

MINUTES
North United Methodist Church
BOARD OF DIRECTORS MEETING
Wednesday, Mar. 23, 2016
5:30 p.m.

Members

Todd Daniels-Howell, Chair	John Drake, Treasurer
Kathleen Custer, LL	Eric Galloway (MC /LL)
Jim McDonald (SPRC)	Margaret Mayo (AL)
Richard Kluger (Finance)	Sarah Moore (AL)
Mark Grove, Secretary	Mark Foglesong (AL)

Ex Officio

Darren Cushman Wood
Josh Jordan

Absent

Shannon Priddy, Vice Chair
Linda McClain (LL to AC)
Eric Oehler (Trustees)

1. The minutes of the January 27th, 2016 meeting were approved as distributed.
2. Finances Review (Josh, Richard)
 - The 3% endowment 2015 distribution was approved by members through an e-mail vote that met the 80% minimum approval threshold required by the Bylaws.
 - In reviewing the latest report, pledges are about \$12,000 below budget, but pledge income through February is ahead of 2014 and 2015. March is traditionally a strong month, including a one-time gift that usually comes in in March/April. At that point we anticipate being ahead of budget in pledged income for the year.
 - Non-pledged revenue is about \$9,000 below budget, but probably not far behind normal.
 - In response to a question about monthly patterns of non-pledged donations, Josh noted there is no consistency of payments by members who did not pledge other than that more gifts occurred near holidays such as Easter and Christmas when attendance also increases. Tracking/projecting these gifts also is a challenge due to gifts from anonymous donors.
 - Expenses are \$20,000 below budget at this point. We have benefited from well-managed building expenses and a mild winter as well as some savings in salaries and pension payments due to the vacant Minister for Mission and Outreach position.
 - Spending on contracted services is somewhat higher due to work by Alan Archibald in the transition period until Ronnie Bell arrives.
 - As unemployment taxes are paid on only the first \$7,000 of a position, that line is primarily an expense in the first quarter only.
3. Land Development Update (Darren)
 - We had anticipated having a developer agreement ready by this point, but due to other activities, including a separate purchase of the United Way Building as well as a staff maternity leave, Flaherty Collins has delayed work on our project. The

agreement likely will be ready in the early fall. Having the later agreement will allow additional time for consultation with the congregation on this proposed initiative.

- The Board will host a series of [Forums for Understanding on Land Development](#) in April. These will explore different missional and social aspects of redevelopment, such as: early childhood development and housing security; environmentally friendly development; crime and the economy. Each forum will feature guest speakers on the topic and time for discussion and feedback. Information about the proposed business plan for the land will be shared as it is being developed by the board.
 - The sessions will be Sunday evenings at 6:00, preceded by a dinner at 5:30.
 - Each session will include a 30 minute presentation and time for discussion and consultation with North members on different aspects of the proposed initiative.
 - April 3: Great Places Initiative & North's Land Development
 - April 10: North's Land Development Vision
 - April 17: Early Childhood Development & Land Development
 - April 24: Environmental Issues & Land Development
 - Board members are encouraged to help promote the sessions as well as to attend. As we learned through the Reconciling Ministries discernment process, even with the best communication efforts some North members are harder to reach than others. We need an extra push to encourage attendance and hope that the regular messages from the pulpit also will help.

4. Committee/Board/Senior Pastor Reports

- Trustees (Eric)
 - No report
- SPRC (Jim)
 - Mary and Jim McDonald hosted a dinner "in-take" for [Ronnie Bell](#) and his fiancé, [Bere Gil Soto](#) with SPRC and others.
 - Jim and Todd met with Darren regarding the Senior Pastor Performance review. All agreed it was a productive and positive process.
 - Jim expressed his appreciation to the board members who completed the Senior Pastor survey. The 19 responses were primarily from board, staff, and heads of ministries groups.
 - Working with an insurance broker, Jim and Josh noted that North had received two proposals for health coverage that could result in future savings. As we would not make any move until 2017, updated quotes will be sought again in the fall and this will be discussed at a future Board meeting.
- Ministries Council (Eric)
 - The group met with [GroupSync](#) to see how MC could support creation of more small groups in the future.
 - Ministries Council is coordinating meal preparation for the Land Development forums in April.
- Lay Leadership (Kathleen)
 - The February Lay Leadership kickoff event went well.

- In an effort to help clean-up North's membership rolls, Lay Leadership is reviewing North's member list to identify any individuals who Lay Leadership members know have transferred to another church or otherwise left the Indianapolis area but perhaps didn't notify the office.
- Finance (Richard)
 - The Audit Committee charter states that the head of Finance cannot be on the Audit Committee. The Audit committee proposed Marie Powell as a new member and Kris Altice as Chair. As a report from the committee, these recommendations were approved by unanimous vote of the Board.
- Chair (Todd)
 - No report
- Senior Pastor (Darren)
 - Strategic directions
 - A meeting with possible vendor for branding and external communications.
 - HEM will likely meet with the same vendor as well with a goal of developing and delivering messaging to mobilize membership.
 - Review of Membership and Pledging rolls.
 - Following the report of the Task Force and Board discussion, Darren and Josh reviewed membership lists and pledges over the period from 2010-2015
 - During the time we lost a net of about 100 pledging units. Darren noted that the this time period covered a perfect storm of challenges, including the end of a major matching gift, the lingering impact of the Great Recession, and the decision to join the Reconciling Ministries Network.
 - While much conjectured, the decision to join Reconciling Ministries Network actually in the loss of six members (4% of the total departing members in that period). However, as a couple of them were large donors, they accounted for 16% of the decline in pledges.
 - Though we don't know precisely how many members *joined* North as a result of RMN, we may have attracted twice as many members as departed, though without the same positive impact on giving.
 - See charts below for *annual* lost pledgers from 2011-2015 with those who died identified (in the parenthetical); total lost pledge *amounts* and total lost *pledgers* over the course of the 2010-2015 period with reasons derived from conversation with departees and other records.
 - While we don't have a comparable list of new members who have joined since 2010, we know that North added 187 individual new adult members (not households) between 1/1/2010-12/31/2015. This list includes confirmands that transition to separate membership with each class, held every other year. Confirmands account for 41 of the 187 new members.

- As with the work of Lay Leadership, this review also helped with cleaning up membership rolls.
- Overview of Church Tithe
 - Darren provided an overview of the Church Tithing process, including how the money is allocated by the Conference and the larger church.
 - Due to budget challenges, North has not been paying its full apportionment. Darren estimates that roughly two-thirds of congregations in the Conference are able to meet their annual tithing goals.
 - A copy of his presentation appears below. Additional details may be found in the [Indiana annual conference budget](#).
 - There are six mandated offerings annually above the apportionment. Rather than advertising and hosting special collections, it is North's practice to contribute \$500 to each out of our budget. A portion of peace and justice offering stays within conference for grants.
 - North hosts four special offerings with Umoja, Bread n' Bowl, the Food Pantry, and the Bishop's Appeal among the recipients. Easter and Christmas are the largest collections due to increased attendance, with Easter typically drawing \$15,000 and Christmas \$10,000. The others are smaller.
 - These donations are in addition to the regular pledge payments and not an off-set.

5. No Executive Session was held
 See [January 2015 minutes](#), page 6, item 7

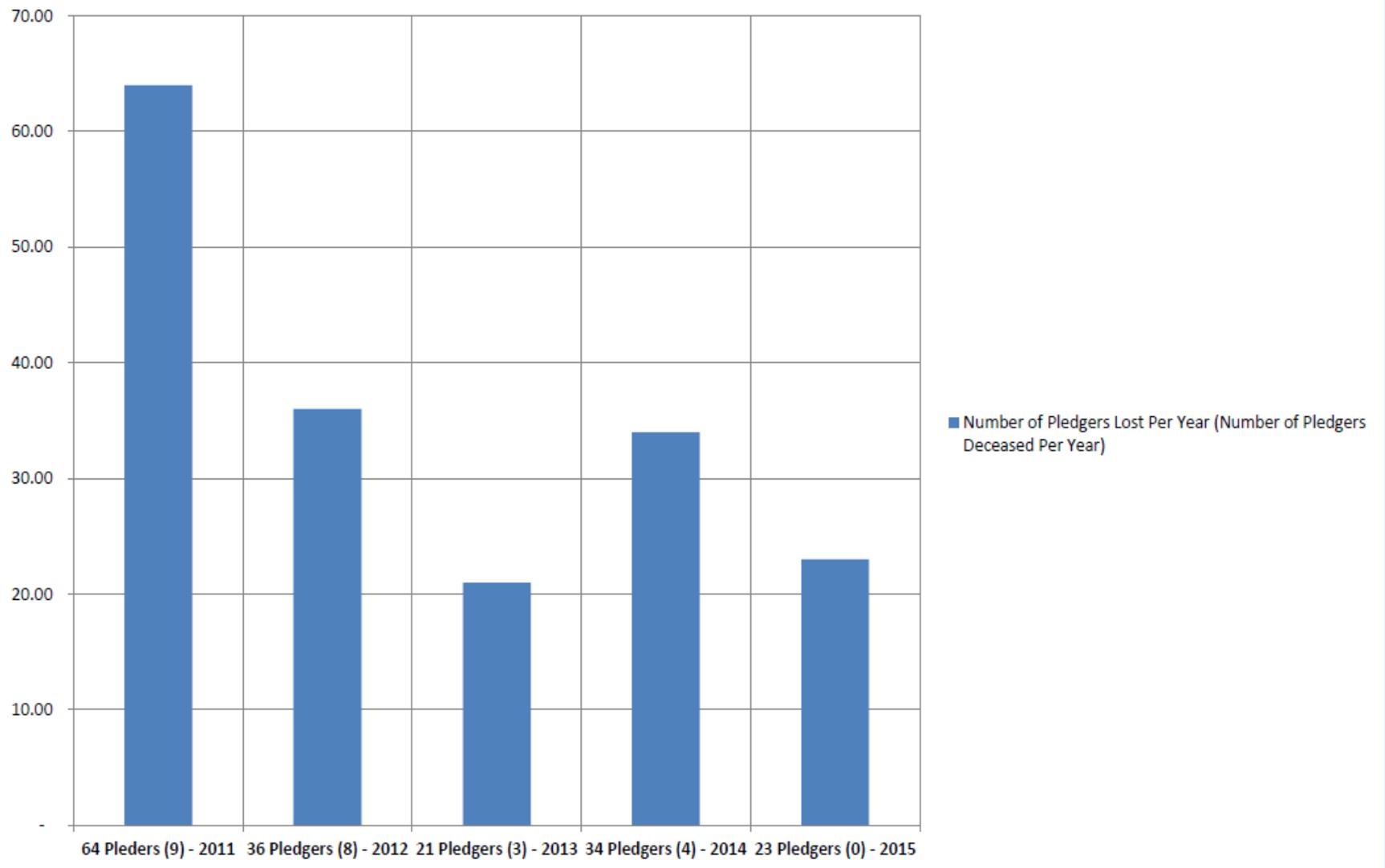
Upcoming Meeting Dates

- | | |
|---------------------------|---|
| • April 27 | • August 24 |
| ○ Endowment Policy review | • September 28 |
| • May 25 | • October 26 |
| • June 22 | • November 16 (3 rd Wednesday) |
| • July 27 | • December 21 (3 rd Wednesday) |

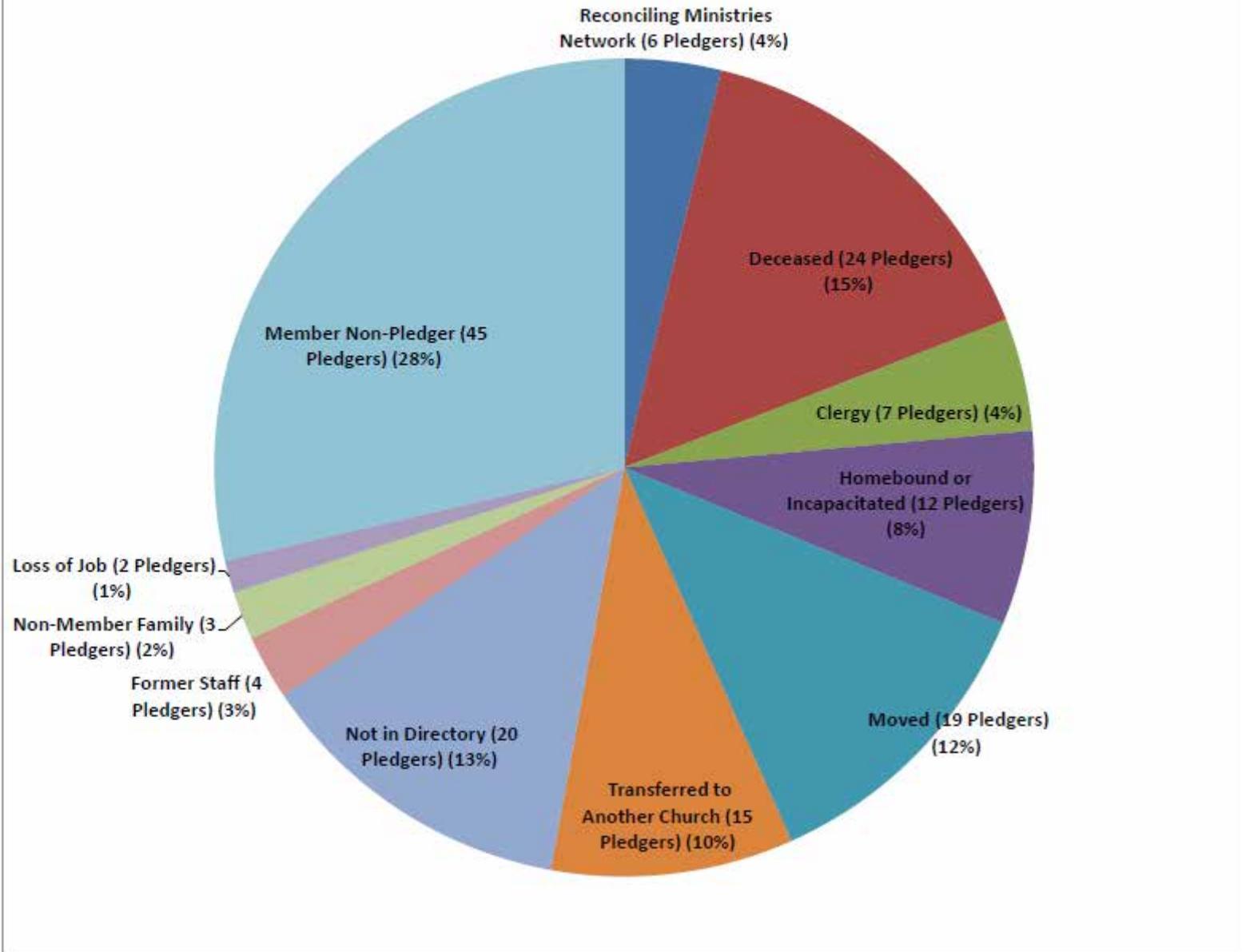
Future Topics

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

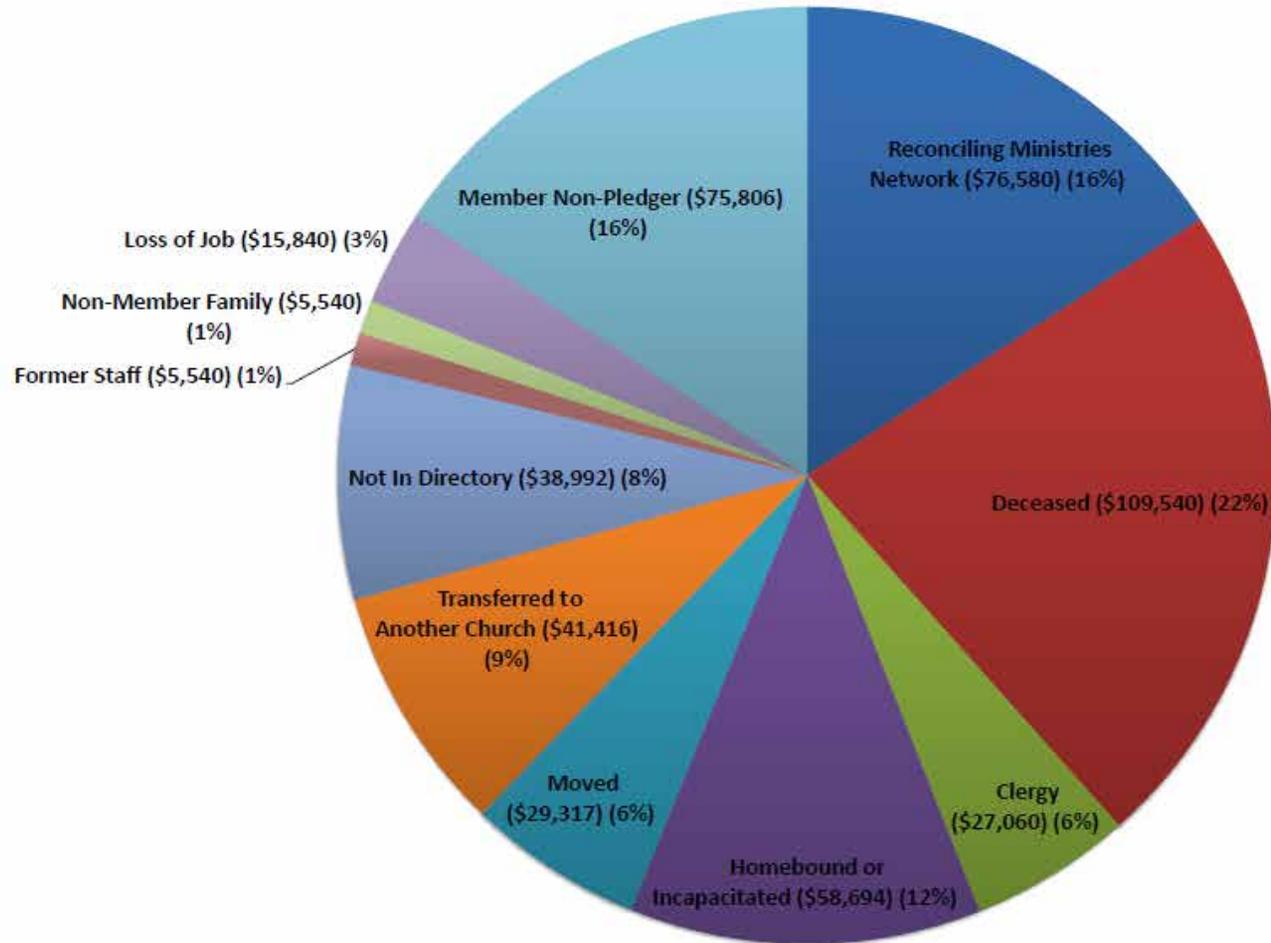
Number of Pledgers Lost Per Year (Number of Pledgers Deceased Per Year)

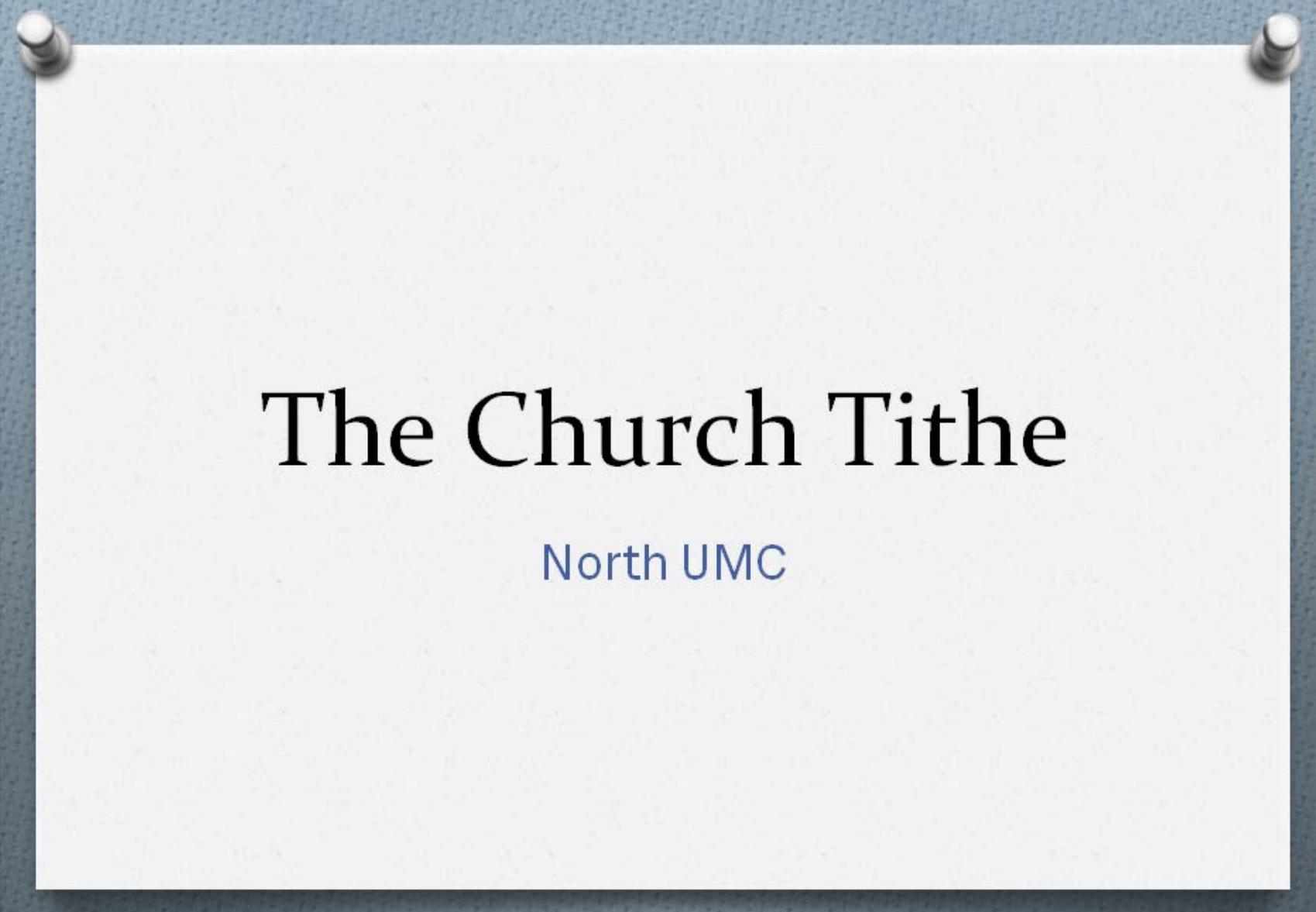


Analysis of Lost Pledges By Pledging Units 2010 - 2016



Analysis of Lost Pledges By Dollar Amount
2010 - 2016





The Church Tithe

North UMC

Terminology

- o Church Tithe—local church's contribution to the annual conference, general church & district based on the church's income. In the Central District, it is 10% for the annual conference/general church & 1.5% to the district.

Our 'Tithe' is 11.5%

Terminology

- Apportionment—a formula used to calculate the local church's & the annual conference's contributions to the general church. It is based on a combination of membership & income. Even though the annual conference no longer uses an apportionment formula to calculate contributions to the annual conference and district, the annual conference's assessment for the general church is an apportionment.

Terminology

- o General Church—Among the contributions given to the annual conference there is a portion that goes to the various general church agencies and programs.

The local church pays a 'tithe' to the annual conference but the annual conference pays an 'apportionment' to the general church.

Our Contributions

- o 2016 Estimated Tithe: \$109,250
 - o Conference (& General): \$95,000
 - o District: \$14,250
- o 2015 Portion of our contribution that should have gone to the “general church”: \$39,341.26
- o Our contributions in
 - o 2011--\$119,151 (100%)
 - o 2012--\$71,913 (46%)
 - o 2013--\$98,969 (62%)
 - o 2014--\$106,635 (72%)
 - o 2015--\$38,999 (21%)

General Church Funds

- o World Service Fund—4 Areas of Focus
 - o Calling & Shaping Principled Christian Leaders
 - o Creating & Sustaining New Worshipping Communities
 - o Ministry with Poor People & Communities
 - o Abundant Health for All

General Church Funds

- o World Service Fund—examples
 - o General Boards & Agencies, such as Church & Society, Discipleship, Commission on the Status & Role of Women
 - o Mission Plans such as the Pacific Island Ministry, Hispanic/Latino Ministry & Korean Ministry Plans
 - o Young Clergy Initiative
 - o Central Conference Theological Education

General Church Funds

- o Africa University Fund
- o Black College Fund
- o Episcopal Fund
- o General Administration Fund
- o Interdenominational Cooperation Fund
- o Ministerial Education Fund (part of MEF comes back to the annual conference for use with candidates for ordained ministry)

General Church Budget

- o 2013-2016: \$603 million
- o Proposed 2017-2020: \$611 million

(1.3% increase)

Annual Conference Budget

- o 2016: \$13,725,224
 - o Indiana Conference: \$8,411,673
 - o General Church: \$5,313,327

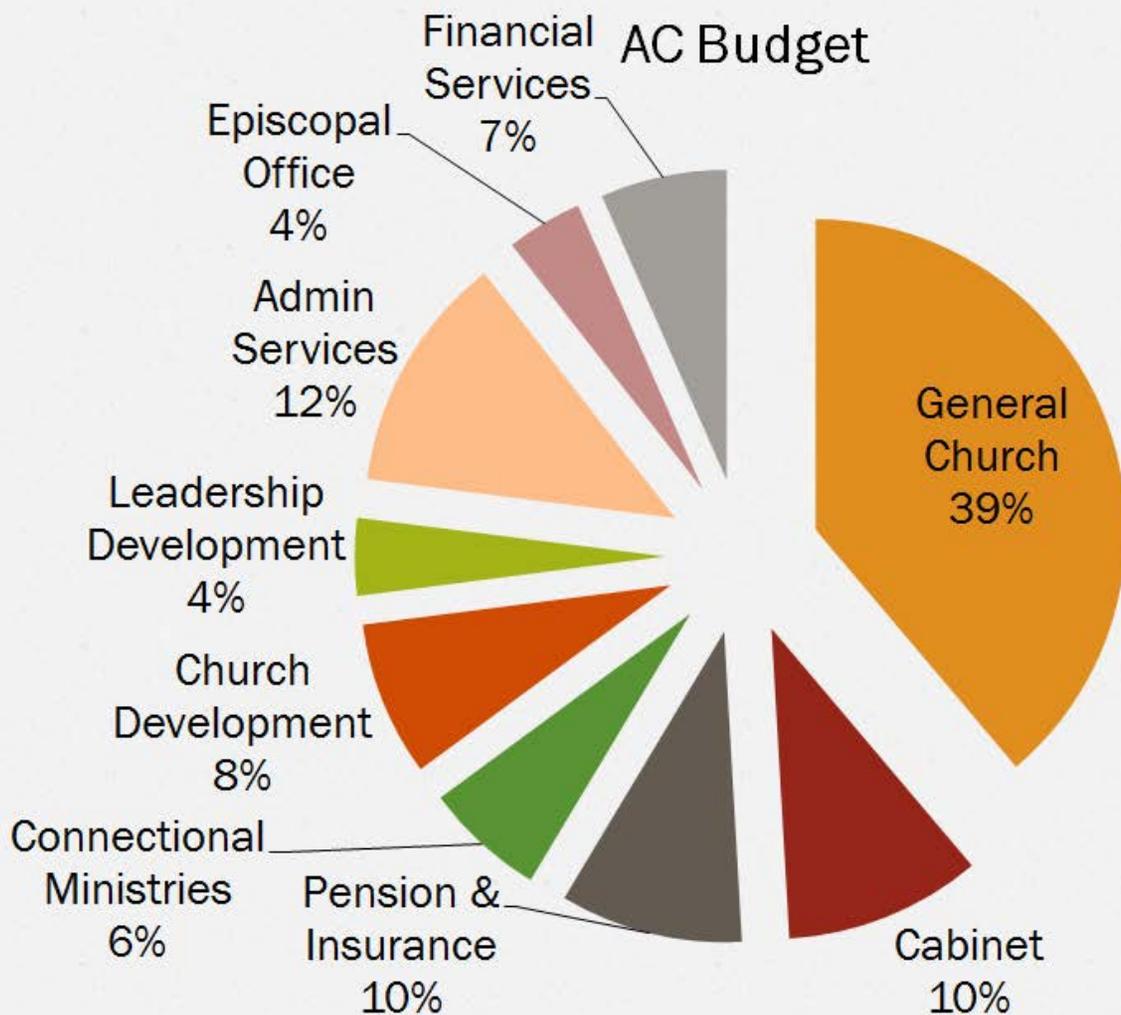
Annual Conference Budget

- o Indiana: \$8,411,673
 - o Cabinet Compensation: \$1,440,000
 - o Pension & Insurance: \$1,300,000
 - o Connectional Ministries: \$859,743
 - o Church Development: \$1,098,859
 - o Leadership Development: \$551,147
 - o Administrative Services: \$1,733,183
 - o Episcopal Office: \$537,890
 - o Financial Services: \$891,075

Annual Conference Budget

o Examples

- o Retiree Health Insurance Subsidy (\$1,3m)
- o Advocacy (\$15,000)
- o Fruitful Congregations Journey (\$210,000)
- o Multi-Site & New Church Grants (\$400,000)
- o New Worship Grants (\$30,000)
- o Called to Fruitfulness Initiative (\$45,000)



Sales

