

**CHURCH COUNCIL MEETING
ST. PAUL'S UNITED METHODIST CHURCH & WESLEY FOUNDATION
JUNE 27, 2018**

ATTENDEES: Barb Barnett, Mark Bodenschatz, Matt Carlson, Jean Chirpas, Hayden Davidson, Mark Doyle, Steve Elbin, Dave Flick, Virginia Flick, Bob Forbes, Lou Geschwindner, Kelly Grimes, Jane Harris, Russ Johns, Shelley Johns, Susan Johnson, Amy Marshall, Greg Milinovich, Phil Mohr, Jeff Mugridge, Ray Raker, Kevin Sikorski, Adam Smith, and Joan Zimmer

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

DEVOTION: S. Johnson shared a reading from "God Listens: Praying with Passion and Power" by Jack Countryman.

APPROVAL OF THE MINUTES: The minutes for the April 25, 2018, meeting were approved.

SENIOR PASTOR: G. Milinovich reported the following:

1. It has been almost two years since he was appointed to be our pastor; he hopes we know how much he loves serving here and how excited he is to continue the journey with us.
2. He sees a number of good things happening at St. Paul's, with a strong staff, good and energizing worship, and new ideas being tried. New studies, mission ideas, and ways to connect with students are being planned, as are new ways to structure the administrative staff to operate more efficiently and effectively.

MINISTRY MOMENT/ACCOUNTABLE DISCIPLES: M. Doyle shared the following:

1. The group, which meets at 6:30 a.m. on Fridays, was established approximately 25 years ago. Jim Martin was the long-time leader; Felix Boake currently leads the group.
2. Most attendees are men who are members of St. Paul's, but anyone is welcome, including women.
3. In addition to weekly Bible study, the group has a strong relationship with Abba Java, providing assistance with tasks such as moving furniture and painting when needed.

ANNUAL CONFERENCE: S. Johnson reported the following:

1. The theme of this year's conference was "Better Together: One With Christ."
2. A pop-up church will be coming to the State College District.
3. The State College District's "Miles for Missions Walk/Run-a-Thon" raised \$16,000 for Bishop Park's "Partners in Missions" initiative.
4. Pastor Becky was ordained as an Elder at the Service of Commissioning and Ordination.

Following her report, S. Johnson announced that she has decided to answer a call to ministry.

FINANCE: S. Elbin reported the following:

1. Income/Expense (year to date)

Church	-\$21,748.45
Wesley	\$1,135.15
Preschool	-\$3,553.66
Consolidated	-\$26,437.24

Notable: The actual average monthly income was \$85K, versus the approved 2018 Budget amount of \$95K.

2. Cash Reserve (5/31/2018)

Church	\$164,335.62
Wesley	\$12,968.94
Preschool	\$143,364.05
Consolidated	\$320,668.61

Notable: The Church owes Wesley \$61,786.12. The Preschool owes the Church \$143,637.24.

3. Balance Sheet Equity (5/31/2018)

Church	-\$20,360.34
Wesley	-\$1,135.15
Preschool	-\$3,553.64
Consolidated	-\$25,049.13

Notable: The purchase price of Building #4 (\$624K) is not included in the Church equity. The Consolidated Equity became negative when the Preschool unpaid grants (\$41K) were written off as bad debt.

4. Projected Consolidated Equity (12/31/2018): The consolidated equity at the end of 2018 is project to be -\$45,000 based on the following assumptions: average income January through November, \$85K; December income, \$160K; expenses for 2018 at level of approved budget less discretionary items; Wesley Foundation equity, \$0; and Preschool equity, \$5K.

5. Options to Address Negative Equity:

- a. Do nothing. Continue to function without formal approval of a negative equity balance, nor any constraints in the amount of debt accumulating. NOT RECOMMENDED.
- b. Reject Resolution (Attachment A) to cover negative equity with transfer from Building #4. Finance Committee will proceed with aggressive provisions to not incur additional debt, and steps to ultimately eliminate the current debt. These actions would likely include staff reductions as well as impact to the funding of missions. NOT RECOMMENDED.
- c. Accept Resolution (Attachment A) to transfer equity from Building #4. The Church, Wesley Foundation, and Preschool will continue to function within the 2018 approved

budget (less discretionary initiatives). The 2019 budget shall be developed with a disciplined focus on a balanced budget. The forecasted income shall reflect 2018 actual results, attendance trend, and benefits of lessons learned from the previous stewardship campaign. And as necessary, the expense budget shall be reduced in order to achieve a balanced consolidated budget. The required steps to achieve a balanced budget may extend beyond 2019, thus the request to transfer an incremental amount of equity beyond the forecasted 2018 value (\$75K vs. \$45K). RECOMMENDED.

A motion was made to accept the resolution. In the discussion that followed, A. Marshall pointed out that because the resolution encumbers an asset of the corporation, it cannot be executed by Church Council – it can only be executed by the Board of Trustees. She noted that Church Council can recommend that the Trustees accept the resolution, but Council has no legal authority to bind the corporation.

The motion was then changed to a recommendation that the Board of Trustees accept the resolution. A vote was taken; the motion passed unanimously.

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

1. The vacant administrative assistant position has been advertised. The pastors and Linda Heverly will conduct the interviews.
2. The director of youth ministry position has also been advertised. G. Milinovich will conduct phone interviews to narrow the applicant pool. The pastors and SPRC will then conduct face-to-face interviews with the finalists.
3. A celebration of B. McGee's ordination is tentatively scheduled for August 5.

MEMBERSHIP: V. Flick stated that total membership stands at 1,370 as of June 27, 2018.

ADJOURNMENT: D. Flick adjourned the meeting at 8:15 p.m.

Respectfully submitted,

Jane Harris, Church Council Secretary

**ATTACHMENT A
RESOLUTION OF ST. PAUL'S UNITED METHODIST CHURCH
AND WESLEY CENTER**

WHEREAS, St. Paul's owns real property commonly referred to as Building 4, located at _____, State College, Pennsylvania; and

WHEREAS, Building 4 is owned free and clear of any liens; and

WHEREAS, the Finance Committee has recommended that a portion of the equity of Building 4 be transferred to remove any negative equity on the consolidated Balance Sheet.

NOW, THEREFORE, be it resolved that:

1. Upon recommendation of the Finance Committee, an amount of equity in Building 4 not to exceed Seventy-Five Thousand and 00/100 (\$75,000.00) Dollars to offset the negative equity on the Consolidated Balance Sheet, shall be transferred to the consolidated Balance Sheet to remove the said negative equity.

Accepted and executed this _____ day of _____, 2018