

Minutes
North United Methodist Church
BOARD OF DIRECTORS MEETING
Wednesday, November 19, 2014

Members

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|----------------------------|--------------------------|
| Todd Daniels-Howell, Chair | James Hamstra (SPRC) |
| Ann Mackey, Vice Chair | Eric Galloway (MC /LL) |
| Nick Tumminello (Finance) | Linda McClain (LL to AC) |
| Mark Grove, Secretary | Kathleen Custer, LL |

Guest

Ron Gifford

Ex Officio

Darren Cushman Wood

Absent

Charles Young, Treasurer
Margaret Mayo (AL)
Vic Childers (Trustees)
Angela Ockerman-Jones (AL)
Bill Groth (AL)

1. Pastor Darren led the group in prayer.
2. Minutes of the October 22, 2014 meeting were approved (Kathleen/Linda).
3. Developer Review Task Force report (Ron Gifford)
 - Four developers responded to the RFI.
 - Following a review of the responses, the list was narrowed to two developers. Both were invited to visit and respond to questions we sent after the initial submissions. Following those sessions, the Task Force discussed the relative merits of working with either developer. Important considerations included:
 - Who should we be working with that will get us to the vision we will establish? We should be looking at more than just effective local project and property management. We want the best development partner.
 - Striking a balance that is great for the church *and* great for the neighborhood.
 - Structuring the best development model (sell, lease, partner) while keeping North's risk to an absolute minimum.
 - Our *Great Places 2020* designation brings planning and resource expertise that will be very helpful going forward with the broader development effort. This can be done in combination with the specific property design work.
 - There is not an expectation by *Great Places 2020* that the actual development work begin in 2015. Rather, befitting the name, the goal is that the neighborhood work toward redevelopment **by 2020**.
 - We need to be willing to move fairly quickly on the development project *as well as* be willing to wait as circumstances warrant. There is a March deadline for the next round of tax credits. However, given all there needs to be done, including determining the "missional vision" internally at North through discussions with the membership, it would be a real challenge to be settled on this by March.
 - Following their review and discussions, the Task Force identified a preferred partner with which they felt more comfortable in moving forward. The Task Force

- recommended continuing discussions with this developer and jointly preparing a development agreement that would specify the nature of the partnership.
- Board Members discussed when and how the Board involve/consult with North members and groups regarding any proposed development and the proper sequence for having those discussions.
 - Do we try to establish a more specific vision with church members as to what the development might/should include before making a final choice of developer **or** are we better off involving the developer in that consultation process? The majority of the Board thought the latter was the more appropriate course of action.
 - We have already had two all-church presentations about different “blue sky” possibilities for the larger development.
 - The next round of discussion with North members would benefit from the involvement of a developer who would bring greater expertise as to what is possible to do and be successful in our location.
 - While the developers all brought different concepts in their initial proposals, the final components of any development would have to be acceptable to both North and the developer. The Task Force believed they could work well with the preferred developer on this.
 - A majority of the Board voted to accept the Task Force’s recommendation and authorized continuing discussions with the preferred developer and putting together a development agreement for consideration by the Board (Kathleen/Linda).
 - The Task Force will continue to bring things back to the Board as there are decision points that will require Board approval such as the final version of the development agreement. Entering into an agreement does not commit North at this point to going forward with any actual development. It simply allows more detailed discussions with the selected partner about the structure of the partnership, components of the development (*see below*), how it would be built, and how it would be managed upon completion.
 - The Board agreed to keep the name of the recommended developer confidential until an agreement is concluded.
 - While those discussions continue, members of the Board agreed that we should prepare how to involve North members in deciding on the eventual components of the development. One recommendation was to consult with small groups over several Sundays in January with the discussion guided by provision of available information, such as the *Guiding Principles for Development of the Future Property* (prepared by the Ministries Council several years ago) and a set series of questions.
 - The Task Force will continue to work and may be expanded with Tom Hiatt and Bill Groth asked to join. A recommendation was made that someone with communications expertise be added as well with an eye toward how to keep North members informed and involved as the process goes forward.
 - As a result of these steps, the Board decided not to hold the December 7th Forum for Understanding that had been scheduled as a follow-up to that of [September 21st](#).

We are not at a point in the process where having such a session would be very useful or informative to members. We can look for a future session early in 2015.

4. Preliminary annual budget proposal (Nick)

- 2015 Budget Development
 - Prior to the meeting Nick had provided Board members with a draft budget and asked them to provide their guidance on cuts to make that would lead to a balanced budget. He sought input from the Board on what kinds of choices would be acceptable, preferable, and prioritized.
 - The budget that was sent was built based on Stewardship and a set rate of pledge fulfillment.
 - Of members responding,
 - Reducing apportionments was the top recommendation, with the reduction ranging from paying 25% to 50%.
 - The majority flat-lined raises.
 - Several recommended eliminating position(s).
 - The exercise demonstrated the challenge of getting to a balanced budget.
- We still have some major issues to settle and options to review in more detail in order to make informed choices.
 - The group agreed to pull together a small group in the week of 8 December to look at what the budget should look like. We should have a better idea by that point of what the Stewardship results should be. The “Gang of Six” will be comprised of two members from the Finance Committee; Todd, Kathleen and James from the Board; and John Drake as incoming treasurer.
 - Darren told the group there will be a more strategic staff meeting just after Thanksgiving to scrub the budget as well as look at particular activities and core programming. Ideally this will not only reduce costs but result in a range of activities that are better for the church. That will be done prior to the meeting of the Gang of Six.
 - We will continue review of off-line accounts that should be used for things such as wedding fund to pay for security but which are not always being drawn against to pay those expenses, instead having those charges paid out of the normal operating budget. There may be other off-line accounts/designated funds that could be reviewed for possible use, consistent with donor intent and/or with their approval.

Additional discussion

- Kathleen noted from Lay Leadership that the chairs of each of the five areas could be given a fixed amount of across-the-board spending that needed to be reduced. This could follow targeted cuts identified through staff-level review and leaves it to those directly responsible to identify specific cuts. Such a step both educates and provides control, both additional goals of transparency.
- Addressing the shortfall needs to have more of a sales component in addition to just the facts. In order to reach the largest number of members, this needs to be

addressed from the front of the church on Sunday rather than an all-church meeting, and more than once.

- Eric suggested asking the small groups to be in prayer regarding the issue which also raises awareness in another setting.
- Looking forward, one step that should be taken is to raise the issue of what membership means in connection to giving. This is a deeper, broader issue that we need to wrestle with next year as we develop clear expectations of what membership means. We need to be clear in identifying our core mission as we can't do everything.
- Though we had recently completed the transition of using a donor's employer match gift fully into the Foundation account, we might consider ask the donor to allow us to once again put some of the gift into the operating budget rather than fully into the Foundation account. While it was a good plan to move away from relying on that gift for regular operations each year, circumstances may make revisiting that appropriate.
- We should have a budget check-in as of July 1.
- Longer term we may have some positive news with the improving economy, but we need to take appropriate action now in anticipation that we don't see a corresponding improvement in our income.

5. Standing Reports

- Trustees (Vic)
 - Planning for work on the Community Room and the Sanctuary Windows continues to move along.
 - A decision was made to do a major overhaul of the lights in the parking lot as many of the present bulbs have burned out. It is hoped that this work can be completed before the Christmas season.
- SPRC (James)
 - No SPRC meeting
 - North has hired Jim Patton as interim finance director
- Ministries Council (Eric)
 - Members were encourage to attend the Advent Festival 12/7
- Lay Leadership (Kathleen)
 - Ready for Charge Conference 11/24
- Chair (Todd)
 - Mark met with Darren, Laura, and Nancy to move forward on updates to the Website. A number of policy documents will be posted and serve as the source of the most current version of each. As a result, the site can serve as the source of a great deal of content for the January training session for Lay Leadership rather than provided printed copies.
 - The group also began more detailed discussions on the proposed Dashboard. Some content areas were identified (summary of financials, attendance, membership demographics); other possibilities include numbers of North members in service to North and number of people served in service to the

larger community, such as Bread n' Bowl. These will then link to appropriate pages on the site for more information. We will be looking for ideas from members of the Board and the various councils.

- Finance (Nick)
 - Nothing additional
- Senior Pastor (Darren)
 - Stewardship Committee Update
 - The average pledge is lower than it was at this point for 2014, but on-par with 2013.
 - A letter will go with a pledge card to everyone who pledged for 2014 and 2013 but haven't yet pledged for 2015.
 - The goal-tracking thermometer and summary pledge update used in the e-newsletter will be repeated in the Bulletin. Stewardship Sunday is becoming a *Launch Sunday*. We probably need to have Stewardship Committee start even earlier in the future, perhaps early June.
 - The list of those who have not yet pledged will be divided up for their individual follow-up through calls and e-mails by members of the committee.
 - Darren is watching major donors (\$10,000+). Six are still out; two we know are coming in but haven't yet completed the formal pledge. Four are still out for a combined total of about \$50,000. To date we have had no new major donors.
 - Darren plans to reconvene the Program Mission Endowment (PME) committee to see if there is any money that might be identified to draw against for additional income.
 - Leadership orientation is tentatively scheduled for 27 January. Members were encouraged to give Nancy Fykes feedback regarding that date. Chairs of every committee will be asked to attend. We really need to plan about stepping up involvement of Lay Leadership that also helps with giving (more connected).
 - Two questions to reflect on regarding Finances, moving beyond the numbers that serve as an indicator—what do they mean?
 - What do our financial challenges and 2015 pledge figures tell us about our *relationships*?
 - These are not necessarily negative
 - What *opportunities* is God giving us through these financial challenges?
 - This can be seen as a chance to deepen what we are doing and broaden what we are doing. How we fund or handle bereavement meals is one example.

6. Executive Session

Upcoming Meeting Dates

November 24

- The Charge Conference will be held at 6:30 p.m. in conjunction with Castleton UMC and Meridian Street UMC and held at [Castleton UMC, 7101 Shadeland Ave.](#)

December 17 (not 24th)

Tentative 2015 Dates

January 28

February 25

March 25

April 22

May 27

June 24

July 22

August 26

September 23

October 28

November 18 (3rd Wednesday)

December 16 (3rd Wednesday)