

MINUTES
BOARD OF DIRECTORS MEETING
Wednesday, September 25, 2013

Members

Ann Mackey, Chair
Ron Gifford, Vice Chair
Mark Grove, Secretary
Charles Young, Treasurer
Troy Barker (Trustees)
James Hamstra (SPRC)
Nick Tumminello (Finance)

Eric Galloway (COM /LL)
Jacqueline Blackwell (AL)
Angela Ockerman-Jones (AL)
Bill Groth (AL)
Kathleen Custer, LL
Linda McClain (LL to AC)

Ex Officio

Darren Cushman Wood
Jim Thieman, CBA

1. The meeting opened by 5:33 with an opening prayer led by Ann
2. Minutes of the August 28, 2013 Board meeting were approved (Custer/Hamstra)
3. Financial Report and Attendance Report (Jim)

Attendance

- Attendance figures for previous months have been corrected, though a question was raised about the June 9th figure in the choir (57 at the early service; far higher than the usual number)
- Members discussed what, if anything, we do with the attendance number.
 - Trends over the past several years show attendance is still shrinking. This affects stewardship and budget as the number of pledging units are going down.
 - There has been no great push to do things differently around worship that might improve attendance such as a different form of worship.
 - Though there are not any programmatic efforts in place to address this, Darren noted that in the long-range plan there is a mention regarding worship and creating some special Sundays that might drive attendance up. Special events such as the Haydn Mass that may draw more members as well as those they may invite.
- North's membership is around 1100. Darren told the group that the typical attendance rate for United Methodists is 40-60%. Lots of people attend irregularly. There are spikes in some years such as a confirmation year.
- Darren suggested focusing more on *attendance* than *membership*. Attendance sometimes declines when there is a change in pastoral staff, such as when there was a gap in staffing such as in the Christian Education position or when Kevin was on his Lilly sabbatical.

- We have not pushed marketing. Darren noted that advertising typically has a minimal effect on attendance; word-of-mouth and personal invitations more effective. Building relationships at the church may be the deepest driver of regular attendance.
- Eric will bring the issue to the Ministries Council for discussion.

Income

- Current year pledges are down \$74,000. This is spread across the board and not the result of any large outstanding pledge.
- Non-pledged income is down \$27,000 and designated contributions are down \$11,900.
- Total income is down \$93,500.
- Jim, Darren, and Kathy Lee will take a look at the current shortfall. In addition to the 3rd quarter statement which will go out soon, an all church e-mail will go out to remind people to keep caught up on their pledges. In cases where pledge payments are significantly behind, Darren may follow-up with a personal note to encourage members to catch up or to identify any issues that may mean the pledge may not be fulfilled.
- Some people catch up on the pledges in the 4th quarter—it generally is a heavier quarter in terms of income.

Expenses

- Total expenses are down about \$80,000. This is due in large measure to savings in building and equipment expenses, though we also have some savings as the result of Brian's departure. Spending on ministry supplies is down \$12,000. We will have a one-time expense in October in paying to have some dead trees removed.
- Balancing income and expenses through August and North is \$13,000 short of being in balance.

Designated Funds

- Not much to report; generally in good shape.

4. Update on Illinois Street (Ron)

- The Land Use Task Force will provide an update to a joint meeting of the Board of Directors, Board of Trustees and Ministries Council on several items impacting the potential development of North's property and the surrounding neighborhood. There have been substantive conversations with the City about the possibility of multi-million dollar improvements to Tarkington Park and in the neighborhood; the Task Force has been working with several neighborhood stakeholders on potential design concepts and development ideas and is near the point where North should start seriously considering a development partner to start more formal planning for our property and the neighborhood.

- The Task Force wants to share this information and get feedback and direction from attendees on some of these important matters and scope out a plan going forward as it works on these exciting possibilities for bringing new life and investment into our community.
- The meeting will take place in Fellowship Hall at the stage end beginning at 5:30 p.m. on Wednesday, October 23.

5. Budget (Nick, Jim and Darren)

- Nick told the group that the 2014 budget is being developed earlier than in the past so better to assist the Stewardship process in developing their goals and outreach methods.
- The 2014 revenue forecasting was done by Bob Sachs and Mark Kays. They used historical information from the last five years as well as adjusted for the Lilly Endowment match portion allocated to operating revenue. Members were reminded that over the past five years we have been reducing the amount of the Lilly Endowment match that goes into the general fund while shifting the match to the endowment. 2014 will be the year 100% of the match goes to the endowment.
- The Finance Committee reviewed this work and agreed that the “probable” forecast of pledged and non-pledged income were the best numbers to use (rather than the “optimistic” or “pessimistic” forecasts).
 - Forecasted revenues: \$1,204,775
 - Forecasted expenses: \$1,462,129
 - Darren and Jim prepared a “stripped” budget would reduce expenses a further \$80,000.

Discussion

- The preliminary proposed budget has projected expenses \$250,000 higher than projected income. While our income has been flat-to-declining in recent years, expenses continue to grow. We have a multi-year, structural problem.
- We have limited options to further reduce expenses without radically changing what we do at North.
- As the result of numerous restricted gifts, we also are limited in looking for additional operational funds from the endowment.
- Can we work the budget harder on the expense-side? The Board will set the goal, not the stewardship committee. Can/should we try to address this shortfall in one year or over several years in moving toward balancing the budget?
- Stewardship has to have direction to help fashion their message. The theme this year is *Why Give?* We are asking as many as possible to provide comments as to *Why Give?* on Stewardship Sunday.
- We really need a year-round strategy. Town halls will help address this. We also need to form approaches to larger donors.
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- Need to get in the habit of looking at each household to see who may be behind to bring them up to speed.
- The board will have to approve a budget later this year which likely will be a deficit. Need to give them some sort of target.
- Looking for great uses of PME. Using the distribution from foundation that may allow us to use it for continuing *innovative* programs rather than *brand new* programs. We need a PME meeting in November.

Conclusions

- Members agreed we should take more transparent approach and not try to soft-pedal our situation. Putting this in other contexts, such as the city's budget situation, may help North members to understand where we are.
- We need to educate the membership as to what things cost. *Did you know it costs X to provide Y?*
- Cast this as a multi-year problem with a multi-year solution. We need to create a sense of *urgency* rather than one of *panic* and that making up this structural shortfall is achievable. This is the balance the Stewardship committee needs. *My regular increased pledge **does** count.*
- Host a series of town halls to provide a forum in which North members can ask questions. Such forums can solicit additional ideas and buy-in.
- Nick will attend the upcoming stewardship meeting.
- Board members agreed that the decision on the specific message rests with the stewardship committee, though board members will be given advance notice as an information item and not one for further board review.

6. Board structure (Ann)

- In 2008 we incorporated liaisons from the board to key committees, but did not formally establish chairs of the key committees as board members. We now have several committee chairs as board members with only the trustees' chair missing. Should we amend the bylaws to make this relationship more formal?
- To keep board membership from becoming too restricted, if we take the above action might we add a couple more at-large members?
- Board members agreed that having the committee chairs as members of the board was very useful, but there was some concern expressed about the additional meeting requirements perhaps limiting the pool of interested individuals willing to serve. Recognizing that may pose a problem for some, the board still supported the concept of chairs of these key committees also serving on the board. Discussion then focused on the mechanics of accomplishing this.
- One approach would be to ask the Lay Leadership Committee to identify an individual who would serve as chair of the various committees as well as serve on the board. This could be done without requiring a change to the bylaws.
- Understanding that there may be times when serving on both bodies would pose a hardship, the board would reserve the right to designate some other member of

the committee to attend board meetings in cases where the chair is unable to serve for a prolonged period of time (such as caring for a family member).

- Ann will draft language to share with the Lay Leadership Committee and the board for review and possible action at the board's October meeting.

7. Report from Pastor

- Darren's comments had been provided in earlier discussion. He noted that a plaque near the East entry honoring a gift from Carl Fisher regularly provided him encouragement and suggested that board members stop by and see it.

8. Executive Session

The meeting ended at 7:20 p.m.

Future Board Meetings

October 23, 2013

November 20 (not 27), 2013

December 18 (not 25), 2013