

Falcon Heights United Church of Christ

Annual Budget Meeting Notes

January 23, 2022

11:30am-12:42pm

(Rick, Patti, Allen, Katie, Lee, Mark, Katie, Jeanie, Carol, Gordon, Irene, Lynne, Cor, Sara, Patti Hoffman, Wicklems, Joyce's email (male attendee), Doug Nelson, Nancy, Dennis and Marianne Dietzel, Linda, Bonnie, Bob Olsen, Molly Hoffman, Lynne B., Marv, Jan)

11:37am: Cor opening: Rick to frame the budget and then turn over to Allen Hoffman and Patti Holmes who have been working together on a budget. Dennis Dietzel will also speak on where we stand with capital expenses over the next few years. Then q&a, comments, input.

-2021 budget ended with more pledges than expected and less expenses than expected. Some of the expense piece is because we weren't in the building much of the time.

-However, budget deficit for 2022 is around \$71,000 (down from \$90,000). 85% of proposed expenses in budget are fixed. Tinkering with 15% probably wouldn't be helpful.

-Need to come up with long-term solutions.

-Short term: Loans or parking lot funds.

11:42am: Rev Rick

- Pandemic opportunities: Connecting with neighbors in the community and use of our building as a community asset more than previously (two more non-profits, barbershop group and Highland Friendship Club). Possible capacity for one more building partner.
- Also need for creative financing considerations.

11:45am: Allen and Patti: 2022 Budget and 2021 Review (Slideshow/recording covers nearly all of this for a more detailed reference)

- End of the year assets: @ \$175,000
- One year ago: @\$156,000
- Still a Northstar account to do something with (all else is with US Bank).
- \$349,621 in actual revenue in 2021. Surplus in 2021 after a deficit was forecasted, much due to not being in building.
- \$8,000 that wasn't spent had to do with music programming, faith formation, intergenerational, and limited custodial expenses.
- \$246,544 budgeted pledges for 2022.
- Gift(s) from foundation forecasted to be about the same, i.e. @\$28,000.00.
- \$344,135 in forecasted total top 5 fixed expenses for 2022 (Patti).
- Current deficit forecast for 2022: \$71,486 (Expected expenses: \$369,830 - \$298,344 of expected revenue)

- Ideas: Foundation loan, parking lot sale funds (@\$102,000 in there: April, 2018: 25% of that to be used to pay down mortgage and that appears to have been done, i.e. original sale of \$128,000)
- 50% of parking lot sales can be used for mission of church so potentially some of that could be used to lessen the deficit.
- Encouragement of new ideas.
- Process is for Marv, Mark, Rick, Cor, Allen to go to Exec Board on Tuesday to recommend passing of deficit budget for 2022 due to strong giving, two of last three years we went in with a deficit budget and came out with a surplus, etc.

Lee: Fifteen pledging units from 2021 who have not submitted pledges for 2022 (amounts to \$57,000). This would have impact if secured.

Q from Gordy:: Count of pledging households in last three years: @76 in 2020, 71 in 2021, and 58 so far in 2022 according to Lee.

Q from Nancy re. mortgage balance: \$31,274

Comment from Bob: Doesn't think it's proper to show expenses as expenses. It's not staff and benefits according to Bob, it's what we do for the church. No suggestion on how better to structure this. Discussion of being mission-driven and obligation to serve.

Comment from Gordy: \$1,000 for Shannon computer may not be enough.

12:09pm: Dennis: Property Ministry Team:

-\$21,000 for 2022 budget.

-11 future possible capital campaign projects, high of \$220,000 for organ rebuild and low of \$2,000 for replacing fuse boxes with breakers.

-5 items under "future reimaginings".

Q: Patti Hoffman regarding building heating and efficiencies, solar panels, etc.

Q: Gordy: Brick pointing outside or inside. Likely outside. Meeting coming up with Palen Kimball. Sanctuary roof installed in 2003. Possibility of grant money for future green initiatives? Thermostats were installed by Xcel. December gas bill was particularly high.

Q: Gordy: Internet availability. Uncertain. Dennis: We could check with Shannon on that.

Q: Who manages programming thermostat? Several have access and can be accessed through internet. Shannon stays on top of this.

Q: Window question. Bob: Education wing is single pane glass and some are missing storm windows. This would be a large project. Addition in 2001 foresaw need to resurface this with good installation. "Butterfly roof" has been put off.

Q: Carol: Consider sale of northeast portion of parking lot. Discussion of real estate market.

Q: Patti H: Advocate for thinking about spending money for things that make us more efficient.

Q: Nancy: Healthy to state what is being done with proceeds from last parking lot sale. Chunk went to pay down mortgage and some for upcoming street assessments and 50% out there for the mission of the church which also could be tapped for 2022 deficit. Originally, \$128,000 was put in bank in 2018 and 50% can go for mission. Street assessment best guess is around \$30,000.

Q: Lynne M: Proposed street improvement projects.

Q: Lynne M: Requirement for minimum parking lot spaces legally.

Q: Jan: North end of parking lot discussion on a government entity that was going to put drainage in. Imagine this or something from past? Dennis: Northwest side a bit low and possibility of a rain garden. Could possibly get funding for that. Carol: Same recollection, i.e. Watershed District. They were going to provide a bunch of funding but it didn't go through. Bob: It provided some funding but would have put us on the hook for \$15,000-\$20,000.

Nancy: Possible need to translate revenue such as parking lot into programming. Allen: Reference motion from previous Exec Board and the language and Exec Board figuring out how that gets used, i.e. mission, 50% language, etc.

12:42pm: Adjourned