

**CHURCH COUNCIL MEETING  
ST. PAUL'S UNITED METHODIST CHURCH & WESLEY FOUNDATION  
APRIL 25, 2018**

**ATTENDEES:** Barb Barnett, Mark Bodenschatz, Matt Carlson, Mark Doyle, Keith Duclos, Sandy Elbin, Steve Elbin, Lindsay Fairman, Dave Flick, Virginia Flick, Kelly Grimes, Jen Gruendler, Nancy Guild, Jane Harris, Susan Johnson, Amy Marshall, Becky McGee, Greg Milinovich, Phil Mohr, Ray Raker, Sue Rubba, Kevin Sikorski, Adam Smith, Alice Wambold, Jim Wambold, and Joan Zimmer

**CALL TO ORDER:** D. Flick called the meeting to order at 7:00 p.m.

**DEVOTION:** A. Smith shared a devotion based on the Parable of the Sower (Matthew 13).

**APPROVAL OF THE MINUTES:** The minutes for the February 28, 2018, meeting were approved.

**SENIOR PASTOR:** G. Milinovich reported the following:

1. Vision Day will be held on Saturday, May 5, beginning at 8:30 a.m. on the third floor of the Education Center. The meeting is open to all; discussion will focus on how we as a church can live into our new "Meeting, Making, and Moving" vision.
2. He is working with our consultation coach to assemble a small task force to evaluate options for simplifying our structure and to make a recommendation to Church Council.
3. Our Sunday worship schedule will change to one service, at 10:00 a.m., for 10 weeks this summer, beginning on June 10. We will return to three services on August 19.

**ASSOCIATE PASTOR:** B. McGee reported the following:

1. She will be leading a five-week, church-wide study on spiritual practices in conjunction with the summer worship schedule. The study will meet following worship services on June 17 through July 15 and will parallel the sermon series presented during that time period.
2. Child Connection, a program to pair mentors from St. Paul's with our preschool children and their families, is expected to launch in the fall.

**CAMPUS MINISTRY:** J. Gruendler reported the following:

1. Abba Java recorded 23,603 visits during the 2017/2018 academic year. Additional data recorded during this time period include: 1,838 volunteer hours; 716 pounds of coffee used; 5,187 pounds of food received from the State College Area Food Bank; and 18 special events organized. There are 285 names in the student database.
2. Wesley's spring break trip to help rebuild a house in Houston was successful.
3. She has applied for the Lilly Foundation's Sustaining Pastoral Excellence Grant, which would extend Lilly's funding for five years.
4. Wesley will celebrate its 100<sup>th</sup> anniversary at Penn State in 2020. The Wesley Leadership Team has formed a 2020 Vision Team to explore options for recognizing this milestone and to develop a vision for the next 100 years.
5. Room 204 will be renovated this summer. It will transition to a flex space in the fall and will be used as a student space during the day.

**MINISTRY MOMENT/UNITED METHODIST WOMEN:** N. Guild shared the following:

1. UMW will celebrate its 150<sup>th</sup> anniversary next year. Approximately 800,000 women in the U.S. are members. The group supports about 100 domestic and 100 international missions.
2. There are four UMW circles at St. Paul's with a combined membership of 77 women. Additionally, there are 52 members-at-large, bringing total membership to 129. Circles meet monthly.
3. Locally, St. Paul's UMW supports the State College Area Food Bank, Interfaith Human Services, the Park Forest Preschool, and the Women's Resource Center. Funding comes from member pledges, small fundraisers (e.g., bake sales), and their annual major fundraiser (garage sale).
4. In 2017, St. Paul's UMW budget was \$11,350. However, thanks to generous donations, they were able to give away \$13,600, which was 92 percent of their income.

**FINANCE:** Steve Elbin reported the following:

1. **First Quarter Income/Expense results**

Church	-\$26,785.15
Wesley	\$1,677.14
Preschool	-\$1,684.26
Consolidated	-\$26,792.27

**Notable Items:**

- The average monthly Church Ordinary Income was \$85K, versus the approved 2018 Budget amount - \$96K (January through November).
- The Preschool loss is an improvement over the 2018 projected loss of \$25K for the full year.
- A considerable portion of the loss pertaining to the Church will likely be eliminated in April as a result of five Sundays, one of which being Easter.

2. **Balance Sheet Equity dated March 31, 2018**

Church	-\$31,760.40
Wesley	\$1,677.14
Preschool	-\$1,684.26
Consolidated	-\$31,767.52

**Notable Items:**

- The Consolidated Equity does not include the Building 4 Balance - \$624K. Building 4 is debt free, and should be appraised in the near future for a more accurate value estimate.
- The unpaid Preschool Grants have been removed to the Consolidated Equity (now negative).
- Consideration should be given to establishing a Debt Ceiling that would establish a maximum allowable debt level for the Consolidated Equity. This assessment should also entail establishing (or re-visiting, if one exists) the philosophy on how to incorporate the Building 4 equity. In reality we have in excess of \$600K of assets frozen. A question we should ask ourselves: Should we free up a portion of owning brick and mortar in order to do more of God's work? That could be achieved with offsetting a portion of the stated equity of Building 4 by an agreed upon Debt Ceiling of the General Fund.

3. **Budget Report:** A 2018 Budget Report that links actual income and expenses to the approved budget is in the process of being finalized.
4. **Mid-Year Budget:** Upon completion of the Budget Report, and guidance received on the level of acceptable (if any) General Fund debt, a Mid-Year Budget will be presented for the purpose of evaluating initiatives that are presently on hold.
5. **Transfer of Conference Certificates:** A portion (\$180,000) of the funds being transferred to Merrill Lynch is "owned" by the General Fund. The current designation of this investment will be as a subset of our overall asset portfolio and not linked to any designated fund. The funds will be invested in a Moderate Conservative Risk Portfolio.

The discussion that followed focused on the recommendation to establish a debt ceiling (item 2 above, third bullet point). Steve Elbin noted that under our current designated funds policy, monies essentially become "stranded." His suggestion is that a debt ceiling be established that allows us to "borrow" from monies held in designated funds, up to the established limit, with the equity in Building 4 used as collateral. Doing nothing, he noted, will require the Finance Committee to eliminate the current negative equity. Since it is unlikely that our income is going to increase, we will be faced with cutting non-discretionary expenses.

Following the discussion, D. Flick asked Steve Elbin to work with the Finance Committee to develop a resolution regarding the establishment and management of a debt ceiling, which can be presented to Church Council at the June meeting.

**STAFF-PARISH RELATIONS:** A. Marshall reported the following:

1. Dave and Caitlin Fisher will be leaving their positions at St. Paul's this summer. SPRC is updating their job descriptions in preparation for the search for their replacements.

**MEMBERSHIP:** V. Flick stated that total membership stands at 1,369 as of April 25, 2018.

**ANNOUNCEMENTS:** J. Zimmer noted that the Park Forest Preschool is holding a 50<sup>th</sup> anniversary celebration at 10:30 a.m. on April 26. S. Rubba announced that the UMW garage sale will be expanded to include Friday evening this year. The dates of the sale are August 24-25.

**ADJOURNMENT:** D. Flick adjourned the meeting at 8:50 p.m.

Respectfully submitted,

Jane Harris, Church Council Secretary