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## **District Finance Committee Virtual Meeting Minutes May 25, 2023**

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

**Absent:** Mark Peters

Mark Hutchinson opened the meeting in prayer at 10:03am.

### **Approval of Agenda**

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

**CARRIED**

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

No conflicts of interest were expressed.

### **Approval of Minutes**

**Moved (N. Lai) and seconded (D. Cooper) that the minutes from the meeting on March 20, 2023 and that the email minutes from March 29, 2023 be approved.**

**CARRIED**

### **Outstanding Action Log Items**

#### **Potential Investment Opportunities**

Mark summarized the meeting with Caliber and provided a brief overview of all investigations into potential investment opportunities to date. It was suggested that the next steps may include undertaking a pilot project using the District Office building. Investing with Westbow was suggested as an option and redevelopment of appropriate church properties to create new revenue streams was suggested by Caliber. Mark noted that the previous offer from Westbow of 11% paid monthly still stands and Nicholas noted that churches could connect directly with Caliber. There was a discussion about bringing a decision profile to the next committee meeting and determining the appropriate timing to bring this matter to DEXCOM.

Nicholas provided an update on the Richmond Capstan Alliance Church property and their non-binding agreement with a property developer. Rezoning of the church's property reached the third reading with the city, however, a month ago the church decided not to proceed further due to difficulty working with the developer, construction costs of a new church building being a few million dollars above the land swap costs, and concerns about other items including the cost of strata fees.



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Wes provided an update on Mountainview Alliance Church (MVAC) and shared that they were approached by the Township of Langley (TOL) Mayor Eric Woodward and told that the TOL would not approve the redevelopment project on the table. The TOL had concerns about the developer the church was working with and MVAC is now waiting to hear back from the TOL, with the potential for a property exchange. MVAC indicated that they may part company with Maple Reinders and Wes and Nicholas encouraged patience.

### **South Hazelton Property**

Nicholas reviewed the background with the property and provided an update to the committee on options, including viewing the situation as an opportunity to honour truth and reconciliation efforts with Indigenous people in South Hazelton. The future viability and status of the Misty River Ministry are unknown it was noted that there may be added complexity in gifting property to an Indigenous organization.

It was agreed that the implications of the crown grant on the property need to be determined. Wes offered to assist with this work, and it was suggested to approach Yvette Luke to contact the provincial government directly.

**Action Item** – Erin Knott to research information on the crown grant in the CPD files.

**Action Item** – Nicholas Lai to ask Yvette Luke to contact the provincial government regarding the crown grant and to include Wes Drewlo in this work, with the investigation to be completed by August 1, 2023.

### **Monthly Financial Statements**

Dean reviewed the Summary Income Statement as of April 30, 2023, and noted that income has been slightly lower primarily due to insurance income, which is balanced off from the corresponding expenses. Interest expense for church loans was lower because several churches were not paying loans or were behind in their payments. It was noted that work was underway to remedy this, including decisions included in the meeting's Agenda. Interest for church loans has not been accruing, and it was identified that this could be more transparent in the financial statements.

Dean reviewed the Balance Sheet Summary and noted that there is a change in the way the Legacy Stewardship Initiative funds were displayed to better reflect the amount in the account.

Dean reviewed the loans to churches as of April 30, 2023 and noted that Maple Park Alliance Church paid off their loan and that Lake Country Church caught up to their payments owed. It is expected that MVAC will pay off their loan shortly.



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Concern was expressed about Timbers Community Church. The church has requested another 25-year amortization to refinance the remainder of the loan balance. Their current payments only cover 29 cents of principal and so a new amortization may not be feasible.

### **Loan Condition Report**

Dean reviewed the report and noted that not every loan has an agreement documented and that there is inconsistency with the terms of loan agreements between churches.

**Moved (D. Cooper) and seconded (M. Hutchinson) that the financial statements are accepted and recommended to DEXCOM.**

**CARRIED**

The Global Advance Fund monthly report was received without comment.

### **Loan Development Fund (LDF) Church Agreements and Accounting Records**

Dean noted that Mark Peters is in conversation with Summerland Alliance Church about their loan. He reviewed the potential options for dealing with church loans that are out of compliance with the terms of repayment. Dean expressed concern with the handling of loan agreements and noted that the district bears the costs for loans that are not repaid per the agreements.

Mark Hutchinson recommended that Mark Peters review each church that is not in compliance with its loan agreement and determine appropriate levels of action.

There was a consensus that not taking action was not a viable option and a desire for the CPD to have common loan agreements and terms for LDF loans which include consequences for not meeting those obligations.

Education for churches, as well as new leadership and/or lead pastors on the structure and obligations of LDF loans, was suggested.

**Moved (M. Hutchinson) and seconded (D. Cooper) that action be taken to remedy church loan agreements that are out of compliance.**

**CARRIED**

**Action Item** – Mark Peters to review the four churches listed in the Decision Profile regarding church loan agreements and determine appropriate levels of action for each, with recommendations brought back to the Finance Committee.



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Dean noted that direction is needed for churches that make late loan payments or that include instructions with their payments that do not meet the terms of their loan agreements. It was suggested that annual statements be sent that outline the interest owed and that any forgiveness of interest should be done deliberately.

**Moved (D. Cooper) and seconded (N. Lai) that the necessary steps be taken to ensure that the Loan Development Fund accounts for late and missing church payments by accruing interest charges in those months.**

**CARRIED**

### **RBC Banking Agreement for Church Loans**

Dean and Brad shared that RBC has proposed an amendment to the master banking agreement with the CPD. There was some urgency to sign the amendment expressed as BAC will need funds by July. Given that any amendment made to the master banking agreement affects the CPD and its churches, it was suggested that the committee make a recommendation to DEXCOM on approval for the proposed changes.

Dean noted that additional investigation into the loan agreement and its effect on the district moving forward was needed, but that it would be appropriate for the new Director of Finance to do. It was felt that a better understanding of the associated covenants and the overall agreement was needed at the district level.

**Action Item** – Dean Cooper and Brad Boyd to provide information to the Finance Committee on the proposed amendments to the RBC master banking agreement, with Dean to draft a decision profile to the committee on whether to make a recommendation to DEXCOM.

**Action Item** – Erin Knott to review the approval process and associated governance for banking agreements.

### **Cranbrook Alliance Church Property Subdivision**

Erin reviewed the documentation that Cranbrook Alliance Church and Kootenay Christian Academy have provided since the last committee meeting. There was a consensus that the decision is now ready to come to DEXCOM for approval.

It was encouraged that the church and school ensure proper permitting is received for any renovations regardless of when they're completed.

**Action Item** – Erin Knott to update Cranbrook Alliance Church on the status of the property subdivision sale approval process and the encouragement for seeking permits.



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## **Information Items**

It was noted that Fort St. John Alliance Church has begun initial work and is in communication with an architectural firm regarding a new church building.

In follow up to the DEXCOM meeting in April, there will be a review required by the committee on proposed executive limitations regarding church loans at the fall meeting.

## **Future Meeting**

The next meeting is scheduled for Sept 7, 2023 from 10:00am-12:00pm on Zoom.

The meeting adjourned at 11:49pm.

