

Palmer Memorial Episcopal Church
Finance Committee Meeting
Minutes of May 14, 2019

A. Opening

1. Attendance: Jessica Evans, Fritz Glover, Bet Hunter, Dave Maxey, Tara McConathy, Dick Sylvan, Dick Viebig, Kirk Waldron, Fr. David Wantland, Larry Wood.
2. The meeting opened with a prayer at 5:30 p.m.
3. The minutes of the April 2019 meeting of the Finance Committee were reviewed and approved by all.

B. Financial Reports

1. Dick S. led the committee in a discussion of the April financial statements.
2. Larry W. noted that the medical line is higher and was wondering why. Jessica responded that there is a one time payment in January and that it balances out as the year progresses.
3. Larry W. also asked why the choir line looks high – Dick V. said that he spoke to Brady and that January expenses were delayed payments from Christmas services and Easter services also hit this month's financials. Those are the two biggest liturgical holidays in the year, so the rest of the year should slowly balance out.
4. Larry W.'s final question was regarding the insurance line. Kirk W. answered that this too is a timing issue with when payments are due.
5. Kirk W. noted that the sexton line is over budget and that Palmer has a big appetite for custodial. We do have some income from various groups but they don't always get credited to this line. Bet H. asked if we need to increase the custodial budget because it's insufficient. Several agreed that we should, but going back to the endowment for more money is not an option. Kirk W. stated that he would like to see the endowment do what they originally asked Jim K. to discuss a while back and that is to subsidize us for 3 years to get us back up. Bet H. responded that our focus should be more on people and parishioners. Fritz G. replied that we can bring people here, but they can't park. Bet H. asked to have an unofficial meeting to finalize some of our bigger thoughts and then bring a consolidated list to the vestry for review? Dick S. confirmed that these are great discussions, but Bet is right, they don't belong in the Finance Committee meeting. Taking this offline is a good idea. We need a broader discussion on these issues. Bet H. said maybe the Finance Committee can present a one page summary on the trends we see to bring a focus to this other meeting?
 - a. A. Dick S. asked if there is someone who wants to take the lead on this sort of sub-committee or offline meeting? Bet H. said she would be happy to bring her i-Pad and take notes if we want to bring a brown bag lunch. Bet H will also write a memo to approach the vestry with the idea for this committee. She confirmed that the finance committee is primarily here to provide oversight on expenses so we need to make sure we follow proper channels.
6. Kirk W. asked if the budget cuts we worked on last month were reflected in these financials. Jessica E. responded yes.
7. Dick V. moved to approve submission of the April financial statements to the Vestry. The motion was approved by the committee.

C. Other Discussion Items

1. Cash Policy: Fritz G. started the first discussion stating that he is concerned we have an account that has had no activity for a year, the Origin bank account. It hasn't even been earning interest.

- a. A. Jessica E. responded that it is just a separate account we opened so that we don't go over the FDIC limit in our primary account. Fritz G. countered that this isn't the point. We are telling people that we have no cash, but we have this amount sitting there. I understand that it's designated, but my point is, if we are short cash, we could borrow from those funds. Dick V. replied that you are correct but we don't want to advertise that this is something we sometimes have to do. Dick S. said that he thinks it is inaccurate to say we have sufficient cash. We have SOME reserves going into the summer, but barely enough for one month. Fritz G. asked if we have a written policy limit on those designated funds? Kirk W. responded that it is at the discretion of the giver. We don't want to draw down our cash if there is a need. Historically, we like to keep more than one month's reserve.
 - b. B. Dick V. added that I think we can recommend to the vestry that we put those funds in an interest bearing account. Fritz G. replied that I think we should do that at the very least. My point is that we are projecting a sense of no cash but we have money and it's not earning anything or doing anything for us. Fritz G. added that rectory interest is an unnecessary expense, the endowment should pay it off and give us an interest free loan to pay it off. We are not using our resources.
 - c. C. Dick S. said we need to be specific about recommendations to the vestry. The only one I've heard is to earn interest on the origin account which may earn \$1000 over the course of the year, but that's not going to make a major difference. The only thing is to bring more people here.
2. Audit update – Jessica shared that the auditors will be here at the June 13th meeting to present the report. But preliminary meeting they are estimating we will not have any reports.
 3. Fritz G. asked one last question – what is the history of extending the stewardship so far into this year? Should we switch gears to next year's budget now? The group did not really have an answer to this question at this time.

D. Closing

1. David W. closed with a prayer