

## Gifts & Memorial Committee Meeting 1-17-07

Present: Cathy Krolikowski, Carol Wilson, Dale Meyer, Les Buttolph, Clark Rechkemmer

This meeting opened by Cathy introducing Jeff Hastings, who was representing the Finance Committee. They had a proposal for consideration regarding possible funding by Gifts & Memorial to begin some of the renovation work in the church, which is funded by the Capital Funds Campaign. As Jeff explained, many people who pledged funds have committed to sending the money in over a 3 year period, yet a good deal of the work should be started this year. The original plan was to apply for a commercial loan to cover that time period and former Business Manager, John Faulk, suggested the possibility of the Gifts & Memorial fund being used to loan a portion of the money so interest is paid back to a church fund, rather than the interest being paid to a financial institution. Much discussion followed and it was agreed that there was quite a bit of investigation needed before considering any action by the committee. Next is a brief summary of the discussion points and some actions that will be followed up prior to the next meeting to determine whether this type of loan would be possible.

- The approximate dollar amounts being discussed are:
  - ~\$400,000 campaign goal for proposed renovations
  - ~\$340,000 pledged by congregation (over 3 years)
  - ~\$31,000 already received
- Is there a precedent for this type of loan in our church or other churches in our conference?
- All agreed that no assets would be liquidated - only borrowing against principal (similar to home equity).
- Proposal would need to be approved by Ad Board.
- How are current funds are distributed? The statements from Merrill Lynch (fund manager) are not specific between the restricted and unrestricted portion of the investments. Only the non-restricted funds would be considered here.
- What interest charge would be incurred to pay back Gifts & Memorial during the loan period such that there was no loss in potential income earnings. Would this amount be less that just borrowing the money commercially?
- What is the expectation in terms of money needing to be paid out vs. the funds coming in? What is the gap expected to be?

### **Actions before next meeting:**

- Jeff & Les will meet with Merrill Lynch to find out how funds are allocated, regarding restricted vs unrestricted and the types of investments that are held in those categories.
- Les will work with Trustees to create a cash flow spreadsheet showing a timeline of work planned.

- Cathy will follow up with Karen whether this type of funding is appropriate within the general conference.

Committee members that were not present are encouraged to follow up with those who were in attendance to hear more details of this discussion.

Next, Les provided the 4th quarter financial summary of the fund activities to the committee members. This is the first attempt Les has had so he asked for any input regarding the details. The pages are attached in this email.

No new requests were submitted since October or in the first few weeks of 2007. We did commit to the Trustees that any remaining funds from 2006 would be allocated to covering any additional costs in the Lube window (see Oct '06 minutes). Cathy reminded the committee that we have a \$5000 per year grant to the Methodist Theological Seminary for a scholarship. That money will be sent in January. If there is still money left at the close of 2007, the next payment can be made in advance.

Cathy also reminded members of the committee that there had been some discussion in early 2006 regarding the creation of an endowment fund through this committee. Bob Andree had been the leader of this effort and his time with the committee expired before a decision was reached. All members at this meeting agreed that this should be followed up and Cathy will ask Bob prior to the next meeting whether he would be willing to work further on this initiative.

The Worship Committee will be starting a series of "Focus On Missions" to communicate to the congregation how our money is being put to good use. This will be an opportunity to educate the greater congregation on the work of the various committees. The members at this meeting agreed that the Gifts & Memorial Committee could use some publicity and that this would present a good opportunity to highlight some of the projects this committee funds. Cathy will work on a draft for an insert to be included in a Sunday bulletin and also published in the Good Word.

- Next meeting would be scheduled for mid-April but the committee agreed that we should meet to discuss the funding proposal prior to the Ad Board meeting in the first week of April. We will schedule the next meeting to be either Tues 3/27 or Thurs. 3/29 at 7:30. Please contact Cathy or Les with your preference and we will set it for when the majority of the committee can be present.