

Cherry Log Christian Church
Congregational Meeting
Minutes
November 20, 2016

The 2nd annual Congregational Meeting was called to order by Jerry Johnson, Moderator. He explained the purpose of the meeting as the adoption of the church budget and By Law Amendments (published on the website). A quorum of 82 was confirmed by Cathy Smith, Secretary. Jerry opened the meeting with prayer at 9:35 AM.

The Board has received from our interim pastor, Paul Pryor, a suggestion for a Transition Steering Committee. The committee membership is: Peggy Cleveland, Lucy Coffie, Lynne Barrett, Marshall Burke, Caroline Carder and Sharon Meek. This committee will work with the interim minister and has been meeting twice a week to plan for the future of the church, using team building and other activities. We will have reports and possibly a Town Hall meeting when the time comes that they have things to share with us. When it is time, they will issue a suggestion for the Search and Call Procedure. This requires no action by the congregation. This is a Board Committee.

Jerry announced a policy that has been announced by the Board on a General Fund Reserve. Finance has felt for some time that we need to build budget reserves. The funds from the sale of the Craddock Center are to be applied to energy improvements. Whatever is left will then go into a reserve. Also, the proceeds from the rentals from the church on the hill have gone into a reserve fund of about \$17,000. The Finance committee would like to continue to build that reserve. They have proposed to take 10% from all fund raising and place it in a reserve. After some examination, they have determined that this is not a wise choice. For example, BeNuts sales is committed to pay the mortgage according to an agreement with the Church Extension Committee. So, the policy that has been proposed to the Board and approved by Finance and the Board officially, is that CLCC will fund a reserve for the General fund to be used for emergencies that require financial resources not readily available in the general checking account. To implement this policy, the following procedures have been put in place: 1) A Reserve for General Fund Savings account will be implemented in a financial institution selected by the Trustees and recommended to the Finance Committee; 2) Each month when the total of general fund revenues are positive, 10% of the surplus will be placed in the general fund reserve by a transfer of funds. The chart of accounts will reflect this as we'll see in the reports.

We have a policy already in place to access the existing reserves. This policy has already been effective; for example, for the month of October we did have a surplus in the general fund of about \$900. 10% of that surplus has already been placed in the reserve account. Jerry entertained and answered questions and explained the fund entries for the account. This does not require congregational approval, but is a policy issue.

Jerry then discussed By Law Amendments which need to be voted on by the congregation (ballots were distributed at this time). The amendments have been considered by the Board and are attached on the church website. Article III has to do with the Board and the Board is prohibited from making changes to these Articles. These changes involve the duties of the assistant treasurer, clarifying his job description, signature authority(Article IV) for the assistant treasurer on church bank accounts, and changes the wording from "Surety Bond" to "Fidelity Bond" since this is included in our insurance policy. This insures the faithful performance of duties and insures against financial loss to the church if an officer does not perform his duties. Due to conflict with the Constitution and By Laws, we need to clarify the assistant treasurer's duties. The assistant treasurer is not listed as a member of the Board. There are 3 amendments being submitted to you (attached).

Jerry entertained questions regarding the renumbering of the Articles and the number of signatures required on checks.

The proposed budget for 2017 has been posted in the Cherry Log, is on line on the church website, and copies were given out. Marshall Burke, a member of the Finance Committee, detailed the budget by comparing the 2016 to the 2017 budget. The budget total remains fairly stable from last year. Where money was underspent, that status was maintained. There were some actual increases. An audit will need to be done, especially due to the fact that we will be having a new Installed Pastor who should be assured of the stability of our finances. Marshall asked for any suggestions for an external auditor. Questions were asked by Jim Bunnell and Bill Thompson about the development of the budget. Marshall stated that the development of the 2017 budget was based on actuals of a 9 month projection. Bob Lewis, Stewardship Chair, gave the amount of actual money pledges at \$325,000 which is an increase from last year. Marshall explained that budget shortfalls are often made up by weekly **unpledged** donations and other requests for filling in some gaps. The 2016 budget was carried out with the aid of very careful spending. Income of property sales are not in the general budget, but applied to energy improvements and then to the reserve fund. Jerry Johnson explained that changes in the mortgage amounts paid are influenced by

Proposed bylaw changes:

1. Article III, Sections A and B1, add “Assistant Treasurer” as a Board member and perfect the grammar.

Amendment: Bylaw Article III, Section A, paragraph 4 be amended by adding the words, “and Assistant Treasurer” following the word, “Treasurer”. Section B, paragraph 1 be amended with the same addition.

As amended Article III, Section A would read:

Membership of the Board includes:

1. Moderator
2. Vice Moderator
3. Secretary
4. Treasurer *and Assistant Treasurer*
5. Chair of Elders
6. Two Elders
7. Chair of Deacons
8. Chair of Trustees
9. Chairs of Ministry Councils
10. Four members-at-large from Congregation
11. Senior Minister, ex officio, without vote

As amended Article III, Section B1 would read:

The Moderator, Vice-Moderator, Secretary, Treasurer *and Assistant Treasurer* will serve on the Board for the terms of their respective offices.

2. In Article III, B, Section 3a, delete the first sentence through “Thereafter,” of the second sentence; Section 4, delete the first sentence through “Thereafter,” of the second sentence. As amended this would read:
 - a. Members-at-large will be elected for a term of two years. A member-at-large may be re-elected after a one-year absence from the Board.
3. Article IV, Section 4B, 5, add a new paragraph d. “Maintains signature authority on church bank accounts.” Renumber the current paragraph d to e.
4. Sections IV, 4H and 5D, and section VI B1F change “Surety Bond” to “Fidelity Bond”

Background- The appropriate term is fidelity bond and such bond coverage is included in the church’s property and casualty insurance policy and covers more than the named positions.

2017 Proposed Budget

Accounts	2016 Budget	Budget Changes	2017 Proposed Budget
Resource Council			
Finance	\$ 800	\$ 2,160	\$ 2,960
Pastoral Relations	\$ -	\$ 1,000	\$ 1,000
Personnel	\$ 218,338	\$ (2,595)	\$ 215,743
Property Maintenance	\$ 19,510	\$ (860)	\$ 18,650
Technology	\$ 1,009	\$ (100)	\$ 909
Total Resource Council	\$ 239,657		\$ 239,262
Discipling Council			
Education - Children/Youth	\$ 1,505	\$ (75)	\$ 1,430 *
Education - Adult	\$ 200	\$ 200	\$ 400
Fellowship	\$ 1,500	\$ 500	\$ 2,000
Membership	\$ -		\$ -
Music	\$ 2,301	\$ (1,013)	\$ 1,288 *
Small Group Ministry	\$ 70		\$ 70
Stewardship	\$ 2,200	\$ (1,200)	\$ 1,000
Worship	\$ 1,558		\$ 1,558
Legacy Partners	\$ 1,275	\$ (900)	\$ 375
Art Guild	\$ 50	\$ (50)	\$ -
Labyrinth Keepers	\$ -		\$ -
Total Discipling Council	\$ 10,659		\$ 8,121
Outreach Council			
Communication	\$ 1,020		\$ 1,020
Health	\$ 100	\$ (99)	\$ 1
Local Mission	\$ 17,000	\$ (250)	\$ 16,750
Stephen Ministers	\$ -		\$ -
Total Outreach Council	\$ 18,120		\$ 17,771
Non Council			
Elders	\$ -		\$ -
Insurance - Property	\$ 9,312	\$ 463	\$ 9,775
Ministers Expenses	\$ 9,200		\$ 9,200
Office Expenses	\$ 14,698		\$ 14,698
Postage	\$ 650	\$ (50)	\$ 600
Tithe	\$ 35,000		\$ 35,000
Utilities	\$ 30,876	\$ -	\$ 30,876
Total Non Council	\$ 99,736		\$ 100,149
Building Expense	\$ 130,000		\$ 130,000
Non Budget Expense			
Total Expenses	\$ 498,172	\$ (2,869)	\$ 495,303

*Budgeted line items reduced, designated funds to be used.