



Management Board Minutes – May 28, 2019

Management Board Members in Attendance

Amanda Peterson Beadle	Matt Hansen
Sam Kilpatrick	Doug Steele
Tracy Collins	Gwen Williamson
Noel Bravo	

Leigh Carter, *unable to attend*

Staff and Lay Observer in Attendance

Ginger Gaines-Cirelli	Elder Witt Wellborn
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The meeting was called to order at 7:00 p.m. by Gwen Williamson, Chair of the Board, and opened with a prayer. Joys and concerns were shared by all in attendance.

Consent Agenda

The May 2019 Board meeting minutes will be presented at the next meeting.

Board Resolution.

The April 25, 2019 Charge Conference minutes were approved without revision.

Staff/Clergy Report

Report submitted. Highlights:

- Timing for Racial Justice & Equity Project;
- Administrative staffing needs;
- UMC Next reporting session;
- LGBTQ Pride preparations and celebration;
- Welcome and onboarding of Rev. Dr. Kelly Grimes in July.

LGBTQ Advocacy/UMC Issues

Matt reported on the Strategic Asset Working Group's initial meeting, as well as the meeting of the Endowment Committee held earlier that evening. Both groups are focused on stewardship and safeguarding of Foundry's financial and other assets.

Audit Committee

Sam reported that the 2018 audit was nearly complete and that Foundry's auditors, Nick Thompson and Konrad Schweitzer, CPAs from CitrinCooperman, would attend the June Board meeting to present the Audit Report, Audited Financials and Management Letter. Sam emphasized the good work of Julie Hansen in making the 2018 audit run smoothly as well as the second set of eyes provided by the Audit Committee members with audit firm experience. Sam said that no issues had been identified in the audit process to date.

Nominating Committee

Doug reviewed the Nominating Committee's process and said that the slate of new Board members proposed by the Nominating Committee would be presented in closed session. Ginger reported that the Church Conference to hold the elections would be held on June 30, 2019 at 10:10 a.m. with Rev. Rachel Cornwall presiding.

Facilities Committee

Nick reported on the meeting to discuss changes to Foundry's space being made to accommodate program and staffing needs, and discussed the status of those changes.

Governance Committee

Amanda reported on the listening sessions held regarding the potential changing of the name of the “Management Board.” She said that several listening sessions were still on the calendar, but that initial feedback suggested no need to change the name.

Amanda also reported on work towards orientation for the new Board members to be elected on June 30, and said that the orientation package would be ready before the new members’ first meeting with the Board in July.

Personnel Committee

Noel reported that the congregational survey would close in two days and that he would report the results at a future meeting.

Finance Committee

Matt reported on the transition from the old to the new systems for recurring gifts and said that staff was continuing to contact the approximately 90 donors with reoccurring credit card gifts and asking them to cancel in the old credit card processor (Vanco) and reinitiate in new credit card processor (Stripe).

Matt presented the Finance Committee’s recommendation that \$150,000 be transferred from Operating Reserves to the Operating Checking Account to cover a portion of the 2018 operating loss and in recognition of current cash management challenges.

Board Resolution.

The Board approved the Finance’s Committee’s recommendation as proposed.

The Finance report is attached to these minutes.

Respectfully Submitted,

Gwen Williamson

Chair of the Management Board

Treasurer's Report

Date of last Finance Committee meeting: 5/22/19

In attendance: Matt Hansen, Bryant Johnson, Bill Ellett, Kelly Johnson, Lani Willbanks, Julie Hansen

Date of next meeting: 6/18/19, 6:00PM

2018 Status:

- The financial statements sent to the auditor had an operating deficit of **(\$195,261)**, the revised number is now **(\$234,070)**. This is the amount we will need to withdraw from Operating Reserves to cover all of 2018 expenses. See motion below regarding use of Operating Reserves to cover this loss.

2019 Status:

- April Income & Expenses:
 - MTD operating income was \$186,733 and expenses were \$234,915 giving a MTD net of **(\$48,183)**.
- 2019 Income & Expenses:
 - YTD operating income is \$769,626 and expenses are \$829,405 giving a YTD net of **(\$59,779)**.
 - The Finance Committee is interested in why contributions are only at 90% of budget. The Committee has asked staff to take a first look at top tier donors to see if there have been unexpected deaths, relocations, or job loss. All agreed that pastoral outreach could be needed.

Taxes:

- Foundry has determined, with outside advice, that under the new tax code passed in 2018, we will need to begin paying taxes on "Transportation Fringe Benefits" (staff parking) and to file a 990-T (IRS) and D-20 (DC) every year. Last year (2018), we spent \$18,173 on staff parking, so we filed and paid \$3,816 to the IRS (21%) and \$1,499 to DC (8.25%). We will remit the payments quarterly in 2019 and hope that staff can file the annual reports without paying a professional tax preparer.

Mission Possible Finance Matters:

- Loan balance: \$2,856,220
- Cash on hand: \$323,641
- All contributions to MP have been transferred to that bank account through April.

Board Designated Funds:

- Capital Reserves
 - Current bank balance is \$337,804 or 12.8% of 2019 Budget
 - Target minimum is 25% or \$659,056 (we are below our target by \$321,252)
 - MP Phase I owes \$260k (board vote 9/29/16 and 1/24/17). Repayment would bring us close to target.
 - Board approved \$38,250 in 2019 for the new website
- Operating Reserves
 - Current bank balance is \$428,982 or 16.3% of the 2019 Budget
 - Target minimum is 28% or \$738,143 (we are below our target by \$309,161)
 - **We will need to soon withdraw \$234k from \$428k to cover deficit from 2018. This is a serious concern.**
- Strategic Investment Fund
 - 2019 starting balance was \$24,087
 - The Board approved \$25,000 (full balance) to be used in 2019
- Building Use Fund (created by the Board in May 2018 for future loan payments)
 - Current bank balance is \$60,000
 - Current book balance is \$101,385

Systems Transitions:

- In the months of April and May staff will be contacting donors who have reoccurring credit card gifts and asking them to cancel in the old credit card processor (Vanco) and reinitiate in new credit card processor (Stripe). Staff still hope to have this completed by 5/31/19. UPDATE: there are still about 90 reoccurring gifts in the old system.

Motions for the board: The Finance Committee recommends to the Board (4-0 vote) that \$150,000 be transferred from Operating Reserves to the Operating Checking Account to cover a portion of the 2018 operating loss and in recognition of current cash management challenges.

APRIL 2019 Income and Expense

Headings and Account	MTD Actual	YTD Actual	YTD Budget	% of YTD Budget Used	Variance from Budget	Annual Budget	YTD Actual Last Year
Revenues							
Contribution Income	\$128,121	\$566,177	\$626,100	90.4%	(\$59,923)	\$2,085,000	\$570,015
Special Appeal Income	\$15,658	\$20,523	\$8,000	256.5%	\$12,523	\$18,000	\$6,455
General Income	\$14,570	\$55,166	\$46,333	119.1%	\$8,833	\$141,000	\$2,210
Transfers from Temp Restricted	\$28,384	\$127,760	\$100,202	127.5%	\$27,558	\$300,605	\$0
Total Revenues	\$186,733	\$769,626	\$780,635	98.6%	(\$11,009)	\$2,544,605	\$578,681
Expenses							
Programs							
Worship	\$4,435	\$11,963	\$12,528	95.5%	\$565	\$30,335	\$2,693
Discipleship Ministries	\$1,537	\$21,438	\$19,650	109.1%	(\$1,788)	\$47,700	\$7,173
Music	\$2,273	\$5,977	\$4,177	143.1%	(\$1,800)	\$16,581	\$2,822
Family Ministries	\$2,154	\$11,746	\$16,157	72.7%	\$4,411	\$42,970	\$8,995
Hospitality & Care	\$7,767	\$13,703	\$13,367	102.5%	(\$336)	\$35,200	\$5,687
Advocacy	\$2,730	\$29,034	\$27,667	104.9%	(\$1,367)	\$58,500	\$21,028
Service Ministries/Benevolence	\$12,453	\$30,428	\$32,517	93.6%	\$2,088	\$86,550	\$18,350
Total Programs	\$33,350	\$124,289	\$126,062	98.6%	\$1,773	\$317,836	\$66,747
Operations							
Apportionments	\$25,627	\$76,880	\$102,507	75.0%	\$25,627	\$307,522	\$91,251
Building Support	\$18,192	\$77,645	\$78,137	99.4%	\$492	\$225,300	\$96,279
Communications	\$11,501	\$37,266	\$37,667	98.9%	\$401	\$113,000	\$11,195
Supportive Services	\$17,850	\$53,713	\$51,506	104.3%	(\$2,206)	\$177,920	\$71,524
Stewardship	\$2,466	\$6,965	\$7,667	90.8%	\$702	\$28,000	\$17,842
Utilities	\$13,965	\$35,048	\$41,270	84.9%	\$6,222	\$137,210	\$44,476
Total Operations	\$89,601	\$287,517	\$318,754	90.2%	\$31,237	\$988,952	\$332,568
Human Resources							
Appointed Clergy	\$37,720	\$143,233	\$130,352	109.9%	(\$12,881)	\$430,606	\$172,649
Program Staff	\$12,501	\$55,372	\$60,056	92.2%	\$4,684	\$187,968	\$51,715
Music Staff	\$19,314	\$62,744	\$67,499	93.0%	\$4,755	\$202,496	\$60,367
Operations Staff	\$35,318	\$126,392	\$131,000	96.5%	\$4,608	\$391,499	\$80,216
Human Resource Support	\$7,111	\$29,859	\$57,339	52.1%	\$27,480	\$116,867	\$30,375
Total Human Resources	\$111,965	\$417,599	\$446,246	93.6%	\$28,647	\$1,329,437	\$395,323
Total Expenses	\$234,915	\$829,405	\$891,062	93.1%	\$61,657	\$2,636,225	\$794,638
Net Total	(\$48,183)	(\$59,779)	(\$110,427)	0.0%	\$50,648	(\$91,620)	(\$215,958)

-- Submitted by Matt Hansen, Treasurer