestions before you all go to the Sept. vestry meeting. Kirk W. read out loud the written purpose of the Palmer Endowment Committee as stated in the audit report and said that this is exactly what we have all been saying.
8. Kirk W. noted that we are losing more money every year. Total cash (including restricted) is going down. Sooner or later the balance has to come back up.
9. Dave M. moved to approve submission of the July financial statements to the Vestry and all seconded. The motion was approved by the committee.

C. Other Discussion Items

1. The wedding and funeral lines. Tara M. asked how we should have been processing these because they don't really make sense the way they are set up now. We clearly can't charge all custodial and security related fees to the expense lines under these categories because we have only been including \$200 per line. So we have been putting part of the payments received from families into the expense line to offset the expenses. But then this means we are not getting any actual "income" from the weddings or funeral because everything is going to offset expenses. It is all a bit misleading and confusing. We never make any real income from either weddings or funerals. Dave M. said we should not be netting expenses anywhere. Just let them lay where they belong and monies received from the events should be put into the income line. If we see that we are over in the expenses, we should also see an equal offset in the incomes.
2. Amazon Smile/Randal's: Tara M. was asked some time ago to look into Amazon Smile and has finally done so. We now have an account but to start using it need to link it to our checking account in order to activate and receive benefits. The committee agreed that it was fine to proceed with setting it up and then we can let the vestry know it is available and decide how to market to the parish.

3. Fritz G. passed out his chart showing new pledgers vs. not yet pledged and asked that the group all take a closer look at it before the next meeting.

D. Closing

1. Fritz G. closed with a prayer

Submitted by Tara McConathy