

Minutes
Westminster Administration and Finance Committee Meeting
Wednesday, February 20, 2008

The Administration and Finance Committee met at 7 PM on February 20 in the Westminster Room. In attendance were: Nancy Bea, Lanny Griffith, Terry Grindstaff, David Hill, Jane Stilmar, Bill Keeth, and Diane French. The meeting was opened with prayer.

A & F Meeting Minutes: The minutes from the January A & F meeting were distributed, reviewed and approved. The draft minutes had previously been submitted to Session at the January meeting.

Treasurer's Reports: Terry Grindstaff reported that \$75,313 was collected in pledges in January which was a four Sunday month. This was more than any other January in the last seven years except for in 2006 which was a five Sunday month. As a monthly percent of total pledge income, it was slightly lower than the five year average. The net operating total was \$6,768 in expenses over revenues. The special offerings were high in January due partially to collections for Kenya Relief Fund. Local Missions overspent their January budget allocation for SOME. If this is to be their normal monthly expenditure for SOME, other Local Mission line item budgets will have to be adjusted downward. Utility costs are running high although the last gas bill was lower than expected. Staff expenses were under-budget in January since the new pay rates and COLA's will not be reflected until February. It was noted that the monthly staff expense budget is approximately \$77,000. Nancy Bea said that two accounts have been moved under the Congregational Life budget: #538000-Kitchen/Food and #559200-Seniors Ministries. We have 1 ½ years left on boiler loan payments. Nancy explained the difference in the budget between "Special Donations" and "Special Offerings". "Special Donations" are donations given for uses over which Westminster has jurisdiction and "Special Offerings" are donations given for uses governed by outside groups such as the Presbytery. There was a discussion of the Temporary Restricted ("8000") accounts and their purposes; it was decided that some of the "8000" accounts should be zeroed out at the beginning of the fiscal year.

The Balance Sheet and Summary of Restricted Accounts for the Foundation were distributed. Terry noted that the total assets in the Foundation had gone down during January from \$1,047,210 to \$1,035,435.

The Treasurer's Report for the Capital Campaign showed that we now owe less than \$1 million for the Cardinal Bank loan. We will be making another loan payment soon. There are still outstanding approximate expenses yet to be paid for the Capital Campaign: \$27,000 for the organ refurbishing, \$85,000 to Harry Braswell once the final punch list has been completed, and \$40,000 for new furnishings.

The three Treasurer's Reports were approved.

2008 A & F Committee Meeting Schedule: The meeting schedule was changed slightly since the original schedule was distributed in January. Upon review of the operating budget timeline in January, 2009, it was decided to change the January 14 A & F Committee meeting to January 21 when it was more likely to have all the year-end bank statements and treasurer's reports and the 2008 financial

statements would be finalized. The Coordinating Council Meeting would then be scheduled for January 26, 2009.

2008 Operating Budget Follow-Up: The final 2008 Operating Budget was distributed with changes in the budget from 2007 to 2008 highlighted. The operating surplus carryover available for 2008 is \$57,135 of which \$56,239 will be budgeted for use. The personnel budget is 62 % of the total operating budget. This percent has remained very constant over the past several years. It is estimated we will have a 5% increase in personnel costs in 2009 due to salary increases, health insurance and COLA's.

Working Capital Fund: The Fund Principal has \$26,738 as of the end of January. This fund contains our operating reserve monies. The Working Capital Fund, a reserve fund for emergency use, has \$75,000. It was felt that we need to have in the Working Capital Fund the equivalent of one month of staff salaries plus insurance costs. **A motion was approved to move \$25,000 out of the Fund Principal and into the Working Capital Fund.**

T-Mobile Contract: Nancy reported that the contract between T-Mobile and Westminster is still undergoing some minor revisions. The contract calls for T-Mobile to pay Westminster \$1600 per month to lease our steeple for a cell tower. The arrangements for the base equipment have not yet been worked out. Sprint now pays Westminster \$1200 per month for steeple rental. The rate should go up in September for the five year anniversary of the lease, possibly 5%. Nancy stated that she received a call today from A.T. & T. and they are also interested in renting our steeple.

Net Appreciation Proposal: Bill Keeth stated that the Foundation would like to be able to move more funds out of the Foundation's Fund A into the Operating Budget, not just the interest. To do this the Westminster Foundation Board Charter would have to be amended. In the Charter it states in section 3.2 that "'Existing Endowment Funds' (Group A Funds) are those endowment funds currently administered under the Westminster Endowment Fund under which donors, or established policies, have limited the expenditures to income and not principal (net appreciation also will continue not to be used unless or until the Session otherwise directs by an amendment of the Charter)'. As of January 31, 2008, the Foundation's Fund A balance is \$524,389. This possible change has been discussed for several years and has been recommended by past church treasurers. This modification would also be allowed under the Virginia Uniform Management of Institutional Funds Act. This Act states in S. 55-268.2 that "The governing board may appropriate for expenditure for the uses and purposes for which an endowment fund is established so much of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment fund over the historic dollar value of the fund as is prudent under the standard established by S. 55-268.6." **A motion was passed that A & F charges the Foundation to craft an amendment to the Westminster Charter to allow some appropriation of the net appreciation in Fund A within the guidelines of the Virginia Uniform Management of Institutional Funds Act.** The amount to be transferred from Fund A to the Operating Budget will be decided on an annual basis. The Foundation will draft a modification of the Charter and send a first read to the A & F Committee. Lanny Griffith will notify the Session that the modification is being worked on.

Nancy Bea asked that we periodically publicize restricted funds that have been donated, the purpose of the funds, and the person the donation honors.

Library Book Wish List: Cathy Hunter has established a wish list on Amazon for Westminster library books. Lanny was asked if the wish list could be publicized to the church members. After much discussion **a motion was passed that a church-wide solicitation for books is not approved.** Lanny will notify the Christian Education Committee about this motion. It was noted that several years ago there was a wish list from each committee which listed items that were desired/needed and which could be purchased with memorial donations. Most of the items on the lists have been purchased at this point. We may want to ask committees to develop new lists.

Bus Repair Bill: **A motion was approved for Nancy to use approximately \$400 from the transportation fund, used for van and bus maintenance, to pay a repair bill for the bus.**

Snow Policy: Westminster's snow policy states that if Alexandria City public schools are closed due to bad weather, than the church is closed that day. If Alexandria City public schools have a delayed opening, the church operates on its regular schedule. There is no policy for canceling the church's evening activities if the school system cancels evening activities. After discussion, it was decided to leave the policy as it is. Nancy said that an effort will be made to post cancellations on the church's website as needed.

The meeting was adjourned at 9:20 PM.

Respectfully submitted,

Diane French