

## **St. Luke's ELT Meeting Monday, March 16, 2020**

Members in attendance: Dave Hoag, Jerry Blessing, Jerry Neumann, Keith Cook, John Taylor, Rebecca Stork, Vickie O'Connor, Barb Erickson, and Dan Weber. Also present: Jonathan McVety, Ky Hopewell, Aaron Bird

After Aaron Bird opened the meeting with prayer, the February meeting minutes were approved.

### **Financial Review**

February Result:

Total Expenses landed -19.3% under budget // -0.5% under last year

Total Income: -3.5% Below budget // -12.0% below last year

Offerings & Gifts landed -2.8% below budget and declined -3.0% vs last year

NET INCOME for the month showed a Gain of \$8,244.76 after mortgage principal pmt

YTD (July – February)

YTD Total Expenses stand -10.1% under budget // 0.2% above last year

Total Income stands 2.6% above budget // 0.1% above last year

Offerings & gifts trending 8.75% above budget // 7.48% above last year

YTD NET INCOME running 2400.5% above budget after mortgage principal pmt

### **Operations Report**

Jonathan McVety submitted a report about projects around our campus. (Attachment 1)

### **Lay Ministers Report**

No report this month.

### **Foundation Report**

No meeting this month.

Ky Hopewell presented a proposed change to Policy 2 related to gifts and bequests.

### **Pastor Report – Dan Weber**

Online service recorded Saturday and posted Sunday morning.

Video for adult bible Study

Pastor Aaron connecting with youth through online platforms.

Order of Service provided for in home worship.

Working to provide Sunday School Materials mailed home for kids.

Zoom Calls to connect members

Sunday morning 3/15 – called 150 families – 303 people. 184 of them over age 60.  
Recording chapel videos for preschool/kindergarten kids.

Closed in Prayer.

Next Meeting: Monday, April 20, 2020 @ 6pm.  
Respectfully submitted by Rebecca Stork

## Attachment 1:

Here is an ELT update for our three “Operations Departments” (Childcare, Preschool/Kindergarten & Facilities Rentals):

### Facilities Rentals

- 1) **Net income in February was \$4,527** vs budget of \$4,583 or 98.8%
- 2) **YTD net income was \$41,332** vs budget of \$36,668 or 112%

### Childcare

- 1) Income in February was \$27,514 vs budget of \$29,000 or 95% (Up from 83% last month)
- 2) Expenses in February were \$25,870 vs budget of \$27,569 or 94% (Also up from 84% last month as one teacher was on sick leave for two weeks and another on vacation for two weeks and temporary replacements were hired)
- 3) **Net income in February was \$1,643** vs a budget of \$1,431 or 115%
- 4) **YTD net income was a positive \$38,509** vs budget of \$41,775 or 92%

### Schools

- 1) Income in February was \$25,251 vs budget of \$25,980 or 97%
- 2) Expenses in February were \$19,928 vs budget of \$19,251 or 103% (Going over the budget was due to the 50<sup>th</sup> Celebrations-Open House costs on 2/7 that brought in several new student enrollments)
- 3) **Net income in February was \$5,323** vs budget of \$6,728 or 79%
- 4) **YTD net income was \$39,761** vs budget of \$32,596 or 122%

### Summary

- 1) February net income for the three “Operations Departments” combined comes to a positive cash flow of \$11,493 or 60% (\$11,493/\$19,203) of the positive campus net income before mortgage payments.
- 2) Campus wide net income for February was \$19,203 before mortgage payments and \$9,374 after mortgages.
- 3) **YTD net income for the three departments is \$119,602 positive or 69% (\$119,602/\$173,562) of the positive campus cash flow for the first 8 months of this FY.**
- 4) YTD campus wide net income is \$251,056 before mortgage payments and \$173,562 after mortgages.
- 5) Both Facilities Rentals and Schools are ahead of their YTD net income budgets at 112% and 122%.
- 6) Childcare YTD net income is under budget at 92%, but still a healthy positive \$38,509 for the year.

### Additional Comments:

- 1) Just to keep you updated, here is a little information on how successful our SEO activity has been over the last few months, keeping in mind we did not have a Preschool/Kindergarten online presence in November last year.

First, when someone did a **Google search** last week, here is what came up with the following searches (assuming your device has location turned on):

- 1) “preschool” ranked #1
- 2) “private preschool” ranked #1

- 3) "preschool near me" ranked #3
- 4) "private preschool" ranked #1
- 5) "private kindergarten near me" ranked #1
- 6) "kindergarten near me" ranked #1
- 7) "best private preschool" ranked #1
- 8) "best kindergarten" ranked #1

Second, when doing a **Yelp search**, here is how we ranked with the following searches:

- 1) "preschool" #1
- 2) "preschool near me" #3
- 3) "private preschool" #6
- 4) "Kindergarten" #1
- 5) "Kindergarten near me" #1
- 6) "preschool kindergarten" #1
- 7) "best kindergarten" #1
- 8) "private kindergarten" #1

Please keep in mind other schools may appear above ours, but this is due to the businesses paying for ads (it will say "ad" or "sponsored" next to it). This does not affect our ranking.

- 2) Firm Furnace Quotes. Both Hermanson and Comfort Systems (Merit) provided firm furnace quotes for us last week. The quotes were for the Worship Center and surrounding lobby areas furnaces with air conditioning and for Malkow Hall. These are our two top priorities. Total costs with tax for the Worship Center and lobby area came to between \$325,000 and \$328,000. (The air conditioning portion was about \$139,000 or 42%) Total costs for a new Malkow Hall furnace came to between \$95,000 and \$102,000. Timelines of these projects was about 4-6 months with Spring and Summer being the ideal time.
- 3) Childcare parking lot and playground security cameras. After careful planning by Mark Taylor and Dave Emmert, the 7 parts were ordered and recently arrived. Installation is planned for next weekend, 3/20-21. We called in another outdoor security camera company and received their quote. We will be saving thousands of dollars based on the work Mark and Dave will be doing for St. Luke's.
- 4) IT Server Upgrade project. At the November 2019 ELT meeting a decision was made to set aside \$5,000 a month (November through March) to fund the Server Upgrade. Per our 10/21/19 email to ELT, Mark Taylor and David Emmert requested a \$25,000 plus a 10% contingency maximum for this project. With the 5<sup>th</sup> of 5, \$5,000's now set aside, Mark began purchasing the parts for this important project and will keep us updated each month on the progress. We are very grateful for the many thousands of dollars Mark and Dave will be saving our Church budget as they work on this IT Server Upgrade project as well.
- 5) Below is a concrete upper ramp project update from contractor Lewis Jones. This is the third concrete project Lewis is doing for St. Luke's.

To Pastor Dan and all who are concerned about the upper wheel chair ramp project:

"We are in the process of building the upper ramp to ADA standards and we had to re-strategize our approach. The construction that was started was to figure out what needed to be done as it was a starting point and the current footings are not the actual ramp. The code is actually 1 inch per foot and we have approximately 54 inches of rise and we are installing 54 feet of ramp.

I pointed out to Jonathan that the ramps currently at the church do not meet that standard, as some of the current ramps have up to twice the slope.

This project will take some time to complete and will cause some disruptions. As we are doing this job for about half the cost of what I would normally charge, I ask that everyone would have patience with me. When I start the next phase of the construction (as soon as next week) I will try to keep the

disruptions to a minimum by working on it steadily until the stem walls are poured. This project has taken a lot of planning and is a fairly large job.

Thanks,

Lewis Jones (Servant Industries)”

- 6) **The Coronavirus disease (COVID-19) is dramatically affecting our three operations departments.** Facilities: Per Governor Inslee’s announcement yesterday, we temporarily closed our campus to those currently renting and this will eliminate our facilities monthly income until resolved. Childcare: Working with the teachers, at this time we are planning to continue offering our important childcare services to parents who go to work each day. The COVID-19 related changes, seem to have already reduced our students by over 50%. Most of our part-time staff positions were eliminated this week. Preschool/Kindergarten: With the WA Governor’s announcement last week closing K-12 as of today, we closed our PS/K to live classes but are sending home learning packets with daily homework check sheets, offering online training options as well as scheduled calls with teachers. Currently we have not seen a high percentage of students pulling out of school, but will likely see a noticeable drop in income.

- 7) Church mortgages/money market related follow-up questions.

The Money Market interest rate on \$316,839 is currently 1.45%

The LCEF \$368,979 account is giving us 1.125% interest

The larger loan of \$1,856,169 started as \$2,315,000, is amortized over 30 years and has 22 years remaining. The smaller loan is about \$180,000, with 84-85% of payments going to principal and approximately 3 years remaining.

The Missions expense amount in the budget caps at \$25,000. This amount is now in accrued mission on the balance sheet, while on the budget expense side, the \$25,000 was spread out over 6 months (\$4,167 x 6).