

Hillside UMC Finance Committee

Meeting Minutes – May 19, 2020

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

Lay Members attending: Don Brownfield, Greg Faber, Tina Kirkland, Brad McDonald, Steve Skeen, Greg Walker

Staff Members Attending: Rev. Herzen Andone, David Good

The meeting opened with prayer.

The committee reviewed the April 2020 minutes, and one correction was noted. Motion was made by Don Brownfield to approve the minutes with correction, seconded by Greg Faber, and approved unanimously by those in attendance.

David Good presented the month-end and YTD results from April 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 exceptionally strong through the closure of church facilities, with April giving at 103% of the original budget. Praise be to God! David also explained that expenses continued to be lower through the reductions that were taken as part of the mitigation plan. April expenses were 77% of original budget plan. Pledge fulfillment remain high – 104% in April. 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:

- Completion of the Payroll Protection Program (PPP) loan documents and funding of the proceeds of this loan - \$243,288.00. David reviewed the accounting plan for these proceeds to ensure that they are segregated and accounted for separately for compliance.
- Planned uses of these funds (primarily for payroll expenses) to ensure forgiveness of the loan. The committee has previously reviewed all conditions of the use of these funds to ensure forgiveness, and David again reviewed planned uses with the committee and all uses were compliant.
- Budgetary forecast for the remainder of the fiscal year showing several planning scenarios for reduced giving through the year. This plan is also available on the Hillside UMC website.
- David and Don Brownfield said that they would be contacting potential lenders regarding the refinance of the mortgage balloon amount due in October 2020. Update to follow in June.

In consideration of the current continued strength of congregational giving, and the additional liquidity provided by the PPP loan, Greg Walker made a motion to begin paying conference apportionments on a one-month lag, as opposed to the current deferral plan. This motion was seconded by Don Brownfield and approved unanimously by those lay members in attendance.

Don raised the question of the PPP borrowing, and whether the Book of Discipline requires congregational review and approval for such a facility (i.e., one which will likely be forgiven based on planned usage). The committee members discussed this question and agreed that any PPP proceeds that are used by the church would likely be for qualifying purposes, and that the PPP was very unlikely to create a medium or long-term debt obligation for the church. However, this should remain a continuing discussion for the committee at future meetings, and any change in that should be considered for review with the congregation.

Greg Faber said that there were no pending issues from SPRC. Greg Walker, on behalf of Trustees, advised the committee that a future on maintaining and improving Hillside's online presence may require a change in funding priorities in the coming weeks / months. He said that there would be a more detailed review of the required technology with leadership, and that he would have an update for the June meeting.

The Committee's next meeting was set for Monday, June 15th.

Steve closed the meeting in prayer.