

Castleton United Methodist Church
Leadership Team Meeting Minutes
May 19, 2015

Meeting was called to order at 6:30 pm. The meeting opened with joy and concerns. Prayer was given by Tom Schubert.

Team members present: Pastor Frank Beard, Pastor Billy Nickrand, Carole Craig, Paul Bickle, David Ayers, Jerry Robinson, Deb McCloud, Margo Ward, Dorian Poole, and Tom Schubert. Kathy Pellman, Director of Still Waters Adult Day Care was also present.

Minutes

Minutes of the Leadership Team meeting for April 21, 2015 had been previously distributed by email and approved.

Still Waters Adult Day Care (SWADC)

Kathy Pellman discussed the history of SWADC, its finances, visioning process, programming, connection with the church's vision, need for the service based on demographics, and the opportunity to expand the ministry at another location. Capacity of the current site is 23 to 25 clients after the expansion, which was completed in December 2014. Current census is 22 to 24 clients and SWADC is operating near capacity at the Castleton location. Preliminary questions from the leadership team were answered. Positive aspects were noted, including: (1) extension of ministry, (2) demographics indicate a need in the extended community for the service as 1 in 5 over 65 years of age have issues with some form of dementia, (3) duplication of what makes SWADC great, (4) volunteers would have opportunity to serve, (5) care givers would be given breaks, (6) other church is responsible for the cost of build-out and (7) potential for extra cash flow to be generated to support programs. Negative aspects noted were: (1) financial risks associated with a new operation, (2) projections show 15 months to reach break-even, (3) doing business with someone else who would be the landlord and SWADC would be the renter, and (4) larger organization to manage. Neighborhood area around the other church location is ethnically diverse and census tracts indicate income is lower than the area around Castleton. Billing, payroll, and bookkeeping would be centralized at the current location and SWADC staff is trained on the process of getting aid from public sources for our services if the client is in need. Build-out of \$80,000 to \$90,000 will be paid by the landlord congregation. This expansion is presented as ministry between both churches that we are doing together. Pastor Billy presented a different approach where SWADC might be likened to an issuer of a franchise, provide its knowledge and experience, but would not have direct management responsibilities over the new facility and SWADC not be a renter. Kathy Pellman left the meeting. Discussion continued. A motion was made and approved: "To authorize Kathy Pellman, Wayne Derr, and Tom Schubert to proceed with discussions to expand operations of Still Waters Adult Day Care with Eastgate Christian Church."

Trustees (Tom Schubert)

Family Life Center is now being utilized for P5-8 events, CUMNS, and family movie night. Tom presented a list of additional projects that will enhance the utility and beauty of the space. Major items include: new projector, chairs, tables, stage lighting, lighting trusses, and window treatments. Approximate cost of additional items is \$39,000. This amount is not in the current budget. An order of preference will be established with input from Brenda Morrow and Jonathan Cruz. Wayne Derr will get total costs of the Family Life Center in a report. Campus clean-up is scheduled for May 30 from 9am to 1pm. Hydraulic pump for elevator in Armstrong Wing needs replacement with a cost of \$9,000. Additional items for replacement include 7 cooling units and water cooler in the CUMNS hallway. Tom noted the need for a trustee reserve fund to handle larger unexpected items of repair and replacement. He recommended that the reserve fund be part of 2016 budget. Work on the trail along the 71st Street parking lot has begun. A quote is needed to complete our portion of the asphalt paving. Funds available for parking lot repair are \$22,000.

Extravagant Generosity (Deb McCloud)

Deb reported that Castleton campus year-to-date receipts through May 10, 2015 were \$785,934 which is 110.6% of goal. Sunrise receipts of \$97,228 are above goal through the same period. This was 102.9% of goal. The blended total for both campuses was 109.7% of goal. Youth Sunday raised \$25,000 with a goal of \$17,000. Deb is still in the process of gathering information on the endowment funds. Some funds were established 15 years ago and can only be used for specific purposes, such as tuition for CUMNS teachers. Additionally, some of the funds can spend the interest earned and not the principal. Some of the endowment funds are unrestricted.

Other Financial Matters

Treasurer David Ayers presented for discussion an "Authorization Resolution" which would authorize Deborah McCloud, Finance Chair; Paul Bickle, Leadership Team Chair; and David Ayers, Treasurer to exercise powers granted in the resolution for the business purposes of the Castleton United Methodist Church, Inc. Powers granted include to open accounts, endorse checks, buy and sell stocks, bonds and mutual funds, receive information in executing the above transactions, and request checks and stock certificates to be issued. Motion was made to approve the "Authorization Resolution" as presented. Motion carried. An exact copy of the "Authorization Resolution" is maintained in the minutes of this meeting and it is witnessed by Dorian C. Poole and certified by Jerry D. Robinson, Secretary.

David noted that there is \$5.8 million in life insurance face value in force under the legacy program. There is \$1.25 million outstanding balance under note C which can be paid from the proceeds of life insurance. There are two life insurance policies lapsing in 2015, one for \$1 million and another for \$500,000. Annual cost on the larger policy is \$23,000. The financial institution holding note C has an option to pay the \$23,000 in

costs to keep the \$1 million insurance policy current and in force. The bank has asked that we pay interest on the \$23,000 when the bank extends the funds. Under the agreement, we are not required to make any interest payment and the leadership team authorized the Treasurer to inform the bank that it would not make any interest payment on the \$23,000 extended.

Treasurer presented a proposed refinance option with another financial institution which had a lower interest rate and a shorter maturity of the note. Currently the mortgage has a remaining term of 8.5 years versus the proposal with a 5 year maturity. Discussion followed which noted the benefit of knowing the exact amount of monthly payments for a longer period of time. Additionally, the interest rate in 5 years is an unknown. There was a motion, which was approved, to maintain the structure of the mortgage debt as is.

Sunrise transition (Pastor Matt Lipan)

All aspects of the transition are on target and start of Gateway Community Church remains on schedule for July 1. Papers have been filed for the tax identification number. Approval from the Bishop's office has been obtained. Attendance year-to-date averages 132 for church, with 38 in Sunday School. Lease agreement between Castleton United Methodist Church and Gateway Community Church is being worked on by legal counsel and is to be provided to Tom Schubert. Signage in front yard is being addressed. Web-site and letter heads are being obtained. Single board structure, similar to CUMC, will be utilized. Activities scheduled include the following: Celebration of the ministry of Sunrise with Pastor Frank at that campus on June 28; Community block party on July 1; Parade on July 4th; First Sunday on July 5; and VBS July 12 to 16.

FCJ and Other Items (Pastor Frank)

Pastor Frank noted that we need to relaunch the Discipleship Pathway with new process and aids for the participants. Pastor Frank has concluded all of the required peer meetings with 6 participating churches. Town Hall meetings (3) will be held in the future which will be lead by the Lay Leaders. Items to be presented at the meetings include the state of the church and the FCJ process, financial condition, relaunch of Discipleship Pathway, and concerns and resolution of the Fall worship and Sunday School format. It is noted that the 175th anniversary of CUMC will be celebrated in 2018. Staff retreat is proposed in August 2015. Pastor Billy noted that members of the congregation may sign their name on a 2" X 4" and make a donation to Habitat for Humanity. Time and location of the signing to be determined, but probably in August 2015.

Meeting closed in prayer by Jerry Robinson.

Being no further business, meeting was adjourned.

Next meeting is Tuesday, June 30 @ 6:30 pm.
Secretary: Jerry Robinson