

Financial Planning Team Meeting Report

April 14, 2009

Objectives of the Financial Planning Team:

Achieve a sustainable balanced operating budget

Develop a way to always have a clear picture of our financial status

Attendance: David Grider, Susan Mattson, Dan Scoggins, and Elaine Victorine

Facilitator: David Raymond

1. Follow-up: Jennifer and Dave are working on the chart of accounts and on making QuickBooks easier and developing reports for the council. Lane is working on the transfer from WF money market to higher interest FDIC funds
2. We had a discussion about the recent history and cultures of the three preceding congregations in terms of money. Each congregation was different in terms of its response to issues like deficits, and NEC carries part of the culture of each of the churches. We also talked about the steps that led NEC to the point where it is today. In order to achieve the objectives of the council and the team we will need to help NEC develop a new congregational culture about money. This new culture might involve “DEF”: Disciplined, Effective, Focused. We want to avoid the typical knee-jerk reaction to deficits to “cut deep and go cheap.”
3. In response to Amy’s suggestion, Dave made a new chart that shows the Income and Expense Comparison with 9 other churches by percent of offerings. This can be helpful in setting targets for NEC. The percentages of other similar congregations that are growing can be a good guideline for our work.
4. At the last meeting we established three initial focus areas: Christian education; office and personnel. We are asking the Christian education committee to make recommendations for changes in the Christian ed budget based on our “DEF”. We will deal with the office budget after we get more information and advice from staff. We started the personnel discussion talking about the need for objectivity and the need to treat all staff with dignity and thoughtfulness. We talked about the possibility of making a longer-term recommendation in some situations where a position might be restructured. In some cases the incumbent might be retained with minor restructuring until the incumbent resigns. The significant restructuring might then take place when the position is vacant. We also had a discussion about severance. Our plan is to recommend a pastoral severance plan that draws on synod suggestions before any discussion of the pastoral positions. This plan could apply to voluntary resignations. Dave passed out a chart of positions along with salaries and tax and benefit costs. We will begin reviewing these positions at our next meeting. Dave will try to get more information about the actual staffing structure of some comparable congregations.
5. Dan presented some of the results of the survey that was taken after the congregational information meeting on April 5. Depending on how the question was asked, between 83% and 95% of the 37 respondents clearly want NEC to move to a balanced budget, which is an affirmation of the council’s priority and a mandate for the financial management team. The survey also showed that achieving a balanced budget is not going to be easy for members.
6. The next meeting will be on Tuesday, April 28 at 6:30 pm at 13th.