



Kanata United Church

Minutes of a special meeting of the Council of Kanata United Church held over Zoom on Thursday February 23, 2023 at 7:00 p.m. with Julia Duffy as Chair.

Present Robert Ashton, Donna Caron., Rev. Cindy Casey, Bob Chanter, Jan Chanter, Sue Davidson, Julia Duffy, Brian Linkletter, Al Quirt, Kathleen Turner, Bob Richards, Andrea Wilmott. **Regrets:** Alex Kane, Peter Perry. Kathy Beamish.

Julia Duffy welcomed Council members and lit the Christ Candle.

The agenda will consist of discussion on the KUC budget for 2023. The projected deficit might be doubled because of a miscalculation of the cost of staff benefits.

Moved by Kathy and **seconded** by Sue to make Bob Chanter and Andrea Wilmott corresponding members for tonight's meeting. **Carried.**

We Grow in Faith and Consider Our Mission - a time for major issues

2023 Budget for AGM February 26, 2023

High Level View

- First from a general examination of budget expenses and income, it was suggested that several changes might make sense:
 - increase Book Fair revenue estimate to \$20K (last year was \$35K)
 - Reduce office expenses to \$17K
 - Reduce costs for staff retreats etc.
 - Reduce planned givings to M&S given our increase in local outreach, with a plan to add to that amount if the book fair does better than projected.
 - This and a few other items could reduce our budget deficit by \$25K
- Bob R. and Brian have been going over the budget trying to fully understand the numbers, and do not yet fully agree but the deficit could be close to \$90,000.
- A deficit of \$40,000 is one that could reasonably be overcome with stewardship campaigns and other measures over the next few years. But \$90,000 is unlikely to be overcome.
- Robert A has created a different spreadsheet that comes to similar conclusions.
- Our actual assets on hand in funds and the bank are higher than indicated in the 2022 financial statement, based on previous balances and changes captured. That still needs to be worked out but not tonight.
- One simplified spreadsheet, based on a deficit of \$80,000, leaves us at the end of 2023 with \$45,000 in cash and \$84,000 in investments. Bob R's calculation comes out nearly \$40,000 worse. The first is based on actual money in the bank and investments; the other on the amount shown in our financial statements.
- If the 2024 budget were similar to 2023 then we would be in very bad shape by the end of 2024. But this ignores the fact that 2023 expenses for portable purchase and net CEBA loan repayment (about \$65,000 in total) would not be there, and we

would have a continuing \$20,000 in rental income from the portable which after the first two years has basically paid off our initial investment.

More detailed spreadsheets

- During this discussion a revised budget spreadsheet was created. Some factors that had not been considered:
- "Pastoral Expenses" was double-counted and too high.
- The income projection did not allow for about \$10K in increased pledges from the Stewardship campaign, which had many increases, many staying the same, and no response from even more. Some had cut their gifts based on the Music Director controversy, but that is now stable. On that basis the Envelopes, PAR and Online projection should be more than the 2022 actual. So it was increased to \$251K from actual of \$241K in 2022. Should be achievable with continuing Stewardship focus.
- "Loose and other" should increase from 2022 actual because we now have in-person services.
- For Fundraising, Book Fair has been by far the largest contributor supplemented by many smaller items like Murder Mystery and Flea Market. Book Fair committee has provided a very conservative estimate which we will use. Agreed to increase the projection from \$36K to \$46K (vs \$58K 2022 actual). That is committing Council to develop \$10K in new fundraising.
- Agreed to continue the detailed discussion at least to 8:30 pm when some members must leave; there will still be quorum.
- Rental income of \$40K is conservative because we have the Centre 33 rental and some major renters have returned. There are other rental possibilities that have not yet come to fruition.
- Estate donations and share donations estimate of \$8K is too conservative given that donations already received are nearly that much. Increased to \$11K.
- Office expenses can reasonably be reduced to \$17K from \$20K.
- Music licensing and score purchase expenses reduced to \$8.5K, which is slightly more than last year. May be reduced by new United Church licensing system.
- B&G costs are mostly unavoidable (electricity, insurance etc.) but based on last year's actual could be reduced by \$2K, with a little less maintenance if necessary.
- CYF expenses are likely to be reduced by Vision and Transformation grants, but those grants will not be counted on in the budget.
- M&P training budget reduced by \$2K.

With these revisions we now are projecting \$57K budget deficit. That is significant but not as disastrous as it looked at the start of this meeting.

- We still need to do proper projections for future years to see what we need to do to make our finances sustainable. We can't do that properly before the AGM but we need to do it soon and we will need a special congregational meeting to examine the projections and their consequences.

Moved by Brian Linkletter and **seconded** by Donna Caron that Council approves the budget as revised tonight for presentation to the congregation. **Carried.**

Moved by Robert Ashton and **seconded** by Jan Chanter that Council commits to a detailed study of future finances leading to a congregational meeting no later than May 31, 2023. This commitment will be presented to the congregation at the AGM. **Carried.**

Other Business

We Go Out

Closing Prayer - Cindy, followed by Adjournment at 9:05 pm.



Chair - Julia Duffy



Secretary - Al Quirt

