Collegiate United Methodist Church / Wesley Foundation

Finance Committee

Minutes of August 15, 2023

Members Present: Jeff Elver (Chair), Mary Bellon, Jason Janssen, Lori Kappmeyer, Nathan Kerns, Patty King, Ken Kruempel, Max Morris, Dean Phillips, Ted Wolff

Members Absent: Andrew Bolstad, Brian Brand, Jane Jacobson, Noah Jean, David Orth, Chris Strawhacker

**Call to Order** (Jeff)

Chair Jeff Elver called the meeting to order at 7 p.m. and asked Pastor Mary Bellon to open with a prayer.

The group reviewed the minutes from the June 20 meeting and no corrections were requested. No meeting was held in July.

*Patty King moved to approve the minutes of the 6/20/2023 meeting, Max Morris seconded the motion, and the motion passed.*

**June 2023 Financial Report** (Jason)

Jason Janssen observed that the total offering as of June 2023 was ahead of where it was in June 2022. The first Employee Retention Credit (ERC) payment arrived in June. A big expense that occurred was for property insurance. Total expenses were 0.5% more than a year ago, with a net loss of $63,000.

In the General Operating Fund, item 1-23021, Elementary Mission Trip, looks overspent but was corrected in July. Item 1-25009, Credit Card In-Process Transactions, had an ending balance of $0.75 due to a correction. In the Parking Lot Account, a late bill for snow removal came in, so the $784 expense shown there for June is accurate.

**July 2023 Financial Report** (Jason)

Jason pointed out that the General Operating Fund is now $18,000 on the positive side. It is also 5% better on offerings than the previous year. At this time, $123,000 of the ERC money has come in, but more is coming. Property expenses are at a lower percentage than last year. In the restricted funds, Jason explained that the negatives were a result of voided checks; they should have been income. Jeff pointed out that expenses are running about $23,000 below last year’s level and that revenues are about $18,000 higher than this time last year.

**Status of the ERC Tax Credit** (Jason)

Jason reported that four of the six ERC payments were received in July. The $123,569 received as of July included over $7000 in interest. Five payments have been received to date, for a total of $130,959.83. Yet to come is $40,000 with about $1900 in interest.

*Dean Phillips moved to approve the June and July Financial Reports, Patty seconded the motion, and the motion passed.*

**Agreed-Upon Procedures Audit Update** (Jason)

Jason reported that he is still chasing after the 2021 Agreed-Upon Procedures Audit and is now doing some invoice testing. The accounting firm only did part of what we asked. Jason is pursuing getting the comprehensive report we wanted. No deadline was promised.

**Director of Generosity Update** (Jeff)

Jeff announced that Director of Generosity David Orth has resigned, and Jeff forwarded David’s resignation letter to the Finance Committee before the meeting. David did this work for twelve years and will remain a church member. His work and spreadsheets have been transferred to others.

Ted Wolff wondered if we should be worried to lose David now. Jeff said we have ideas to work with but concern is justified. Patty said we will need to do some of what David used to do. The timing is not bad because planning for the stewardship campaign doesn’t begin until September, not June as previously reported. This may allow us to put together a fresher campaign.

Nathan Kerns asked who will replace David? Jeff explained that the position was created around David and what he was willing to be paid, so it would be hard to fill.

Mary said some of David’s work will be handed off. According to the Book of Discipline, the Finance Committee is responsible for raising money. Companies can be hired in the short term to run a stewardship campaign, and there are also things to download or resources to buy.

Mary, Max, and David planned the stewardship campaign last year. Jeff said David’s other duties are covered.

**Action item:** Patty and Jeff volunteered to help Max and Mary plan the stewardship campaign this year. They will look at revamping some things.

**Visionary Budget Team** (Jeff)

Jeff reported that the Visionary Budget Team (VBT) projected that Collegiate/Wesley would have a deficit of over $208,000 a year beginning in 2026. There would have been a $93,000 deficit in the 2023 budget if not for the federal government’s Covid 19 recovery funds (ERC). Insurance costs have increased by $40,000, and there will be a loss of $76,000 in Wesley Foundation funds after 2025. In addition, $1.2 million in capital improvements are needed. Most of this is related to parking lot repair.

There was a high of 300 contributing households in 2015, but this has dropped to 190. Past budget challenges were met by reductions, but this affects our work. The VBT proposed four strategies to deal with the budget challenges:

1. Raise revenues through offerings by $20,000 annually, including funds from Wesley Foundation alumni to support the Wesley Foundation. (Finance Committee role)
2. Increase revenue from other income sources by $10,000 annually. (Trustees role)
3. No expense reductions were recommended.
4. Use endowment fund grants more fully, providing $26,000 annually. There is $16,000 annually for domestic missions on Byrne funds, and this could include Wesley Foundation work. (Endowment Board role) Grants need to be approved by Church Council.

This amounts to $56,000 in things we can do now. Beyond that, it’s property, which is worth $10 million total. Money obtained from selling property would be put into a trust or endowment.

Chris Strawhacker will head up a siting study, having an architect look at uses of property. Church Council will pay $30,000 for this from the Enduring Gifts line. Then there could be a capital campaign for $800,000.

Max said in 2002 our average worship attendance was 600, but all major denominations are shrinking. A sparkle of hope is that our attendance is now the same as in 2019, when online attendance is included. Finances have been going down for a while. Mary said the deficit began in 2017, and then the pandemic happened. The government has been plugging the hole this year. Patty was concerned about further cutting the budget, and Max said Church Council agrees. These short-term steps will allow us to be good through 2027.

Jason asked about how to get the word out about the availability of space rental. Patty recommended using other channels to remind people about availability, and increase rates on vacant areas.

**Action item:** Jason suggested telling the Ames Chamber of Commerce / Discover Ames about space available for rental, and the Ames people group. This is for Jeff to follow up on and tell Chris Strawhacker.

Jeff, David, and Mary had discussed spending out the restricted funds. If it’s an enduring gift, the use has to come from the Trustees. Any other monies are under the Finance Committee. The Church Council may have to vote on something. Patty pointed out that not all enduring gifts are memorial money. Jason said the Trustees handle capital improvements. Mary reminded us that we also have resources to support our mission in the form of our people.

**Action item:** Patty said other groups have assignments for specific lines. She volunteered to look in the Book of Discipline to clarify roles of groups.

**Other Business**

There was no other business.

**Adjournment**

The meeting adjourned at 7:56 p.m.

The next meeting will be September 19 at 7 p.m.

Respectfully submitted,

Lori Kappmeyer