

## **Finance Committee Meeting Minutes**

### **December 19, 2023**

Attending: Diane Whetson, Bill Kuhlman, Jason Valendy, Wade Strzinek, Elizabeth Bass, Leslie Kalina, Beth Downs, Jimmy Grant, Keith Bierley, Edward Ankomah, Dave Burke, Cindy Epting, Melanie Grice, Dan Reid, Linda Smariga, Scott Green

Cindy called the meeting to order and Jason opened in prayer at 6:31pm.

Cindy recognized Dave, Jessica Coleman, and Jimmy, who are all rolling off of their committees and Finance Committee.

### **November Financial Reports**

Beth moved to approve, Leslie seconded to approve November financials. Passed.

### **Texas Methodist Foundation Update**

Dan offered an update on his conversation with David McCaskill, our loan officer with Texas Methodist Foundation. We can reactivate a line of credit, which the Finance Committee must request. The rate would be prime (currently 8.5%), interest only. It is a short-term instrument, so they would request that it be paid back in a year. There may be some leeway, but it would not be considered “evergreen”, an ongoing loan.

They also discussed using our Money Market account as collateral, which would lower the interest rate.

They also discussed re-amortizing the payment. David was not opposed to recalculating the payment before they normally would (when the interest rate changes). This would result in approximately a \$660 reduction in the monthly payment (\$7,920 annually).

For the line of credit, the Committee would have to submit an approved budget along with other information.

### **Apportionments Question**

The question was raised by Jimmy as to why our church would still pay full apportionments when other churches have disaffiliated and paid two years of apportionments as part of their exit. Jimmy asked if there is any possibility for communication and flexibility with the conference.

Jason said the conference does not like surprises and would like to know in advance if KUMC will pay differently or will not be able to pay full apportionments. The general conference sets the general church budget, which triggers jurisdictions to set theirs, which then leads to annual conferences setting their budgets. The numbers have not been modified since 2016 because there has not been a general conference. Nearly all the churches exiting did pay the fees.

Scott asked about the expectations. Jason said the expectation is to pay 100%, but it has been several years since KUMC has not been able to do so. We will pay 100% in 2023.

### **Budget Conversation**

Jason went through the list pulled together by a subcommittee.

Linda proposed moving forward with items 1-6.

Leslie was opposed to using the Money Market account as collateral.

Beth asked about our credit and if it would be affected by having a line of credit open. Dan answered that there would not be much impact since TMF is our only source of credit.

Linda said the line of credit is a prudent thing to do. It will not be used unless needed.

Elizabeth proposed moving forward with items 1-10 and asked if there were any objections. She asked Dan and Melanie to draft a proposal for establishing a \$100,000 line of credit with a policy on when and how to use that money if needed.

Beth moved, Elizabeth seconded to start a line of credit, establish a policy to utilize the line of credit, and re-amortize the loan payment. Passed.

The committee requested that staff and committees go through the budget one more time and identify which items could potentially be eliminated or deferred. The sub-committee will meet again before the next Finance Committee meeting to discuss moving forward with the items previously identified.

Jason offered remarks and closed in prayer at 8:55pm.