

CCDC Congregational Meeting

January 27, 2019

Call to Order, Opening Prayer, Approval of Minutes

The meeting was called to order by Moderator Tom Csatari and the opening prayer was given by Associate Pastor Rob Graybill. The minutes of the June 2018 Congregational Meeting were approved.

Budget Presentation, Discussion and Approval: Jay Benson: Before Jay began, Tom made it a point to thank everyone who helped with the church's finances over the year, especially Jay and Amy Smith. Jay's presentation for the Winter Congregational Meeting covered the following points:

1. Four Budget Tenets were approved by the Elders in 2017 and reaffirmed in 2018 for budget preparation. The Tenets include aligning CCDC's annual budget with the Covenant; presenting a balanced budget; providing all CCDC staff with living wage salaries and competitive benefits; and sharing the budget with the congregation for their review.
2. The 2019 budget was developed with extensive consultation from and collaboration with Board chairs, FAC, and the Board of Elders who moved that it be presented to the congregation for approval.
3. Changes and updates in accounting systems, practices, and information have clarified and enhanced CCDC's financial record keeping.
4. The budget was expanded to include several designated and reserve funds that heretofore were untracked, including the Russell Fund, the Bicentennial Fund, the Ives Funds, the Building Reserve, the Music Reserve, and the Pastor's Discretionary Reserve.
5. In 2018 the Church experienced a surplus due to increased revenue from rent, pledges, and memorial gifts, which allowed \$17,000 to be allocated to the Building Reserve Fund. Whereas, assets decreased due to market declines in the endowment.
6. Thanks to generous pledge income and growing rent income, CCDC is presenting a balanced budget that calls for increases to staff wages, program enhancements, such as the Our Whole Lives program, and the reinstatement of the Boards of Deacons for Membership and Communication and for Worship and Music.
7. Over time, the amount of money given as pledges has risen but the number of pledge units has decreased. This is concerning for the long-term viability of the church.
8. For the 2019 Budget, the church's **income** is expected to increase due to anticipated rental of the apartment, and due to College and cell tower rentals. Also, pledges have increased from \$432,000 in 2018 to \$450,000 in 2019. Judy Csatari, President, noted that the increase in pledges was across the board and that it was truly a congregational effort.
9. For the 2019 Budget, the church's **expenses** have stayed in line with revenue growth. Personnel costs have been growing annually two to three percent with benefit costs rising faster than income. In 2019, the staff will see a 3% raise. Our OCW contribution is a formula: 15% of total revenue less endowment draw and other income. In 2018 it was \$95,000. For 2019, \$97,000 is proposed. The Membership and Communication Board has a budget of \$1,000. Stewardship has a line item of \$20,000 to replenish the Building Capital Reserve Fund that was depleted by the apartment repair costs. Fuel prices are up \$5,000 but trash removal is lower because the contract was changed from weekly to bi-weekly. Worship and Music has a \$5,000 line-item for

organ maintenance that is done once every five years and \$1,000 reserve fund to save towards maintenance in 2024.

10. While the budget is larger than in previous years, the revenue increases are offset by expense increases.

Discussion: Tom Csatri was asked to explain how the church's endowment is managed. Tom explained that an endowment spending formula should:

- protect the real purchasing power of the endowment
- produce regular spending increases and decreases
- be simple to understand and implement; and if biased
- should preserve and enhance the growth of the principal.

Tom went on to explain that the church's endowment spending formula was "modernized" to use the fair market value rather than the appreciation of the fund since it began. This new formula is aligned with other not-for-profits and the recommendation of professional endowment managers. The Board of Elders unanimously approved this new formula at its December meeting. As a result, the draw is higher than in previous years. Jay noted that the timing of the endowment draw was also changed to occur early in the fourth quarter rather than at the end of the calendar year which helped the 2019 budget preparation.

Judy thanked Jay for his presentation and Tom for his explanation and asked for a motion that the 2018 Budget and Expense report and the 2019 Budget be accepted. Tom then stepped in and acknowledged that the motion was brought forward and seconded. No discussion ensued. The **vote** to approve the motion was unanimous.

Additional Finance Information: Amy Smith announced that Jill Savage, our Financial Secretary has given notice that she is leaving so this will be the third year in a row that we will be shorthanded in February. Fortunately, Kendra is now the Pledge Clerk and will assume duties as the Accounts Payable/Receivable Clerk. Amy expects that church members will receive their Statement for 2018 by the end of January.

Ratification of Members to Service on the Board of Deacons for Stewardship: Ciny Bensen as the Nominating Committee Chair informed the group that Ted Frazer and Ryan Calsbeek have accepted positions as deacons on the Stewardship Board and that Heather Benson as the Elder Representative for Worship and Music and Becky Torrey the Elder Representative for Outreach. The congregational meeting members were asked to ratify the Elders' acceptance of these recommendations, which they did.

Sr. Pastor's Moment: Mandy took a few minutes to express her appreciation for the time and talents that our members give to the church. She feels like she's settling in and hopes to continue to hear from members and to be able to reach out and visit more members. She asked us to step back from the seriousness of budgets and finances to remember that we are blessed; that God's love is proclaimed. She then led us in a closing prayer.

The meeting was adjourned at 12:00.

Respectfully yours,

Jackie Paulsen, Clerk