

CENTRAL UNION CHURCH 2021 Annual Budget Meeting

Sunday, JANUARY 31, 2021

11:00 a.m. ~ 12:00 p.m.

During the Corona Pandemic the meeting was held electronically via Zoom.

Officers in Attendance: Martha Balkin, Carl Schlack, Craig McGinnis, Bruce Luxton

Staff: Rev. Brandon Durán, Rev. Mary Herbig, Ashley Cambe, Margaret Lloyd, Gavin Moffat, Natasha Dator

Guests: Greg Sato, Parliamentarian

i. Call to Order:

The Meeting started at 11:00 am for the purpose of allowing time to sign in all members and participants and to establish a Quorum.

The Meeting was called to order at 11:30 am by Chairperson Martha Balkin.

ii. Quorum: A Quorum was established by Pastor Mary and Natasha Dator. They informed Secretary Bruce Luxton and the official announcement was delivered to the Chairperson, Martha Balkin. Thanks all for attending this meeting. The budget will be the priority of this meeting. The Congregational Meeting rules will be followed for this meeting which includes an amendment authorized by the Church Council to allow for electronic meetings.

iii. Invocation:

Pastor Brandon opens the Meeting with a Prayer:

Holy and living God, you are the divine healer. We thank you for being with us in this moment. We thank you for the gifts of all the people in this meeting and our island home. May we continue to be faithful stewards.

iv. Introductions:

Chairperson Martha Balkin introduced the following people:

Acting Senior Minister Rev. Brandon Durán
Ashley Cambe, Controller
Greg Sato, Parliamentarian
Carl Schlack, Vice-Chairperson and Official Timer
Craig McGinnis, Treasurer
Bruce Luxton, Secretary

v. Meeting Procedures:

Explanation and Rules presented by Martha Balkin: Martha explains that the meeting will have electronic features such as the Raise Hand function. This function will be important in the discussion and debate section. When the chair recognizes a person, they will be unmuted. The

official timer will time each individual for 2 minutes. The timer's role is to make sure we can get as many opinions as possible in the discussion and debate.

Martha provides a phone number to give additional technical assistance. Martha then explains the balloting process so that all can participate in the sample poll. This includes a telephone process for those calling in on a telephone. Martha goes over a test ballot so everyone can practice.

vi. Sample Ballot:

The rules for ballot casting are explained by Martha Balkin. After the explanation there was a practice ballot to assure that people understand and know how to use the system. The test went well. There were 10 people who did not get their vote counted, but there will be a second practice ballot.

vii. Introduction of Craig McGinnis and the Treasurer's report on the Budget for 2021:

Craig explains the way the budget sheet is structured. There is a liability that is reflected from the PPP loan. This loan has not yet been forgiven. The PPP loan number will go away when it is forgiven. The church will apply for forgiveness as soon as the bank opens the window for forgiveness.

Craig reports that there are many long-term items that need to be addressed. Many of them are not included in the statement since the year has required us to be very fluid.

The document that Craig is presenting has lines that are numbered. Craig goes over some of the lines on a number-by-number basis. Craig reports line 39 shows a deficit, however the Endowment Draw on line 40 will bring the account into balance.

Craig moves into detail. He discusses the Revenue section on line 15 that was additional to the financial statement. We are projecting a 20% reduction in revenue however we expect that by year end we will have a larger cash flow than the 2020 year.

The budgeted net revenue for Weddings will be less than in years before COVID. However, we expect more wedding income in 2021 than in 2020. The Adult Day Care has a new income source reported in the facilities use section. This is due to the change in the way we have restructured our arrangement with Arcadia from a management agreement to a lease and the resulting accounting changes.

The Facility Use income has gone up due to the new arrangement with Arcadia. We have additional income in this line item from other building use. We are still being very conservative on these items since we are uncertain how much use there will be.

The Windward CUW has a line (11) that reflects the income from CUW. Craig is aware that this summer we are going to discuss the firewall with CUW. For the purposes of this budget, Craig is projecting a full year on an ongoing basis.

The Preschool lines show the expected tuitions and there is an offsetting line for expenses.

Craig wants to thank the staff for their work in reducing expenses. Overall expenses decrease 29% in this budget. The reduction in expenses is matched by a similar reduction in income. Many committees have reduced their expected expenses for this budget year. There is no salary for a Senior Minister in this budget. This reduces the overall expenses. However, if an interim Minister is appointed, the budget will be reexamined to make room for that position.

Craig notes that the Outreach and Social Services expenses are down due to an abundance of materials already available in the church. They can be used and are already paid for. In addition, there is a reduction in salary expense due to employment changes.

Craig takes Questions:

Question: Facility Use, what is the new arrangement for Arcadia that has changed the Facility use section?

Response: Craig reports that Facility use includes Adult Day Care and the new arrangement with Arcadia. He believes that the Adult Daycare will not have an exposure to losses and the revenue will be about the same as previous years. The Arcadia relationship with regard to Adult Daycare has been restructured from a management agreement to a lease.

Question: Can Craig discuss Christian Education to highlight what is in that category?

Response: The youth director is in that line item according to Ashley Cambe.

Question: How much unrestricted funds are available in the endowment?

Response: Craig reports that the endowment continues to grow – currently, it is over \$8.0 mm.

Question: The wedding income looks to be overly optimistic.

Response: Craig reports that they researched this and believe that it is a number that they can achieve in 2021. He recognizes that it may be aspirational, however it is a best estimate.

Question: Family Ministry was budgeted higher this year. Is there a new projection progress?

Response: Ashley will get back with the answer.

Question: Is Central Union Windward separation included in the budget statement?

Response: Craig responds that the separation will be ending in August. There has been no full discussion and definition of the way in which the separation (firewall) will be resolved. Craig includes the annual income and expenses as if it was a full year. There may be changes due to the fashion in which we resolve the transition of CUW.

Hearing no more questions, Craig moves the question of the acceptance and adoption to the 2021 Budget out of his committee.

The Question for debate: **Be it resolved that the 2021 budget as presented by Craig McGinnis and recommended by the Council be and hereby is adopted.**

The meeting moves to debate of the question:

Martha calls the floor open for debate.

Comment: An individual was concerned that she did not get a copy of the full detailed budget. She finds it difficult analyzing the budget without the full detail.

Response: Martha discusses that the detail was available upon request at the same electronic location that invited people to this meeting.

Question: Why is it that the Preschool net revenue does not match the contribution of the Preschool to the Church?

Response: Craig states that the \$350,000 contribution is in the expenses of the Preschool. The Net Revenue as presented is a positive. However, it could go up or down according to the year. The \$350,000 makes sure we receive that amount as a part of the operation of the school.

Question: Does Church Council recognize that there is a belief that there is a large part of the church work required is not being budgeted? Is the Church Council looking at reinstating many of the services?

Response: Some of them have been moved to other areas. When we changed the staffing patterns, we changed many of the services to volunteers such as the Diaconate. Care for the community has been absorbed by other areas but is a constant area of focus for the remaining staff.

Question: Why does the CUW not get income from the cottage that Pastor Mary lives in? What is the progress on repairs at CUW including the cottage?

Response: There will be a discussion between CUW and CUC regarding the "Three Year Anniversary" of the combining of CUC and CUW. At that time, these issues will be addressed. The Church Council has had to choose which item on the CUW campus require the most attention. It is a slow process.

Question: Is the Church using a property manager to try to fill spaces that are empty now. Are the CUC tenants current?

Response: The properties are currently marketed by the staff. The existing tenants are current.

Question: Is there a possibility of approving a six-month budget?

Response: The parliamentarian suggests that the budget as presented is what we are considering. The Church has been conservative in its budgeting and can be managed so that the expenses can be matched to the revenue as it comes in.

Question: The CUW cottage has needed work. Has anything been accomplished yet?

Response: Similar to the question above. There have been estimates of the cost of reroofing, but no work was done. Pastor Brandon and Jon Fujita are working on the issue.

Test Poll: there was an additional practice poll.

Martha calls for the budget question:

Motion: Be it resolved that the 2021 budget as presented by Craig McGinnis and recommended by the Council be and hereby is adopted.

The vote is tallied: There are 110 votes yes, 4 votes no and 5 abstains. The budget hereby passes.

Adjournment:

There is a motion to adjourn, and a second. A show of “raising hands” approved the motion. Meeting adjourned at 1:10 pm.

Faithfully presented by Bruce Luxton, Secretary