

**United Methodist Union of Greater Detroit**  
**Report of the Executive Director**  
**to the Board of Trustees**  
**December 10, 2009**

**Introduction**

Believing, as I do, in the value of frequent and detailed communication, you have not lacked for epistles from me. Since last we gathered at the Board table (September 26, 2009), I have shared both verbal and written reports at our Annual Meeting & Banquet (October 22, 2009) and lengthy emails concerning the DTE shutoff at Christ United Methodist Church, Detroit, the loan negotiations at St. Paul United Methodist Church, Bloomfield Hills, and my ongoing attempts to balance a pair of responsibilities 700 miles apart. My most recent email detailed my decision to put the Duke connection in dry dock and remain in Detroit next fall. If words were rationed, like water in a drought or gasoline during a crisis, I'd be in big trouble.

Communication is crucial. Secrets are lethal. One of my core operating principles reads: "If keeping secrets is one mark of a dysfunctional family, then keeping secrets is also one mark of a dysfunctional institution. Which explains why I may sometimes tell you even more than you need to know. And which also explains my feeling that our present meeting format does not serve us as well as it might. Upon arriving, I inherited a schedule that involved the Full Board only four times annually, with the Executive Committee scheduled during the other eight months. I think that ration ought to be reconsidered, along with the Saturday-only time frame for our meetings. Toward that end, I will offer some options for 2010 when we gather on Thursday. As always, your feedback will be helpful in charting our future course. One school of thought says: "Don't fix what ain't broke." Another school of thought argues the case for "continuous improvement." Somewhere between those positions may be "a golden mean." Give it some careful thought.

Now, on to more weighty matters before closing with a Christmas greeting.

**1. The St. John's UMC, Royal Oak loan and grant**

This is one of the more easy-to-understand requests we will see this month. Following some challenging times, Rev. Elizabeth Hill (who also serves Embury UMC, Birmingham) has brought stability to this church. Pastor and people are comfortably on the same page. One roof repair has already been completed by a company which short-cut the installation some time ago. This is a completely separate job (the flat roof section) to be undertaken by Kearns Brothers Inc. - a most reputable firm. The need is \$15,000. My recommendation is a \$3,000 grant (in keeping with other such allocations during 2009) coupled with a \$12,000 loan with a 10 year payback period, at 4.25% interest. This leaves the church with a \$122.93 monthly payment and \$2,750 interest over the course of the loan.

**2. The Trinity Faith UMC loan and grant**

In October, I toured the church and parsonage, looking at a long list of repairs and upgrades. I then asked one of our newly-elected trustees, Claude Oleson, to retrace my steps, albeit with greater wisdom and expertise. We will see requests in 2010 reflecting these visits. One thing, however, jumped to the top of our must-do-now list. This concerns a heating system which defies regulation. Currently, the building manager/custodian/trustee, Richard Johnson, functions as a human thermostat. When the building is cold, he starts the entire system. When it gets too hot (dangerously so), he shuts it down. After a few hours, he has to do it all over again.

I called Gee & Missler who is doing the Wyandotte First UMC work. They surfaced following a careful scrutiny and bid process by the Wyandotte First trustees. I have met them. I also trust them. Trinity Faith's problem was created by a previous contractor installing controls that were totally wrong for their system. Gee & Missler (Jim Gee) made an immediate on-site visit and diagnosed the problem, suggesting it could be solved with \$4,993 worth of valves, linkages, actuators, piping and labor. The church is ready to

go forward. Since there will be more work in 2010, I offered a \$3,000 grant and a \$1,993.31 addition to their present mortgage with us. Our attorney, Barbara Ulman, suggested a promissory note for \$1,993.31 instead (4.25%) until other work is undertaken, thereby reopening paper work on their mortgage only one time. I concur.

### **3. Renegotiating the loan at Fellowship UMC, Troy**

This struggling church, all but given up for dead a few years ago, has enjoyed something of a resurrection under Rev, Johnny Lyles. They have present viability and the prospects of a future. They also have a loan with us (present indebtedness of \$25,002.55. The loan is 7% and is one of a very few structured with a payment that changes every month. They would like a payment that remains consistent as the principal is reduced. They would also like a lower interest rate. Present practice would suggest an interest rate of 4.25% or 5.25%. I will make both arguments and you can decide.

### **4. Update: Second Grace UMC, Detroit**

The purchase of a city block on Joy Road (just west of their church building) has yet to be completed. The price (noted in my extensive report on September 26, 2009) is \$110,000. We agreed to provide a \$10,000 grant, along with a combination of loan-extensions and matching funds to make this possible. Holding up the sale are issues between the seller and the block's lone tenant, the renters of a dollar store. The issue is complicated. Second Grace is waiting in the wings. As are we, checkbook in hand. Stay tuned.

### **5. Updates: works in progress (or recently completed)**

#### **A. Conant UMC, Detroit**

I sent Gee & Missler to examine their boilers, following a request from their trustees. The system is old (30 plus years) but quite workable. A small patch-replacement was recommended. And price quotes for future considerations - 3 different systems ranging from \$23,000-\$30,000 - were provided. No action is needed.

#### **B. Franklin UMC, Madison Heights UMC, St. Clair Shores First UMC, Ford Memorial UMC**

All report work completed, bills paid and great satisfaction. All of these projects were detailed in recent reports. I preached on Sunday, December 6, 2009 at Franklin and received their gratitude first hand. They will be back before us in 2010 for assistance with their parking lot.

#### **C. First UMC, Wyandotte**

This massive project (replacing the entire heating/cooling and air-handling system) continues on pace. This is a Gee & Missler enterprise. Heat is available, but not thermostat-ready. Fortunately, an old boiler is hanging on, long enough to take any chill off the sanctuary.

#### **D. Oak Park Faith UMC**

This church loves their new outdoor sign and "blesses us daily and vociferously." They are raising the bar on ecclesiastical gratitude.

### **6. Update: Bloomfield Hills, St. Paul UMC**

All of you received a copy of the renegotiated loan arrangement (drafted by Everett Howard, Chuck Veenstra and myself) in an email dated October 12, 2009. It featured an interest moratorium until March 31, 2010 and a dollar-for-dollar matching formula for all principal-reduction dollars paid before this date. For those unfamiliar with this proposal, hard copies will be available at the meeting. Questions, comments and responses were solicited in the email. Every response signaled a reluctant "go-ahead." For the record, however, I would request a vote of ratification. At the time of this reporting, I will itemize funds received to date.

WAR:cgp

## **7. Update: Our projected move from North Park Plaza**

Our lease expires on July 31, 2010. Our building is in foreclosure. Vacancies are mounting. Services are declining. We have no choice but to move.

Meetings with all interested parties (including the Detroit East and West District leadership) shaped the following four priorities.

- A. That we all go together when we go.
- B. That we go to a church when we go.
- C. That we go to a church in the city when we go.
- D. That we include Bishop Keaton as a primary stakeholder in the discussion.

The Bishop has now weighed in (in writing) following my request. His request reads as follows: "I strongly urge the United Methodist Union of Detroit, The Detroit East District and The Detroit West District to consider relocating your offices at the Detroit Metropolitan United Methodist Church when your current office lease runs out in 2010."

I since met with four representatives of Metropolitan UMC (December 3, 2009). They want us to come and will make first-floor space available to us if we come. Very preliminary conversations were held concerning space and price, enough so to determine that we are in a negotiable ball park. I will be prepared to answer questions at our meeting. Metropolitan UMC will designate 4 or 5 individuals to serve as negotiators when they meet in January 2010. We (collectively) must do the same.

## **8. The future (and related needs) of Christ UMC, Detroit**

I have spent considerable time (physically and prayerfully) on this concern. This congregation is all but down for the count. Their pastor is a part-time, United Methodist Union-supported, 48 year-old seminarian. Their membership (not recently trimmed) is 70-90. Their average attendance is 15. Many weeks their building is open only on Sunday. They have no other staff. Program is virtually non-existent. When I emailed you about their DTE shutoff, you authorized paying the bill to turn things back on (which I did, in the amount of \$7,674.15).

I have worked with Rev. Duane Miller and the Cabinet to consider closing the church. All involved are willing. The church, however, has just received a rental proposal. It appears to be legitimate. I have sent it to our attorney for appraisal. If successfully negotiated, it would net the church \$10,000 per year in rent, plus full utility payments and insurance. It would also create some in-and-out traffic.

Complicating matters is the roof. It will require work on 4 separate sections at a cost between \$30,000 and \$35,000 (we have a pair of estimates). Some damage from leakage has already occurred.

Keep in mind that it is not within our power to close a church. All we can do is refuse to provide hospice or sustenance funding. Nor can we tell a church when it can rent its building, and to who. My thoughts are as follows:

- A. We need to ratify the informal email responses that allowed me to turn the heat back on and pay DTE \$7,674.15.
- B. We need to seriously consider the roof issue (quite apart from the precarious future of this congregation), given that it will become our building if, and when, the congregation expires.
- C. If we repair the roof, do we charge it off to "properties under management" (which it technically isn't) or provide it as a loan (which will probably never be repaid). I would not recommend doing it as a grant
- D. Whatever we do, we should put our weight behind Rev. Duane Miller's requirement for a sound financial and ministry plan and, lacking either, urge the church to close.

## 9. Soul Harvest Ministries lawsuit (potential)

This congregation purchased the former Highland Park, First UMC building on Woodward Ave. approximately 14 years ago. It is their belief (which is close to accurate) that they have paid us \$715,000 since that time. They still owe about \$65,000 including accrued interest. There have been no payments since January 23, 2004. The original purchase price was \$450,000 (meaning that they have paid considerably more, given the interest involved). Before he died, Rev. Dr. Ken Christler proposed a settlement of \$20,000. The church rejected it.

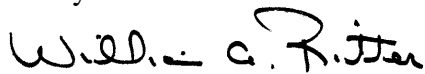
It was proposed (and adopted) at our last Board meeting that we research the viability of a lawsuit for the remainder. Complicating matters is the fact that our claim is a second mortgage with Comerica in first position.

Researching our options has yielded the following. The current value of the property is somewhere between \$150,000 and \$300,000. The amount owed Comerica is in the neighborhood of \$320,000. The pastor of Soul Harvest Ministries has been completely unresponsive. Attempts have been made (by letter and phone) to reach him. We will need to reach a decision on this matter. Clearly, the church expects “forgiveness” of the remainder.

### **And in conclusion....**

This report is already far too long. It ought to be served with eggnog (Methodist eggnog or Episcopal eggnog). This is Christmas, for God’s sake. And for our sake as well. Sadly, challenges to our churches take no breaks for the holidays. Gladly, most of our churches still find ways to “go tell it in the valleys”.... as well as “on the mountains.” But wherever it is told - and wherever it is heard - may you and yours keep your ears as well as your chimneys open.

From my house to yours,  
Merry Christmas!



Rev. Dr. William A. Ritter  
Executive Director