**Attendance**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name - Council Directors** | **Position** | **Present** | **Absent** |
| James Berry | Property & Facilities Chair | x |   |
| Sidney Evans, Jr | At Large | x |   |
| Charles Hawkins | Finance & Budget Chair | x |   |
| Ronald Johnson | Governance & Legal Chair | cc |   |
| Sherri Jordan | At Large | x |   |
| April McWilliams | Human Resources Chair | x |  |
| Charles Monterio, Jr | At Large | x  |   |
| Shelvee Osborne | Council Secretary | x  |  |
| R. Sylvester Owens | Stewardship Chair | x |   |
| Lani Shaw | Gov & Legal Vice Chair (VC) | x |   |
| Pat Wallace | Council Vice Chair | x |   |
| Dr. Howard-John Wesley | Council Chair  | x |   |
| Lisa Wilson | At Large | x |  |
| **Church Officers** |  |  |  |
| Jeffrey Owens | Treasurer | x |  |
| Grant Njoku | Asst. Treasurer | x |  |
| **Committee Members** |  |  |  |
| Sallie Birmingham | Finance & Budget Committee | x |  |
| Edward Charity | Finance & Budget Committee | x |  |
| Kimberly Driggins | Finance & Budget Committee | x |  |
| Charisse Hines | Gov & Legal Committee | x |  |
| Carol Holland  | Property Committee | x |  |
| Tamika Jones | Gov & Legal Committee | x |  |
| Brian Liburd | Finance & Budget Committee | x |  |
| Marian Pegram  | Property Committee | x |  |
| Margaret Savage | Nominating Committee | x |  |
| Al Wallace | Assistant Historian | x |  |
| Barbara Williams | Finance & Budget Committee | x |  |
| **Church Staff** |  |  |  |
| Anthony Brownlow | Budget Analyst | x |  |
| Dr. Elaine Crider | Church Administrator (CA) | x |   |
| Meloney Driver | Facilities Manager | x |  |
| Rev. Barbara Florvil | Assistant to the Pastor | x |  |
| Jeffrey Jackson | AV Manager | x |  |
| Dr. Sedric Roberts | Dir. Finance | x |  |
| **Guests** |  |  |  |
| Dexter Bordes | Affordable Housing | x |  |
| Deacon James Garrett | Chair Building Committee | x |  |
| Wanda Smith | Auxiliary Team | x |  |
| Eric Steiner | Deacon | x |  |
|  |  |  |  |

CC: Participated via Conference Call

1. Call to Order and Approval of Agenda Chair Howard-John Wesley

Chair Wesley welcomed the Council, Staff and Guests, took attendance and the agenda was accepted by general consensus.

1. Devotions/Prayer Rev. Florvil

Lectio Divina – Divine Reading (practice of reading scripture and listening to scripture within our hearts and minds to hear what God has to say).

1. Reading of Minutes Secretary Osborne

**Action:** Chair Wesley asked Council to review the minutes, provide comments and a motion to accept the October 10, 2018 minutes. Two corrections were offered, correction to the date and spelling of Grant Njoku’s name. The minutes were accepted by general consensus.

1. Reports Chair Wesley

Chair Wesley asked to table committee reports in the interest of time. The Directors were asked to review reports included in their packets and email the Chair with concerns.

**Pastoral -** Chair Wesley stated the bulk of the agenda tonight is to prepare for the December Church meeting. Chair Wesley provided a summary of events (pastoral side) starting with the Bomb threat on Nov 3rd. The police were notified, members were asked to remain in the sanctuary while the church was searched, determined we were better prepared than we thought, but we have some challenges. Chair Wesley stated the Chief of Alexandria Police Department was on site with support from other officers and they did a great job. Chair Wesley thanked the Alexandria Police and also recognized our internal security team for their efforts. Chair Wesley said a review of policies, procedures and communication strategy is occurring. Dir. Johnson spoke with Attorney Rob Showers (counsel to the Constitution and By Laws committee) regarding security and communication. The Council approved a retainer of $5,000 for Rob Showers to help guide the creation and work with Governance Committee around emergency preparedness. Dir. Wilson raised the issue of notifying Loeb and Loeb (Church counsel) when we engage outside counsel. Dir. Shaw stated that is the policy to notify Loeb and Loeb so they are in kept in the loop. After the bomb scare, Chair Wesley received a call from the Virginia Attorney General, Mark Herring, who is spear heading a series of roundtable discussions. The church will host a session on December 3rd at 10:00am with approximately a dozen of interfaith leaders attending.

**Housing Allowance –** Discussion was tabled till the December meeting.

**Finance and Budget -** CC Hawkins stated the Finance and Budget Committee has been working hard to finish the Audit and we received an unqualified opinion. Completed the draft investment policy, debt reduction procedure, established the Procurement Committee, completed the RFP for financial services to be distributed to 9 firms, draft operating procedure for finance room, all auxiliary teams trained, and 2019 operating budget is complete. CC Hawkins thanked Dr. Crider, Finance Dir. Roberts, Anthony Brownlow and Venus Coley for their work and the briefing books. CC Hawkins thanked the Finance & Budget Team under the direction of Edward Charity for putting the overall operating budget together. The Finance and Budget Committee is recommending an operating budget for 2019 of $16.6 million to be presented by Edward Charity. The Committee is working with the Building and Affordable Housing Committee to review the challenges of how to fund these projects and the way forward.

**Treasurer’s Report –** Jeff Owens (Treasurer) presented the report based on the 3rd quarter ending Sept 30.

a. Balance Sheet – Total assets $39, 686,000, liabilities $12,891,000 and unrestricted net assets equal

 $ 27,000,000. There are $1,987,000 in net assets.

b. Income Statement – Total revenue is $12,631,188, expenses of $9,204023 for a difference of $3,437,065. When comparing to 2017 the net result is $1,600,00 increase. Based on revenue to include tithes and offerings, Deep Roots, other revenue, we average$1.4 million per month to close out the year of $16+ million. Expense are averaging $1,022,000 monthly. Footnote at the bottom of the page included capital expenditures.

c. Rental Property – Old Towne West and Sojourn Properties income is down as compared to 2017 due to vacancies and related expenses to prepare the property for rent after the vacancy.

**Questions** – Dir. Evans commended the staff and committee for their work and stated the church is in fairly good financial position. Dir. Evans asked if the other current assets and other current liabilities could be noted. Capital expenditures are not listed in the income statement so how do we pay for these items? Jeff Owens replied out of operating cash. Dir. Evans asked what will be done with the projected surplus of $4+ million, pay down debt, invested, etc.? CC Hawkins stated the main goal is to pay down debt, i.e. line of credit and the current plan has been to pay down $5k per month towards debt reduction. Additional items to reduce the surplus will be the financial services RFP and a couple of smaller items. Finance Dir. Roberts stated December revenue will probably average more than $1.4 million based on previous year revenues.

**V. 2019 Budget** – Edward Charity greeted the meeting attendees and acknowledged the committee members, Chair Hawkins, Ed Charity and Sallie Birmingham are responsible for the debt reduction plan and monitoring, Barbara William’s is involved with the investment policy development, Brian Liburd is the technologist, and Kimberly Driggins is responsible for developing the procurement policy. Mr. Charity acknowledged Dr. Crider and her staff. Based on research, the 2019 budget priorities include the Villages, Youth ministries, On-line campus development, Debt Reduction and Budget Discipline. The budget mark asked for is $16.6 million to include salaries/benefits $7.3 million and non-salaries of $9.3million.

**Questions:** Chair Wesley, asked is it correct that we expect to receive $2.2 million for December 2018 and had we received that prior and Finance Dir. Roberts replied yes. Dir. Jordan asked whether we had included the right items in the budget this year and Mr. Charity replied yes. Dir. Evans stated based on the information presented, the budget will be flat or conservative for 2019. Dir. Shaw asked how many vacancies are included in the budget for 2019? CC McWilliams replied 14 positions are included in the 2019 budget. Mr. Charity stated future committee plans include monthly/quarterly/midyear budget reviews and third quarter realignment. Upon budget approval, congregational hearings are scheduled for Sun Nov 18 and Mon Nov 19. Dir. Jordan asked about satellite churches and research item in the 2019 budget. Chair Wesley stated there is a long run way for the satellite church, it has to be vetted with deacons and ministries, etc. Chair Wesley stated if it is the Lord’s will, the satellite church item will be a 2020 budget item but currently it is in the pastoral budget. Dir. Osborne asked based on the bomb threat, will that require additional funding in the budget for security? CC Hawkins stated there is an increase from $314k to $344k from 2018 to 2019. Dir. Osborne asked are we anticipating additional security cost because we just experienced the bomb threat? CC Hawkins stated additional security funds would fall under quarterly reviews and would be addressed then if needed. CC Berry went on to say he didn’t see a lot in the budget for hardening the target (301 South Alfred Street) which means protecting the facility. Chair Wesley asked for guidance on what that is. Dr. Crider stated a security study had been completed by Hillard Heintze that included recommendations how to reinforce/protect the church and several security reinforcements have been implemented. CC Berry did not have the study and Dr. Crider stated the study was supposed to be included in a transition package. Chair Wesley stated the Alexandria Police complimented our internal security team on response and interaction with them. In addition, Chair Wesley stated some of the team were in Houston at Wheeler Baptist interacting with their security team and determined we are performing well but there is room for improvement.

**Action**: Chair Wesley asked for a motion to approve the 2019 budget if there are no further questions. Dir. Wilson moved and CC Owens seconded to adopt the proposed budget presented by the Finance and Budget Committee for the 2019 fiscal year. Roll call vote was taken and approved unanimously. Dir. Osborne thanked CC Hawkins and his team for putting the budget together and Mr. Charity for presenting the information.

 VI. Affordable Housing Deacon James Garrett

**Affordable Housing** - Chair Wesley opened the discussion by summarizing that a request for $76,000 to continue going forward with the development of the Affordable Housing plan ($45k for finishing concept 1 with the engineer and $31,000 for drilling.) Chair Wesley asked how far this amount takes us in the process? Mr. Bordes stated $35k is for Concept 1 that will allow us to submit to the city of Alexandria on Jan 15,2019. The city of Alexandria will review and submit questions to ASBC within 30 days. Then the church will respond within 30 days which brings us to March 15. Mr. Bordes stated between now and then, we should receive the financial advisory consultant’s report and next steps would be to decide whether to go forward with the project. At that point, a budget will be submitted on what is needed to go forward.

**Questions:** CC Hawkins wanted to confirm Concept 1 cost of $35,000. Mr. Bordes replied yes. Mr. Bordes stated $31,000 is for the Geotech drilling to determine whether we can accommodate two underground stories of parking on both sites. The $10,000 is for Land Use Attorney legal counsel to assist through Concept 1 submission. Deacon Garrett stated the Land Use Attorney (Mary Catherine Gibbs) manages the questions from the city and interfaces with them for Concept 1. CC Berry stated to clarify, the $31,000 for drilling is to determine whether we can do two levels of underground parking. The $35,000 is for the architect drawings. CC Hawkins asked what is the impact if we delay the Jan 2019 submission? Deacon Garrett stated a big part of the project is getting in line for the $42 million dollars of tax credits. The tax credits are a competitive process and it could be delayed if the city submission is delayed. Dir. Evans stated once the pool of tax credits come out they are going to be awarded to the project that is ready. Mr. Bordes stated the tax credits are a statewide competition that gives us the ability to go after the federal tax credits. Chair Wesley asked what is the source of the $42 million dollars? Mr. Bordes said once the $42 million in credits are approved then the syndicators will sell the tax credits. Dir. Evans stated the tax credits could be higher or lower but we must have done all of our due diligence to be considered for the tax credits and if we miss the window we will have to wait another year. Chair Wesley asked where we would get the $76,000 in the existing budget and CC Hawkins stated from the Old Towne West surplus. Chair Wesley asked what is the church’s obligation after the $76,000? Deacon Garrett stated it does not obligate us it just puts us in the game and holding a space. Chair Wesley asked what’s next? Mr. Bordes stated a decision to move forward and a pre-development loan which is usually a line of credit. The city of Alexandria can help with the pre-development loan. Dir. Jordan stated we had not gone before the church to talk about this. Is the plan to bring this up at the December meeting? Chair Wesley stated we will share an update in December and target a specific agenda item for the June mid-year meeting.

**Action**: Chair Wesley asked for unanimous consent to fund the $76,000 from Old Towne West surplus. Approved. CC Johnson asked that we have the Budget requests and other matters before the Council prior to the meeting with justifications, impacts and scenarios so that we can make measured decisions in the future. Chair Wesley agreed.

 **Action:** Chair Wesley asked to table the Campus Expansion discussion until the Dec meeting.

**VII. Annual Meeting Preparation:** Pastor reviewed the proposed Annual meeting agenda and asked to receive Power Point presentations by Mon Nov 26th. Dr. Crider stated Rosette Graham distributed the template for the presentations.

Order of the Church Meeting

Opening & Pastoral Update (to include Council Operations, Security) – Pastor Wesley

Diaconate – Status, Deacon Pat Wallace

Church Expansion with reference to Affordable Housing – Status, Deacon Garrett

HR – Staffing, CC McWilliams

Finance and Budget – Budget, CC Hawkins

Stewardship – 2018 Giving Trends, CC Owens

Gov & Legal – Resolutions (minor Constitution changes), Policies, formal end of CBC, CC Johnson

Property – Status, CC Berry

Elections – Dir. Monterio Jr. & Dr. Crider (uncontested positions will be voted on in the traditional verbal manner) CC Owens asked what is the average attendance at church meetings? Dr. Crider responded the last meeting was between 700-800. CC Owens referred to the presentation that listed 500 keypads had been purchased. Dir. Monterio Jr. stated we can accommodate 1000 units. Dir. Shaw asked was it a purchased? Chair Wesley replied we will be purchasing the equipment.

 Closeout – Council 2019 dates, Pastor Wesley

**Revisit Affordable Housing**: Chair Wesley wants to establish a sub/ad hoc committee to be composed of other individuals with experience and knowledge around Affordable Housing. The committee will report with Dexter Bordes and are accountable to the Council. The committee would have a member from Property, Finance & Budget, Governance and some members at large. Chair Wesley will appoint Shiree Monterio, Mark Montgomery, Dallas Evans as part of a seven-member committee. CC Hawkins suggested Dir. Evans due to his expertise in this area.

**Action**: Chair Wesley moved and seconded by Dir. Osborne to establish an Affordable Housing subcommittee that reports directly to Church Council to be comprised of Dir. Evans, a representative from Property, Finance, Governance and we will request Shiree Monterio, Mark Montgomery, Dallas Evans and Dexter Bordes to comprise the committee. Dir. Shaw expressed un-readiness because the number is 8 vs 7. The motion was amended that Dexter Bordes would be a non-voting member of the committee. The motion was approved by unanimous consent.

1. Executive Session………………………………………………………………………… Chair Wesley

**Action:** Chair Wesley stated there is a personnel matter that requires us to enter Execute Session and requested a motion. Dir. Shaw moved, and Dir. Osborne seconded that we enter Executive Session to handle a personnel matter. Approved.

Dir. Osborne affirmed that only the personnel matter was discussed in Executive Session.

1. 9:50 Meeting adjourned …… Chair Wesley

Attachments:

Agenda, Council Meeting Minutes – September 12, 2018

 Council Meeting dates for 2019

 Ministry Events Calendar for 2019

 Committee Reports

Respectfully Submitted,

Shelvee H. Osborne

Shelvee Osborne, Secretary