

**Matthews United Methodist Church Ad Council Meeting
January 28th, 2023, 12:30 PM**

Attendance

Pastor Chuck Wilson	Greg Klein	Suzanne Pugh
Pastor Paul Craig	Amy DeVore	Terry Efird
Pastor Roldan Norona	Mike Murphy	Karin Dunham
Pastor Corey Milliet	Susie Verrill	Ken Merchant
Pastor Jenny Savage	Becky Yates	Beth Merchant
Debbie Fitts	Tyleta Morgan	Greg Mangum
Jon Pollack	Marshall Edwards	Abbie Mangum
Sam Hatcher	Dale Webster	Nancy Ward
Carol Hatcher	Lee Goldstein	Margaret Todd
Amanda McGrath	Kaitlin Klotz	Nancy Harris
		Philip Tate

- I. Welcome/Opening Prayer/Leadership Covenant-Jon Pollack
- II. Budget Presentation-Pastor Paul Craig, Debbie Fitts, Greg Klein
 - a. Budget has been approved by the Finance committee and is now before the Ad Council for approval
 - b. Overview (Greg Klein)
 - i. Highlights for 2022:
 1. Giving was underbudget by \$115,000
 2. Other giving was over budget by \$26,565
 3. Total revenue was under budget by \$89,000
 4. Expenses under budget by \$153,000
 5. Positive net income of \$63,000
 6. 3.68 months of expenses in unrestricted cash (goal is 3 months)
 - a. Excess cash of \$157,000
 - ii. 2023 Budget:
 1. Balanced budget for review by ad council
 - a. Pledges and tithes
 - b. Other revenue: \$52,000
 - c. Total revenue: Slightly lower than 2022 by ~\$2,600
 2. Expenses:
 - a. Salaries of clergy and laity had no projected increase
 - i. Clergy salaries approved by Charge Conference in late November
 - ii. Budget is based upon current staffing needs
 - iii. A 2% vacancy factor was added
 1. When someone leaves the organization, there's a gap until the space can be filled
 2. We currently have a vacancy holding over from late 2022

- b. Benefits:
 - i. New insurance plan with lower costs
- c. Basic Supplies
 - i. Based at a 5% inflation factor
- d. Basic Facilities
 - i. Based at a 10% inflation factor
- e. Conference Apportionments
 - i. Our portion of conference costs
 - ii. Lower this year by ~\$32,000
- f. Expenses for 2022 were \$54,000 higher estimated
 - i. Some restricted funds were used and their status is now lower so they will not be used as much in 2023
- g. Depreciation is an estimate of \$466,788

3. Questions:

- a. Was the laity and staffing was based on all positions being filled and the 2% vacancy factor?
 - i. Yes
- b. Is Music & Arts budget increasing?
 - i. Yes
- c. Do we carry the excess of cash for most of the year, or only for the short term?
 - i. Because of the high level of giving in December, the balance declines through the year
- d. Is the excess cash in MMAs?
 - i. Some money is set aside in investment accounts
- e. Is the allotment for congregational care actually \$0.00?
 - i. Yes-the costs were low, but they tended to be absorbed by other accounts
- f. When we submit budgetary information to the WNC Conference, is the line item for congregational care removed or is there a notation to indicate that it was covered by other funds?
 - i. For FY 2023, the congregational care line item will be removed
- g. Would the beneficent fund cover congregational care?
 - i. Congregational care has not been used for direct community assistance in the past.

c. Motion to approve: Suzanne Pugh

- i. Seconded by: Becky Yates

1. Affirmative: 23

2. Negative: 0

- a. Motion carries

- III. Staff Compensation Proposal-Dale Webster
 - a. Finance Committee had a discussion of how to appropriately use excess funds
 - i. The committee wanted to recognize the impactful contribution of the MUMC staff
 - b. Budget line item 4 for 2023 is flat
 - i. Recognize the effort of the individuals who worked to achieve this
 - ii. Motion made to authorize \$40,000-\$50,000 retained earnings for a one-time employee bonus
 - 1. Employee bonuses were organized by Pastor Chuck Wilson and Pastor Paul Craig
 - 2. Total amount of the one-time bonus was \$47,880.00 (a bonus with other amounts allotted for merit)
 - 3. Questions
 - a. This number is ~2.5% of money in the budget-why is this better than providing employees a 2% raise?
 - i. Tax implications for individual employees
 - ii. It is not compounded with benefits
 - iii. Recognizes efforts without recurring effects
 - iv. We have good clarity around the 2023 expense side, but we do not have clarity around our 2023 revenue.
 - 4. Motion to approve one-time employee bonuses: Dale Webster
 - a. Seconded by: Terry Efirid
 - i. Affirmative: 23
 - ii. Negative: 0
 - 1. Motion carries
- IV. Recognition of Service-Suzanne Pugh
 - a. Jon Pollack
 - b. Carol Hatcher
- V. Rule of Life/Closing Remarks/Closing Prayer-Pastor Chuck Wilson