

Minutes
Little Home Church Council Meeting
June 14, 2011

In Attendance: John Berger, Anne Bouchard, Peter Gatsch, Judy Hopkins, Marilyn Poole, Bob Kaska, Ron Purser, Suzanne Setlock, Wally Setlock, Kristen Thornton, Art Zwemke, Susannah Lesswing, Ann McLaughlin, Ralph Daehn.

Bob called the meeting to order at 7:10 and Ron opened with a prayer. Special prayer requests were made and Bob asked everyone to share a favorite memory from council over the past year.

Approval of minutes. The minutes of the May meeting were reviewed and Ralph moved that they be accepted. Wally seconded. Minutes approved.

Pastor's report. Ron reminded everyone that annual reports are due to Lori by June 20. We need fellowship sign-ups for the remainder of June. VBS is ongoing and there will be an upcoming ceremony for reaffirmation of vows for Kim Kentfield and her husband.

The Dixon renters have given their 30-day notice. Ron has a possible renter to replace them.

The sound system in the sanctuary has been worked on by Gary Estes. Also, the septic system for the church has been rodded out and a blockage was removed.

We have received new members and another couple is interested.

Moderator's Report: Bob apologized for neglecting the Pastoral Relations committee. He will work with Ann to fulfill those duties. The Junual meeting is set for June 26 and Bob presented a tentative agenda. Additions were suggested and Bob will make the changes. He reflected on his year as moderator.

Treasurer's Report: Art reported that pledge collections for May exceeded what we anticipated for the first time this year. Year-to-date, we are in the red by \$15,629 versus a projected surplus of \$6710, effectively placing us behind by about \$22,000, which is \$25,000 behind last year at this time.

Art reviewed the Long Range Planning (LRP) elements as impacted by the downturn in finances. Art reminded council that banks have changed lending practices and it is more difficult to get a loan. Our surplus real estate is a possible area to consider. See the attached handout for specifics as provided by Art, specifically, pages E-1 and F-1. We need to look ahead a few years as our deficits are likely to continue. F-1 presents two possible scenarios involving the Peterson and Dixon properties and a loan or sale financed by a bank. Revisions were made to F-1 pursuant to the discussion.

Wally asked about getting an appraisal for the two properties. Art reminded us that the immediate issue is that we need working capital. John Berger raises a concern about selling the properties at a loss. Wally added that they have acted as a savings account. Marilyn said that when we voted on purchasing the properties we acted in pursuit of an opportunity. Wally added that we have never developed our plans for the properties. Marilyn reminded us that we used Peterson for Transitional Housing for four years, and that we have pondered alternative uses for the properties since then and we have not been able to come up with anything. John said that the properties were held by the previous owners for a long time and it seemed like a good idea to buy them as they came available, not to mention Marguerite Peterson's long-time relationship with LHC.

Discussion ensued about long-term considerations as summarized on E-1. John suggested that there may be donors willing to support the church through this rough time in order to preserve the investments in these properties. Ralph recommended three appraisals to see what we are actually working with.

Art stated that any bank will want to see a plan for how they would get reimbursed if they offer us a loan, and Bob added that we needed to come up with a recommendation regarding the liquidity issue. John has

consulted with Northern Trust with positive responses regarding a line of credit. He added that we have been good stewards for 140 years and he would not want to see us sell a property at a loss. The discussion continued for some time. Ron agreed with the idea of pursuing a line of credit by using the properties as collateral, and he would probably choose Peterson if forced to sell one of the two.

Discussion ensued (again). Ron reminded council that we have not always done a good job of informing members and friends about our financial standing. Susannah recommended quarterly notices to members and friends about finances. After additional discussion regarding possible pricing for a possible sale, Wally made a motion to seek approval from the congregation for authorization to acquire a "bridge loan" using the Peterson house as collateral, and that if necessary, we sell the Peterson property for not less than \$330,000 (the original purchase price), with the proceeds going to repay \$150,000 of the loan (earmarked for working capital and membership development) with any balance to be divided equally between the Renovation and Perpetual funds. Ralph seconded. The motion was carried by a unanimous vote at 9:10 pm.

Art then discussed the work of the Endowment Committee and presented a Resolution for approval by the council. They reviewed the bylaws and are looking at the Perpetual Fund which has never been enacted but was established in the 1996 bylaws revisions. See (G-1 in the Treasurer's report for specific details.) They used UCC guidelines to create a basic structure for an endowment plan. They are recommending that the nucleus of the Perpetual Fund would be made up of three existing funds: the Memorial Fund (unrestricted), the Flett Fund (restricted) and the Brent Alex Fund (restricted). Three people have agreed to serve as trustees: John Berger, Dave Poole and Dave Sterner. The committee is recommending 5 total, so we need two more trustees. Ann moved to accept the Resolution and activate the Perpetual fund. Judy seconded. The motion carried.

Judy moved to approve the May Financial report. Susannah seconded. Report approved.

Art reminded us that we need a motion to borrow the \$150,000 using Peterson as collateral. Ann moved that we ask the congregation to vote on pursuing a line of credit for \$150,000, and pledge the Peterson house as collateral, and further pledging Dixon only if additional collateral is required. Marilyn seconded. Motion carried.

Moderator Elect's Report: Ann reported that she is still working on filling some open council positions.

Long Range Planning Committee: Art said that we still need to focus on membership if we are to resolve our financial issues. Bob added that we are working toward tripling the number of pledging units in the church. Kristen added the number of members for 2011 is exactly the same as the number of members in 1985. Bob said that it is important to look at membership every month and he presented the LHC Membership Focus Report.

Ministry Reports:

Christian Education: No report.

Congregational Life: Susannah stated that \$6,000 was raised by the candlelight dinner, with the proceeds going to "Paint our Church" and she will work on getting some quotes for external painting. Peter added that there are new rules regarding lead paint so we have to be careful choosing our painter.

Evangelism: Kristen reminded everyone to make an appointment to have your photo taken for the new directory. For every photo, the photographer will donate a meal to needy families. Kristen will continue to keep up the website even though she is stepping down as the head of the ministry.

Facilities: Ron stated that we are in a new fire protection district which is still developing. Greg Benson is the chief.

Outreach: No report.

Stewardship: No report.

Members-at-large: No report.

Worship and Spiritual Growth: Ron said that there will be a 5th Sunday on July 31, an afternoon outdoor service.

Bob thanked all outgoing ministry chairs. Ann suggested we may want to use the phone tree to remind everyone about the Junual meeting. Art suggested that we send out a letter in addition to calls, and he offered to draft it and circulate for review.

Wally moved to adjourn the meeting. Kristin seconded. Ron led the council in the mitzvah benediction at 9:35: "May the Lord watch over me and thee, while we are absent, one from the other." Meeting adjourned.

Respectfully submitted,

Anne Bouchard (for Jan Marchese)