

Hillside UMC Finance Committee

Meeting Minutes – June 15, 2020

NOTE: All participants joining remotely via ZOOM because of social distancing requirements related to COVID-19

Lay Members attending: Don Brownfield, Benny High, Tina Kirkland, Susan Lund, Brad McDonald, Steve Skeen, Greg Walker

Staff Members Attending: Rev. Herzen Andone, David Good

The meeting opened with prayer.

The committee reviewed the May 2020 minutes. Motion was made by Don Brownfield to approve the minutes with correction, seconded by Tina Kirkland, and approved unanimously by those in attendance.

David Good presented the month-end and YTD results from May 2020. Results were shown in comparison to both the original budget, and also compared to the reduced COVID-19 budget expectations adopted at the March 2020 meeting. Congregational giving has remained strong through the closure of church facilities, May giving remained at 79% of the of the original planned budget. David also explained that expenses continued to be lower through the reductions that were taken as part of the mitigation plan. April expenses were at 83% of original budget plan, with all savings from ministry expenses. Pledge fulfillment remain high. Our congregation remains committed and faithful to the mission and discipleship of Hillside. The report and monthly analysis is available on the Hillside UMC website: <https://hillsideumc.org/churchcommittees#FinanceCommittee>

David also reviewed the following points for discussion:

- CD investments that would be maturing in the coming months. David noted that, because of COVID concerns, the Finance Committee had previously voted to not re-invest these funds into term investments in order to maintain liquidity. He also recommended that the Committee reconsider this decision based on the church's positive outlook on liquidity. Steve Skeen motioned to begin re-investing these funds into term instruments, Benny High seconded, and the motion passed unanimously.
- David, Don, and Steve reviewed details of a discussion with Wells Fargo regarding potential refinance of the church's mortgage. The outlook continued to be optimistic for a refi at attractive rates (3.75 – 4.5%) , and Wells Fargo is very interested in pursuing the opportunity. David did discuss recent poor follow-up and contact with our Well Fargo Account Manager, and the Committee agreed that should remain one of the factors to be considered.

- Recent changes in PPP Lending requirements have lengthened the evaluation time for use of the funds to 24 weeks, which reinforces our ability to ensure that all funds are used for authorized purposes. This means that there should be little doubt that the proceeds will be forgivable under the requirements of the program.

Greg Walker reviewed the current technology needs required to continue (and to improve and expand) online worship. The Committee acknowledged that there had been \$5,000 in restricted funds donated for this specific purpose. The Committee also agreed that it would support a recommendation to re-purpose \$20,000 in previously approved funds to pay for the “The Foundry” project for the technology needs. Greg Walker agreed to review this plan with Trustees in their June meeting.

Greg Faber had contacted Steve Skeen prior to the meeting to confirm that there were no pending issues from SPRC.

The Committee’s next meeting was set for Monday, July 20th.

Tina closed the meeting in prayer.

INTERIM UPDATE:

There was an interim vote of the Finance Committee, conducted by email from Steve Skeen to all members, with all lay members voting to approve \$25,000 for parking lot paving to be completed in early July. Reasons for the need for the interim vote, and details of the project are included in the email text shown below in italics.

Hello Finance Committee,

We have a short-term opportunity to complete the parking lot resurfacing while the weather is reasonably good and (more importantly) the traffic on the parking lot is still limited and manageable.

You likely remember that our committee had previously approved use of funds from the Facilities Reserves for the purpose of resurfacing the parking lot. The total cost of the project was \$36,953, with \$12,000 of the work paid for and completed already. Bill Sanford is leading the project for the Board of Trustees, and he has confirmed with the contractor that they are available to begin the work now – which would allow us to avoid conflicts with re-opening and also with the school year. But he has also said that time is of the essence because of weather and other pending projects.

Because of COVID-19 concerns, we had previously agreed as a committee to hold this and other projects while we confirmed our liquidity position and continuing sources of giving and revenue. Earlier today, David was able to provide an estimate for June giving that should put us between 75-80% of estimated giving from the original budget, and expenses remain on target.

The goodness of God and the faithfulness of our congregation have put us on target for our revised budget - and that should leave Hillside in a good position to meet our liquidity needs for the remainder of the year, and ongoing. And while we still need to remain vigilant in managing our costs and stewardship, I also believe it allows us to take this action and move forward with the paving project.

My motion is to remove the Finance Committee hold on the use of Facilities Reserves funds to complete the paving project previously approved by the committee. The project and payment would be managed by the Board of Trustees, and the amount of the additional funds should not exceed \$25,000.