

Holy Trinity UMC Core Team Minutes: 9-26-2022

Present: Deanna Hawkins (Chair), Brad Wahl, Don Oram (representing SPRT), Jeff Erlandson (Finance), Carol Ottoson, Lynnette Dobberpuhl, Pastor Chad Gilbertson

The current state of Finances: The Finance Team met in August to look at the YTD net loss of \$22,000 (note: report reads \$20,000 but apportionments of \$2,400 had not yet been paid out.) This is about what was projected but is a concern.

Holy Trinity has applied for the Employee Retention Credit (ERC) through Speiker (payroll manager). This is a confusing grant option, and although we have been notified we are receiving approximately \$50,000 we cannot confirm this is accurate yet due to the complexity of the process and awards. The Finance Team has significant concerns about the confusing nature of the grant and are reluctant to count on the exact amount that will be received until the application and award are reviewed. They proposed hiring a specialist (referred to by Kelly Loose) who is very knowledgeable about the ERC and would audit the application and award specifics. The Core Team approved engaging the specialist.

YTD pledged giving received is \$148K plus \$16K unpledged. Four of our pledging units have given more than they pledged. Most of our pledge units are on target with giving to date.

Projecting finances: Holy Trinity budgeted a \$30K net loss to year's end; if giving for the rest of 2022 is:

High end giving (if all pledges are fulfilled, receive \$50K of ERC) Finance predicts we will have a net income of \$5K by year end (better than budget.)

Middle ground giving (if all active members' pledges fulfilled, keep \$35K of ERC) Finance predicts we will have a net loss of \$17K by year end (better than budget.)

Low giving (if no more pledged giving is received, keep \$20K of ERC) Finance predicts we will have a net loss of \$43K by year end (over budget,) forcing us to break into the minimum reserve (\$60K or 2 months expenses.)

No matter which level of giving above, we project we will dip into our minimum reserve in 2023 if things stay steady with expenses/giving which is unsustainable.

Options: We need to ensure that any expenditures that can be paid out of existing **designated gifts** (approx. \$20K for youth, garden, mission, etc.) are done that way, rather than paying out of the general operating fund. Deanna will take a look at the past year's expenses to see how much, if any, can be recovered in this way.

We can try to increase income through **rental of space**. There are issues of insurance and tax-exempt status to consider, as well as cost/difficulty of managing an endeavor. It was agreed to ask Tanya (Core Team member and realtor) if she can find out if any nonprofits are looking for space like the Parsonage.

We can try to increase income through **new innovations**. Related to rental of space, are there ways we could use the church grounds or buildings that would fit in with our ministry and also potentially raise visibility or income? Once we know the outcome of the Straw Poll we will have a better sense of the direction of our church and can propose a plan or an initiative at that time. Cross Form Team + trustees, Finance and SPRT would be initially invited to a meeting 5:30-8:30pm, Thursday, Oct 20 to begin thinking about the vision/considerations for this.

Sell the **van** for approximate \$7,500 and save the cost of insurance/repairs. This would require carpooling or van rental for future domestic mission trips. Using the van as transportation on Sunday mornings had been proposed but not acted on so there is no way to know if it would be useful for that kind of ministry.

Hold onto **apportionments** (but will have to repay eventually). It has been 25 years since this church has not paid full apportionments, and Pastor Chad stated grave reservations about making this change.

Plan the **reduction of staffing**. This is almost certainly going to happen for 2023, if not sooner. Staff will be asked to list tasks and with the help of SPRT will prioritize what cuts might be made to preserve the most important functions and retaining staff, while saving money where we can.

Other thoughts:

- If our **purpose** is to make disciples, how can we best draw people in to do that? What is *different* about Holy Trinity that justifies continuing to pay to keep our own separate space? (return to our Wesleyan roots with small groups, encouraging growth through study, mission, social justice?)
- What do we want to do with our **building fund**? It is not enough to build on this lot or any other lot. Proposed that we take it to the congregation for a vote to be used. Responded that we should not use that fund toward general operating costs but propose it would be used to grow or start a local mission or initiative. Being a good steward does not mean holding onto money indefinitely. Have used money from that fund for the lift, flooring, bathroom improvements with 100% approval from the congregation. Consider renaming the Building Fund as the Capital Fund for investments into durable improvements. If we don't have a plan for the Building Fund it would be more steward-like to ask for permission to donate it to an organization would use it.
- Find ways to get our **online audience** to be more involved. Consider a dedicated webpage with staff support engaging our online audience, schedule in-person meet ups outside Sunday morning, provide an online Sunday school.

Other Items:

Brad Wahl handed in his resignation for Core Team, stating he continues to support Holy Trinity but feels that things have gotten too political. He is thanked for his service and was assured that his voice is valued. Dissent is important in considering all sides and the team encourages him to continue in whatever ways he feels able.

Upcoming Events:

- Respectful Conversations Oct 16
- Next Core Team meeting Oct 24
- Fall Festival Oct 30
- Straw Poll Nov 6
- Stewardship/Commitment Sunday Nov 13