

*Humbercrest United Church*  
Minutes of Council Budget Meeting  
January 8, 2019  
(commenced 6:58 pm.)

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Attendance: J. McCrae, F. Steggles, C. Evans, B. Packham, D. Gilmour, L. Steggles, B. Burke, D. Seth

Regrets: H. Gaskin, M. Garrie, M. Grayhurst

*Gathering*

1. Welcome: Charlie, chair for the meeting
2. Worship: Jessica conducted a moment of pause and reflection.

*Administrative Ministry of the Church*

3. Presentation of Preliminary 2018 Financial Report / 2019 Budget

**2018 Financial Results**

Charlie cautioned that the column with the heading 2018P is a projection. It shows a net excess of income over expense of \$356 compared to a budget loss of \$7,553. If these results remain firm then it is a very good way to end the year.

Operations Fund Income

Total income for the year is projected to be \$274,041 and is \$2,468 higher than budgeted. Some of the items that significantly impacted the income in the year are as follows: - Special donations of \$20,000 were received as a result of a stewardship appeal in November. Seasonal gift donations were \$1,651 higher than budget. Total for fund-raising from both the spring sale and the fall sale was \$2,173 higher. Revenue for recordings was \$6,208 higher than planned. Off-setting these several increases there was zero income from the planned long-term daycare rental (\$11,950 budgeted), zero transferred from the Heritage Fund (\$5,000 budgeted) and departure early in the year of Stagecoach, a major tenant, so revenue for other groups shows \$8,263 decline.

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#### Operations Fund Expenses

The total expenses for the year are projected to be \$273,685, \$5,441 lower than budgeted. B&G repair costs were budgeted at \$10,000 but with the loss of Stagecoach rental early in the year, expenditures were limited to emergency and only necessary expenses so the actual expense was \$7,132. At same time the expense for consumable supplies was limited to \$237, a decrease of \$763 compared to budget.

#### Operations Fund Surplus (Deficit) Update

Current operational deficits are being financed out of the accumulative operations surplus (which is in excess of \$35,000). The table here of the past eight years of operations shows the fund surplus (deficit) amounts that have added to or have reduced the accumulative surplus:

2011	\$461
2012	\$3,937
2013	\$7,030
2014	\$802
2015	(\$1,929)
2016	(\$3,865)
2017	(\$2,456)
2018	\$356

#### Mission and Service

The M&S total for the year is \$4,776 less than budgeted. M&S support in the past has been strong, but it appears that this support may be now in decline.

#### **2019 Budget**

##### Operations Fund Income

Total donations are based on current commitments and historical trends. Revenues from Use of Halls is based on current recurring contracts but without knowing to what extent the anticipated daycare construction may negatively impact these revenues. Under Other Revenues, fund raising is assuming there will be a May sale and a Fall sale but space changes due to the daycare may affect what these sales will look like. The annual transfer from the Provident Fund is budgeted at \$10,000. The Housing Trust Fund transfer remains at \$24,000. The Elevator Maintenance Recovery coming from a hold-over reserve and has a remaining balance of \$736. This means there is about 1/3<sup>rd</sup> of a year of reserve left for the 2019 elevator maintenance expense. The Long-term Rental with Daycare is budgeted on the assumption that rental revenue will be received for the last 2 months of the year. It has been confirmed by council members that all appropriate applications have been submitted. The difficulty is not knowing if governmental agencies

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responsible for giving approval have concerns or questions that could delay the approval process. The budget is drafted on the assumption that the construction projected by the daycare group can be underway by mid-year. This is the best information we have at this time in preparing our budget.

#### Operations Fund Expenses

Payroll costs are budgeted based on 1.6% inflationary increase ([based on the 2019 salary grid information issued by the United Church of Canada](#)) for all ministry, staff and music personnel. The music section leads amount is based on there being 6 soloists. Contracts for the soloists run to June each year. For caretaking service no increase is forecasted for 2019.

Administrative costs includes the charge for Presbytery. The basis of the calculation of the charge is changing and will be based on the total operating budget. It is possible this amount will increase to as much as \$12,000.

Property expenses are based on normal maintenance and repair costs. It includes the cost of Biss returning in the year to complete the remaining 50% of work on steam fittings. Under Programs expenses, the amount budgeted for Communications is set at \$2,000 which compares to the 2018 actual. For last year this expense was increased so we assume this expense will remain at this level.

#### Mission and Service

The M&S total for the 2019 budget is \$37,200 and is a significant decrease compared to the prior year's budget of \$47,500 and actual of \$42,724. The amounts budgeted are based on what is pledged.

#### Operations Fund Surplus (Deficiency)

The draft of the 2019 budget shows a deficit of \$9,964. It will be updated for the daycare rental and after a further review of the 2018 expenses. A revised budget may not be available until early February 2019, when it is anticipated that the City of Toronto playground variance hearing will have taken place. The date for the Annual General Meeting of the congregation is tentatively set for March 24, 2019.

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#### Closing Remarks/Adjournment

Charlie provided the closing remarks and thanked everyone for their sharing in the discussion.

(Adjournment: 8:22 pm.)

Next regular council meeting is January 22, 2019 @ 7:00 pm.

C. Evans – *Treasurer and Acting Chair*

D. Gilmour – *Secretary*