

Westminster Administration and Finance Committee Meeting Minutes
Wednesday, January 16, 2008

The Administration and Finance Committee met at 6:00 p.m. on January 16 at the home of Chair Lanny Griffith. In attendance were: Larry Hayward; Patrick Hunnicutt; Nancy Bea; Lanny Griffith; Terry Grindstaff; David Hill; Bill Keeth; Jane Stilmar; Don Fowler; Bill McCulla; Diane French; and Spencer Dickerson, from the Personnel Committee. The meeting was opened with prayer.

Youth Mission Trips: Patrick Hunnicutt distributed budget information about the senior and middle school field trips this summer. The senior highs will go to Pass Christian, MS June 22-28 with a total budget of \$15,330 and the middle schoolers will go to Panther, WV July 7-12 with a budget of \$9,570. Funding sources for the trips were identified. Advisors will accompany the youth at no charge. Both groups will be doing construction projects with the senior highs doing Katrina relief work. A motion was passed to approve the funding of the trips.

January Consent Docket: Fundraising Activities and Special Offerings: The January Consent Docket was reviewed before presentation to the Session. Patrick asked that one fundraising activity, the youth poinsettia sale, be removed from the list and one activity, the youth variety show/silent auction, be added to the list.

Checking Account Signature Card: The checking account signature card at Burke and Herbert Bank needs to be updated. Terry Grindstaff, as incoming treasurer, will have signing authority instead of outgoing treasurer Jane Stilmar. Other employees with signing authority are Patrick Hunnicutt, Nancy Bea, Karen Blomberg, and Tara Cain.

Treasurer's Report: Terry reported for the Operating Budget that December was a strong month financially, especially since there were five Sundays in the month. 99.6% of the 2007 pledged income was received which was the highest percentage in at least eight years. Special offerings were robust for the year. Our interest income on investments was good. Utilities contributions were a little over budget for the year and plate offerings were under budget for the year. Per capita contributions were also under budget for the year and less than the total for last year. On the expense side, we had a savings in personnel costs due to some positions that were vacant for part of the year. Under "Staff Expenses", the Housing Allowance account was over budget; some of Casey FitzGerald's compensation that was charged to the salary account is now charged to the housing account since she became Associate Pastor. Nancy noted that staff may use their reimbursement accounts as they see fit up to the total of their compensation package. National/International Missions were on budget while Local Missions had a balance left in their budget. Utility expenses were over budget. The YTD Insurance amount was high since the term of the insurance changed. We are now paying the premiums quarterly and we paid the first quarter's premium for 2008 in December. Transportation costs are up due to the price of gasoline and repairs. Building and Grounds and Christian Education were under budget for the year. Overall the net operating total was (\$11,429.05).

Terry also presented the Foundation and Capital Campaign Financial Reports through December. Bill Keeth spoke about the Foundation investments. Total assets in the

Foundation are \$1,047,210. For the Capital Campaign we have one more payment to get the liability for the Cardinal Bank loan under \$1 million. A payment of \$200,000 will be made in the next couple of weeks. The Capital Campaign revenue through December, 2007 is just under \$5 million. For the initial campaign we collected 102.1 % of the total pledges and for the Encore Campaign we have collected 37.5% of the total pledges. Total expenses through December, 2007 are just under \$6 million. We still have some expenses left to be paid for the campaign; \$115,000 to the Braswell construction firm, \$27,000 for organ refurbishment, and some payments for furnishings.

The treasurer's reports were approved.

2008 Operating Budget: Terry explained out of \$64,277 in reserve funds available in 2007, we only spent \$11,429. Our total income available for 2008 is \$1,440,260 not including carryover monies. We have received 426 pledges including 371 adult pledges for a pledge total of \$1,167,335. We had hoped for a pledge total of \$1.2 million. We had 400 total pledges last year and our projected pledge revenue is up 7% over the 2007 figure. A discussion was held to finalize the proposed income budget amounts. Nancy proposed renaming the "Utilities Contribution" line item to "Facility Use Contribution" and increasing the budgeted amount from \$7500 to \$9000. More groups are interested in our facility and we have defined rates that we are charging the groups now. The committee was comfortable with the slight increases over 2007 actuals in the proposed budget amounts for Plate Offerings, Special Offerings, Per Capita Contributions, and Endowment Return. Interest Income was projected to be a little lower in 2008 than 2007. The church received a gift of \$10,000 from Cliff Johnson's son to honor Sandy Calhoun's work. This gift is undesignated and can be used however needed.

Our total expenses are projected to be \$1,503,449 for 2008. Spencer Dickerson presented the proposed Personnel Committee budget which will encompass 62% of the total expenses in the 2008 proposed operating budget. The personnel budget will also use up 90% of the increase from last year's revenues to 2008 revenues. Spencer described the Personnel Committee's needs/wants: a 5.7% increase in salaries of which 2.3% is COLA (presbytery recommendation), two employees are due step increases of 3%, Nancy Hall Behrens will start as Interim Director of Congregational Life on February 1, a part-time facilities manager starting early this year with a salary of \$20,800 (new position), an increase in the hourly rate paid to three employees, a one month overlap between Sandy Calhoun (retiring in June) and her replacement, the cost for Casey Fitzgerald's installation and Sandy's replacement search.

A discussion was held about the percentage of funding going towards mission giving. Mission giving has been approximately 25-27 %, but it is not all reflected in the operating budget. Church members have been very generous over the years with special offerings. It was felt that more effective communication is needed to make the congregation aware of all the mission work being done and all the monies being distributed in the mission arena by Westminster members. It was also noted that we are very fortunate to have such an excellent staff and we could not have all the programs that we do to help members and others outside the church without them.

The Local Mission Committee was not able to spend all their 2007 operating budget due mostly to the lack of need for preschool scholarships and the timing of expenditures in the Member Response Team account. The Member Response Team, formerly the Pastor's Discretionary Fund, has a budget of \$3000 per year to help families in the congregation in need. It was agreed that we will move \$5500 out of the 2007 budget and into an "8,000" Restricted Account one time only for the Member Response Team use in 2008.

Lanny will take the \$5,000 deficit in the proposed 2008 operating budget to the Coordinating Council for advisement.

A & F Meeting Schedule: Lanny distributed the 2008 meeting schedule and the next A & F meeting is February 20 at 7 pm.

Kenya Relief Fund: Bill Keeth proposed using some of the funds from the Foundation's Fund E, the Unrestricted Benevolence Emergency Fund, for the Kenya relief. It was agreed that this was an appropriate use of the Fund. The Foundation Board will discuss this at their next meeting.

Tax Issue: Adopt A Family: A letter was sent out on Westminster letter head by the new Westminster Coordinator to the participants in the Christmas Adopt-a-family Program advising them that their contribution was tax deductible. This is the same letter that has been sent out for many years. Nancy was not aware that the letter had been sent in the past. She sent out an email to the recipients of the letter stating that "any gift that is purchased or given by one person directly for another is not tax deductible. Because with the Adopt-a-family program you are providing gifts directly to or for a specific person(s), the cost of these is not tax deductible. If money is given to an organization that then provides benefits to those in need, it would be a tax deductible gift. I would ask that the letter you received be destroyed. It is not accurate and if used to support a tax deduction could, I believe, create problems for both the donor and the church." The committee agreed that the original tax-exempt letter should not have been sent and that the church and committees should not be advising people on tax matters. The Adopt-a-family Program could possibly be structured to be tax deductible, but it doesn't appear to be so now.

Congregation Sharing Proposal: Nancy received a request from one of the pastors formerly with Alpha Y Omega Congregation to use our facility again for worship. He is currently with a small congregation of 20-25 people who are worshipping in Dumfries. It was felt that this question should go to the Building and Grounds Committee to determine if there is space available at the times he is requesting. The A & F Committee believes we are using most of the available space at this time and we don't have extra staff to do more room set-ups and clean-ups. Also, the question arose about what we would charge them for room use since we are now charging all groups. Previously Alpha Y Omega used our facility at no charge.

Annual Report: Lanny will work on the A & F contribution to the Annual Report and send it out by email for review by committee members. The report will be distributed at the Congregational Meeting on February 10.

2007 Financial Review: Barbara Studenmund requested names of some people who might be willing to work on the 2007 Financial Review. The same people have been doing the review for several years.

Alexandria Choral Society: The Alexandria Choral Society sold tickets for their last concert in our sanctuary. There was a question about whether selling tickets is permitted under our new fundraising policy. Also there was a question about whether the Worship Committee had approved the sale. Lanny said he would ask David Roden about it. Larry stated that he supports the use of our facility by cultural non-profit groups. Their programs serve as an outreach to the community and bring outside people in to our church.

The meeting was adjourned at 11 p.m.

Respectfully submitted,
Diane French