

**Metropolitan United Church**  
**2021 Budget Approval Meeting**  
**January 31, 2021 DRAFT MINUTES**

*Present:* Elspeth Bowler (Treasurer), Susan Girvan (Secretary, Official Board), Ken Younie (Chair) plus 32 members (Attachment A)

*Staff members:* Rev. Karen Bowles, Frank Cormier, Elena Pejcinovska, Rev. Jason Meyers, Jane Tuomi

Copies of the operational budget summary and detailed budget were made available to the congregation and circulated for two weeks prior to the meeting in hard copy and online.

1. Ken Younie called the online meeting to order and welcomed all attendees. Rev. Karen Bowles spoke a blessing. (Meeting quorum is 20; there were 24 members in attendance. Attachment A)
2. Ken Younie asked for a motion to give adherents in attendance the right to vote. **Vera Taylor moved that adherents in attendance be given the right to vote. Jay Wagner seconded, and the motion was called. 24 in favour; 7 abstained; 1 opposed. Motion carried.**
3. Ken Younie introduced Elspeth Bowler, Metropolitan's Treasurer and turned the proceedings over to her. Elspeth thanked the pillar committee chairs for their work on the budget. She also thanked Financial Manager Elena Pejcinovska for her work during the past several weeks. She then presented the 2021 budget via PowerPoint (Attachment B).

*Key points:*

- 2020 has been a challenging year:
  - Met was shut for a significant portion of the year due to COVID, thus parking revenues were down and there was minimal rental revenue
- Nonetheless, the congregation and staff have risen to the challenge:
  - Local and special offerings were up about 9% over 2019
  - A number of special donations were made to support Met's COVID-related Outreach work; a special COVID appeal raised over \$15,000
  - Met was approved for the Canada Emergency Wage Subsidy (CEWS) program
  - Expect to end 2020 with a healthy surplus of revenues over expenses after transfers of \$209,075 driven by CEWS
- For 2021, we assume lower CEWS and expenses returning closer to normal for the latter part of the year and therefore projecting a deficiency after transfers of \$(50,569):
- Level of uncertainty in certain 2021 plan numbers higher than normal – parking revenue, CEWS, rental income, etc.

*Budget Issues:*

- Annual mortgage financing costs of \$225,000, which will persist for the next 25 years, are challenging Met's ability to avoid a deficiency of revenues over expenses after transfers

- To accommodate financing costs:
  - Revenues needed to grow at a compound annual growth rate of 2.5% over last 5 years compared to 1.5% actual growth; or
  - Expenses needed to remain roughly flat over the last 5 years compared to an actual compound annual growth rate of 0.5%
  - Going forward need to increase revenues or decrease expenses annually by between \$50,000 and \$130,000
  
- 4. Questions from the floor:
  - *Can Metropolitan lock down interest rates for a long period of time? Can Metropolitan shop for better interest rates?* Elspeth responded that she would look into the matters.
  - *Where is the Mission and Service budget line?* Elspeth responded that because the M&S budget is an in-and-out fund, it does not appear in the operating budget summary.
  - *How has parking revenue been impacted by COVID shutdowns?* Elspeth and Ken Younie commented that parking revenue was “generally OK,” given the circumstances. They estimated that the revenue would be down overall by approximately 15–20%.
  
- 5. With no further questions from the floor, **Elspeth Bowler moved that the 2021 operating budget be accepted as circulated. Dorcas Beaton seconded. 30 in favour; 2 abstained Motion carried.**

Meeting adjourned.

Attachment A

**Attendance/Poll Report Metropolitan Congregational Budget Meeting 2021-01-31**

#	User Name	Met Status	Vote 1: Extension of voting privileges to adherents	Vote 2: Approve the 2021 Operating Budget
1	Guest	???	<del>In Favour</del>	In Favour
2	Timothy Wisnicki	Staff	Abstain	Abstain
3	Vera Taylor	Member	In Favour	In Favour
4	Elsbeth Bowler	Member	In Favour	In Favour
5	Jay Wagner	Member	In Favour	In Favour
6	Lynn Patterson	Member	In Favour	In Favour
7	Patricia Wright	Member	In Favour	In Favour
8	Paul Lourie	Adherent	Abstain	In Favour
9	Sandra Hellyer	Member	In Favour	In Favour
10	Linn Holness	Member	In Favour	In Favour
11	Kenneth Younie	Member	In Favour	In Favour
12	Tom Hutchinson	Member	In Favour	In Favour
13	Maureen Maguire	Member	In Favour	In Favour
14	Lynn's iPhone (Watson)	Member	In Favour	In Favour
15	margm (Marg Mcintosh)	Member	In Favour	In Favour
16	Andrew McGee	Member	In Favour	In Favour
17	Bob Vernon	Member	In Favour	In Favour
18	Gunn W	Member	In Favour	In Favour
19	Priscilla Chong	Adherent	<del>In Favour</del>	In Favour
20	Dorcas Beaton	Member	Abstain	In Favour
21	Fran Parkin	Member	In Favour	In Favour
22	Nancy Hardy	Adherent	<del>In Favour</del>	In Favour
23	Breathe and connect	???	Opposed	In Favour
24	Guest	???	In Favour	In Favour
25	Tracy Pratt	Member	In Favour	In Favour
26	Elena P	Staff	<del>In Favour</del>	<del>In Favour</del>
27	William Wright	Member	In Favour	In Favour
28	Marion (Lick? Or Elliot?)	Member	In Favour	In Favour
29	Jim Nixon	Member	In Favour	In Favour
30	Jean Robison	Member	In Favour	In Favour
31	Susan Girvan	Member	In Favour	In Favour
32	Paul Jacobson	Member	In Favour	In Favour
		32: 24 Members; 3 Adherents; 2 Staff; 3 Unknown	32: 24 In Favour; 7 Abstain; 1 Opposed	32: 30 In Favour; 2 Abstain

**METROPOLITAN UNITED CHURCH  
OPERATING BUDGET  
2021**



## 2021 OPERATING BUDGET BACKGROUND

- 2020 has been a challenging year:
  - Met was shut for a significant portion of the year
  - Parking revenues were down because of COVID
  - Minimal rental revenue
- Nonetheless, the congregation and staff have risen to the challenge:
  - Local and special offerings were up about 9% over 2019
  - A number of special donations were made to support Met's COVID-related Outreach work
  - A special COVID appeal raised over \$15,000
  - A number of COVID-related relief activities were organized, including a restaurant chit program and meal program
  - Met was approved for the Canada Emergency Wage Subsidy (CEWS) program

## 2021 OPERATING BUDGET PROJECTIONS

- Expect to end 2020 with a healthy surplus of revenues over expenses after transfers of \$209,075 driven by CEWS:
  - \$65,109 restricted funds
  - \$143,966 unrestricted funds
- For 2021, we assuming lower CEWS and expenses returning closer to normal for the latter part of the year and therefore projecting a deficiency after transfers of \$(50,569):
  - \$13,500 restricted funds
  - \$(64,069) unrestricted funds
- Level of uncertainty in certain 2021 Plan numbers higher than normal – parking revenue, CEWS, rental income, etc.

## 2021 OPERATING BUDGET

After adjusting for significant COVID impacts, both projected 2020 & plan 2021 have deficits

	Updated Forecast 2020	Plan 2021
<b>Excess(Deficiency) of Unrestrticed Revenues over Expenses After Transfers</b>	143,966	(64,069)
Reverse Canada Emergency Wage Subsidy	(325,572)	(85,000)
Add Shortfall in Parking Revenues	173,773	22,000
Deduct COVID Appeal	(15,736)	-
<b>Adjusted Excess(Deficiency) of Unrestrticed Revenues over Expenses After Transfers</b>	(23,569)	(127,069)



# Impact of Deficits on Met's Financial Assets (Balance Sheet)

2019 Actual



2020 Forecast



2021 Budget





## 2021 OPERATING BUDGET – ISSUES

- Annual mortgage financing costs of \$225,000, which will persist for the next 25 years, are challenging Met's ability to avoid a deficiency of revenues over expenses after transfers
- To accommodate financing costs:
  - Revenues needed to grow at a compound annual growth rate of 2.5% over last 5 years compared to 1.5% actual growth; or
  - Expenses needed to remain roughly flat over the last 5 years compared to an actual compound annual growth rate of 0.5%
- Going forward need to increase revenues or decrease expenses annually by between \$50,000 and \$130,000

## 2021 OPERATING BUDGET – ACTIONS

- Newly formed Stewardship Committee to focus on ways to increase revenues
- Small group to ready Met for rental opportunities when Met reopens
- Treasurer and small group to review streamlining opportunities
- Update 2021 forecast in June for presentation to congregation in late September/early October 2021