

Finance Committee Report to October 13, 2020, Congregation Council

Daryl Ackerman, Finance Chair

Finance Committee met October 6 by Zoom

(1) The August financial reports (summary budget) show a net gain for the month of \$3,894. Membership envelopes for the month are slightly over budget, but other receipts total about \$2,000. Expenses for the month are below budget. For the period January through September, actual net receipts less expenses are \$-7,989. Receipts do not include the PPP loan, which is being treated as a balance sheet liability.

(2) Contributions to the Capital Appeal in September were \$19,535 (average for the first eight months was \$19,303). The balance at the end of September was \$511,118 (after paying architect's and contractor's invoices and transferring to Vicar and Synod). The latest contractor costs from the Building Project Report are \$1,010,925. Comparing this to the \$945,000 contractor cost in the August 10 Plan of Finance (and considering the remaining contingency of \$18,000 in that plan), the total project costs increased to \$1,223,000. This exceeds by \$48,000 the approval given by the congregation for the project.

(3) For the \$500,000 loan, we contacted S&T Bank on Friday, October 9, and indicated that we had not received the Borough permit or the phase 2 contract. These items apparently were available according to the Council Reports now provided. The Builder's Risk Policy remains to be completed.

(4) I also spoke with S&T Bank about the \$191,349 CARES Act Paycheck Protection Program (PPP) loan. The loan forgiveness application material was just placed on their website, and they are in the process of notifying borrowers. Changes in the PPP loan forgiveness requirements should permit Trinity to apply for forgiveness of the total loan amount. After a forgiveness application is submitted, it may take up to 5 months for a decision. Paul Hensel is also consulting with our accountant and preparing worksheets to be used for the forgiveness procedures.

(5) Finance was presented with a report from Mike Akers on behalf of the 1959 Market Street task force. The current tenant has left the property. Through lack of maintenance over the years, examination has been made for costs that would be incurred for updates and renovations including electric, HVAC, and ADA compliance. Looking forward, the task force would rather see this used for something that is connected to the mission and ministry of the church instead of renting it for retail. Talks are taking place about this being rented by the Lower Susquehanna Synod. The Synod needs to be in a building by next September, and they would reportedly sign a 10-year lease. The committee supported the task force recommendation. **The committee stressed the need for Congregation Council to communicate this project to the congregation immediately on its anticipated approval.**

Finance Committee approved the following motion related to the 1959 Market Street task force recommendation. This motion requires action by Council.

MOTION: recommend to Congregation Council to approve an internal loan of \$240,000 from Quasi Endowment or other funds at 1.5% to be paid back to Trinity and to negotiate the letter of intent between Trinity Congregation Council and the Lower Susquehanna Synod for a lease with a 10-year term for \$3,000 a month rent from the Lower Susquehanna Synod.

