

**Trinity United Methodist Church**  
**Called Meeting of the Church Council**  
**May 27, 2009**

In Attendance: Council Members: Denny Mangum, Bobby Ellisor, Karen Baker, Nora Doss, Bob Horton, Denny Mangum, Elizabeth Magnum, Marie Marshall, Steve Milz, Latreva Pounds, Jean Rivard, Edna Sherrow, Kevin Shular, Carolyn Villar, Gail Widener, Jim Young. Trustee Chair – Elizabeth Mangum, Trustee Committee Members – Sandy Taylor and Linda Carnley, Congregation Members Bill and Pat Cross, and Parsonage Volunteer – Duane Keck.

Karen Baker opened the meeting with prayer at 6:30 pm.

Denny Mangum welcomed everyone, and shared that the primary purpose for the meeting tonight is to discuss the Parsonage.

Review of minutes of last meeting. Kevin Shular moved to approve them as written. Elizabeth Mangum seconded the motion. All approved.

Denny elaborated on the purpose of this called meeting. The Trustees met on May 12<sup>th</sup> to consider options for the parsonage. Whether to keep it, or sell it. They discussed the pros and cons of both options. They are going to recommend that we divest ourselves of the Parsonage. If Council decides to go forward and sell it, we must have a Charge Conference in which we will vote by ballot. Council will vote tonight.

Elizabeth Mangum, as Trustee Chair, presented the Pro's and Cons. She also invited Sandy Taylor and Linda Carnley to attend the Council meeting and help with any questions.

Sell and Buy a New Parsonage – no comments were received by the Trustees on this option.

Renting the Parsonage – again, no comments were received by the Trustees on this option.

Comps were researched on 3 houses. Based on that research, the Parsonage could sell for between \$230,000 and \$240,000. Duane Keck provided that the houses that sold were priced at approximately \$115.00 per square foot.

We currently pay for insurance on the parsonage and approximately \$7,000 per year in utilities.

Steve Milz and Kevin Shular commented that there should not be property taxes on the parsonage.

Pat Cross noted that one pro for keeping the parsonage is the equity in the property.

Denny Mangum if the Trustees discussed what it would take to bring the parsonage up to date? Elizabeth said yes, approximately \$40,000.

Jim Young stated that Brian Pennington had used the word “uninhabitable” to describe the parsonage. He asked if that was true or not.

Bob Horton asked what the mold report stated.

Elizabeth replied that there is no dangerous mold.

Karen Baker stated that there are so many unknowns in the economy right now. It would make sense to dispose of the property now, and down the line, if it is advantageous, to purchase property at that time. She is concerned that the longer we keep the parsonage, the more we stand to lose.

Steve Milz noted that there a lot of people moving here over the next 2-3 years. The rental market is expected to go up around 2011.

Carolyn Villar shared that she was in charge of the parsonage for 7 years. The house is not falling down. It is paid for. If we sell it, we will be paying a housing allowance the rest of our lives. We also spent \$10,000 on furniture – what would we do with that?

Bob Horton said that to compensate a reasonable housing allowance for a \$230,000 home, would be more of a housing allowance than we pay now. Elizabeth stated that this was a finance issue, not up for Council to discuss at this time. Bob replied that he feels we need accurate numbers in order to vote.

Edna Sherrow asked what other churches were paying for housing allowances. Karen Baker said she thought it was between \$30,000 and \$40,000 per year.

Pat Cross said she was more inclined to keep the parsonage and let the associate pastor move into it. Keep it as an investment. Denny Mangum asked if we should do that and provide a pastor housing allowance.

Elizabeth said that the Pastor’s family moving back into the house is not an option.

Gail Widener asked if the church wants to stay in the real estate market – renting is a huge issue.

Duane Keck – we have had this parsonage for 30 years.

Gail replied that purchasing a parsonage 30 years ago was the norm.

LaTreva said that if the norm is moving to a housing allowance, that we should take this into consideration.

Denny said that it is difficult to find someone to manage the parsonage upkeep full time.

Carolyn said that the problem with renovations in the past has been a lack of funding. When John Bonner was here, the furniture account funds were used to make up for the budget shortage.

Jean Rivard asked that if we do vote to sell the parsonage, if there are restrictions on the proceeds.

Pastor Bobby replied that according the Book of Discipline, if the parsonage is sold, the proceeds cannot be used for ministry budgeting of the church. It must be used for “like kind”. It can be used for church renovations, pastor housing, or something not already budgeted. Remember that the ultimate benefit is for Annual Conference.

Steve Milz suggested that from a housing allowance perspective, similar to the military, we could consider a “per diem”. We also need to research taxes. There could be a significant capital gain on the sale of the parsonage and there may be taxes associated with it.

Pastor Bobby replied that both the purchase price and the sale price of the parsonage retain non-profit status. If the parsonage is used as a rental – that complicates the none-profit status.

Bob Horton expressed concern that any house that stays vacant begins to deteriorate.

Karen Baker asked what time frame the houses in the Kenwood area are selling in.

Sandy Taylor replied that we don’t know for sure, but that the market is improving and we estimate 3 months.

Carolyn Villar stated that if the pastor is not going to move back into the parsonage, the only two options are to rent or sell it.

Marie Marshall asked who was responsible for making a decision on what the proceeds from the sale would be used for. The Trustees bring recommendations to the Finance Committee, and then Finance brings them to Church Council.

Pastor Bobby noted that housing allowances are not taxable.

Carolyn asked if we do sell the parsonage, if the funds can be designated strictly for housing allowances.

Denny replied that, yes that can be considered.

Karen Baker clarified that Trustees decisions would come back to Council.

Jim Young shared that a full Colonel with dependents in the Kenwood area received \$22,000 year in housing allowance.

Jean Rivard expressed concern about adding a housing allowance expense every year. She asked where that money comes from.

Jim replied that the money currently spent on insurance and utilities would go toward housing allowance.

Denny expressed that if we are going to keep the parsonage, we need to modernize it.

Latreva said that in order to renovate the parsonage, we would have to take out a loan against the parsonage. We cannot escape an increased payment.

Sandy Taylor stated that we need to think about the current pastor and future pastors. They want to own rather than feel like tenants.

Duane stated that we have kept up the parsonage. It is just not modernized.

Edna Sherrow said she has mixed feelings. She feels like we are under pressure to make this decision and that we don't have acceptable figures – just conjecture. On the other hand, the conference is recommending that churches get out of real estate.

Denny replied that we are under pressure because we are currently paying an additional housing allowance to the pastor because he cannot live in the house.

Karen Baker asked how we go about selling – choosing an agent.

Elizabeth replied that we pick 3 agencies outside of the church. She then asked if we need to have hard figures to take a vote.

Gail said that we are voting on the concept of whether we want to sell or not.

Latreva asked if we would have to have hard numbers at conference.

Pastor Bobby said that the assumption by Conference is that the legwork has already been done.

Marie Marshall asked Pastor Bobby, assuming the worst case scenario, if the parsonage does not sell for awhile, and he and his family are still living in Navarre, at what point would he decide if he needed a housing allowance.

Pastor Bobby replied that he and his family's goal is to get back to Fort Walton Beach as soon as possible. Both he and Faith are willing to do whatever the council decides. He believes that these parsonage issues will need to be addressed now or later.

Bill Cross shared that construction costs and housing costs are down. Perhaps we could enhance the parsonage now, with thoughts on selling it at a later date.

Sandy Taylor said that we have been meeting on this subject since January. This recommendation has been studied and looked at hard. The age of the house is a concern. At some point, major renovation will have to be done.

The Trustees recommendation was a vote of 5 to 1 to sell the parsonage.

Nora Doss feels we need to sell the parsonage. She said that if we put money into renovating it, who is to say that it will be satisfactory for the next person?

Bob Horton stated that we don't have an option – that Bobby said he is not going to move back into the house. Elizabeth Mangum corrected that statement – she used those words, not Bobby.

Pastor Bobby replied that he and his family will do whatever Council wants them to do. If the health issue arises again, they will address it at that time. He and his family are 100% committed to do whatever decision comes out of Council.

Duane Keck said we need to get haste with this for the sake of the Pastor and his family. There are 21 miles out. The Book of Discipline says the Pastor should live within 3 miles of the church.

Jean Rivard made a motion to sell the parsonage. Nora Doss seconded the motion. All were in favor, no opposing votes. The motion passed.

Pastor Bobby said that the next step is Charge Conference. We will post the conference in the bulletin for two Sundays before Conference.

Elizabeth Mangum introduced a new topic. Someone has come forward and offered the property around the tire store for a donation. They would donate the property for what is owed on it – approximately \$900,000. The owner says it is worth \$2,000,000. Karen Baker offered to talk to the property owner.

Denny Mangum closed the meeting with prayer at 7:50 pm.