

Trinity Lutheran Church Special Council Meeting: 04/05/2020 **Approves 04/21/2020**

The following members were in attendance at the meeting via Zoom:

President Sue Carlson
Vice President Mark Schmidt
Secretary John Boone
Treasurer David Gunderson
Member at Large Karen Kirkmire-Wilson
Member at Large Dave Hamburg
Member at Large Colleen Collins
Member at Large Ann Ndirangu
Member at Large Samantha Sommerman
Pastor Hector Garfias-Toledo
Pastor Jade Yi
Administrator Don Boelter

Absent: Members at Large Dirk Howe and Deb Johnson

Visitors: Carl Setzer, Vice President Nominee.

The meeting was called to order with prayer at 4:38pm by President Sue Carlson. A quorum was present.

Executive Report:

1. Trinity's office and staff payrolls: Sue Carlson and David Gunderson. The purpose for calling this special meeting of the Council by President Sue Carlson was to review and discuss the status and continuation of the payrolls for Trinity's office and school staffs in light of the current coronavirus pandemic, and to decide if Trinity should seek assistance from the Payroll Protection Program (PPP), which is a portion of the newly passed CARES act in response to the COVID-19 emergency. As reported by David:

This program is intended to fund continuing payroll in small businesses and non-profits (under 500 employees) and is administered by the SBA. Logistics of qualifying for and funding the loans is delegated to banks who normally handle SBA loans (our own US Bank is qualified). This is the first time that non-profits are eligible for loans from the SBA.

For this purpose of this loan, Trinity Lutheran Church, Trinity Lutheran Preschool, and Trinity Child Development Center (CDC) are considered to be one corporate entity (since we operate under one EIN). Loan applications opened Friday, 4/3/2020, but US Bank is not yet ready to accept applications. There has been a rush of applications and the banks that opened their process are a bit overwhelmed. The PPP program is currently capped at \$349 billion, which sounds like a lot, but given the number of businesses that are eligible, the funding may be oversubscribed soon.

Note that we've maintained full staff in the Trinity Lutheran Church & Schools. The CDC has been operating, but at much reduced capacity (and income), since Monday. The Preschool is

totally closed through the end of the school year. The schools' financial reserves will be exhausted very soon, and they will start using the \$60K line of credit approved by the Council March 12, 2020. This will not last long at full employment. If we do layoffs, we are obligated to cash out accrued vacation time.

PPP loans can be granted for up to 2.5 times our average monthly payroll during a portion of 2019. There's some confusion about how to calculate the average, but we've chosen the technique recommended on the SBA PPP loan application form. FICA taxes that TLC paid are excluded from Payroll costs in this calculation. We're calculating the average from February 15 – June 30, 2019 as required by the directions on the application form.

Right now, I'm computing the loan request to be \$332,646, but this number is still under review by the team (Don, June, Pr. Hector, Kris, Nanette). If we maintain full employment until June 30, 2020, we will be forgiven the full amount. If we reduce staff count during that period, the amount forgiven will be reduced by the amount of our payroll reduction due to layoffs or terminations. Interest on the loan (1%) will also be forgiven on the same formula.

We have been assured by Member at Large Sam Sommerman (our trusted Constitution person), that we can invoke the emergency clause in our constitution to authorize this action and designate someone to sign the application. We must ratify this decision in a Congregational meeting at the earliest opportunity.

Actions:

2. Due to the emergency created by the current coronavirus pandemic, pursuant to Section C12.05.c of the Trinity Lutheran Church Constitution, **a motion was made and seconded** to authorize David Gunderson (Treasurer), Don Boelter (Church Administrator) and/or June Lee (Church Bookkeeper) to apply/complete Paycheck Protection Program ("PPP") loan applications through the Small Business Administration ("SBA") at US Bank, or some other comparable bank, for the continued payment of the salaries of all employees of Trinity Lutheran Church and Schools. **The motion carried.**

3. Administrator Don Bolter was asked to determine if any of Trinity's church staff or school employees will lose health insurance coverage should they be furloughed or laid off.

4. The meeting was adjourned with prayer.

5. The next regular Council meeting will be held on Tuesday, April 21, 2019, at 6:45pm.

Secretary John Boone