**Palmer Memorial Episcopal Church**

**Finance Committee Meeting**

**Minutes of October 15, 2020**

# Opening

# Attendance: Jessica Evans, Fritz Glover, Bet Hunter, Burdette Keeland, Tara McConathy, Dave Maxey, Mike Murphy, Posey Saenz, Dick Sylvan, Dick Viebig, Kirk Waldron, Rev. David Wantland, and Larry Wood

# Mike M. opened the meeting with a prayer.

# The minutes of the September 2020 meeting of the Finance Committee were moved for approval by Fritz G, seconded by Dick V., and approved by all.

# Financial Reports

# Dick S. led the committee in a discussion of the September financial statements.

# Dick V. commented that we had a big boost from the Archway payment and the second half of the Endowment payment but even if you take that away, we are just about break even and that’s pretty good.

* 1. Burdette K. noted we are about 200K behind in total pledge payments for the year. Dick V. added that yes, that’s true but we are always a bit behind in September. Larry W. asked if we are still expecting additional relief from the diocese and Burdette confirmed, yes, that is our understanding.
  2. Mike M. asked if we know what the total amount of the additional diocesan forgiveness will be. Jessica E. & Burdette K. confirmed it will be about $45K
  3. Dave M. noted that even if we take out that PPP loan, we are at a balanced budget. Bet H. added that we have 143K from the PPP loan and a total of 90K from the diocese for this year that we can not count on for next year.
     1. Burdette K. reminded the committee that clergy pension was also waived for this month.
  4. Fritz G. commented that a lot of these funds have come in already that we expected to come in later in the year. There are no more big payments coming in for the rest of the year. Fritz G. pointed out that the cash balance is still a major problem. Dick V. added that Fritz G. and I frequently see the same document in different ways. I think, under the circumstances, we are looking positive. Fritz G. replied, they do look positive but we are not able to get that way without a major contribution to bust us every now and then. Bet H. added that she thinks they are both very accurate summaries. Personally, I agree with Dick V. but after my time on Finance Committee I think we are ok, but to your point, Fritz, we do need more families and newly retired professional because we are asking more of fewer people. We are looking at a $200-$250K structural deficit if we don’t get the PPP and diocesan relief for next year.
  5. Larry W. asked, with that in mind, are we going to try and wait for our pledges to come in and match our expenses to the pledges? Dick S. replied that I think we may have to take it as we go.
  6. Dick S. moved to approve submission of the September financial statements to the Vestry; Bet H. seconded. The motion was approved by all.

1. Other Discussion Items
   1. Tara M. thanked Jessica E. and Dick V. for their help putting the PPP Loan Forgiveness Application together. It has now been submitted to the Texas Gulf Bank for approval. Once they approve it, it will be sent to the SBA for final review.
   2. Jessica E. shared that we were approved for 2 months of pension relief and that means and additional $4500/month or $9K total relief.
   3. Fritz. G. asked everyone to look at the cash flow chart he sent out. For July & August he used actual financials and used an average of last year’s financials and with these projections, we will be out of cash by June of next year. Bet H. pointed out that our YTD actuals are 20% less than our TYD budget. Fritz. G replied that the way we look at the accounting system is not right. We need to look at a cash flow and adjust based on cash on hand. Fritz G. asked to please note that I am excluding personnel. I know its hard but I think we need to take a look at our expenses. I know Kirk has strong feelings about that but I don’t think we can afford to keep going this way. Dick S. said he would like more time to look at this in greater detail and maybe we can spend some time going over it. What you’ve done is a lot of work and it deserves to have a good look. And if we decide as a group to make changes, then we can do that.
   4. Kirk W. asked if he could take a minute to talk about the building now. We started this year with a deficit budget and then we got the PPP loan and covered the deficit. So if people play their pledges then we should be ok and maybe a little positive. The building is saving money right now and if we had not been doing that, then we wouldn’t be in as good of shape as we are right now. As far as the building is concerned, I think we’ve done a bang up job. Dick S. said he agrees with Kirk W. and to his comment about people paying pledges, I think they are doing a pretty good job at that. We need to keep praying, but all in all we are very fortunate to be where we are.
   5. Bet H. said we have pointed out some deficits we will be facing next year, but can we, as a Finance Committee, all send a message or statement about the importance of looking at the membership issue and growing the pledge base? Dick S. replied, in the long term, yes – but I don’t think with our limited services that we can hold any kind of meeting.
      1. Finance Committee applauds initiative demonstrated by the Membership Task Force in these challenging times to think how we reposition the church in sharing the mission about how we know and share the love of Jesus Christ.
   6. Kirk W. added that wants to address Fritz’s comment that we don’t have outreach but I don’t think that’s true. We have a whole group of activities on our campus that are part of our outreach. Some of our biggest and best outreach is Archway. It costs a lot of money we don’t get back, but a great deal of our building efforts go to support Archway and that is definitely outreach. We need to accommodate that and point that out. Dave M. agreed with Kirk’s assessment.
   7. The committee all agreed to individually look at Fritz’s numbers and discuss it at next month’s meeting.

# Closing

# Fritz G. closed the meeting with a prayer.

Submitted by Tara McConathy