



"From Where I Sit ..."

"Free at Last!" ... At Least From Debt

March 12, 2015 signaled a significant "Free at Last" moment for the Board of Personnel Services in the area of debt. Needless to say, it was also a major accomplishment for me as General Secretary of the Board. When I was elected General Secretary in 2002, even with two years of service as Assistant to the General Secretary, I did not fully understand or appreciate the financial status of the Board or the day-to-day implications of the Board's operations until they became my sole responsibility. Although one may read financial statements and audits, it isn't until after you have participated in the actual development of those statements and experienced the scrutiny of a CPA's audit process that you really come to grips with the true picture of your organization's activities.

The 2002 audit for the Board of Personnel Services as printed in the General Officers report to the General Connectional Board in 2003 disclosed \$2,054,435 in total liabilities of which \$2,023,466 were long and short-term notes payable and other loans. This indebtedness represented loans on projects such as the Mississippi Industrial College properties and the 76 acre Third Street housing development initiative along with two open lines of credit and three smaller loans. Also in 2006, the Board incurred an additional note of \$639,868 to complete the remaining claims payments on the former master policy of the CME Fire & Casualty Insurance Plan.

Over the course of the past 12½ years, this indebtedness has been eliminated utilizing two strategies. The first was by the disposition of secured buildings and land (i.e. the Third Street Properties in 2003 and the Mississippi Industrial College properties in 2007) and the second was by careful budgeting and deliberate planning, which was the primary motive behind the 50% reduction of staff in 2006. These were difficult decisions that were necessary to protect the department and the denomination.

Now, 12½ years later, we rejoice in the successful completion of this deliberate strategy. On March 26th, on the Campus of Texas College, the celebration of this milestone was recognized in a special visit between Senior Bishop Lawrence Reddick (Chair of the Board of Personnel Services), Mr. Jack Peppard (Senior VP Southside Bank in Tyler, TX) and me as General Secretary. Southside Bank had held the last remaining note of the Department which was the \$639,868 loan referred to above.



Completing the payoff of the Board's indebtedness was not only a significant milestone but also permits the Board to make some of the projected necessary improvements in equipment and technology. Although inflation has eaten into our budgets, we are optimistic that the remaining resources will be sufficient for our purposes. In the meantime, it will be our goal to operate without any additional debt other than an operating line of credit. This accomplishment is a good thing in which we at the Board take some degree of pride and would hope that others across the denomination would join us ... Or at least that's the way it looks to me ...

"From Where I Sit"

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Personnel Services Webpage of the CME Website at www.thecmechurch.org)