

Our Savior Lutheran Church
Minutes of Virtual Congregational Assembly
May 11, 2020

Call to Order: The Assembly was called to order at 7:00 p.m. by Julia Heneks, Chair of the OSLC Governance Board.

Attendance Report: A quorum was present on Monday, May 11, 2020 with 58 participants on the video teleconference at 7:05 p.m. (that number grew to 62 at 7:10 p.m., 42 were needed for a quorum). There were 204 total Congregational Assembly members shown in the Breeze Tag Confirmed and Signed Constitution as of Monday, May 11th.

Reception of New Members: There was not a call for new members.

Presentation of Minutes: The draft minutes of the January 19, 2020 and March 29, 2020 Congregational Assemblies have been posted to the church's website at www.oslclaurel.org for review and approval by the congregation at the June 2020 Congregational Assembly.

Board Members Present: The following Governance Board Members were present: Julia Heneks, (Chair), John McVey (Vice Chair), Drew Nodtvedt, Andy Koffarnus, Johan Stewart and Bruce Thompson (Secretary). Larry Malinowski, Senior Pastor Peter DeMik, Becci Stewart and Rich Libengood were also in attendance.

Preparations for the Virtual Congregational Assembly: An e-mail notice of the upcoming assembly with a Zoom link and call-in phone number was e-mailed to the members of the Active in the Area tag in Breeze (500+ people) on May 3, 2020. The phone number for voicemail/text voting was sent out to the Confirmed and Signed Constitution tag in Breeze 5 minutes before the start of the assembly.

Discussion Regarding Approval of Use of PPP Loan Funding

Pastor Peter opened the meeting with prayer. Julia said that the main purpose of the meeting was to let you know what we've been working on as far as the PPP loan, where we stand, and what we are asking you to do is authorize us to spend the money that we have available to us through this loan. Drew introduced the members of the Governance Board to the assembly. Pastor Peter introduced the church and Open Arms staff: Rich Libengood, Campus Administrator; Marcie Zell, part time accountant; Nancy Malinowski, Open Arms bookkeeper; and Becci Stewart, Director Open Arms. He also introduced the finance team: Larry Malinowski, Finance Director; Rich; Ted Petito; Kirk Rittenhouse; and Tom DeMik.

Drew went over the agenda for the meeting: Purpose; Timeline; Cares Act; what is Forgivable; Loan Details; Loan Forgiveness Plan; Questions; and Summary Resolution Vote. The purpose is that we are trying to stabilize finances due to COVID-19 outbreak to allow Our Savior Lutheran Church (OSLC) to retain the Open Arms workforce during a state mandated closure.

The **timeline** as we know it is as follows: March 19th the Governance Board froze all expenses except critical spending such as mortgage, payroll, and utilities. This was in partial response to Governor Hogan's guidance on gatherings and the impacts this crisis would have on giving. On March 26th the state of Maryland mandated the closure of child development centers by end of business on March 27th, resulting in the Board's decision to close Open Arms in compliance with the mandate, and as a result, furloughed our teachers. This decision was based on compliance with the state but also due to insufficient data to support the maintaining of Open Arms for essential personnel. Another week goes by, and in response to new legislation, the Board approved pursuing the Paycheck Protection Program loan, lifted the furlough on Open Arms teachers, and used the Open Arms rainy day fund to cover one pay period ending on 15 April for our teachers. Unfortunately, we did not receive the PPP loan in the first round of funding and the Board was forced to furlough the teachers of Open Arms again to maximize their eligibility for unemployment; which is not usually available for tax exempt non-profits, but as most of you have seen in the news, it is very difficult right now to successfully file a claim. On 6 May the SBA approved OSLC in the second round of funding. The pending tonight's resolution will allow us to un-furlough teachers and maintain payroll for the next eight weeks. Pending any questions to our timeline, we can move on.

The Cares Act, for your awareness, the Coronavirus Aide Relief and Economic Security Act, otherwise known as the Cares Act, was passed by Congress and signed into law by the President on 27 March. This act has provided the means for our church to obtain the payroll protection loan that if used correctly, will be fully forgiven.

Our PPP loan covers an 8 week period that is forgivable when employers keep workers on payroll, return them to payroll, or hire new employees to take their place. To meet the criteria for forgiveness, 75% of our borrowed loan must be used for payroll costs. This includes the salary, employee benefits like vacation, sick leave, health care benefits and retirement benefits but caps individual salaries at \$100,000 per employee gross earning. The additional 25% can only be used on interest on the mortgage, rent payments and utility payments. It is important to note for the purpose of this loan, independent contractors do not count as employed workers.

Our current loan amount is \$301,700 at an interest rate of 1% over the six month deferral period, but we do accrue interest during this period. We can prepay the loan at any time without penalty, but unless legislation changes, it is important to note that this will be the only PPP loan our church will be eligible to receive in 2020. Which means that if worse comes to worse and child development centers are not reopened by July, we will be forced to looking at furloughing the teachers again. We hope that doesn't happen, but there is your full disclaimer.

Thanks to the assistance of Rich and the church's finance team, our current PPP loan is broken down with \$242,898 or 80% of the loan projected to go to payroll. \$14,000 or 5% allocated for mortgage interest and \$11,250 or 4% is projected to cover our utilities over the next 8 weeks. That does leave \$33,552 in overhead that was required by PNC. Once payroll, interest and utility costs are finalized, any overhead left over from this 8 week period will be paid back to PNC, as per the guidance to make this loan forgivable. Pending any questions here.

Bruce said that is important to point out that the 1% interest rate is applicable to the full 2 years of the loan. Drew said that is correct. George said that is not forgivable, correct. Drew said that no, the interest is not forgivable.

George pointed out that Jim and Celeste Bresette have the following question from Chat: Are rostered church staff considered individual contractors for the PPP loan? Pastor Peter said that he does pay self-employment tax, but he believes that he would be considered on the role of the church. It's a self-employment tax, but I don't believe that it counts as a business. Everything I have heard means that it would be included. Tom DeMik said that he is still an employee. From Natasha responded on Chat: I just checked - ministers are IRS employees but self-employed for social security purposes. So that seems like we would be eligible. Christine responded via Chat: Called LCMS workers are not independent contractors but as Natasha said its defines called rostered workers as church employees

Chat question from Gabby Walsh: Who will verify compliance? Larry said that since we got the loan, it's on his credit report, so I'm definitely accountable for it. He saw his FICA score drop. And so, when you say compliance, we will be monitoring the spending every pay period to see where we are and ensuring that we're not spending outside of what the loan requirements allow. If we do, we'll make sure that we separate, that we don't truly confuse ourselves. If anyone else wants to jump in and be part of that they are welcome to. We will be briefing the Governance Board, probably at the end of every pay period so they can see where we are at.

Chat question from Jim and Celeste Bresette: Will the bank or feds provide a definitive answer on PPP eligible church staff? From Natasha Bowlds: I just checked - ministers are IRS employees but self employed for social security purposes.

Julia said that one point is that we used all of our payroll including called workers to demonstrate what our payroll costs were before February 15th. I believe that is how the application worked. So for them to give us the loan based on those figures. To not allow us to include called workers would create problems for a lot of people. Larry said he didn't think that was a problem for us, we factored all of that in.

Chat question from Gabby Walsh: Will you report to the congregation on a bi-weekly basis to demonstrate and ensure compliance to preclude us from paying back the loan? Pastor Peter said that Marcie Zell, who has been an incredible blessing working with our finances, has made the recommendation to setup a specific ADP code for the COVID-19 8 week period so that we can define that. It's probably not necessary because we're going to be using 4 distinct pay periods anyway. And so we probably don't need to do that. But we are going to try to make this as clear as we can for forgiveness purposes. She seemed to think that would be a really good idea to establish an ADP code for this 8 week period. Additionally, as we spend money, we are going to be making reports out to the Governance Board and anybody else that is interested, on a bi-weekly basis to make sure that everybody is aware of the spending trajectory. However, it really doesn't matter until the 8 weeks is up. We're going to pay the utility bills when they come in and we're going to keep track of them of course. We're going to pay the mortgage when it comes in, but we're going to track that as well. We want to keep everybody as up to date on all of that as much as possible, but we also just want to make sure that we don't

miss anything along the way. So we'll be clarifying throughout this 8 week process. When the time comes for us to prepare our report back to the lender, we'll be sure to have a number of eyes on that report so that it fully explains what has been spent and on what.

Chat question from Marilyn Murchison: Are all the Open Arms employees going to receive their salaries over the next 8 weeks? Bruce responded: If the vote is majority for yes, Open Arms staff will receive full pay for the 8 week period starting 5-8-20. Drew said that 8 week period of pay of salary for Open Arms teachers or employees is going to be based off of tonight's resolution. So we will be able to better validate and answer that question once we get to the end of this presentation.

George asked Drew when the 8 week period officially start, when the loan was granted or when we start actually drawing down. Drew said that the 8 week period starts from our loan date, which I was tracking (correct me if I'm wrong finance team) is 6 May. Pastor Peter said he has heard the loan date, he also heard it's when it gets into the account which was 2 days later. So it's either the 6th or Friday which is the 8th.

Ted Petito said that the Federal Government hasn't really defined when that 8 week period starts. It is still under debate. Normally it is the date that you got the loan. So the date that the loan was processed and given to you. So you signed the paperwork. They're debating whether to allow it to be on an accrual basis to allow it to match up to be able to match up with actual payroll pay dates because you got the funds in the middle of a pay date. Say you're a biweekly payroll, would normally have 4 pay periods in an 8 week period which was the understanding of what they are trying to accomplish. But if you happen to get a loan in the middle of a week of a 2 week period, you're only going to get 3 payrolls through there. There's debate about when they want to start the 8 weeks. It's not definitive that it is going to be that date. It's still under debate, it could change. George said that he read his mind.

Drew said that Forbes, Wells Fargo, a great deal of banks that have been monitoring the first round of funding have identified that the small businesses that have applied and have utilized the first round of funding are seeing the most success by using the loan date as the start of their approval (the date on the loan itself). My recommendation, in the absence of guidance from the Federal Government, I think we stick to that to ensure our success.

Chat question from Robb Wilmot: If the center doesn't open, what will the center staff be doing during this time? Becci said that we will be discussing this at the staff meeting tomorrow evening, depending on what is the result this evening. There are a lot of things that we need to get ready for. A lot of things are going to change. Things in the classroom that used to be like a communal thing that the kids could play together with, are now going to have to be divided. Soft toys need to be put away. There's just a lot of different rules out there and we're going to talk about it. She is going to ask each teacher to be in contact with their students so they can prepare seeing teachers in masks and not be afraid and also have the children practice using their masks as well. We'll be talking about separation anxiety and washing the hands and disinfecting. A lot of other things. Although we won't be there physically, there are a lot of things we need to do. Depending on when we can open, I need to get them in their earlier so that we can prepare for that.

Chat question from Donna: What happens if Open Arms opens before the 8 week? Drew said that if Open Arms opens up before the end of the 8 week period is over, we can still use these PPP funds to pay payroll. Now that we've been given this money, if we chose to use it as such, we will be able to use it and have it forgiven whether Open Arms is mandated closed or open. It is for small businesses that are trying to maintain being open right now. Donna said "so they don't want that money back?" Drew said that as long as we use that money for payroll, interest on mortgage and utilities, we pay the money and anything that is left over in overhead we pay back, but the expectation is that it is forgiven and we don't have to give it back.

Chat question from Gabby Walsh: How many employees will elect to come off unemployment for these benefits? Drew said that it is important to note that if we vote on this resolution tonight and approve the PPP loan to be used for Open Arms and the church, we will be formally providing notice to all the teachers at Open Arms. If they chose not to come back, they are no longer eligible for unemployment, because they have been offered their jobs back. Becci said that most are anxious to come back on board. There are a couple that she hasn't heard back from yet.

Bruce pointed out those voting by phone need to state their name when they cast their vote. Drew said that he would ask that we refrain from voting until the resolution is motioned and moved forward.

Ted said that he would like to add one more caveat to the forgiveness of the loan. You covered 2 of the basic 3 criteria. The third criterial is that full time equivalent employee numbers that need to be met as well. So, if the full time equivalent of your employees over that 8 week period is less than what it was for your reporting period that you used to request the loan. Actually, you have an option of using your full time equivalents that you had for the entire 2019 year on a monthly basis, or you can take the January through February 19th payroll periods and use the full time equivalents for that. So you use whichever is to your benefit, whichever has the lower number. And then you have to take your full time equivalents for the 8 week pay period that you just had the loan for. And what you will do is take a percentage if you are above the full time equivalents of your baseline your over 100% you're fine, but if you're under 100% then you also have to multiply your payroll by that 80% that you are for FTE.

Drew said before we get into that, you're not wrong, that actually was the legislation up until late last week. The SBA has identified that that was unfairly penalizing small businesses when employees decided that they wanted to stay home because they felt that working was unsafe in the current conditions and that was penalizing small businesses beyond their control. So there was legislation change as of Friday that has identified that they are no longer going to looking at how many employees are returning. So as long as you have in writing that we have offered the job back to every teacher that we furloughed. If they all come back great. If someone chooses not to come back, knowing that they are not going to receive unemployment benefits any longer, the church will no longer be penalized for that.

Tom pointed out that as Andrew says, this is a work in progress. SBA has never had anything like this in history. SBA is the one administering it, the banks are merely a conduit. So this is not completed yet as far as how everything is going to happen with SBA. They've not had any 8

week completions yet. There's been no audits, there's no problem. This will probably change some. There's nothing to be feared on our part. This is going to be a friendly situation for us and I would not fear anything that is happening here.

Drew said that is the commitment that Pastor Peter and his staff as well as the finance team and the Governance Board. This is why the Board and the staff members have been meeting and e-mailing so regularly is because with the SBA changing guidance with the criteria, we are doing our best to stay updated as possible. And then using that information to maintain compliance so that once of the questions in here is the intent here is once we are done paying payroll, utilities, interest on the mortgage, that every piece of the loan is fully forgiven.

Chat question from Jim and Celeste: About how many is "most" Open Arms employees will come back and how many would we need to hire new to achieve loan forgiveness?? Pastor Peter said that Becci said that most Open Arms would come back. When he texted her earlier today, she said that everyone was willing to come back but she hadn't heard from one, and didn't know about one other. And so we are talking about just a couple of people. There's no negatives. No one has said no, I'm not coming back. We're just seeking clarity with a few others as well.

Chat question from Ethel Rukenbrod: How will you handle if staff has been in contact with someone who has covid-19 - if they have to self- quarantine, how will that affect their position? Pastor Peter said that if we were fully open and we had a staff member who was impacted by the sickness, I think we would have to treat them like they had the sickness or we would have to ask them to stay home but we would have to deal with that with respect to sick pay and paying attention to how that is being handled elsewhere. It doesn't affect their position. We would have to work through that, but they would retain their position if that was the case. For these purposes we would also pay that individual because they were expecting to be here.

Chat comment from David McGuffey: Correction: CDC has guidance out on how to handle the medical aspects of an employee who comes in contact with a COVID-19 active person. As far as the "position" aspect of that employee, the SBC would have to be engaged.

Julia said that use of sick leave is covered under the PPP. Even so, I think that there were some provisions early on about making sure that they got paid even though they were at home quarantining. I'm not sure who that was supposed to apply to, but that is something we can look at also.

Chat question from Ruth: Staff will lose CARES \$600 a week extra. Drew said that if we do this PPP loan and lift the furlough, the teachers would no longer be eligible for unemployment. Which means that they would also not be eligible for the \$600 a week bonus that those on unemployment are currently receiving. But it is also important to note that although are teachers are filing for unemployment, they have not been successful in that effort yet. So they will lose the \$600 a week extra, but the important piece here is right now that none of them are actually receiving that.

Chat comment from Dave McGuffey: We should have the teachers do their "August Training" during the 8 weeks.

Chat question from Jim and Celeste: About how many is "most" Open Arms employees will come back and how many would we need to hire new to achieve loan forgiveness?? Drew said that he does know that, Becci, in previous Board meetings has identified individuals that she was looking at hiring prior to the COVID-19 pandemic, so if we do have teachers that choose not to come back, there are options for hiring. Becci said that is accurate. Also for summer, she has extra staff that come on in the summer as well. After this resolution passes she will be able to get more information from the teachers. I just don't want to put the cart before the horse. I want to be able to offer them something and be able to answer their questions. She has contingency plans if some of them decide they don't want to proceed with working at Open Arms.

Drew said that additionally Ethel, that the Pastor did talk about the COVID-19 plans and Julia mentioned that too. Dave McGuffey is correct. We did send out a letter that kind of identified a lot of the procedures that the staff was taking as well as Open Arms in case someone felt sick and what that would mean for self-quarantine and so forth. After this, if you would like a copy of that letter, just e-mail any of the members of the Board and we can find it and send it to you for your situational awareness.

Chat question from Martha Steinbeck: What if we pay a teacher and then they leave/don't come back? Should teachers/staff be required to sign a letter of intent to return/keep working? Drew said that we will be formally offering them their jobs back. We would like them, we will be requiring them to respond to us digitally through that e-mail whether to confirm they are coming back or rejecting that so we can update our PPP loan and we have that transparency and communication with the bank. We haven't had anyone tell us that they're not going to come. If they do come back and keep working, so be it. If someone chooses that they don't want to come back here after working here a week, letters of intent are fine, but I don't want to put someone in a position where they feel unsafe. So if a teacher, then, after a week of work wants to go home, the Board can discuss that, but right now I don't think we want to limit anything and make anyone feel unsafe.

Julia asked Pastor Peter if he wanted to talk about new employees coming on, such as Pastor Josh and we would be able to use the PPP loan to start him off too, I believe. Pastor Peter said that as he understands it, we would be able to do that. The design behind this loan from the SBA is all about preserving small businesses and keeping them thriving. As far as full time equivalents, I watched one seminar where they said if you hire on more people than you had before, then that actually works in your favor as far as you've got to make sure you have 100% of your full time equivalents from before COVID. And if you've got 110%, that certainly is in your favor. There is nothing against hiring additional employees during this time. And there is nothing that says we can't use these funds also to pay those individuals. As far as the 2 called workers that we have coming on board, it is Pastor Josh's plan to try to get in here towards the end of this month and begin his service early in the month of June with an Ordination/Installation toward the end of June (6th or 7th of June). And so he could be on the payroll for the second pay period in June. So we'll have to figure out how that works. Hanna would not be coming in, at least at this point, until the end of July. So she would not be around and available to take advantage of this at all.

Chat question from Donna: Are the weekly offerings doing well and able to cover costs? Rich said that we are doing actually amazingly well. Even compared to our normal giving all the way up through most of April. Things are down very slightly, not significantly. There has been an enormous response to the request for funds for the food bank. So we are in good shape. Giving has not begun the summer slump like it sometimes does and we would hope it wouldn't do that. It's not due to do that until mid-June.

Chat question from George: Is the amount for "PNC for Overhead" for them or us? Drew said that PNC requires that. However, it is a benefit to us, because what we provided is projections of payroll, projections of utilities and projections of interest. Now our prices are not entirely fixed but they don't fluctuate greatly. A lot of small businesses, water, utilities, electrical based on usage demand will fluctuate fairly significantly depending on what that business is trying to do. Overhead is to protect those projections. So if we say we need to spend \$11,250 in utilities and our utility bills come to \$15,000, we have enough money in overhead to actually cover those expenses.

Chat question from Jim and Celeste: So far this is all good news. Will we specifically ask the SBA to give us a written response on the issues of rostered church staff and the eligibility of Pastor Josh? Pastor Peter said that we'll do what we can to find an answer and we will work through the church body I think is probably the best way to get the SBA's ear. I don't know who we would even direct that question to at the SBA. But certainly the church body is full of pastors and other called workers and so they're the ones who so indicated this might be a really good idea for us. So we'll do everything we can to get a response and clarify things before we do anything with Pastor Josh for sure. We'll clarify things with the church body.

Drew said it is important to note and we've already commented that we have an additional 5% built into the payroll projections. Right now, correct me if I'm wrong Rich, but Josh is not actually included in those payroll projections. So right now, if Josh were to for whatever reason not come during this 8 week period, we still have 80% of our payroll projected for the cost of this loan. Rich said that he was absolutely correct.

Chat question from Gabby Walsh: Do you still have to pay interest and overhead if the loan is forgiven? Drew said that we still have interest to pay. Any overhead that is not utilized from this loan, we immediately pay back. It's there to protect us in case our projections are low. Once that is done we can pay that back to PNC without penalty and it doesn't impact on percentages for the loan. Even if it does, our overhead is at 11%, so we pay that back, and the payroll, mortgage interest, utilities all maintain compliance. George said for those of us who are risk managers, the overhead is our management reserve. Drew agreed.

Rich said that if you can go anywhere and find a loan somewhere at 1%, go get it. This is a chance for us, the main thing here is that it will allow us to retain all these teachers, many of them who have been with us for years and years. To not do this would mean basically they would go on unemployment, they would have to go get other jobs because they cannot afford to not know what is going to be their fate for the long term. It's also worthwhile noting, I think that this is kind of an additional benefit for them. If something goes south with the economy, and after the end of the 8 weeks, there is still no jobs for whatever reason, they can still turn around

and file for unemployment at that point and still have their 39 weeks coming. Drew said that is correct.

Drew said that the Board and staff have spent a great deal of time studying best practices identified within the first round of PPP loans to ensure that we implement procedures that support successful loan forgiveness. Our church is prepared to apply for loan forgiveness exactly 8 weeks from the loan start date. We will correct that if the loan start date changes. Right now, the loan start date is May 6th. Then that 8 week period is 6 July, which will be the time we submit our paperwork for the loan forgiveness. We will utilize separate pay codes to easily differentiate the COVID-19 funds or the PPP funds from church funds and will be documenting all of our eligible PPP loan expenses in a separate expense account for transparency and audit purposes. Unfortunately, per COVID restrictions prevents us from creating a separate bank account because we can't go in in person to do the necessary signatures for that. But we are implementing every feasible best practice identified by SBA, Forbes and recommendations by other lenders to ensure success.

Julia asked Drew to answer his understanding; you're talking 8 weeks. When I double checked, the 8 weeks from Wednesday when we signed the loan. Or if it's a different date. The first 8 weeks that I got was July 1st. So I was wondering if its 8 weeks or two months. Drew said that he will confirm that.

Larry said that Drew did a great job with going through the details there. He also wants to thank Richard and everybody else who helped participate in this process. Larry said that he thinks that this is a good deal, and we ought to make it so.

Chat question from Jim and Celeste: Who within OSLC is responsible for the \$302K note beyond Larry Malinowski? Pastoral Team? Finance Team? Governance Board? Outgoing Governance Board or incoming Board? Pastor Peter said that Larry has basically staked his reputation and his life on this thing. To be honest with you, I don't know who's responsible for the mortgage that we have on the Open Arms center either. Officially I would say it belongs to the organization. So basically this falls upon the organization too. Because Larry has applied on behalf of Our Savior Lutheran Church, Laurel, Maryland. Tom said that Larry is not responsible for this. The church is responsible. The organization is responsible for it. Larry just happens to have signed for the church, and consequently, that's the only connection. He is not responsible for the \$301,700.

Julia said that she saw the one question that went by about having a separate account for the PPP loan. Marcie has already established that. And so there is a separate account with just those funds in it. Which we will draw down expenses from as we have outlined it.

Pete Walsh said that to Jim's point the concern there is this is an unusual loan amount. And we have needs that have already been identified. I guess what we're looking for there is specific accountability to ensure that we do not become saddled with the loan and then the loan interest rate. We have needs that need to be met and we don't need to incur additional debt so I guess to Jim's point is how do we ensure specifically that we are in compliance on a proper repayment plan.

Pastor Peter said that he thinks the finance team is going to work hand in hand with the Governance Board and we're just going to keep everybody up to speed on where we are. We're going to hold each other accountable Pete. To making sure that we are doing the necessary steps to follow the rules on this so that it can be forgiven. I think there is a certain amount of trust that is involved with all of that, yes. There is a certain amount of trust that we exercise simply being an organization that we are going to pay the bills. We are going to make sure that things don't fall through the cracks. And with this we're just going to have a number of eyes on it: he already mentioned Rich; Larry of course; Ted has volunteered to look at that; Kirk; my dad; Marcie Zell; and anybody from the Governance Board, and I'm betting we will have few eyes there that are going to see to this thing so that things are happening appropriately Pete. That's what I can give you. We're going to have a number of people working on this making sure that the I's are dotted and the t's are crossed.

Pastor Peter said to answer Jim's question. Indemnification, I believe that is something that we are covered for under our insurance. George said you are. Pastor Peter said we're good to go there.

George said once the minutes get approved, if this is approved. It's an action that will be signed off by the Board. They're the ones with the signature authority. They are in essence retroactively authorizing Larry to sign the note. And that is why the church actually holds the note. Larry is a co-signer, the church holds the note.

Ted said that he would add to what Pastor Peter said. We have a lot of experience as a church working with funds. The PPP loan is nothing more than a Designated Fund in our eyes from an accounting standpoint. And again, you're going to expend it against designated expenses that would go against that fund. Whatever you have left goes back to the Government. Your only exposure is the 1% interest rate, which Rich already pointed out is pretty insignificant amount. Tom said that the 1% is only on the unused portion. Ted said it shouldn't pose any difficulty in how we are going to spend these funds. As long as you are diligent on not spending cash on other/mixing funds, which has always been the purposing goals of our church and we do a really good job of not doing that. I think we're perfectly alright with this.

Tom said to answer Pete's question one more time, communication, clarity and record keeping for the next 8 weeks. It is very imperative. Everyone is aware of it. Everyone is going to make sure it happens properly. This is a win-win for the congregation and the child care center. There is nothing to fear here.

Resolution for Use of the PPP Loan Funding

Julia said that the resolution as printed here is what we are asking you to vote on. We're asking you to vote on that. If you are not at your computer, we ask that you text or voicemail to number on the screen or that was e-mailed shortly before the start of the meeting – (443) 840-9580. If you are looking at your computer screen there is a place to vote on the resolution.

Tom said that it needs to be noted that this is not asking for approval it is asking for ratification of what has already transpired. It needs to be ratified.

Resolved, that we, the members of Our Savior Lutheran Church, authorize the use of the funds received from the Paycheck Protection Program (PPP) loan (\$301,700) to pay the staff of Open Arms and Our Savior Lutheran Church for an eight week period following the closing date of the loan, and other covered expenses, in order to have the loan fully forgiven, per the terms of the loan.

Julia said that we are hoping to have a Congregational Assembly at the end of June. One of the main pieces of business at that time will be the election of new Board members. We have one name in nominations so far, and we thank Donna for that. We need at least two more people, so please e-mail Julia if you are interested so we can place your name in nomination also.

Results of Voting on PPP Loan Ratification

Resolution to authorize use of funds from PPP loan **passed** with 74 votes for (yes) and 3 votes opposed (no) which equates to a 96% approval rating (majority rules) from the members that attended/voted.

Pastor Peter closed the Assembly with prayer.

Respectfully Submitted,

Bruce Thompson
Governance Board Secretary