ST. MARK'S LUTHERAN CHURCH
CONGREGATIONAL COUNCIL MEETING
November 27, 2024

Contents

Attendance

Date: November 27, 2024	**Location:** St. Mark's Church
Time Started: 18:00	**Time Ended:** 19:15

Invited	Jan 25	Feb 29	Mar 21	Apr 25	May 30	June 20	Sep 12	Oct 24	Nov 21	Nov 27		
Nathan Cook (S)	P	P	P	P	P	E	P	E	A	P		
Lynda Joyal (T)	E	E	P	E	E	P	P	P	E	E		
Nels Kristenson	-	-	-	P	P	E	E	E	P	P		
Tom Lewis	P	P	P	E	E	E	P	E	P	P		
Jodi Pappel	P	E	P	P	P	P	P	P	E	P		
Cole Parsons (VC)	P	P	P	P	P	P	P	P	P	P		
Marijus Timmerman (C)	-	-	-	P	P	P	P	P	P	P		
Pastor Zsófi (exofficio)	P	P	P	P	P	P	P	P	P	P		
VACANT												
VACANT												
	Guests											
Signe Jewett				P								
Brian Lorch									P	P		

Minutes

November 27, 2024, 6:00pm

Called to complete business from November 21, 2024.

(7) Budget Preparation

MSC CC-2024-70 That the 2025 Draft budget, Option A, prepared by the Finance Committee is recommended to the congregation for approval at the congregational meeting scheduled for December 8, 2024. (Amended Nov. 27)

MSC CC-2024-71 That the Finance Committee be authorized to make final remittances to the MNO Synod and Lutheran Urban Ministry prior to the 2024 Year End, subject to the following limitations:
(a) the net operating deficit after these remittances are made is less than $8,000; and
(b) the remittances do not exceed the amounts allocated to each organization in the 2024 budget.

Adjournment

2025 Budget – Notes on Draft 2
Prepared: November 12, 2024

HOW TO READ THE DOCUMENT

COL 1	Line-item name (and General Ledger code number)
COL 2	2024 income / expenditures as of September 30
COL 3	2024 budgeted amount
COL 4	% of 2024 budget spent as of September 30
COL 5	Projected year end income / expenditures
COL 6	2025 proposed budget
COL 7	Notes

Bottom Line

Draft 2 is showing an operating deficit of $11,324 which is larger than what was projected in Draft 1.

What has Changed from Draft 1

<u>General Offerings</u>

- Our projection for 2024 general offerings assumed giving in the October, November and December would match what was given in the final quarter of 2023.
- As October 2024 giving by both envelopes and e-transfers fell short of 2023 levels, we have down graded our 2024 year-end projection.
- We continue to project a decline in PAD giving due to decisions by some members to either reduce or discontinue their PAD commitments. The loss in the order of $1,000 per month.
- For 2025, we have maintained the assumption that giving through envelopes, PAD, securities donations, and e-transfer will increase by 3%. Even with this increase, we project overall giving to flatline at about $270,000.
- As a reference point, the 2024 budget estimated general offerings to be $285,000.

<u>Other Income</u>

- Given better than anticipated rental income this year, we are now assuming a similar amount of rental income will materialize in 2025.
- Given the drawdown in our TD Direct Investing savings account to fund the purchase of the dishwasher and a decrease in the interest rate paid on this account, we have reduced the projection for interest income in 2025 to $3,000.
- Net effect will be $1,000 decline in other income.

<u>Salaries / Wages</u>

- We had assumed a 3% increase in salaries / hourly wage rates. Synod guidelines for 2025 recommend a 2% increase. The lower increment results in a savings of about $1,600 in salary and benefit costs.

Benefits

- GSI is increasing the percentage rate on the life/disability plan from 4.5% of salary to 4.9%
- Health / dental premium for lowest tier plan is increasing from $400 per month to $438 per month
- Given the directive from GSI that the office admin position is eligible for enrolment in benefit plans based on the combined compensation received from Messiah and St. Mark's, we are now budgeting for pension and life/disability premiums. In addition, we assume we will share the cost of a basic health / dental premium with Messiah using St. Mark's share of total hours worked as the basis for determining our share. As a starting point, we have assumed St. Mark's uses 40% of the total hours.
- **We are estimating enrolling the office admin into the pension, life/disability and health/dental plan will cost just over $4,200 in 2025.**

WHAT DID NOT CHANGE IN DRAFT 2

(notes below are repeated from Draft 1 Notes)

Program Spending

1. Increase of approximately $4,000.
2. Increase mostly attributable to funding for CLAY ($5,000)

Administration

1. Modest decline in overall spending on administration of approximately $500.
2. Expiration of lease agreement on telephone equipment will eliminate that cost.
3. Assumption made that the maintenance contract on the telephone equipment will be terminated. Current cost is $26/month.

Property

1. Approximately $1,500 increase over the 2024 budget.
2. Anticipating a 10% rise in cost of insurance.
3. Reduced budget for utility costs (greater energy efficiency following upgrades to insulation in Parish Hall in 2023).
4. Cost of full year of custodial services now factored into the Property budget.

Mission Partner Support

1. Draft 1 assumes no change in support sent to MNO Synod, Lutheran Urban Ministry and other partners.

Path to a Final Draft of the 2025 budget

Assuming that Council will want to present a balanced budget to the congregation, the Finance Committee has identified some options for expenditure reduction.

The reality is there are few areas in the budget to look for reductions of the magnitude needed.

CLAY 2025

Revisit the allocation being made to support members of Youth Group who will travel to CLAY 2025. Historically, the congregation has set aside $5,000 in CLAY years. CLAY 2025 is being held in Saskatoon meaning travel costs will be less.

Part-Time Staffing – Office Administrator

The playing field has shifted immensely since Draft 1 was prepared and invokes the question of whether we would have hired the person we did if we knew what we know now about GSI rules.
As mentioned above, our cost of enrolling Alison in the benefits program amounts to about $4,200 per year.
This blow could be softened by reducing the number of hours allocated to this position.

- A reduction to 12 hours per week year -round reduces our cost by $3550
- A reduction to 12 hours per week over 44 weeks and 8 hours per week for the remaining 8 weeks yields a savings of $4,411.
- Even if we were to adopt these types of reductions, it would leave an operating deficit of at least $7,000.

If we could return to an employment arrangement like the one we had with John H. and:

- Reduce hours to 12 per week year round, we would still have an operating deficit of $3934.
- Reduce hours to 12 per week for 44 weeks and 8 hours per week for eight weeks, the operating deficit drops to $3,162
- And, in case you were wondering, if we reduced to 8 hours per week year-round, we would now show an operating profit of $1,081.

Assistance with creating PowerPoint slides could be returned to volunteers. Volunteers could also be sought to manage the E-News and the Sunday morning duty rosters. If not, are these luxuries that are no longer affordable?

Part-Time Staffing – Director of Music Ministry

Hate to even go here but . . . The Director of Music Ministry current works 18 hours per week. Originally, though, the position was allocated 15 hours per week.
The annual cost for each hour worked (excluding benefits) is $1,962.

Salary Guidelines for Director of Music Ministry

When the incumbent was hired, it is believed a commitment was made to meet the salary guidelines provided by the Royal Canadian College of Organists. We are not sure how binding this provision is as we are unable to locate a copy of the original offer of employment.

Here's where we stand:

Current Salary:	$34,298
2024 Guideline	$38,822
Gap	$4,524
Proposed 2025 Salary	$34,984

Over the last few years, increments to the salary grid provided by RCCO have outstripped the percentage wage increases we have offered leading the gap shown above.
We have rationalized this situation by noting that we provide free use of the sanctuary / baby grand piano to the incumbent for her music lesson business. Currently, three time blocks are used per week for 36 weeks of the year. Assuming a rental rate of $60 per time block, the implied tax-free benefit is valued at $6,480.

Part-Time Staffing – Youth Leader

A 10% reduction in hours allocated to the Youth Leader would result in a wage saving of $519.

MNO Synod Benevolence

A 10% reduction in our commitment to the MNO Synod would produce a savings of $2,100. Such a reduction would continue the downward trend in our giving to the synod. In 2018, our commitment to the Synod was $49,000.

Program Committee Budgets
As you are aware, there is not much meat on these bones to begin with, but you could probably find places to trim. *Eternity for Today* subscriptions could be moved to a model like what we do with *The Canada Lutheran* --- that is, members who want a subscription pay for it themselves.
Possibly reduce the $100 subsidy given to first time attendees at the Thanksgiving retreat. In 2025, a reduction of $25 would yield a saving of $200. Money allocated to committees currently in hibernation (e.g., Social Ministry) could be reduced.

Honoraria

Develop a formal policy on honoraria paid to members for fulfilling roles such a supply musician and assistant youth leader. Is it reasonable to ask why some roles are designated to receive honoraria while other volunteer roles are not. As an example, our financial secretary fulfills that role purely on a volunteer basis as do the organizers of the Sunday School, our financial bookkeeper and members of the property committee who put in many hours looking after our church building.

Can we generate more income?

Draft 1 of the budget already has a 3% increase in offering income built in. Not all will be able to consider such an increase meaning a greater increase must come from others. Is this realistic?
Our 2024 budget called for a 2% increase in offerings. Of the 63 member households on PAD, 45 have not increased their PAD amount since December 2023.
Can we do more? Is it time for an intentional stewardship campaign to stir up enthusiasm for the giving of time and / or monetary gifts.

NOTE:
Each 1 percentage point increase in giving would generate an additional $2,600 income