

Governing Council Special Budget Meeting - January 17, 2023

Agenda/Minutes

Zoom Meeting

Attending: Rev. Douglas duCharme, Steve Dunk, Amanda Hancox, John Ryerson, , Katherine Dalziel, Vicki Stuart, Allan Hux, Mary Ellen Richardson (Chair) Tom Salisbury

Regrets: none

1. Welcome – Mary- Ellen

2. Reflection – Douglas

Mary Oliver poem, Dog Songs

3. Guiding principles – Amanda

It was commented that we have come a long way these last few years. and these principles have been a great help.

4. Approval of minutes Nov 22/22 (Note the discussion on extending the Jennifer Hinds proposal has been deferred)

Moved by Amanda

Seconded by Allan

Approved

Note: Special e-vote Dec 9/22

Report from Treasurer to Governing Council Dec 9/22

"I received the attached proposals to conduct an audit of Fairlawn this year. It has been quite a few years since the last audit and I believe we should pursue it this year. The "Independent Review" procedures UCC manual are essentially an audit. I have also heard on monthly calls held by the UCC for Treasurers that an audit is strongly recommended.

I think it is also important to ensure our disclosure is up to date with current accounting rules for not-for-profit entities.

I received two proposals and am recommending to the Governing Council that we accept the proposal from Koster, Spinks & Koster. The price is reflected in the 2023 budget.

For your information Koster was referred to me by Bill Dines (a former Chair of our Trustees) and Kriens is the auditor of Eglinton St. Georges.

I move that Fairlawn Avenue United Church appoint Koster, Spinks & Koster as the auditor for the 2022 fiscal year.

Moved by Steve Dunk

Seconded by John Ryerson

Carried unanimously by e vote

5. Budget 2023 - Steve Dunk

Attached is the detailed operating budget for 2023 – first draft. Hopefully we can find a significant tenant/partner to mitigate the loss. The spreadsheet includes the draft operating results for 2022 as they stand at the moment (before the audit commences). I am waiting for the Trustee accounts so I can then consolidate the two.

If you open the spreadsheet – go to the tab at the bottom labelled 2023 Draft Budget. The HR&R section is one-line to preserve the confidentiality of payroll information.

Some high level comments and assumptions:

- Offerings is based on a review of each congregant's pledge, PAR or estimated givings. It is down from the 2022 actual by \$20K. Note that 2022 was significantly below budget (\$52K).
- No rental income. The budget will have to be revisited if we are successful in obtaining a significant new tenant. Negotiations have been delayed due to a review by the potential client of all of their spaces. The Committee is actively seeking options with external advice suggested by TUCC.

Trading off community mission vs cost was discussed. It was agreed to put \$30k in the budget for rental income.

- There was a one-time receipt in 2022 of \$14,000 transferred from the Special Music Fund at the direction of E. Daley recognizing that the operating budget supports the choir. It was shown on the spreadsheet as Other Income. This will not be repeated in 2023. The fund currently has \$50k in it.
- Experience Belonging increased to show \$500 for coffee hour.
- The Book Sale is shown as \$14,000 in the budget which has been our historical experience for the April sale.
- The Music Council cost is up by \$22K as it is expected the choir will be present for the full year. \$35k this year, pre pandemic level.
- Admin is up by \$28K due to 5 main items. Computer expense was unusually low in 2022 and is expected to return to normal levels. Bookkeeping is up \$2K as we increased the hourly rate. The assessment from the United Church of Canada increased by \$6,883 – we have no control over this item. There is \$3K included for a potential appraisal of the property which may be required for insurance purposes. The main item is the audit fee of \$15,500 which will bring us up to current standards.

HR&R – The assumption is Douglas and Jean leave on June 30. Until then they receive an increase based on the inflation adjustment provided by the UCC. Eleanor's increase was a similar percentage.

HR&R – Assumed a new minister on July 1 at the same rate we pay Douglas. This amount can't be determined until the search process is done so this is an estimate only.

HR&R – There is an amount of \$15K included for part time admin to support Joanne. No custodial costs included – it is discussed below in the Property section.

The Cleaning contract line of \$67K replaces our previous custodial costs.

There is a significant increase in snow removal costs – annual cost is \$15,935. Previously this would have been done by the custodian.

Note: This does not reflect the income/loss in the Trustee accounts. For 2022 there is investment income (interest and dividends) and one large bequest in the Trustee accounts. Still awaiting the exact figures for unrealized gains/losses on the portfolio, though expecting it will be a loss.

Neither the contract extension for TUCC (to support transition) nor Jenn Hinder (who has been employed to support the finding of a community partner, and whose contract may have to now be extended) have been included in the operating budget. However, both contracts will be covered by the remaining balance in the research grant fund.

Attached spreadsheet.

We have a revenue problem.

Draft budget received and will be circulated for approval when final adjustments are made per this meeting input.

6. Other business:

1. Discussion of small group meetings. Opening sequentially, first with small group meetings of our faith community.

2. Continuing discussion, February 11 9:30 to 1pm , same format, meeting at Lansing – Mary-Ellen

TUCC and Fairlawn Forward, Governing Council, and representatives of the Trustees, Search Committee and Negotiation Team, are to meet on February 11th to provide updates, to identify interconnections, key milestones/decision dates while considering leadership and vision continuity, and a simplified governance structure reflective of a smaller church. The work ahead of us over the next five months and beyond when a new minister is hired, will be touched upon.

MER will be sending out an invite this week.

3. Governance and GC recruitment for Governing Council

The February 11 meeting will identify the challenge and perhaps some of the next steps on the path forward.

4. Check in on reports

5. Congratulations to Eleanor Daley on behalf of Governing Council and FAUC (investiture date in the spring)

6. Dates

February 11 retreat at Lansing

Next GC meetings:

March 14 Vicki Chairing;

May 30 (likely Amanda Chairing)

Proposed AGM date April 30 or May 28 (to be discussed with Douglas re: May 28th Pentecost service, and confirmed as soon as possible)

Next Cluster meeting January 24

Cluster June 18 Moderator co presented by at Rosedale United and LPC

7. Guiding principles review of meeting – Amanda

8. Adjournment – moved by John