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## **District Finance Committee Meeting Minutes March 20, 2023**

**Present:** Brad Boyd, Dean Cooper, Wes Drewlo, Mark Hutchinson, Erin Knott,  
Nicholas Lai, Mark Peters

Brad opened the meeting in prayer at 11:00am.

### **Approval of Agenda**

**Moved (M. Peters) and seconded (W. Drewlo) that the Agenda be approved.**

**CARRIED**

### **Declaration of Conflict of Interest**

Mark Hutchinson expressed a conflict of interest with the Chilliwack Alliance Church loan request as he is a member of the church.

### **Approval of Minutes**

Mark Hutchinson noted that the committee will be using an Action Log to track assigned action items moving forward.

**Moved (M. Peters) and seconded (N. Lai) that the minutes from the meeting on February 15, 2023 be approved.**

**CARRIED**

**Moved (B. Boyd) and seconded (W. Drewlo) that the email minutes from March 8, 2023 be approved.**

**CARRIED**

### **Monthly Financial Statements**

Dean reviewed the Summary Income Statement as of February 28, 2023, and noted that efforts are underway to look at aged receivables from churches and follow up with churches. Churches have been responsive thus far. District Operating Budget income was lower than anticipated in February, however, \$45K was received that day.

Dean reviewed the Balance Sheet Summary and noted that the main bank account has sufficient funds to handle any larger withdrawals by the Loan Development Fund (LDF). He noted that access to the GIC funds will be in August 2023 and that the benefits deferred revenue has grown to \$107K.

Dean reviewed the loans to churches as of the end of February 2023 and noted that in follow-up to the motion approved on February 15, churches have been submitting financial statements and work continues to gather these documents.

Fraser Lands Church continues to pay additional substantive payments on its loan. Maple Park Alliance Church continues to pay the principal only, and a payment of \$26K was recently received. Their total loan is now under \$50K and moving closer to full repayment will benefit both the church and the district. Lake Country Church has now paid its benefits and insurance invoices and also made its first payment since September on its loan to cover back interest payments.

Dean further noted that Chilliwack Chinese Alliance Church and Richmond Alliance Church have increased their monthly payments to cover interest and some principal.

**Moved (M. Peters) and seconded (B. Boyd) that the financial statements are accepted and recommended to DEXCOM.**

**CARRIED**

**Moved (M. Hutchinson) and seconded (W. Drewlo) to accept the church loan statements.**

**CARRIED**

### **Chilliwack Alliance Church Loan Request**

The committee discussed the church's request to pay interest payments only from July 1, 2023 to June 30, 2024 due to expected lean giving years ahead and a desire to reduce expenses. It was noted that the church has been diligent in repaying its loans and made several large principal repayments when they have been able to do so in past.

Mark Peters commented that church attendance post-pandemic has not yet returned to normal, although since January 2023 numbers have been increasing and this may factor into giving. He was not concerned that pausing repayment would be an issue as the church is strong and historically has been a giving church.

There was a consensus that if giving rebounds faster than anticipated that the church should begin repaying the loan according to the agreement.

**Moved (D. Cooper) and seconded (B. Boyd) that Chilliwack Alliance Church be allowed to pay interest only on their Loan Development Fund loan for the period of July 1, 2023-June 30, 2024, with the condition that should there be a surplus of funds that the church will return to regular payments as soon as possible.**

**CARRIED**

The Global Advance Fund monthly report was received without comment.

### **CPD 2022 DRAFT Audit Letter and Audited Financial Statements**

Mark Hutchinson noted that the District Conference Audit Review Committee met earlier that day and that minor formatting changes for clarity were recommended for the draft audited financial statements. Once edited, the draft statements will go to DEXCOM for approval. The audit letter contained no issues, and gratitude was expressed for Aaron Chan's work. The final statements will be presented at the Annual General Meeting held at District Conference.

### **Vernon Alliance Church Property Purchase**

The church received 100% approval from the membership for the purchase of the property on March 19, 2023 and all subjects have been removed. Dean noted that the existing funds the church has in the LDF and a loan of \$195K will be sent to the church by end of the month. It was recognized that this purchase represents the realization of many years of work and dreaming and will be extremely helpful for the church's ministry moving forward.

It was noted that the property can be rezoned for church use, and Nicholas suggested the church consider the highest utilization for the property to leverage the value, with commercial zoning potentially offering the most flexibility.

**Action Item** – Nicholas Lai to share considerations for the potential rezoning of the newly acquired property with Vernon Alliance Church.

## **Cranbrook Alliance Church Property Subdivision**

The church sent a letter to Kootenay Christian Academy (KCA) which summarized well the offer and conversations between the committee and the Board to date. KCA accepted the offer and has asked for a closing date of one year. The Cranbrook Board accepted the offer and is awaiting information on the next steps from the district. The church is holding a membership meeting on March 26, 2023 to approve the subdivision and sale.

The committee discussed the request for a one-year closing date as well as the ability to do renovations in advance of closing on the property. Risks include KCA defaulting, renovations being completed in advance of KCA closing on the property, and the lack of evidence of financing from KCA to date. There was discussion that should KCA renege on the deal, the church would still own the property. There was agreement that the deposit should be non-refundable.

It was noted that a one-year closing date delays the church receiving funds and its ability to complete its own work on the building. It was also noted that the committee has not yet received evidence of financing for the purchase from KCA.

**Action Item** – Erin Knott to communicate to Cranbrook Alliance Church the committee’s concerns including the length of the closing date, the request to complete renovations in advance of closing on the purchase, the lack of financing evidence to date from Kootenay Christian Academy, and that the deposit be non-refundable.

## **South Hazelton Property**

Dean reviewed the offer received by Carl Whitehead, a local resident, to purchase the property and turn it into a home. Carl has been exploring rezoning for the property with the regional district due to a frontage issue. During these conversations, the regional district did not mention the covenant on the property. Carl is still interested in purchasing the property, but noted that rezoning will impact any potential buyer.

Nicholas suggested researching the frontage and rezoning issues by asking a local realtor to do the legwork but noted that this will likely require retaining them as the agent for a sale. He further noted that it is difficult to determine the fair market value for this property.

It was proposed to begin research on the covenant on title to determine what it means for the use and potential resale of the property. There was a consensus to pursue information from the regional district about the covenant as well as information on the property's potential use, including the possibility of rezoning and/or subdivision.

**Action Item** – Nicholas to reach out to Yvette Luke and pursue information from the regional district on the South Hazelton property.

**Action Item** – Dean Cooper to inform Carl Whitehead of the steps the committee is taking with the property.

### **Heritage Alliance Church LDF Investment**

Dean received an inquiry from Heritage Alliance Church about investing several hundred thousand dollars in the LDF and believes it would be a long-term deposit. If a large investment was accepted, it may cost the district should churches not use funds from the fund. At present, the district is not aware of any need for church loans and is only making minimal interest income. It was desired that the district not be put in a place where the LDF is costing money.

**Action Item** – Dean Cooper to communicate to Heritage Alliance Church that the CPD will not accept a Loan Development Fund investment at present as there are no church needs, but may accept it in future should a church project require funding.

### **Operating Reserve Policy**

The revision of the draft policy was discussed. The desire was to create a contingency, but it was noted that repopulation of the contingency was not included in the draft policy. It was discussed that the contingency would be used in emergency or crisis situations for operational shortfalls.

It was proposed to remove the suggested wording in red and replace it with "without DEXCOM approval" and to add a sentence stating that it is required that a plan be presented for approval by DEXCOM for repopulation of the Operating Reserve fund.

**Action Item** – Erin Knott to circulate the amended draft Operational Surpluses and Undesignated Income Policy for committee review and approval by email vote.

## Investment Opportunities

Mark Hutchinson briefly reviewed the past discussions on potential investment opportunities and noted that the Westbow opportunity is still available. Mark Hutchinson and Nicholas intend to connect in person with the Bonkes when Mark returns to Canada.

## Finance Committee Update for the April DEXCOM Meeting

Mark Peters suggested that it would be helpful to provide DEXCOM with information about the future-focused, strategic conversations the committee has been holding to help them make good decisions when these items are brought to them. He proposed that 30 minutes be added to the DEXCOM Agenda for Mark Hutchinson to provide an update and that Dean Cooper join the meeting to speak to any relevant data.

It was agreed to provide DEXCOM with an update on the District Operating Budget rate, the operating reserve, and the potential investment of funds to increase income.

**Action Item** – Dean Cooper, Mark Hutchinson, Erin Knott, and Mark Peters to craft an update for DEXCOM that includes information on recent committee discussions on the District Operating Budget rate, the operating reserve, and the potential investment of funds to increase income.

## Information Items

It was also noted that District Conference will be held May 16-17, 2023 at Coquitlam Alliance Church. Mark Hutchinson will present the budget and financial statements in the business session on May 17.

## Future Meeting

The next meeting is scheduled for May 25, 2023 from 10:00am-12:00pm at the District Office.

The meeting adjourned at 12:56pm.