

**Del Rey Church - Special Family Business Meeting**  
**August 29, 2016**

- I. Welcome and Opening Prayer: Pastor Matt Jones started the meeting at 7:08pm by reading Ephesians 1. Pastor Dave Schlothauer opened in prayer.
- II. Approval of the Minutes
  - Pastor Dave invited members to review prior meeting minutes (Feb. 21, 2016)
  - Gayle Stephens motioned, Linda Kellerman seconded the motion.
  - Members approved the minutes as presented.
  - Pastor Dave invited members to review prior special topic meeting minutes (June 7, 2016)
  - Roger Stephens motioned, Cindy Schlothauer seconded the motion.
  - Members approved the minutes as presented.
- III. Appointment of New Members
  - The following candidate members were introduced to the membership: Bruce Blouse, John Fredericks, Phil Jeske, Willie Mack, Adrienne Mack, Jennifer Morales, Eddie Morales, James Sims, Jenna Sims, and Brina Suttle.
  - Mike Dolan motioned to accept membership as presented. Kevin Hobson seconded the motion.
  - Members voted unanimously in favor of the candidates, with no reservations raised.
  - Pastor Matt Jones prayed a blessing over the newly inaugurated membership.
- IV. Reports: Pastor Tony Shen, Board Treasurer:
  - Church Calendar - We will not have a Harvest Party largely due to Mike Dolan's unavailability at that date. Thanksgiving Banquet needs a new leader to spearhead this effort, due to an observed lack of volunteers over recent years to provide food and service help.
    - [L Kellerman] – Could the event be refocused as an outreach? Could we identify homeless/needy recipients?
    - [J Butcher] – Observation - Volunteers for facility setup is a large part of the effort.
    - [M Dolan] – This event has run its course, what Linda is talking about is a different direction that might warrant further consideration.
    - [D Schlothauer] – We have discussed Linda's concept at prior elder meetings. Alternatively, we could also invite the community to our homes on a household basis. Smaller context, more intimate fellowship.
    - [S Robbins] – Why cancel both Thanksgiving banquet and Harvest events? This seems a bit much.
    - [M Jones] – Cancellation of both events is due more to coincidence than it is endemic of something larger. M. Dolan is gone that weekend, and Lucy Rodgers is no longer able to help to the same extent as in the past. For the Harvest party, maybe we can do a smaller scale version of it. Logistics and safety are also of concern. Don't forget about the ability of community groups to minister at that level.
    - [Megan Rogers] – Halloween – some neighbors hold block parties. Comm groups can get involved with this and Thanksgiving ministries.
    - [Clara Morales] – To answer the concern of ministering to preschool families - the preschool has their own Harvest celebration.
    - [Adam Payton] – We should put in the effort, but I would encourage the church to be Gospel-centered in our approach to this community ministry.
    - [Keith Orum] – We took a break with Harvest party last year. The Thanksgiving party has been a church tradition since the 80's.
    - [C Schlothauer] – Thanksgiving dinner has changed its focus over the years – it was previously more outreach focused. Last year we had an all-church barbeque the weekend before, so the timing of events was not optimal. Thanksgiving dinner is nice for the sake of bringing both services together. With Lucy stepping down from this organizer role, there has not been replication, but I would we willing to head it up if people would be willing to head decorations, kitchen, etc. If Tony sets up the sign-up, and people sign up, then we can see what happens.
  - Faculties & Finance - Pastor Tony Shen
    - Current P&L on blue paper attachment
    - Neighbor's house – last meeting, we resolved to purchase the house. We closed that deal. Resolution captured the framework of the agreement.
    - Difference: 2020 closure is now 2019. Also—neighbor needs more money up-front to purchase. He wants us to accelerate the 2<sup>nd</sup> payment from next year to \$500k before Oct 15. The purchase price stays the same at \$2M, but the timeline changes:
      - \$400k in 7/15/16

- \$500k in 10/15/16
  - \$300k in 6/30/2017
  - \$400k in 6/30/2018
  - \$400k in 6/30/2019
- Scenario #1: fundraise 200k, borrow 500k. This is basically borrowing as much as we can.
- Scenario #2: fundraise 450k, borrow 250k
- Scenario #3: fundraise 700k
- Statement of Activities, Pro Forma – we would shift Church Admin salary (Mike Dolan) – 32k from church salary, and create a new position of Preschool Administrator for 32k per year.
- Sept 30 deadline for pledges to come in to raise \$200,000
- (Questions from the audience were raised about pushing back on the seller per the originally payment plan agreement. T. Shen and M. Jones responded by pointing out that pushing back would likely cause the seller to back out of the deal, or potentially sour our relationship with our neighbor, risking a legal conflict.)
- [K Orum] – Who holds title in 2019? How is this agreement structured legally?
- [D Schlothauer] The structure of this agreement is a Secured deed of trust.
- [R Stephens] – Is it financially feasible to take out a 30 year mortgage for 2 million and buy it outright?
- [T Shen] – Financially possible? Maybe. Based on income, it would be difficult due to the high level of debt service. Estimated \$10k+ a month payments, and that would be a large part of our budget. It may be possible, but I would not classify it as feasible.
- Tony Shen presented a resolution for the congregation to consider, involving taking out a loan with the following terms:
  - Interest rate: up to 4.95%, Principal: up to \$980,000. (This loan would replace the existing \$490k loan for the Bodger property, also with Christian Investors.)
  - [J Butcher] – Why is the interest rate adjustable?
  - [T Shen] – Because it is a commercial loan and not a personal loan, fixed rates are not available as an option.
  - (Terms of the trust payment structure were reviewed with the members. Default scenarios were reviewed. T Shen emphasized that the collateral for the loan would be the existing church property, so that the loan would be repaid.)
  - [G Williams] – What is the next step if we cannot raise the \$200k by the end of September?
  - [T Shen] – If we cannot raise \$200k by month-end September then we will cancel the trust arrangement.
  - [B Criscuolo] – observation - this loan isn't a new thing, we are just accelerating loan
  - [J Butcher] – For the sake of argument, we fundraise \$200k, borrow \$500k and then payoff Hawthorne loan. What is our plan for obtaining the remaining \$1.1M?
  - [T Shen] More fundraising. We can go to external sources but want to show that we've done what we can internally.
  - [Jenni Shen] – Have we established criteria by which the church would sell existing properties to generate the funds necessary?
  - [T Shen] – We don't have exact criteria.
- Tony Shen requested for a motion to vote for this resolution.
- (More questions from the members were raised regarding default scenarios, and concerns were raised about potential impacts to the neighbor if we could not meet future payments.)
- [Maggie] – What is spiritual impact to Eric and his son? Could this be a seed-planting opportunity?
- [T Shen] – We do want to be neighborly about this deal. He hasn't come to church, but we've talked about it.
- [M Jones] – Eric's son has come to youth group. We should as a church ensure we represent Christ well in this deal.
- [DSchlot] – I believe the wise course of action in this meeting is for us to table this discussion, to prayerfully consider the best course of action for the property and to reconvene in 2 weeks.
- Cindy Schlothauer motioned to table the discussion for 2 weeks and reconvene for a special business meeting on Monday, September 12.
- Skip Robbins seconded the motion.
- All members voted in favor, the motion carried.

Pastor Matt Jones closed the meeting with the reading the last chapter of Ephesians, and highlighted the missions trip in India in September with an encouragement to stay gospel focused.

The meeting was adjourned at 9:00pm. There were 36 out of 84 members present at the meeting, which comprises 43% of the membership at the time, meeting the 15% quorum requirement.