

Minutes
North United Methodist Church
BOARD OF DIRECTORS MEETING
December 16, 2015

Members

Todd Daniels-Howell, Chair	John Drake, Treasurer
Shannon Priddy, Vice Chair	Sara Moore (AL)
Lee Tumminello (Trustees)	Eric Galloway (MC/LL)
Jim McDonald (SPRC)	Kathleen Custer, LL
Nick Tumminello (Finance)	Mark Grove, Secretary

Ex Officio

Darren Cushman Wood
Josh Jordan

Absent

Linda McClain (LL to AC)
Bill Groth (AL)
Margaret Mayo

Guests

Mark Foglesong (incoming AL)
Joel O'Neill
Richard Kluger (incoming Finance)

1. Pastor Darren opened the meeting with a meditation that encouraged members to consider our financial challenges as an opportunity for praise and rejoicing (an expanded version is attached below). New 2016 Board member Mark Foglesong and Richard Kluger were introduced.
2. The minutes of the Nov. 18, 2015 meeting were approved by unanimous vote (Custer/all).
3. Disaster Preparedness Plan (Darren Cushman Wood, Josh Jordan, Joel O'Neil)
 - Darren, Joel, and Josh presented a plan designed to help North respond in different emergency scenarios at the church, including tornado, threats of violence, etc.
 - A copy of the plan will be provided to staff and others as appropriate. It will also serve as the source document from which specific procedures can be excerpted and shared, such as moving to safety in case of a tornado warning.
 - While the full document will not be posted to the public website, portions, such as the floor plans, can be posted to a secure FEMA-managed site that can be accessed by first responders.
 - The plan will be used for training purposes and reviewed and updated annually as needed based on changes in staffing, physical plant, etc.
 - The plan was adopted unanimously (Grove/Priddy).
4. 2016 Budget Discussion (Nick)
 - Nick provided an update at the November Board meeting to keep in-sync with the Stewardship Campaign. Approximately 30 potential pledgers are being contacted.

Budget highlights *see below for FY 2016 budget*

- As of the date of the December Board meeting, \$981,245 (93.5%) of the \$1 million stewardship goal had been pledged. The budget assumed expected payments would be 95% of the total pledged.
- The budget assumed a reduced amount of non-pledged income from 2015, recognizing a decline that occurred this year. This shift needs additional review and may be due, in part, to people moving to pledged status.
- The final proposed budget required significant scrubbing, especially on the expense side. One example is that the allocation for food and meals was reduced by a little more than half to just about \$1,000 per month. We will continue to look for additional support and cheaper sources.
- The budget allocates a 2% raise for staff. At his request, the Senior Pastor's salary remained the same as in 2015.
- Expenditures are budgeted for \$31,000 more than income. The Finance Committee recommended allocating \$33,000 from the parsonage fund to cover this shortfall, noting this fund had been identified to cover a shortfall in 2015 but was not needed.
- 2016 budgeted fees and registration income are up significantly over this year. This is due in large measure to a change in processing revenue from weddings. In the past this income all went into a designated fund line where in 2016 it will go into the general budget. Expenses paid for weddings will come out of the current balance in the designated funds. This will be a limited duration "fix" unless we increase such fees.
- The Finance Committee recommends funding both district and conference tithes at 25%. While the Board had hoped to raise the tithe to 80% in 2016, the need to provide a salary increment for staff was determined as more pressing. Members agreed that we still seek to raise the tithe allocation in the future lest we risk settling in with lowered tithing expectations.
- It is important that we are transparent to the congregation in how the budget is to be balanced, including the use of the parsonage fund and the handling of wedding income and expenses. These are not long-term fixes but will bridge the gap between revenues and expenditures for the year.
- The budget was approved as recommended by unanimous vote.

5. Task Force on Strategic Direction update (Shannon)

The full presentation was sent to members along with the minutes. Slides excerpted from the presentation appear below.

Charge

The Task Force was asked to:

- Identify what is needed to ensure long-term financial security for North UMC
- Identify the key elements needed for success
- Provide strategic guidance to the Board in terms of next steps for committees and teams
 - Specific tactical actions or programs were seen as out-of-scope, and would be addressed by other groups acting on the findings of the Task Force.

Major findings

- North UMC has the elements needed to sustain financial security over the long-term, provided 3 things occur:
 - We clarify expectations of membership and are explicit in our expectations to invite others and give
 - We initiate a regular, open dialogue on giving as a Christian discipline
 - We deepen the connection to our mission
- We must grow our membership significantly not only to address our current funding shortfall but, ideally, to expand/extend our programming or create a budget reserve.
- The most successful avenue is to grow via word-of-mouth invitation from members. This effort needs to focus in four major areas:
 - Communicating
 - Inviting
 - Connecting
 - Forming
- The report provided interlocking strategies to connect the above goals to establishing financial stability. *Specific activities and recommended next steps for each appear in a slide below*
 - Budget projections reflecting different budgetary and membership scenarios through 2020 were included in materials provided to the Board. Shannon thanked Doshia Stewart and Mark Kays for their work in this document.

Discussion

- The budget proposed by the Task Force is probably overly aggressive and assumes too rapid a growth in our membership. That said, it is clear we must grow and we have to think differently about how to do so. This will require a very deliberate membership recruitment process.
 - A personal invitation is the greatest reason for new people to start attending and we are very weak in this area.
- There are developments underway both north and south of the Church that ideally will attract more residents to the area. We need to make ourselves known.
 - One way to do so is to more aggressively brand what is already happening here. For example, The Farmers' Market could be promoted as the *North UMC Farmers' Market*. A relatively small step, but it helps identify the kinds of things North does to carry out its mission in the community. Do what we are doing, but make it *louder* with different target audiences.
 - it is essential to be deliberate and take the time to get the message right, building our credibility and brand.
- We need additional discussion at all levels of the membership (Sunday school groups, different ministry areas, etc.) on what church members value at North and what we want to be. Church leaders at all levels need training, including how to help share what we are doing at North.
 - At the same time, we must recognize that we can't be what we are not. While we should take additional steps to promote what North is doing and encouraging

others to attend and join, we are likely not an aggressively evangelical community.

- Much of the work of North relies on the work of our members in a host of different areas including liturgy, outreach, etc. One way to reflect this would be to quantify volunteer hours to help show our collective contribution to the church and as Methodists.
- Though the Task Force proposes investing in additional programming beginning in 2020 when we ideally have more members and are in a better budgetary situation, we may want to take that step earlier to help attract new members. These steps really go hand-in-hand.
- What is realistic compared to our vision? We have a core DNA. Look at who we are and what our strengths are as a start. The Task Force report assumes lower level of average gift than what North has.
- We need to build a culture of generosity.
 - Formational issue—are people being formed to give? Paradox of generosity. Not a quick fix.

Next Steps

- The Board will continue its review and discussion of the report at its January meeting, taking up where we left off in December. We need to consider not only overarching goals, but also begin to identify specific strategies and concrete steps to help us meet those goals. This will involve consulting with and involving other members of North leadership and staff in our considerations.
 - The discussion will continue at subsequent meetings in 2016.
 - Todd thanked Shannon and the Task Force for their efforts to-date. We may be calling on them for additional help as we move forward.

6. Committee/Board/Senior Pastor Reports [30 minutes]

- Trustees (Lee)
 - Things are going well with improvements to the HVAC system. Board members appreciated the signage and pulpit announcement highlighting the use of the Capital campaign to pay for this upgrade.
 - The Trustees have committed funding to update the bridal room. Lee noted that weddings are a source of income for the church.
 - Following an anonymous complaint, the Marion County Health Department inspected the Community Room and kitchen and found four violations, one of which was deemed critical (insects). Following a detailed cleaning and treatment, the kitchen passed a follow-up inspection. While Bread n' Bowl had to be cancelled for a couple of days, it is now back in operation.
 - The Community Room/kitchen had been slated for renovation, but that was put on hold until we get a better understanding how we want to use the space.
 - The kitchen was designed for catering, warming food prepared elsewhere. However, some years ago the soup kettle was moved upstairs which has increased moisture and other problems. Lee, Joel, and Darren are going to

meet with Mission/Outreach to determine a path toward using kitchen as it was designed, likely returning the soup kettle back to Fellowship Hall.

- SPRC (Jim)
 - Staff performance reviews are underway with a goal of completing them earlier each year. A survey regarding the Senior Pastor was sent to staff, the Board, and a number of other North Ministry leaders (approximately 36 in all) and responses will be compiled.
 - SPRC continues its work in looking for a new Minister for Mission and Outreach.
 - On behalf of SPRC, Jim expressed appreciation the 2016 staff salary increases approved by the Board earlier in the meeting.
- Ministries Council (Eric)
 - The Ministries Council is working on spring programming and the booklet that will feature them.
- Lay Leadership (Kathleen)
 - Lay Leadership is looking for one more at-large member for the Ministries Council as well as a new chair for HEM. Our representative for Mid-North Food Pantry is stepping down and also will need to be replaced.
 - The Leadership Kick-off will be held in January, though the specific date has not yet been set.
 - Following a nomination from Lay Leadership, the Board approved Don Nelson as a new member of the Finance Committee.
- Senior Pastor (Darren)
 - Land development
 - With Ron Gifford stepping down from leading this group, Pablo Svirsky has agreed to serve as chair. Ron will continue his involvement, but at a reduced level.
 - We expect the first draft of a developer agreement in mid-January. Darren anticipates this will be ready to be brought to the Board in March with a final partnership agreement completed before summer.
 - Darren has met with someone who works in the area of environmental issues and remediation. There may be some positive possibilities that may help us address these matters without a negative impact on the business plan.
 - We should be ready to hold forums regarding the programmatic/missional aspects of land development after Easter and include significant conversations with the congregation. These are intended to be both educational and informative and will be open to the public beyond North, including interested neighborhood residents.
 - Returning to his opening reflection, Darren noted the benefit of having a problem is that it forces us to deal with issues we should have been addressing for years—a good crisis should never be wasted. This is the gift that comes with the budget challenge.
 - People need North and its mission on a number of fronts—liturgical, inclusiveness, and in our outreach efforts. They need this on a deep spiritual level and in recognizing what we do here as caretakers of the work of God. *That is the Case Statement for why one needs to give.*

- Chair (Todd)
 - Todd closed the meeting by thanking Lee, Nick, and Bill for their service on the Board.

7. No Executive Session was held.

- See [January 2015 minutes](#), page 6, item 7.

2016 Tentative Dates

- January 27
 - Task Force on Strategic Direction report
- February 24
- March 23
- April 27
- May 25
- June 22
- July 27
- August 24
- September 28
- October 26
- November 16 (3rd Wednesday)
- December 21 (3rd Wednesday)

Future Topics

- Communications report on targeted advertising
- Flower shop
- Innovation Fund

NORTH UNITED METHODIST CHURCH, INC.
FY 2016 BUDGET

Line #	DESCRIPTION	PROPOSED 2016 BUDGET
	REVENUES	Wages @ 2%
41010	Prior-Year Pledges & Pre-Paid Pledges	\$ -
41020	Current Year Pledges	\$ 950,000
41030	Non-Pledge Contributions	\$ 160,000
41070	Contributions-Designated	\$ 39,850
41080	Grants/Foundations	\$ -
42010	Fees/Registrations	\$ 29,570
42020	Sales	\$ 3,200
42030	Interest	\$ 500
42040	Gain/Loss on Sale of Investments	\$ -
42050	Rentals/Leases	\$ 9,000
45045	Other – Unrestricted Discretionary Fund	\$ 98,000
	TOTAL REVENUE	\$ 1,290,120
	EXPENSES	
50010	Wages/Salaries	\$ 628,576
50020	Housing Allowance	\$ 21,000
50030	Social Security/Medicare	\$ 30,258
50040	Health Insurance	\$ 104,928
50050	Pension	\$ 49,314
50060	Contracted Services	\$ 38,000
50061	Sub Musician Pay	\$ 1,530
50070	Continuing Education	\$ 5,150
50080	Travel Reimbursement	\$ 6,200
52010	Office Supplies	\$ 9,300
52020	Postage	\$ 5,250
52030	Telephone/Internet	\$ 15,000
52040	Photocopy	\$ 20,200
52050	Printing/Design/Layout	\$ 1,450
52060	Technology Hardware/ Support	\$ 30,000
52070	Software/Support	\$ 10,000
52080	Banking Expenses	\$ 2,500
52090	Audit	\$ 15,000
52095	Consulting Fees	\$ -
53000	Legal	\$ -
53010	Ministry Supplies	\$ 15,700
53015	Curriculum	\$ 4,200
53020	Membership Fees	\$ 1,950
53030	Marketing/Advertising	\$ 4,500
53040	Food/Meals	\$ 12,000
53050	Lodging	\$ 4,000
53060	Honoraria	\$ 4,850
53070	Scholarships	\$ 1,100
53090	Registrations/Fees	\$ 2,600
54010	Books/Periodicals/Music	\$ 3,300
55010	Grants to Others	\$ 2,500
55020	Benevolences	\$ 500
55030	Conference Apportionment	\$ 23,750
55040	District Apportionment	\$ 3,563
56010	Rentals/Leases	\$ 5,000
56020	Electricity	\$ 55,250
56021	Water/Sewer	\$ 4,017
56025	Heating Fuel	\$ 23,000
56030	Insurance	\$ 43,957
56040	Janitorial Supplies	\$ 13,500
56050	Building Materials	\$ 5,000
56055	B&G Contracted Services	\$ 16,000
56060	Repairs-Building/Eqpt	\$ 23,500
56065	Grounds Upkeep	\$ 14,000
56070	Equipment/Furnishings Purchase	\$ 1,500
56080	Vehicle Gasoline	\$ 1,500
56085	Vehicle Upkeep/Repair	\$ 600
56090	Trash Removal	\$ 1,200
	TOTAL EXPENSES	\$ 1,286,193
	2016 EXCESS INCOME/(EXP.)	\$ 3,927

Our Task

- In scope:
 - Identify what is needed to ensure long-term financial security for North UMC
 - Identify the key elements needed for success
 - Provide strategic guidance to the Board in terms of next steps for committees and teams
- Out of scope:
 - Tactical actions or programs

Communicating

- Intentional communications that uses affirming language. "North UMC is traditional, progressive and inclusive."
- Encourage conversations about spiritual discipline of giving and open dialogue on why people give. Explicitly ask for pledges/money.
- Be intentional about gathering information
- Intentional cyber presence
- Promote brand continuity (Add "North-UMC" to things like Farmer's Market, ASP, etc.)
- Consider how we impact our community and how we offer volunteer experiences that deepen commitment to North (research shows this is important for Millennials)

Inviting

- Create worship services to invite people to attend (Gospel Mass, All Saints Day, etc.). Include more education on what these events are.
- Create "talking points" for members to use in order to better communicate what we are about with friends, co-workers, relatives
- Use Mission and Outreach to promote North UMC events to the community

Connecting

- Prioritize hospitality, outreach and education
- Create a visitation process and expansion plan that includes reaching out to inactive members
- Create cards for people to "Give" to the offering plate if they donate electronically

Forming

- Develop a long range plan for Christian Education-includes children, youth & adults; generosity as part of discipleship
- Intentional hospitality for Lay Leaders
- Intentional programming
- Intentional youth and children's programming
- Leadership training
- Educate Sunday School teachers on stewarding giving and talking about financial support.
- Permeate giving and volunteering conversations into adult education, membership classes and communication
- Track volunteer/service hours and value them

Next Steps

Communicating

- Create a task force on branding: work with communications and stewardship committees to develop their ongoing tactics

Inviting

- Identify and train “evangelists” to share the good works that are already happening at North UMC
- Train all leaders to report back and share the good news

Connecting

- Expand lay visitors (C&N)
- Train & coordinate all leaders
- Use a trainer/study to inform and educate
- Perform an audit of Inviting & Connecting by an outside consultant

Forming

- Develop a long range plan for Christian Education that includes children, youth & adults teaching generosity as part of discipleship

Task Force on Strategic Direction

- Orson Mason
 - Bob Sachs
- Eric Galloway
- Doshia Stewart
 - Julie Eggert
- Lynn Berkebile
- Shannon Priddy

Thank you for your time and service!

To: The Board of Directors
From: Darren
Re: How to See Our Financial Challenges
Date: 17 December 2015

#1. THE PROBLEM IS A GIFT

My knee-jerk prayer when I think about our financial problems is, “O God, I wish this was solved so we can just get on with ministry.” And yet, when I listen to God I realize that God is giving us a gift in this problem. Our financial challenges are forcing us to do the basics of Christian discipleship, practices that we should have been planning and implementing eight years ago. Like a patient whose heart attack led them to start exercising, our church has been given an opportunity to get in shape once again.

#2. LOSE OUR LIFE TO SAVE OUR LIFE

If we approach this problem with the intent on saving the church we will fail. Our efforts to recruit new members will come across as tactics designed to preserve an institution, which no one is enticed to join a congregation for that reason. What Jesus said to individuals applies to church renewal: ‘Those who seek to save their life will lose it and those who lose their life for my sake and the Gospel will find it.’ It is only when a congregation focuses on the mission of Christ that its intentional efforts of evangelism and stewardship yield positive qualitative and quantitative results. It is the irony of church growth.

This is not to say that we do not need to engage in intentional practices of inviting, connecting and forming. However, it is a warning for us as the leaders of the congregation to beware of slipping into maintenance thinking under the guise of missional rhetoric. In order to avoid this temptation there is one good question to keep asking ourselves: Why do we want new members—Is it to replace the old ones that are dying off?

#3. PEOPLE NEED NORTH

Instead of maintaining an institution we are caretakers of a mission. First and last, we need to remember that there are people in Indianapolis who need what our church has to offer but they have not discovered us. They need the kind of worship, spiritual formation and mission outreach that we practice at North for their spiritual fulfillment. We tend to think of meeting people’s needs only in material terms (Bread and Bowl, IHN, etc.), but our mission is holistic and transformational. There are people out there who need North.

While this dovetails with our discussions about branding and targeted demographics, it goes deeper than that. God wants to use us to meet their needs. Our plans for communicating, inviting, connecting and forming are necessary for fulfilling our role in the mission of God. We need to see our financial strategies as a necessary part of being good stewards of this mission. Our building and our current membership are means for serving that greater end, but they are never an end in itself.

#4. THE PARADOX OF CHURCH RENEWAL

There are several different ways to resolve our financial problem but many of them may not be realistic because they do not reflect who we are. Every congregation has a core identity that does not

change over time, and an effective strategy for a problem must reflect that core identity. Indeed, even if a strategy that runs counter to our core identity would be qualitatively effective, it would destroy the very mission as described above. In short, we cannot be something we are not—nor should we try.

And yet, we know that we must change the culture within our congregation in order to become more intentional about inviting, communicating and forming. The root issue is our understanding and practice of membership. Any strategy for addressing our financial problem will require us to make qualitative changes in order for it to be a lasting solution (see point number 2 above).

The good news is that God's grace is a paradox and we, the church, are saved by grace. Grace means that we are accepted by God just as we are. In turn, this radical acceptance is coupled with a radical transformation into who God calls us to be. The traditional theological language for this is justification and sanctification and the relationship between the two is the paradox of grace. When we embrace and honor our core identity, which God has given to our congregation (see point number 3 above), we can take innovative and radical steps to replace the bad membership practices, which are not intrinsic to our core identity, that impede our growth. God works in the paradox which enables us to be both visionary and realistic.