

GOOD SHEPHERD LUTHERAN CHURCH
Special Church Council Meeting Minutes
Discussion of Church Budget
Tuesday, November 29, 2022 – 6 PM
Fellowship Hall

CALL MEETING TO ORDER

The Special Church Council Meeting of Good Shepherd Lutheran Church (GSLC) was called to order at 6:03 PM on November 29, 2022, by Kristi Buchholz, Council President.

Present: Pastor Jeremy Serrano, Kristi Buchholz, Candace Bradley, Scott Etzel Mike Henry, Sue Hertless, Renee Reis (Council);
Sherry Chaplin, Reyanne Freeman, Jon Moss, Marcia Sander (Finance Committee)

Excused: Greg Buchholz, Linda Rodemsky (Finance Committee)

DEVOTIONS – Prayer by Pastor Jeremy

Marcia introduced the new members on the Finance Committee: Sherry Chaplin, Reyanne Freeman, Jon Moss, and Greg Buchholz and Linda Rodemsky (excused).

Kristi asked the new Finance members if they knew why they have been asked to join Finance. She gave background as to where we are and how we got there with our finances. Pastor Jeremy said people were not stepping up to be the financial secretary, bookkeeper, and treasurer, and that this happened over a series of years that people did not step up.

Pastor Jeremy explained that we are doing a new way to work the budget, that Gordon Monroe was the person who developed the budget annually, and with Gordon's resignation from Finance, it now falls to Council.

Pastor Jeremy passed out last year's proposed budget for 2022. Kristi said she has **\$17,000** written down as to our bare minimum expenses, roughly coming out to **\$204,500** annually. She said we have not replaced the office administrator, as volunteers and Pastor have been filling in, and we are not filling the position as our monies have dwindled.

Pastor Jeremy asked Marcia and the Finance team how they think we should proceed. Jon asked for tonight's agenda, and Kristi said the budget is the agenda for tonight. Marcia said we do not have Gordon, so she suggests we look at what we anticipate

income to be, see where we are, then see what to cut from expenses to total that number. She said it will be difficult to add in.

Marcia explained that receiving pdfs from Jackie Forrester (bookkeeper) are difficult for her to see and difficult to print. Scott said we are down approximately **\$57,000** in giving this year. Marcia said the projected annual income is taking ten months through October and multiplying by 12 months.

Discussion regarding the punch-list of items Council produced that was given to Jackie to use in making revisions/corrections to the financial reports. Candace said she would forward the punch-list to Jon, Marcia, Sherry, Reyanne, and Linda.

Kristi said she has concern about calculating the budget through October, dividing by 10 months, and multiplying by 12 months, as our membership is down. Kristi asked that, with all of this information Council has shared, do the new Finance members have any questions? She explained there is a balance of **\$7,300** with Mortenson Roofing on the fellowship hall roofing project. She explained the difficulties with Vanguard and moving this money to cover the majority of the roofing bill. Sherry asked if the new treasurer, whoever it is, would handle the Vanguard accounts.

Mike said there is a balance on the heater bill of about **\$6,000** - Pastor Jeremy said there is a parishioner who may pay half of this bill, and we can ask the congregation to help in a fundraiser with the balance. Pastor asked what is the number on our projected income - it was about **\$204,500**.

Scott researched past trends and noted a projected decrease in annual income of about \$57,000 (through October of this year on an annualized basis). For the years 2015 through 2022 (past seven years plus 2022 YTD), the income has dropped on average about \$8,500 each year. The current projected annual income for 2022 is \$221,500. Subtracting \$8,500 from \$221,500 indicates that, at best, we could project 2023 income at \$213,000. However, given the large drop in income this year it might be better to project a smaller 2023 income, something on the order of between \$164,000 to \$188,500 in the event that 2023 brings another larger-than-average drop in people/income.

Discussion on Jackie Forrester's approximate annual charge of **\$19,550** (\$75/hour) versus St. Matthew's approximate annual charge of **\$13,500** (\$45/hour) as bookkeepers. This would require a program conversion called "Shelby" if we choose to hire St. Matthew's bookkeeper.

Marcia said **\$22,332** was the PPE loan in 2021. Scott said in his mind we did not have to pay any of the PPE loan back.

Pastor Jeremy said the copy machine company is coming out this week to discuss our usage. Pastor said he cut down our usage significantly. Pastor said if we go with St. Matthew's bookkeeper, we could save money on QuickBooks and other bills, even though they mostly total under **\$1,000**.

DISCUSION ON ADDITIONS/DELETIONS FOR 2023

Scott said we can bring our expenses down by **\$40,000** without allowing for an office administrator.

Sue said to cut Evangelism by **\$1,500**, and she will do fundraisers.

Discussion on stopping all giving to our Outreach Ministries for 2023, totaling **\$5,700** – these include:

Bay Area Crisis Nursery (\$300)
Interfaith Council (\$300)
Lutheran Social Services (\$300)
Mt. Cross Lutheran Camp (\$300), and
Synod (\$4,500).

Kristi said these have been hot-button items in the past.

Pastor Jeremy said he needs to add **\$1,000** into the budget for continuing education.

We will be saving Laura's administrative salary for 2023 which, at the time of resignation, was approximately **\$45,000**.

Discussion to cut **\$200** for Christian Education, and take out of Youth ministry.

Sue said to delete **\$1,500** from Evangelism.

Discussion about office supplies being approximately **\$650** for 2023, or about **\$75/month**.

\$2,000 was already spent on technology in 2022 to purchase a computer and cameras.

Pastor explained the Breeze program and how it is used.

Conventions/Scholarships will stay at **\$1,200** for 2023.

Kristi asked what is Vanco - it was discussed and clarified Vanco is electronic giving, as is Tithely.

Jon said the gardeners do not raise their rates often, they are a family business, and do a good job.

Property Committee is budgeted for **\$9,000** – we will keep this amount.

Kristi said a reimbursement check in the amount of **\$2,450.56** was paid to Pastor Jeremy in July for Ace Hardware purchases. Or maybe this was for his sabbatical, since he was on sabbatical in July?

Pastor Jeremy said he would need **\$1,000** in his Continuing Education line item. He said we can delete Other Professional Expense of **\$200**. No change to the budgeted **\$500** in Pastor Discretionary Fund.

Discussion on bringing Payroll Taxes down to **\$1,326** from 2022 budget of **\$5,126**.

Discussion on bringing Workers' Comp down to **\$450** from 2022 budget of **\$900**.

Delete Office Administrator position.

Reyanne suggested adding Jackie Forrester as an outside contractor under Professional Services, like the janitor. We should also put John Yeh under Professional Services. This will be a new line item.

Discussion on budgeting approximately **\$19,000/year** for Jackie Forrester's bookkeeping services, or budget approximately **\$13,000/year** for St. Matthew's bookkeeper.

Pulpit Supply – Pastor Jeremy receives four (4) Sundays off per year; we will add one (1) Sunday in case he gets sick. We usually budget for six (6) Sundays. We will budget **\$300/Sunday** plus mileage for pulpit supply. We will keep Pulpit Supply budgeted for **\$2,000**.

Decided to delete Stewardship Committee from **\$237** to **\$0** for 2023.

Mike thinks it is worth looking into Liability Insurance rates to see about coverage. Pastor Jeremy said he has been told we have good insurance there. Mike said he would check into the rates and report back.

Property Taxes – Marcia said we do not get a discount on property taxes just because we are a church. Scott said the church may be exempt, but not the other buildings. We will leave as is.

Gas and Electric – Scott suggested we factor in another 8 percent, about **\$2,600**, for PG&E for 2023. Discussion; decided to add in **\$2,600** to PG&E.

Water – Discussion to leave water budget at **\$7,100** for 2023.

Licenses/Permits – Discussion; we will add **\$200**, making it **\$800** for 2023.

Equipment Repair – Discussion; we will reduce to **\$500** for 2023 from **\$855**.

Altar Guild – Discussion; leave at **\$200** for 2023.

Special Music/Relief Organist – Discussion; delete this line item.

We cut and added **\$42,682** net to the budget. We needed to cut **\$58,743**, so we are off by about **\$16,000** in cutting/lowering the budget.

Kristi said we need to have the budget finalized and ready to send out December 29. She said we need to meet again to discuss.

Marcia asked how to get our actuals through December, as we will not know them until January. We do not have our actuals until January of the following year.

Action Items:

Pastor Jeremy will send Marcia an Excel spreadsheet, and Marcia will enter these revised figures onto this spreadsheet for discussion at our next budget meeting.

Candace will invite Susan Metzger to the next budget meeting on **December 14, 2022, 6 PM**, in the fellowship hall.

ADJOURNMENT

Meeting was adjourned at 8:49 PM.

Minutes respectfully submitted by,

Candace Bradley, Council Secretary
Good Shepherd Lutheran Church