



Good Shepherd Called Council Meeting

October 30, 2006

Members in attendance: Pastor David Sloop, Nancy Herje, Doug Austin, Scott Buell, Sheri Cassidy, Jenny Falk.

Also in attendance: Dan Burris, Carol Henderson, and Paul Phillips (staff); Greg Cash, Ellen Dickson, Larry Goode (Finance Ministry Team); Paul Lester (Giving Ministry Team)

Meeting called to order at 5:05 pm. Opening prayer by Pastor David.

2007 Spending Plan Discussion – Discussion begun at the September Council meeting continued.

The following ideas were central to the discussion.

- 2007 spending requests- totaling \$944,810
- Finance Ministry Team's recommended 2007 spending plan based on Treasurer's 2007 income forecast – totaling \$860,000
- Alternate spending plan proposals from staff and Council members – totaling \$944,810, \$922,123, and \$914,810, respectively
- Motions specifying a contingency plan in the event that Council adopts a spending plan above the Finance Ministry Team's recommendation and actual income does not increase to the level of expenses

In summary, many concerns were raised regarding the fiscal responsibility of adopting a spending plan with unprecedented stretching above forecasted income. Likewise, many concerns were raised about the motivational impact of presenting a flat or decreasing spending plan to the congregation without a challenge and opportunity to support the ministry opportunities in the 2007 spending requests. There are also concerns about the possibility of more staff reductions at a time that momentum from the reorganization is just starting to build, and concerns about the example that cuts in benevolence would set. Council and staff acknowledges that Good Shepherd's leadership structure is still in transition, and that more diligent effort must be made to communicate, to spark the entire congregation with the same excitement for the future.

The following comments were expressed in the discussion.

- **Level of spending plan (flat or decreasing vs. aggressive or challenging)**
 - Trimming back at this juncture will continue a cycle that none of us want. Our first responsibility to the congregation is to give them a chance to grow in their giving in support of our vision.
 - Cutting back has long-term consequences that would be detrimental to the congregation.
 - Giving is dropping. Spending is dropping. Part of our past growth was luck of being located in a growing area.
 - Many people put their extra money in the 25th Anniversary projects.
 - If we number-crunch the spending plan before presenting it to the congregation, the result will be a self-fulfilling prophecy. Anything that shows a reduction of budget doesn't speak well.
 - \$944,000 is one of the highest budget requests ever.
 - In 22 years, we never stretched more than 5% above forecast, which from \$860,000 would put plan at \$903,000.
 - We've identified some contingencies that would reduce the budget from \$944,000 to closer to \$914,000. The other thing is to present a Level 1 plan with some things we could add in if giving increases.
 - Are we growing our spending? We should focus on actuals more than the plan, and control spending rather than letting it control us.

- **Reducing spending plan by reducing staff or benevolence expenditures**
 - Ministry teams have less than 5% of our budget, so we have to cut out of Staff or Benevolence items.
 - Given our mortgage obligations and a strong, lean staff, now is the time to launch changes.
 - We are on the threshold of a turnaround from a lot of upheaval. There's a lot of energy in the current staff, with more understanding than ever of the need to be aligned behind mission and vision. We have to challenge our members to do what we think is impossible. No question – the numbers are a concern – but we shouldn't cut back.
 - This is one year that I would propose cutting Synod benevolence before staff. We are staffed appropriately, and still in the midst of a structural transition. Stronger staff base and Council leadership will get us through the hurdle.
 - Staff was fortunate to recently attend the Breakthrough Leadership conference together. But now they need to position ministry teams to also absorb this information and get the vision out to the rest of the congregation.
 - We have to be very careful about cutting benevolence. That is what proportional giving is about. We have to set the example.
 - From what we've gone through, staff structure is as important as physical structure. I agree with cutting benevolence before staff.

- **Reserves**
 - We don't have cash to cover deficit for 3-5 years of transition.
 - Summer giving is light. We depend on our reserves.
 - We need to build up reserves in good times to appropriate levels.
 - Only one person is asking for a contingency plan. The concern is the \$7,000-8,000 in reserves that we're already losing every month that will go up if we increase spending. I will not vote for a spending plan that does not include a contingency plan.

- **Congregational involvement and Council / staff communication with congregation**
 - We need to give the congregation members a chance to tell us if they are going to increase giving – not to pledge, but still to commit to increase financial support.
 - How do we determine whether the congregation is behind us with faith-based budgeting in place?
 - What is Council's plan for delivering the message? It needs to be delivered soon. Not everyone in the congregation even knows what the vision is.
 - The gap between income and spending plan should be taken to the lowest common denominator. If the message doesn't sound so threatening, people can understand.
 - Where was this message earlier in the year?
 - We haven't paid attention to demographics for a while, but we need to strengthen our opportunities to reach a lot more people than we are reaching now.
 - Every time a non-budgeted item has been presented to the congregation with clearly-defined needs, the response has exceeded expectations.
 - Leaders respond to challenges. But leaders and non-leaders alike need to know they make a difference. Maybe Giving Team needs to target different groups differently.
 - Do we know how to address different audiences differently? We need more creative ways to communicate, consistently and frequently – year-round, ongoing. A 2-to-3-person Giving Team cannot manage this. If we vote for a risky budget, we need to step up and help them come up with some creative ways to communicate it.
 - In the past, Givng and Finance teams have focused on the annual giving (pledging) and budget processes. Now it's time to develop creative ways of challenging our members to support our ministries. We have to be in the forefront all the time communicating our mission and vision. We could prove that if we align everyone and get them energized and focused, we will get the support.
 - Tell congregation: Here's the challenge. Here's the deadline. Here are the consequences.

Council unanimously supported presenting a 2007 spending plan of \$922,123 to the congregation, with this contingency plan.

If the reserve falls below \$70,000, the following actions will be taken:

- 1. Stop funding Synod benevolence*
- 2. Stop funding Outreach Discretionary (\$1,750 for 2007)*
- 3. Stop funding Youth Contingency (\$4,300 for 2007)*
- 4. At year-end, Council will re-evaluate spending based on current reserve balance.*

Other Business – Council accepted with regret the resignation of Doug Austin effective November 1, 2006, due to other commitments which preclude his availability to effectively serve another year.

Adjournment – Meeting adjourned at 6:45 pm after closing prayer by Pastor David.

Respectfully submitted,
Laura Prill, Council Recording Secretary