



1002:11/19
BGM EC 649-660

BGM Executive Committee
November 7-8, 2019

MINUTES

Meeting Location: Crowne Plaza
260 Mall Boulevard
King of Prussia, PA 19406
Ph: (610)265-7500

Officers: Josué Gómez-Menéndez, President
Dean Parker, Vice President
Paul Higgins, Budget Review Officer
Judy Fackenthal, Past President
Lee Spitzer, General Secretary

Committee: Cedric Jones, PBA
Jose Manuel Magana, CPC
Annie Svitavsky, VNH

Chaplain: Zina Jacque, CHI

Parliamentarian: Dennis Johnson, WV

Staff: Alan Musoke, Associate General Secretary/Treasurer/CFO
Kathy Jachowski, Administrator

Also in attendance:

President Elect Karen Podsiadly and Vice President Elect Jim Wolfe.

Thursday, November 7, 2019, 5:30 p.m. - 6:45 p.m.; Devon Room

The BGM Executive Committee gathered for dinner in the Devon Room of the Crowne Plaza.

BGM EC 649 EXECUTIVE SESSION

After dinner the Executive Committee met in Executive Session. Actions taken during this meeting will be placed in a sealed envelope and filed with the official minutes in the General Secretary's office.

Friday, November 8, 2019, 9:00 a.m. - 1:30 p.m.; Devon Room

Lunch was served during the meeting.

BGM EC 650 DEVOTIONS

Chaplain Zina Jacque lit the Christ Candle in recognition of Christ's presence and shared a meditation.

BGM EC 651 CALL TO ORDER

ABCUSA President Josué Gómez-Menéndez called the meeting to order.

BGM EC 652 CONSENT AGENDA

The agenda items dated September 12-14, 2019 and the minutes of the June 17-18, 2019 meeting of the Executive Committee, held in Virginia Beach, VA were approved with no objections.

BGM EC 653 588 PROPERTY UPDATE

Because of the longer than anticipated time for the Purchaser to obtain the Upper Merion Township's (UMT) site plan approval, which impacted its ability to obtain all of the other final and un-appealable approvals of the other public entitlements before closing, it will be necessary for the purchaser to exercise the extension option provision in the Purchaser Sale Agreement (PSA). The provision provides for three (3) 1-month extensions of the closing date for the consideration of \$100,000 per extension. The extension option amount is applied to the purchase price at closing if the transaction closes.

Subsequent to receiving the additional information, the Planning Commission approved the plan. The plan was presented to the UMT Board of Supervisors in August and received unanimous approval. PPG is now in the process of obtaining all of the other necessary public entitlement approvals which include, but are not limited to: water/sewerage; Department of Transportation; storm drainage; environmental; soil conversation; utilities; and other approvals.

Alan Musoke shared that in order to get the tenants moved out of the building, \$400,000 had to be paid which is making it difficult to maintain cash balances.

Paul Higgins made a motion and seconded by Cedric Jones to recommend to the board to withdraw from the Building Proceeds Quasi-Endowment Fund an amount not to exceed our accumulated investments in and related expenses for the 588 N. Gulph Road property.

VOTED: Motion Approved

BGM EC 654 ROBLEE BUILDING UPDATE

Renovations were completed and went well with only being off two weeks from the completion date. The renovations are 99 % complete and just a few touch up items to do. The contractor put in extra hours to complete the work on time. Relocation went smoothly and took six days to move.

**BGM EC 655 REPORT OF THE BUDGET REVIEW OFFICER
YTD Financials/UM Funding Distribution**

The year-to-date financials show a net loss of \$498,000 without the Biennial Mission Summit (BMS) and a net loss of \$663,000 including the BMS.

Net revenue compared to last year is up \$155,000. Expenses as compared to last year are higher by \$390,000. The increased expense in 2019 is primarily due to a full nine months of the IT department, which joined ABCUSA July 1, 2018. Also, Denominational Emphasis had a disbursement of \$208,000, which was offset by added revenue of \$208,000. This additional expense skewed the financials which showed a larger expense in 2019 than in 2018.

The following are the primary reasons for the net loss of \$663,485:

- Budgeted \$138,075 from the expected September 2019 Mission Center Sale Proceeds. Closing will be next year in 2020.
- Budgeted \$96,732 from reserves to fund the 2019 Budgeted deficit.
- Biennial Mission Summit deficit of \$175,000.
- Budgeted 2019 income from the Development Department is short \$130,000.
- Women in Ministry and Transitional Ministry departments have a combined loss of \$110,000.

Total United Mission (UM) is \$4,953,997. This is a decrease of \$186,144 from the prior year. This represents a reduction of 3.62%. However, ABCUSA's UM Distribution is down 16% from the prior year.

ABCUSA 2020 Budget Highlights include:

There is a need to continue drawing from the Building Proceeds Endowment at 5% to help balance the budget. Additionally \$130,000 (5%) is included in the budget expected from the 2020 proceeds from the sale of the Mission Center to cover the \$126,000 budget deficit

for 2020.

The Development Department budget has a deficit of \$75,000. There is currently no department head although the budget shows full annual salaries and benefits expenses for the department head and minimum income. Expectations are that it will take some time for the new person to generate enough income to cover the department expenses.

The BGM Executive Committee recommended to the Finance Committee to restructure the National Portion of United Mission. The 2020 proposed UM Distribution is in accordance with the recommendation by the Executive Committee. The UM funding allocated to ABCUSA is for American Baptist Churches Information Systems (ABCIS), Mission Resource Development, Representative Process, Orientation to American Baptist Life (OTABL), and ABCUSA General Funding. Total UM decreased by 5% in 2018 and is projected to decrease by 5% in 2019; as well as, in 2020 in accordance with the trend. UM Distribution for ABCUSA decreased by \$128,000 (6.57%) in 2018 and is projected to decrease by \$91,000 (5%) in 2019 while increasing by \$70,000 (4%) in 2020 using the recommended allocation.

Salaries in the proposed 2020 budget reflect a 1.7% increase. The data used is specific to non-profit organizations. Salaries increased by 2%, 1.9%, 2.23%, 2.17%, and 2.2%, in 2019, 2018, 2017, 2016, and 2015 respectively.

Medical costs for the 2020 budget are increasing by about 9%. Medical costs in 2019 increased by 15%, increased by 13% in 2018, and increased in 2017 by 9.9%.

The ABC Finance Committee recommended for approval by the board the proposed 2020 Distribution of the National Portion of United Mission.

VOTED: Motion Approved

Necessary adjustments to the budget regarding items not known at this time will be reviewed at the March BGM Executive Committee meeting.

BGM EC 656 PRESIDENT'S NOMINATIONS

ABCUSA President Josué Gómez-Menéndez and ABCUSA President Elect Karen Podsiadly worked together on the presidential appointments for the next two years and will be voted on at the board meeting.

BGM EC 657 REPORT OF THE GENERAL SECRETARY

ABCUSA General Secretary Lee Spitzer referenced his previously submitted written report that was updated since the last meeting in September of the BGM Executive Committee. Lee shared that the National Executive Council (NEC) approved combining the National Leadership Council (NLC) with the Mission Table Event in May 2020 in Green Lake.

Lee announced an initiative by Church Mutual through Sovereign Insurance Group to

provide the Office of the General Secretary (OGS), regions, and churches with the opportunity to address insurance costs in a proactive way that offers competitive advantages, such as group discounted pricing, dividend opportunities, and enhanced loss control (Addendum 1).

The American Baptist Historical Society signed a “Memorandum of Understanding” dated November 7, 2019 to memorialize their arrangements for the sharing of space at the new ABCUSA Robert A. Roblee Ministry Building (Addendum 2).

BGM EC 658 EMPLOYEE HANDBOOK

While progress has been made in developing the handbook, due to the concern of compliance issues, the committee will seek out experts to finalize the handbook. The plan is to finish the handbook for discussion at the March 2020 BGM Executive Committee Meeting.

BGM EC 659 CREDENTIALS & CAUCUS COMMITTEE

Jose Manuel Magana, chair, called to order the meeting of the Credentials & Caucus Committee.

Cedric Jones made a motion and seconded by Dean Parker to receive the Report of Changed Relationships of Local Churches (1205.1:11/19) dated June 18, 2019 to November 8, 2019 and to forward the report to the Board of General Ministries.

VOTED: Motion Approved

Rev. Dr. C. Jeff Woods
Acting General Secretary

BGM EC 660 ADJOURNMENT

Next meeting of BGM Executive Committee: March 19-21, 2020

Submitted by,



Dr. C. Jeff Woods
Acting General Secretary

CJW/kj

Documents attached

BGM Integrated Schedule (1008:11/19)

BGM EC Proposed Agenda (1101:11/19)

BGM EC Roster November 2019

BGM Executive Committee Minutes September 2019 (1002:09/19)

588 Mission Center Sale Update

2020 Budget Highlights

ABCUSA Financial Report through September 2019

Personnel Manual Draft

ABC President's Report (1201:11/19)

Report of the General Secretary

Report of Changed Relationships (1205:1:11/19)

Camping Ministries Report