

**Minutes of the MCCDC Board of Directors
Tuesday, August 16, 2016**

Members Present: Rev. Dwayne Johnson, Fenicia Ballard, Kathleen Carey, Mark Kornmann, John Merriwether, Knut Panknin

Guests Present: Rev. Cathy Alexander

I. **Call to Order**

Rev. Dwayne called the meeting to order at 6:58 p.m.

II. **Song/Scripture & Opening Prayer**

Kathleen shared a song that touches her heart every time she hears it: “My Redeemer Lives” by Nicole Mullen. John shared scripture from Hebrews 11:1 – a verse that speaks to where we are as a church as we trust in God’s faith in searching for direction and deciding on a budget for next year. Dwayne then opened with a prayer.

III. **Consent Calendar**

Dwayne and Mark offered additions to the agenda as informational items: an update on the 460 building and on the Bylaws and Nominating Committees. Knut suggested taking off the Treasurer’s report from the informational item as we have the same item on the agenda for discussion and vote. Kathleen moved to receive the agenda and Knut seconded. The motion carried.

IV. **Informational Items**

A. **Shout Outs**

A shout out went to Bill Terrell for his longtime service with the Deaf Ministry. Bill will celebrate his last service with MCCDC this Sunday before moving to Arizona. Another shout out went to the many volunteers who are managing the office until a new church administrator is found. Special thanks to Tim Hassett, Cecelia Hayden-Smith, Dale and Denita Madyun-Baskerville, Evelyn Jones, Cassandra Hardison, Johanna Hardy and Tyrone Washington.

B. Trustee Update

Dwayne reported that he had contacted the city and put in a work order for the tree on 5th Street, NW. The city will determine whether to prune the tree or remove it. Prior to a removal, there will be a way for the congregation to have a ritualized fare well, including receiving parts of the tree. Dwayne also said that he is in favor of not replacing the tree, as any other tree in this spot would face similar issues regarding nutrient supply. Mark said that we would need to return the \$1,000 to the congregant who had donated money for a tree replacement.

Rev. Cathy gave an update on the developments around the 460 building. She had met with the lawyer and developer of the property, together with Brian Scott, who was tremendously helpful. Construction will be finalized within a week. Brian made sure that the letter to potential buyers and closing documents state in writing that a parking spot is not part of the condo purchase. He also made sure that signs will reflect the times that the church has the right to use the parking spots, and that measurement and number of the spots will be correctly done when re-stripping the new parking lot surface. Cathy added that we asked for a week's notice prior to re-surfacing the lot and that the work cannot be done over a weekend. The 460 developers will also replace the gate on Ridge Street, giving us access, and will re-install a light with motion detector that they took down during construction. The concrete pads at the doors will not get resurfaced. One potential problem is a small hole in the concrete. Timothy Duncan is looking into ways to repair it. One idea might be to ask Dennis Cruz who has done good work with the concrete at 472. Cathy is also in contact with David Lord on the original easement. The filing of the new easement is not finalized. Mark asked to have the mess by the fence being cleaned up by the developer of 460.

C. Revival Update

Rev. Cathy gave an update on the revival planning for September 23-25, 2016. The theme is "Arise, Shine: Hearts Ignited, Lives Connected". The worship services will be blended in style to offer elements for everyone. She also presented a schedule and timeline with action items. Marketing and finances are the action items that need immediate attention. Eight new congregants have joined the planning team.

Mark asked whether the revival was on the website already, and Dwayne said that it would be up this week. A three-week remembrances fundraiser would start after the "Backpacks4Kids" fundraiser has ended. We would not ask for a set amount for remembrances and honorings. The expected income is \$700-1,000. Mark asked what the minimum would be to break even. Cathy said that we need to raise approximately \$4,000. Mark suggested contacting people on

the donor list immediately as we are only five weeks away from the revival. Kathleen asked whether there was a new target date for the flyer to be released and she suggested inviting members who have not been back in a while. Dwayne said that the flyer would be done by this coming Sunday and that there will be a campaign to canvass and call congregants.

D. Bookkeeping and Church Administrator

Dwayne reported that an outside company has been contracted for accounting and started last week. Cathy added that they are currently working 10 hours a week and charge \$25 per hour. Contracting is done on a week-by-week basis. All income (offerings, fundraising, rental income) is in the bank and accounted for but not coded correctly yet. She also said that other accountants have been interviewed but generally asked for a higher rate. Once our books are updated, accounting could probably be done with fewer hours contracted.

Dwayne said that he is currently holding off on the church administrator's position and that he is looking at workflow and hours needed (20-25 hours per week). Five people have applied and there will be interviews next week. Kathleen suggested AARP as a source for potential other candidates and Knut suggested idealist.org as another resource.

E. Emergency Procedures

Dwayne reported on Alan Dinsmore's email regarding procedures for medical emergencies. He and Mark had responded to Alan already. Jacqueline Laughlin is currently working to bring the ideas into a formal structure that will serve as guidelines for Staff, Ushers, Board and Pastoral Care Ministers. The Board will vote on the guidelines once they have been formulated.

F. Bylaws and Nominating Committees

Knut reported that he has recruited Cecelia Hayden-Smith and Johanna Hardy to work on an update of our Bylaws. The plan is to have a new draft ready by the September 2016 Board meeting. Fenicia Ballard offered to help recruit Board and Lay Delegate candidates for the Nominating Committee.

V. Discussion/Voting Items

A. Treasurer's Report and Budget

Based on the Board budget meeting on August 15th, Rev. Dwayne presented an updated budget proposal that kept offerings at the anticipated \$400,000 annually and also contained expense cuts in various areas, including a 5 percent

salary cut for the Senior and Assistant Pastor. Ministry support would be kept at 2016 levels. The salary for worship arts would not be cut. This was in line with the budget goal and the Board's recommendation to focus on worship as a priority for 2017. Rev. Cathy added that she looked at aggregated expenses for 2016 and extrapolated the costs for the remainder of the year. This served as the basis for the reduced 2017 numbers for service charges, building usage expenses, supplies and utilities. Current bank charges are subsumed under credit card costs as a credit card is connected to our Easy Tithe account. Mark still questioned whether \$9,000 would be enough to cover bank service charges in 2017.

Mark said that the new budget proposal balances and that he acknowledges the salary cuts that the Pastors had offered. However, the proposed budget does not meet his goals on several fronts: it fails to build reserves, will not resolve our financial issues, and does not offer a plan to move us forward. The congregation knows that we have financial issues, and they have let us know what they want and need. This budget proposal simply puts another band-aid on the situation. The low balance in the checking account must be a wake up call. The denomination cut positions and got its house in order financially. We need to cut hours for staff, which does not mean we do less. We have to focus our resources and can refocus on programming once we cut. He would like to see reserves built in the amount of \$25,000-50,000. On a general note, Mark is not sure we know what funds are available that are not restricted and that he cannot make financial decisions as a Board member with numbers that cannot be trusted. He also reiterated his complaint that the Board did not approve the \$5,000 expense for the accountant's budget review and that the scope of work and deadlines were not clarified.

Dwayne said that a reduction of hours would not solve the problem and that staff is already spread thin. He expects that the 5 percent pay cuts will get the message across to the congregation.

Knut accepted responsibility for signing the contract with the accountant under the assumption that the expense had been approved. He apologized for not checking whether that was the case. He also said that no single year budget would offer us enough opportunities for cuts to bring us back to financial health. Given expected offerings and fixed costs, salaries are the only opportunities for savings and a 5 percent pay cut is the limit of what he could support.

Kathleen asked what else we could do to run the church. We cannot run the office on a volunteer basis and we have been through letting people go before which did not help us financially or led to increased attendance. We have done bare bones and aspirational budgets in the past. In the end, we managed to pay our bills and ended every year in the net positive. Cutting staff and hours would

not be the way to go. John agreed and said that cutting staff and hours would lead to a loss of members. We need to think outside the box and he asked whether there has been any progress on grant opportunities such as implementing a day care program. Cathy replied that there was no progress yet but that the church is looking into potential space use for a day care during week day hours. However, this would not be a program run by the church.

Fenicia said that she feels like we are robbing our congregation of what it needs right now. The expense ratio between church membership and staff salary was too high – we are spending \$125,000 a year on combined Pastor salaries while serving 140 per week. Therefore, she cannot support the proposed budget.

Kathleen moved to pass the 2017 budget as presented by Rev. Dwayne with the proposed cuts to salaries and other expenses with a total expected income of \$524,400 and expenses in the amount of \$523,110. The motion died due to lack of support.

John moved to pass the 2017 budget as presented by Rev. Dwayne with additional reductions: the \$5,000 expenses for an accountant would be cut, \$1,500 would be eliminated from honoraria and \$300 from conferences/seminars. He also added the stipulation that we must seek grant money for the 2017 budget. The 2017 budget would have a total expected income of \$524,400 and expenses in the amount of \$516,310. Kathleen seconded the motion. The Board voted 4:2 in favor of the 2017 budget as amended by John.

After the vote, Fenicia said she would resign from the Board effective immediately. Mark added that we couldn't adjourn at this point. He acknowledged Fenicia's service on the Board the past years and said that we are a different size church and could not afford two full time staff. This is not about individuals but simply about positions and finances. We do not know what is in our checking account and we have no answer for our congregation on how we want to get back to financial and membership growth. Declining attendance and budget discussions should go hand in hand and we are not addressing the issue. We work on bits and pieces but we do not have a plan. People feel demoralized and not fed, and there is a lack of energy in worship.

Dwayne said that he would talk with Fenicia tomorrow.

Adjournment

Kathleen moved to adjourn at 9:14 p.m. The motion was seconded by John and was approved. Rev. Dwayne closed the meeting in prayer.