

**Minutes of the MCCDC Board of Directors
Wednesday, April 6, 2016 (Special Meeting)**

Members Present: Rev. Dwayne Johnson, Fenicia Ballard, Dave Jenkins, Mark Kornmann, John Merriwether, Knut Panknin

Guests Present: Rev. Cathy Alexander, Cathy Batson, Johanna Hardy, Lance Jameson, Terry Neal

I. **Call to Order/Opening Prayer**

Rev. Dwayne called the meeting to order at 6:04 p.m. He opened the meeting in prayer.

II. **Finances**

Dwayne said the agenda for the meeting was to look at the financial situation of the church and discuss short-term and long-term ideas for improvement.

Mark wanted to make sure that we were starting from the same place. Looking at the Bank and Stip/Restricted Account Balance sheet, we need to keep in mind that those should not be counted towards the General Fund total. If we take out the restricted account money and stipulated gifts (\$19,788), we have about \$12,400 in the General Fund which needs to cover two more payrolls in April, denominational tithes for March and the salary for the music minister while having three Sundays for giving left. Our attendance is about 130-140 per Sunday, significantly lower than five years ago (about 100 people less). We have had a lot of fundraising events this year and are approaching donor fatigue. However, average per capita giving is only slightly down. At the same time, the Stewardship Team did everything they could do and we still did not reach our pledge goal. When we look at cutting costs, we only have payroll and services that can be cut.

Dave said that we have a financial shortfall of about \$5,000-9,000 every month. While per capita giving has been stable over the past three years, the biggest revenue shortfall is due to lower attendance. Our financial shortfall will persist even with full rental income from 472 and we would still not be able to do deferred maintenance.

Rev. Dwayne emphasized the spiritual aspect of giving. People do not give to budgets but to change lives and the Easter message this year was designed to reflect that. The challenge for us is bringing people who do have the means to give accordingly. We all have our own journeys from changed lives to higher giving, and we need to replicate that. In order to support this discipleship piece of giving, he will

start a new series up to Anniversary Sunday around the theme “The Church that Changes Lives”. In addition, testimonials from congregants will be sent out each day, for 45 days leading up to the anniversary, with the theme “45 Days of Changed Lives.” He also said that he is in consistent conversation with the denomination on our tithes.

Dave stressed that even with the spiritual aspect, we need to look at expenses and higher giving. A \$10 per capita more in average giving per week would be necessary to close the gap and would also be doable. So far, we have been diverting funds from restricted accounts to make up the shortfall.

Rev. Cathy raised concerns that for many in our congregation, \$10 more per week would be unreachable and that the messaging around stewardship was successful. She also reminded us that the church will receive an additional \$21,000 in rental income from UFCDC this year, and that additional sources of revenue will be needed but are available based on grants and partnerships we should pursue.

Mark said that in order for the church to ask for larger donations, we would need to set up a charity foundation. Additionally, most funders would want to see outreach and programs for the community but our church is heavily focused inwards. He questioned whether we would have the staff capacity or skill set to pursue these grants. He also said that we need to put aside income from 472 for repairs and maintenance that will come up in the future.

Terry Neal shared her perspective on messaging and finances from the congregation. Going forward, she said that it would be helpful to discuss the AV system. There is a perception that the equipment is not being used right, that we paid too much and asked for additional funds and that people do not trust being asked for more now. There are also comments around our concerts and paid artists. What has been positive has been the messaging around personal journeys on financial stewardship – congregants need to hear those stories more frequently. Going forward, we need a transparent process on maximizing our use of the AV system and potential additional resources to train people using it properly. The church leadership should also consider apologizing for not communicating the plan for and use of the AV system properly with the congregation.

Johanna Hardy agreed that the AV system is a point of concern. The sound quality has been so bad that Eclectic Praise does not want to use the system anymore. She also said that more messaging along the lines of Dwayne’s spiritual message is necessary. In her view, the church has become transient and does not feel like a community anymore. This will become a long-term problem for the church. Consequently, she is not a regular giver anymore, and she only shows up on Sundays out of habit and to see people she likes. There are a lot of programs happening in the church but nothing that binds us together as community. Her suggestion would

be to have a combination of praise and worship on a Sunday, followed by an open congregational discussion – combining inspiration with business. The format would be something like a church pep rally, answering the question who we are.

With regards to the AV, the decisions to purchase the new system (as well as the decision to renovate 472) are perceived as decisions by the Board that put the church in financial trouble. There was no buy-in from the congregation. Additionally, according to the Bylaws, expenditures of more than 10% out of the General Fund need to get congregational approval. The church feels like a non-profit and not like a community. If the entire congregation was involved in major decisions, it would create buy-in and it would be harder to complain when things do not work out as planned.

Dwayne thanked Johanna for her willingness to share and for her honest message. He also said that it is difficult for the church when people change their behavior and we do not know what is going on. We need to bring “doing” in our programming and “being” a church together again.

Dave agreed with Johanna that we lost our focus as a community. We have been caught up in a lot of things and we need to reconnect with the congregation and with God. Mark also agreed that we lost the community piece while being focused on operations. The BoD has an obligation to lead and we cannot delegate this problem to staff. At the same time, there is also a disconnect on how financial resources are perceived by the Board and congregation. While the Board sees the entire budget as whole, there is a “bucket” thinking by many in the church.

Cathy Batson shared that we do have neighborhoods in the church (such as Bible study) but do not have them linked together as community. The people that are “being” are also the same ones that are “doing” and they are feeling burn out. We associate the same faces with the same things being done. Terry added that we are family and that we do not want people to withdraw or walk away angry, including church leadership. We need to come together and heal and cleanse before moving forward. It can be tough but we are not so broken that we cannot heal collectively. We all want to get to the same place.

Dwayne reminded us that we have to positively impact and change each other, building a bigger fire of community and spirituality out of the little fires within us. We are in this together. However, he would also be willing to take a hit financially in the short-term if there is a week where we cannot make payroll.

Dave said that if we took Johanna’s point seriously, we would need to take the AV and hard financial choices to the congregation.

Mark suggested going into Executive Session to discuss personnel issues and that we need a congregational session on our decisions. Johanna agreed that the congregation needs to have a say but if we are not willing to follow the Board's decision on potential cuts then the congregation has the obligation to come up with a solution.

Mark moved to go into Executive Session and Dave seconded at 7:42pm. The motion carried. Mark moved to get out of ES at 8:13pm and Dave seconded. The motion carried as well.

Mark moved that until the Board revisits the financial situation, stipulated and restricted accounts be made whole and that effective immediately, no restricted money shall be spent and no checks cut on General Fund expenses unless the funds are available for the General Fund in the checking account. Dave made a friendly amendment to take out "until the Board revisits the financial situation" since we can always do that. Mark agreed and Dave seconded the amended motion. The motion was approved unanimously.

Mark asked Rev. Dwayne and staff to come up with ideas how to cut expenses. The Board will take up the recommendations and decisions will be put before the congregation for buy-in. We need to schedule a congregational forum this month on finances and on who we are as a church.

III. **Adjournment**

Fenicia moved to adjourn at 8:23 p.m. The motion was seconded by John and was approved unanimously.