

Minutes
Westminster Administration and Finance Committee Meeting
Monday, August 20, 2007

The Administration and Finance Committee of Westminster Presbyterian Church met at 7:30 p.m. on Monday, August 20, 2007 in the Westminster Room at the church. In attendance were the following: Nancy Bea, Don Fowler, Bill McCulla, Terry Grindstaff, Vice Chair David Hill and Chair Lanny Griffith. The meeting was chaired and opened with a prayer by David Hill at 7:30 p.m.

Treasurer's Report: Westminster Treasurer Terry Grindstaff reported for the Operating Budget that pledge income in July 2007 was strong, totaling \$88,556.48. The year to date financial performance also was relatively good for this time of year, with operating expenses exceeding operating income by about \$28,000. Terry reported that this was approximately the deficit for the first month of the year, and so the church's expenses and income have closely tracked since that time. There was discussion about some budget line items that are notably above or below budget.

Terry presented July Financial statements for the Westminster Foundation, reporting total assets valued at approximately \$1.007 million.

Terry also presented and discussed the July financial statements for the capital campaign. Through July, the church has collected 99.8% of the amount pledged to the first capital campaign (\$2,243,924.18 collected, with total pledges of \$2,247,449.00). Through August 19, 2007, pledges for the Encore campaign totaled \$2,306,895.00. So far, \$419,654.98 has been collected.

The July Treasurer's Reports were approved as presented by the Treasurer.

Financial Review: Nancy Bea reported that the church's annual financial review had been conducted by a group led by Barb Studenmund, and that the review had found no material weaknesses. Barb's group will supply a detailed report to the A&F Committee in September, along with any specific recommendations. The Committee received and accepted the report, and agreed to report this at the August Session meeting.

Capital Campaign Bank Loan: Terry Grindstaff led a discussion of proposed new terms for a construction loan from Cardinal Bank and circulated a summary of those terms. The terms for the church's current construction loan from Cardinal Bank provides, among other things, for a \$3 million draw down loan for 12 years (of which \$1,498,794 currently has been drawn down), a floating market-based interest rate (currently 7.5775%), and security provided by the church of certain assets. A new loan has been discussed with Cardinal that would call for a \$1.7 million revolving loan for three years, with a fixed interest rate of 7.5%, which could be interest-only for three years, allow principle payments at anytime, and would release some of the church assets pledged as collateral.

Based on the discussion, it was agreed that Nancy would check on whether there would be closing costs associated with the new loan, and whether there would be any penalties for early pre-payment or retirement of the loan. Terry also agreed to check to ensure that the fixed rate being offered by Cardinal Bank was competitive with comparable offers from other banks. The Committee approved a motion to recommend to the Session that – assuming favorable resolution of the outstanding inquiries and also the receipt of a favorable recommendation from the Trustees – that the president of the corporation and the trustees be authorized to accept the terms of the new loan offered by Cardinal Bank, and that the president of the Westminster Presbyterian Church, Inc. be authorized to execute loan documents for this loan, which would replace the existing loan from Cardinal Bank.

Room Use Charges: The Committee discussed the church’s current policy and practices with respect to allowing groups to use the church building, and whether those groups are charged for that use. The discussion did not address policy for use of the sanctuary, although it was noted that similar practice and policy for sanctuary use should be worked out with Worship and Music.

It was generally agreed that church-sponsored groups and groups associated with church programs should not be charged for use of the church building. Non-profit or community groups (such as AA, Al-Anon, Beverly Hills Garden Club, and Leadership Alexandria) should pay a service fee for use of the church facility. Buildings and Grounds has recommended charges ranging from \$200 for an all-day meeting, \$50 a month for groups meeting for several hours regularly throughout the year, and \$15-20 a night for meetings lasting no more than two hours. The Committee agreed with this service fee structure and discussed its implementation.

The church should continue to prohibit meetings at the church by for-profit groups, political groups, or private events sponsored by individuals. The Committee agreed that Nancy Bea should be provided the discretion to decide which category particular groups should fall, for purposes of collecting a service fee to help defray costs to the church. It also was agreed that groups to which a fee applies could request a waiver of the fee, but such a waiver could only be granted by the A&F Committee.

The meeting was adjourned at 9:25 p.m. The next meeting will be at 7:00 p.m. on Wednesday, September 19, at the Westminster Presbyterian Church.

Respectfully submitted,

Lanny Griffith