

Tigard United Methodist Church  
Congregational Conversation on Parsonage Fund  
Meeting Notes  
August 15, 2010

**Attendance:**

Pastor, Reverend Lee Hunefeld  
Secretary pro tem, Paula Sadler  
Howard Banta  
Paul Colligan  
Dick Boeve  
Ernie Foster  
Sam Coe  
Jim Sadler  
Bill Gerkin  
Linda Dove  
Betsey Ullom  
John Espie, Jr.  
Colleen Hess

Joan Banta  
Patty Colligan  
Bill Foster  
Karen Coe  
Lynn Whitehead  
Ginia Finch  
Paul Taylor  
Wanda Snyder  
Chuck Hess  
Peg Espie

**Opening Prayer:** Reverend Lee Hunefeld opened the meeting with prayer at 11:35 a.m.

Reverend Lee discussed the history of the parsonage fund. The fund represents the proceeds from the sale of the parsonage. The funds became available for unrestricted use as a result of rules adopted during the 2006 Annual Conference held in Boise, Idaho.

Karen Coe clarified that the amount available is between \$125, 000 and \$130,000, not the amount received at the time of the sale of the parsonage, approximately \$135,000. The difference is due to fluctuations in the value of investments purchased with the proceeds.

Karen Coe proposed using the funds to align the salaries of Chris Natland and Linda Dove with the amount of time they are actually devoting to their jobs at TUMC. The alignment would include expanding their job responsibilities to include reaching out to the local community.

Sam Coe contributed that having some level of indebtedness is not a bad thing, in and of itself.

Reverend Lee made it clear that the desire to use the parsonage fund to pay down the existing mortgage (incurred when the gymnasium was built) is not due to TUMC's inability to meet its current mortgage obligations. The church has never missed a mortgage payment.

Peg Espie proposed using the funds to accomplish the goals identified during the ReVisioning process: improving communication and reaching out to the community.

John Espie, Jr. felt that paying down the mortgage does not expand or improve the ministry of TUMC. He would prefer giving the money away rather than dedicating it to debt service, which doesn't increase participation in TUMC programs and worship.

Reverend Lee made clear that he is not concentrating on the 3B metrics: increasing building, budgets and butts in the seats. He also clarified that paying down the mortgage is a reasonable use for the money.

Wanda Snyder spoke with one of our guest speakers from the Time to Grow campaign. She shared the advice she received to use large bequests or gifts as follows: 25% for building maintenance, 25% for

education and leadership development, 25% to fund programs serving the existing congregation and 25% to fund programs that reach out into the community. Wanda supports spending most or all of the funds to do more outreach.

Paul Colligan said that he and Patty came from a mega-church. They weren't attracted to that church because of its size. But he feels that TUMC needs to do something to arrest the decline in membership.

Karen Coe (Chair of the Permanent Endowment Funds Committee) does not feel that the Endowment Funds can loan TUMC money to pay down the mortgage under the current investment rules. She would not support changing the rules to permit such a loan.

Sam Coe felt that there was support for splitting the money between paying down the mortgage and ministry. However, he acknowledged that there can be a wide range of opinion on the percentage of funds dedicated to the mortgage vs. ministry.

Lynn Whitehead wants to dedicate the funds to ministry. She is concerned that the additional programs be sustainable. She believes that people have less discretionary time to dedicate to volunteering and that paid staff provides a level of expertise that volunteers cannot provide.

Karen Coe reported that the funds are regaining the ground loss in the stock market decline in the fall of 2008. The Permanent Endowment Funds consist of three components: the Real Property Fund is just under 50% of the total endowments, Undesignated Fund is approximately 16% and the remainder consists of designated funds (Dora Parsons, Harold Godfrey, and Music Scholarships).

Reverend Lee suggested that the parsonage funds be combined with the undesignated endowments with proceeds from the funds designated for new ministries under the purview of the Church Council.

Reverend Lee talked about the demographic dynamics of most congregations: members are aging, congregations are shrinking, and buildings are aging. The result is that financial needs increase and membership and resources decline. At TUMC we spend 95%-plus on ourselves. The biggest expense is staff salaries and benefits. The next biggest expense is the trustees' budget (building expenses and utilities). Paula Sadler added that much of apportionments represent personnel expenses (clergy pensions and health care). Reverend Lee continued by saying that we spend very little on Christian Education and almost nothing on mission and outreach.

Reverend Lee feels that TUMC needs to do something to change these dynamics. (The definition of insanity is: continuing to do the same thing and expecting a different outcome.)

Reverend Lee talked about the current rules for disbursing funds from endowments: increases in investment value over a base point (approximately \$1.1 million) can be made available. Some is dedicated to the trustees and the remainder is controlled by the Church Council.

The Endowment Committee is looking at recommending a revision to the rules wherein 3-5% of the income earned on all funds invested under the Endowment umbrella be distributed to the various funds making up the Endowment umbrella. Karen Coe feels that this will increase the visibility of the endowment funds and encourage people to contribute to the funds.

Howard Banta supports combining the parsonage funds with the undesignated endowment funds and using the proceeds for new ministries. He proposed that the combined fund release a fixed amount each year to provide stable program funding.

Reverend Lee described the history of the Indoor Play Park as an example of a program that required start-ups funds and grew to be self-funding. Funds generated by the endowment funds were used by the

Church Council to purchase the equipment from the City of Tigard and to hire a director for the Play Park. It was anticipated that the Play Park would operate at a loss the first and second year and become self-sustaining by the third year. The Play Park became self-sufficient earlier than anticipated and has only required about \$800 of net financial support.

Lynn Whitehead would like to hold back some money (approximately \$14,000) to be used to fund the priorities identified by the Communications Committee as an outgrowth of the ReVisioning objectives. The plan developed by the Communications Committee has been unanimously approved by the Church Council, but has not been funded.

Chuck Hess reported for other TUMC constituents who were unable to attend. He shared the proposal that some of the funds be used to pay down the mortgage. Funding a smaller amount would allow TUMC to refinance the mortgage at a rate lower than the current 7 ½%. The reduction in the balance and interest rate would free up cash flow each month going forward.

Jim Sadler agreed with the concern that people who have made pledges dedicated to paying down the mortgage would reduce their pledges/payments if the mortgage was paid down.

Reverend Lee then shared some ideas and slides of potential new ministries.

- Several sample mailings promoting churches. TUMC is competing in the marketplace of ideas. TUMC should conduct three mailing campaigns per year going forward. These campaigns should generate interest and encourage people to visit the web site.
- Child/Youth Choirs – Boise First UMC created a significant music program when public school funding for music was cut.
- After school programs. Reverend Lee pointed out that the General Board of Global Ministries has grant money available for these programs and few applicants.
- House churches. Returning to Methodism's roots by starting small study/worship groups in homes.
- Coffee shops in churches. These provide gathering places for fellowship and study.

Paul Colligan observed that no matter what TUMC decides it will be a gamble, also known as a leap of faith.

Howard Banta suggested that the Church Council establish a process to take the input received during these discussions, have a small group sift the data to develop 3 or 4 of the best alternatives for presentation to the Church Council in decision format.

A final decision on the Church Council approved proposal would occur at an All-Church Conference. (Lee is working with Lowell Greathouse to schedule such a conference, probably after the holidays.)

Reverend Lee closed the meeting.

Addendum: Robert and Kristin Preston could not attend the meeting and provided their input via email. They favor using most/all of the money for debt repayment. They feel that the current level of debt is a drag on people and programs. They also feel that the congregation will fund generously good program ideas as the congregation has done in the past. Establishing a "rainy day" fund would also be a good idea.