

**Church of the Brethren**  
**Mission and Ministry Board**  
General Offices, Elgin, Illinois  
**October 19-22, 2023**

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**Mission and Ministry Board – Minutes**

**Friday, October 20**

**Members present:** Colin Scott (Chair), Kathy Mack (Chair-elect), Michaela Alphonse, Lauren Seganos Cohen, Barbara Daté, Joel Gibbel, John Hoffman, Tina Hunt, Robert Jackson, Josiah Ludwick, Meghan Mauldin, Rosanna McFadden, Deirdre Moyer, Karen Shively Neff, J. Roger Schrock, and Joanna Wave Willoughby

**Members present online:** Daniel Butler

**Ex officios present:** Madalyn Metzger (Moderator), Dava Hensley (Moderator-elect), David Shumate (Annual Conference secretary), Lynnae Rodeffer (proxy for Eder Financial president Nevin Dulabaum), Matt Guynn (OEP co-executive director), Torin Eikler (Council of District Executives representative)

**Ex officios present online:** Jeff Carter (Bethany president)

**General Secretary:** David Steele

**Recorder:** Nancy Miner

Colin Scott, Chair, called the meeting to order and welcomed those present and those joining via videoconference. He reminded Board members of the Board's mission and of the covenant that each had signed.

**Welcome**

Roger Schrock offered an opening prayer.

**Opening prayer**

Colin expressed gratitude for safe travel and thanked Meghan Mauldin and the Board Development Committee for leading new member orientation.

**MMB connecting time**

He invited Board members and staff to introduce themselves and share a joy they had experienced since Annual Conference.

After the sharing, Colin encouraged all to build relationships with one another and to provide space to care for one another. He also reminded Board members to be mindful of the role of Board members and to hold one another accountable.

Colin Scott gave a quick overview of the consensus model of decision making. He then introduced the consent agenda.

## **Consent agenda**

Colin noted changes to the agenda, including moving the Bethany Seminary report to the Spring meeting so Jeff Carter can bring the report in person and replacing that report with a statement on the situation in Israel and Palestine.

- Approve meeting agenda
- Approve MMB minutes
  - July 4, 2023, meeting
  - July 4, 2023, closed session meeting
  - August 8, 2023, Capital expenditure
  - Sept. 25, 2023, EDF minute
  - Sept. 28, 2023, EDF minute

***The Mission and Ministry Board had consensus and approved the consent agenda as amended.***

## ***Affirmation***

David Steele brought the General Secretary's report. He expressed appreciation to staff for their work, passion, creativity, and commitment to the ministries of the Church of the Brethren. He noted Jeff Boshart's resignation, effective in December, and expressed appreciation for Jeff's 12 years as Manager of the Global Food Initiative.

## **General Secretary's report**

David reported on recent travel to district conferences, including Southeastern, South/Central Indiana, Northern Indiana, and Missouri/Arkansas. He also attended a district meeting in Southern Plains and will conclude the conference season with Mid-Atlantic, Atlantic Southeast, and Pacific Southwest districts.

He also reported on:

- Assuming HR responsibilities during Shamek Cardona's maternity leave
  - Shamek remained connected and helped in the background along the way.
- The transition to a new Board Chair
  - A very busy fall developing the agenda for this meeting.
- Building the 2024 budget
  - Process was more challenging than usual
  - Already bare-boned departmental budgets needed additional trimming.
  - We have reached a pinch point and the Board will need to begin work to prioritize ministries.

David shared that the trip to meet with the Southern Plains District, with Nancy Sollenberger Heishman joining via videoconference, was disheartening. They looked forward to helping them think creatively about their struggles to find leadership for their small district. Prior to David and Nancy joining the meeting, one of the congregations announced that they

were leaving the Church of the Brethren. Nancy and David were asked whether they think we will still be talking about LGBTQ issues in the church in five years. David responded with his understanding of community, acknowledging that it may be a long conversation.

David closed his report by noting that the church is changing and wondering what that means for our programs and ministries. He expressed his deep concern for staff.

David responded to questions from the group.

Q: Can you tell us about the process with Intercultural Ministries position and what is happening?

A: The position is open and inquiries are being forwarded to Nate Polzin. Applicants are being screened against the position description. Nate has an interview team in place, consisting of himself, Shamek Cardona, Don Mitchell, and Cesia Salcedo.

Q: How long do you expect the position to be open for receiving applications?

A: Our practice is that a position is open until the position is filled.

Colin added his appreciation to staff for all the ways they work to serve.

Staff from the following ministry areas spent time with Board members in table conversations, giving the opportunity for Board members to learn more about each:

- Discipleship and Leadership Formation
- Global Food Initiative
- Part-Time Pastor, Full-time Church

Colin Scott welcomed the following ethnic and intercultural church leaders who joined via videoconference:

Ilexene Alphonse  
Founa Augustin Badet  
José Calleja Ortero  
Gilbert Romero  
Ramon Torres  
James Washington  
Bob Kettering (facilitator)

**Ministry Sharing in  
small groups**

**Intercultural  
Ministries  
engagement  
(Handout)**

The group included people from the Hispanic community in the US and Puerto Rico, the Latin American community, the Haitian-American community, and the African-American community.

Colin explained that the purpose of the time together was for the Board to listen to the concerns of the guests and to begin to better understand their concerns and perspectives. He invited Moderator Madalyn Metzger to open the time with prayer.

A list of questions was provided to Board members in advance of the meeting. The questions centered around:

- Frustration about inadequate printed resources and training for ethnic pastors in Spanish and Creole/French.
- Desire to hire professional translators for Annual Conference business sessions and worship.
- Concern over the turnover of Intercultural Ministries Staff over the last several years.
- The controversy in the denomination over LGBTQ – specifically the ethnic/cultural/Biblical authority perspectives related to these issues.
- Need for major structural changes for the denomination.
- Ethnic sensitivity training for leadership.
- Regular interaction between the General Secretary and ethnic leaders in order to build relationships and trust.

Joel Peña provided a pre-recorded introduction to the time together, sharing concerns on behalf of the intercultural guests. He thanked Bob Kettering for advising and guiding them in the conversations.

Each of the other guests briefly shared their concerns in their own words.

Bob Kettering closed the time, thanking the Mission and Ministry Board for the opportunity to share.

Colin thanked the guests for sharing their concerns and assured them that the Mission and Ministry Board cares and anticipates this will be the beginning of a continuing dialogue.

Daniel Butler offered a prayer for the evening meal and the open session meeting adjourned for the day.

**Prayer for the meal**

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**Mission and Ministry Board**  
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**Mission and Ministry Board – Minutes**

**Saturday, October 21**

**Members present:** Colin Scott (Chair), Kathy Mack (Chair-elect), Michaela Alphonse, Lauren Seganos Cohen, Barbara Daté, Joel Gibbel, John Hoffman, Tina Hunt, Robert Jackson, Josiah Ludwick, Meghan Mauldin, Rosanna McFadden, Deirdre Moyer, Karen Shively Neff, J. Roger Schrock, and Joanna Wave Willoughby

**Members present online:** Daniel Butler

**Ex officios present:** Madalyn Metzger (Moderator), Dava Hensley (Moderator-elect), David Shumate (Annual Conference secretary), Lynnae Rodeffer (proxy for Eder Financial president Nevin Dulabaum), Matt Guynn (OEP co-executive director), Torin Eikler (Council of District Executives representative)

**Ex officios present online:** Jeff Carter (Bethany president) *afternoon session only*

**General Secretary:** David Steele

**Recorder:** Nancy Miner

Kayla Alphonse led the group in singing to call the group together. Colin Scott, Chair, called the meeting to order.

**Welcome**

John Hoffman brought opening devotions.

**Worship**

He invited the group to close their eyes and listen as he shared “All people are welcome here. We are in God’s love, together,” in Spanish and in English. He led the group in singing “Open my eyes, that I may see.”

He shared a dramatic telling of the stories from Matthew of the Transfiguration and of Jesus healing the demon-possessed boy.

John made the observation that Board members are the authorities in the church and have God-given gifts. Sometimes when given authority, we don’t seek strength. Yet even Jesus, the son of God who is God, took time away to pray.

He closed with prayer and invited the group to sing “O Lord, hear my prayer.”

Colin Scott brought a report from the Executive Committee’s meeting the previous day. Elected members are Colin Scott (Chair), Kathy Mack (Chair-elect), Roger Schrock, Lauren Seganos Cohen, and Joel Gibbel. Madalyn Metzger and David Steele serve as ex officio members and Nancy Miner serves as recorder.

## **Executive Committee report**

Following devotions led by Lauren Seganos Cohen, the Committee:

- Reviewed information coming out of exit interviews with departing Board members during Annual Conference
- Discussed the process for the General Secretary’s performance review, to take place at the March meeting
- Reviewed the 2024 Budget proposal for recommendation to the Board
- Reviewed the report of Foreground Vision Initiative #6
- Received an update on the Kingian Nonviolence training to take place at this meeting
- Reviewed the Global Communion bylaws coming to the Board
- Reviewed grant allocation approval process for consistency with consensus process
- Discussed asking the Audit and Investment Committee to review the financial policies, particularly pertaining to the levels of approval for grants
- Reviewed statement on Seeking Peace in Israel and Palestine
- Reviewed recommendations from the Brethren Faith in Action committee, which will be more fully reviewed at a future meeting
- Approved 2023 housing allowances for ordained staff
- Received human resource and risk management updates from the General Secretary

Treasurer Ed Woolf provided a prerecorded financial update for Board members to view in advance of the meeting. Highlights included:

## **2023 Financial Update – Q&A** *(Exhibits 1&2 and dashboard handout)*

### **Dashboard handout (August 31, 2023)**

#### Net Assets

Net assets are split into two categories – without donor restriction and with donor restriction.

Assets without donor restriction include:

- Core Ministries
- Land, Buildings, & Equipment funds
- Self-Funding Ministries
- Designated Funds

Assets with donor restriction include:

- Split-Interest Agreements

- Special Purpose Funds
- Restricted Funds (like Haiti Medical and Ministry Assistance)
- Endowments
- Perpetual Trusts

Net assets represent the Church of the Brethren's total value and express the difference between what is owned and what is owed – a key indicator of financial health.

Net assets as of August 31, 2023:

- At \$39.9 million, our total net assets are down \$1.4 million from this time last year, but they are up \$152,000 since the beginning of the year.
- At \$23 million, assets without donor restriction have increased \$100,000 from this time last year.
  - Related to higher cash balances this year
- At \$16.9 million, assets with donor restriction decreased \$1.5 million from 2022.
  - Primarily due to investment losses along with grants allocated from special purpose funds like the Emergency Disaster Fund and Global Food Initiative Fund
- Balance sheet remains liquid
  - 58% of net assets are without restriction
  - As of the 2022 audit, we have approximately 35 months of expendable reserves (benchmark is 5 months)
    - This number is down 17 months from the 2021 audit, but it more accurately reflects our program expenses as we have returned to fully operating ministries.
- We continue to be in a healthy position, primarily due to the generosity of our donors, limiting our liabilities, and remaining disciplined with our long-term investment strategies.
- The Church of the Brethren continues to provide mutual support for the larger church in distributing net assets via grants from the Ministry Assistance Fund, Emergency Disaster Fund, Global Food Initiative Fund, Brethren Faith-in-Action Fund, and other designated funds.

#### Investment balance

- At \$33.6 million, our investments are down \$900,000 from this time last year, but up \$250,000 from the beginning of the year.
- The S&P 500 declined by almost 1.6% in August and another 4.9% in September, finishing at 11.7% gain for year-to-date September.
- Our investment strategy focuses on long-term goals, risk tolerances, timelines, and purposes of funds. Staying disciplined to this strategy should help the Church of the Brethren navigate the continued market volatility through the last quarter of this year.

- We will review investment strategy mix with the Audit and Investment Committee and will receive an investment report from Eder Foundation.
- Appreciation to Eder Financial staff for their investment management services and reporting to the Audit and Investment Committee.

#### Cash balance

- At \$1.1 million, our cash balance has increased \$140,000 since this time last year.
  - Cash balances tend to be lower during the summer months and tend to increase as year-end giving increases.
  - With a higher cash balance, the hope is that we won't have to make any additional transfers this year.
- We have healthy cash balances at both operating banks (Elgin and New Windsor)
  - Important because they become the payment for expenses that sustain the Church of the Brethren's missions, expenses for program supplies, ministry resources, staff, and other vital operating expenses.
- No concerns from our auditors as the Church of the Brethren maintains good liquidity.

#### Donors (All Giving Categories)

- Over 460 donor congregations through August
  - Decrease of 47 congregations from this time last year
  - Well below the average of 553 over the last 5 years
- Over 1,200 individual donors through August
  - Lowest number of donors over the last 5 years
  - Well below the average of 1,500 over the last 5 years
  - Staff are committed to attending District Conferences this year and scheduling personal visits with donors.
- Over 1,700 total donors through August
  - The lowest total from the last 5 years and well below the 5-year average of 2,000 donors

Efforts of Mission Advancement staff include:

- Staff continue to analyze datasets of individual donors and congregations to determine points of engagement and giving trends with denominational missions and ministries.
  - Sharing their findings with the Sustainability Committee and using the information to make adjustments to marketing and communication efforts.

We continue to be grateful to all donors that faithfully contribute to our programs and ministries (via prayer, financially, or through volunteer service).

### Core Ministries Giving

- At \$940,000, giving from congregations is down only \$30,000 from this time last year.
  - Lowest giving total at this point in the year over the last 5 years
  - \$120,000 below the five-year average of \$1.06 million
- At \$306,000, giving from individuals is down \$23,000 from this time last year.
  - Second-highest total at this point over the last 5 years
  - \$45,000 above the five-year average of \$261,000
- At \$1.25 million, total giving is down \$53,000 from this time last year.
  - Lowest giving total in the last 5 years
  - Down \$75,000 from the five-year average of \$1.32 million received by this time of the year
  - With the downturn in giving, we are currently experiencing a total giving decline of 7% (or \$96,000) since the high watermark in 2019.

### **Giving Summary (August 31, 2023)**

#### Congregational Giving

- At \$940,000, congregational giving to Core Ministries is down \$30,000 from 2022 and \$7,600 behind budget.
  - Over 390 congregations gave over 970 gifts to Core Ministries. (25 fewer congregations and 60 fewer gifts compared to last year)
- Actual congregational gifts received for Core Ministries from September through December over the last five years have averaged \$637,000
  - If we receive the average for the last five years, we should exceed our budget of \$1.53 million.
- Congregational giving to Restricted Funds is down \$184,000 from 2022
  - Mostly due to lower giving to disaster fundraising events and the Emergency Disaster Fund
  - Last year at this time, we had received 3 disaster auction checks, but only 2 have been received so far this year.
- Offering gifts totaled over \$64,000
  - Down \$4,000 from last year, despite receiving 7 more gifts
- At \$1.93 million, total congregational giving is down \$214,000 (or 10%) from 2022.

Staff continue to work to build relationship with congregations, including sending handwritten/signed contribution acknowledgements, fielding phone calls, and making personal visits. Staff are also developing “Congregational Giving” packets that will include resources to educate about the missions and ministries and interpret not only how to give but how contributions are used.

### Individual Giving

- At \$306,000, individual giving to Core Ministries is down \$23,000 from last year, but only \$900 behind budget.
  - Includes \$15,000 from the Annual Conference offerings
  - 745 donors gave over 1,500 gifts to Core Ministries
- Actual individual gifts received for Core Ministries from September through December over the last five years have averaged \$346,000.
  - If we receive this average in 2023, we will likely fall short of the budget for individual giving.
- Individual giving to Restricted Funds totaled \$321,000.
  - Down \$178,000 from last year
- Online giving totaled \$76,000.
  - Down \$40,000 from 2022
  - Monthly and quarterly recurring donors have stayed steady, with 47 this year and 48 in 2022
- At \$791,000, total individual giving is down \$758,000 (or 49%) from 2022.
  - Primarily due to decreases in restricted giving and bequests

Mission Advancement staff have reengaged with donors to schedule personal visits during the District Conference season with positive results. Staff continue to use the resources developed over the past five years, stewarding relationships with donors educating and engaging them with the missions and ministries of the Church of the Brethren.

### Combined Giving

- At \$1.25 million, total combined giving to Core Ministries is down \$53,000 from 2022 and \$8,500 behind budget.
- Combined giving to Restricted Funds totaled over \$1.3 million
  - Down \$362,000 from last year
  - Changes in restricted giving impact the Ministry Enablement Contributions that support Core Ministries

### Bequests

- Received over \$153,000 in unrestricted bequests
  - Down \$565,000 from last year
- Unrestricted bequests fund the Bequest Quasi-Endowment fund\* from which we currently take a 19% draw to support Core Ministries
- Over the last 13 years, the average bequest of \$856,000 plus the average market fluctuation of \$295,000 outpaces our average draw of \$956,000  
*\*Current balance in the Bequest Quasi-Endowment fund is \$5.9 million*

### Total Combined Giving to all Ministries

- At approximately \$2.7 million, total combined giving is down \$970,000 (26%) from this time last year, mostly due to decreases in restricted giving and bequest income.

### **Income and Expense reports (August 31, 2023)**

#### Core Ministries Income

- Congregational and individual giving are a combined \$15,000 behind budget.
- Core Ministries giving is only \$8,500 behind budget (including Annual Conference offerings).
- Ministry Enablement Contribution is \$38,000 behind budget.
  - Based on a five-year average; lower restricted giving could impact the average going forward
- Transfers are based on five-year averages and are tracking behind budget as of August.
  - Bequest Quasi-Endowment is \$24,000 below budget.
- Transfers in total are a combined \$65,000 below budget.
- As of August, none of the budgeted \$124,000 transfer from designated funds has been used.
- Core overhead income is \$255,000 short of budget.

#### Core Ministries Expense

- Mission Advancement is underspent by \$44,000
  - Mostly due to less travel as staff are not meeting in-person with as many donors and congregations as in the past
- Brethren Press is currently \$38,000 under budget with a net income of \$12,000.
  - Bottom line is overstated by \$24,000 due to the items taken to sell at National Older Adult Conference (NOAC) that were invoiced in August.
  - After subtracting the sales and cost of sales of the items taken to NOAC, their net loss is \$11,800.
- Discipleship and Leadership Formation significantly underspent.
  - National Older Adult Conference has a surplus of \$83,000.
  - National Junior High Conference has a net surplus of \$35,000.
  - An open Intercultural Ministry position that was budgeted for has yet to be filled.
- Global Mission is currently \$43,000 over budget.
  - Due to Annual Conference travel and regular travel budgets being overspent.
- Finance is \$32,000 over budget.
  - Due to increased travel, higher-than-expected legal fees, and timing with the recording of audit and FASB fees.
- Information Technology is \$20,000 over budget because of a timing issue.

- Annual contracts for several software products have already been paid; the budget will catch up with these expenses in the coming months.
- Buildings and Grounds (New Windsor) is underspent by \$10,428.
  - Heat/oil is below budget, but will likely catch up when the weather is cooler.
- In total, director level expenses are under budget by \$222,000.

#### All Ministries Income and Expense

- At the end of August, Core Ministries has a deficit of (\$288,000).
  - \$33,000 behind budget
- Material Resources is showing a \$35,000 loss.
  - Partly due to donations below pre-pandemic levels, a decrease in income, and an increase in supplies expenses.
- Annual Conference Office is showing a deficit of \$39,000).
  - Registration income fell short of the budget.
  - Approximately \$16,500 of anticipated income from exhibitors and sponsors, as well as individual gifts.
  - Additional income will not keep pace with the remaining expenses, so the deficit is likely to grow by year end.
- Brethren Disaster Ministries and Global Food Initiative operate on break-even budgets with support from the Emergency Disaster Fund and Global Food Initiative Fund.

#### Current net asset balances for all ministry areas

- Core Ministries – net asset balance of \$1.9 million
  - Well above the \$1.5 million required by our financial policies and auditors.
- Brethren Press – net deficit of (\$433,000)
  - No plan to immediately pay down the deficit. The deficit will be addressed after Brethren Press has operated within Core Ministries for a couple of years.
- Material Resources – net deficit of (\$223,000)
  - Board in June approved a recommendation to appoint a new Stewardship of Properties task team to consider questions about property management at both the General Offices and Brethren Service Center, including further assessment of Material Resources, and to bring recommendations to the Board.
- Annual Conference Office has a net surplus of \$329,000.
  - Expected to decrease with payment of operating expenses through the end of the year.

#### All Church of the Brethren ministries as of August 31, 2023:

- Total net loss was (\$363,000)
- Total net asset balance of almost \$1.6 million
  - Despite a larger net loss, the net asset balance is equal to this time last year.

### Emergency Disaster Fund (EDF)

- Donations totaled \$969,000 as of August 31.
- Expenses and grants totaled over \$1.2 million.
- Emergency Disaster Fund has a balance of \$1.97 million.

### Global Food Initiative Fund (GFIF)

- Balance of \$150,000 as of August 31
  - Donations as of August totaled \$120,000.
  - Expenses and grants totaled \$175,000.
  - Annual fund-raising appeal, prepared with the assistance of Mission Advancement staff, is ready to mail to individuals soon; churches will be contacted sometime later this year.

### **Summary**

- Although net asset and investment balances are lower than this time last year, both have increased since the beginning of the year.
- Although congregational giving is expected to surpass this year's budget, we are concerned that individual giving will fall short.
- Staff have diligently managed expenses, despite the surging costs amid this high inflationary economy.

### Updates and discussion

Ed reported briefly on the September financials and responded to Board members' questions.

### Net Assets as of September 30

- Total net assets as of September were \$38.2 million.
  - Decrease of \$1.6 million from August
  - Down \$1.5 million from the \$39.7 million balance at the beginning of the year.
  - Decrease is primarily due to investment losses.

### Investment Balance as of September 30

- Investments totaled \$31.8 million
  - Includes all draws, withdrawals, deposits, and fees
  - Down \$1.8 million from August
  - Down \$1.6 million from the beginning of the year

Ed noted that the market declined 4.9% in September. We continue to work closely with Eder's staff and their investment managers and are staying disciplined to our long-term investment strategies. Continued use of the five-year average draw on investments and controlled spending will help us navigate market volatility. Despite the downturn in September, the market is still up 11.7% for the year.

### Giving Summary as of September 30

- Congregational giving to Core Ministries totaled \$1.03 million as of September – \$33,000 lower than last year and \$18,000 behind this year's budget.

- If we receive our average giving of \$529,000 over the last 3 months, we should see approximately \$1.56 million in congregational giving. This would be \$35,000 ahead of the budget.
- At \$2.1 million, total congregational giving is down \$206,000 from last year.
  - Mostly due to decreases in restricted giving for the disaster auctions and the Emergency Disaster Fund.
- Individual giving to Core Ministries totaled \$368,000 as of September – including the Annual Conference offerings.
  - Up \$20,000 from last year and \$27,000 ahead of this year's budget.
  - If we receive our average giving of \$321,000 over the next 3 months, we should see approximately \$689,000 in individual giving – \$48,000 below the budget.
- At \$1.04 million, total individual giving is down \$600,000 from last year
- Total giving to Core Ministries is \$1.40 million as of September – \$9,000 ahead of budget and only \$13,000 behind last year's giving.

#### Income and Expenses as of September 30

- Core Ministries is showing a net deficit of (\$445,000) – larger than the (\$288,000) deficit as of August.
  - Most departments continue to be underspent, but concern that we may be overspent by yearend.
  - Combined giving is above budget and we have not used any of the designated funds transfer yet.
  - With all things being equal and given the income and expense averages over the last five years, we are looking at a potential year-end deficit of more than (\$130,000) for Core Ministries.
    - This does not include the \$186,000 designated funds transfer that we budgeted, if necessary.
- Material Resources is showing a net deficit of (\$27,000).
  - Smaller than the (\$35,000) deficit as of August.
- Annual Conference is showing a net deficit of (\$30,000), smaller than the (\$39,000) deficit as of August.
  - Anticipating some additional income through yearend, but it will not offset the remaining operational expenses and will likely finish the year with a larger deficit.

#### Questions

Q: How frequently do you work with Eder financial to rebalance or change investment approaches?

A: At least once a year. We meet with Eder Financial at our spring and fall meetings. In March we typically look at our investment strategy mix.

Q: Annual Conference still expects some income through the end of the year. I'm curious what that is.

A: There may be some year-end donations. Two exhibitors have outstanding balances. We are still waiting on a hotel rebate and a refund from our caterer. It will be minimal income.

Q: Remind us how much was set aside during the pandemic.

A: \$200,000 in 2020 and \$200,000 in 2021. That increases our designated fund balance for budget shortfalls to \$661,000.

Q: Looking back over the past 3-5 years, what is your best guess projecting 3-5 years forward of what we will be facing?

A: If everything stays the same, we could expect the use of designated funds that would exceed \$400,000. We are at a point where we need to look at prioritizing ministries, because the use of designated funds is only going to go up.

Q: If we don't make significant changes, how long would it be before we would cease to exist?

A: I haven't done the projections, but we are at a point where we need to make changes.

Colin expressed appreciation to Ed for his clear and helpful reporting.

John Hoffman brought a report from the Audit and Investment Committee's recent meeting. Committee members are John Hoffman (chair), Joel Gibbel, and Robert Jackson. Colin Scott also attended the meeting, as did staff members Ed Woolf, Pat Marsh, and Shannon McNeil, and Eder Financial staff Lindsay Cart-Turner, Scott Douglas, Dan Radcliff, and Lynnae Rodeffer.

## **Audit and Investment Committee report**

### Church of the Brethren investments

The committee received an investment report from Eder Organizational Investing, which included a brief update on the 10-year performance of some Church of the Brethren accounts.

- Investments totaled \$32,995,879 as of August 31, 2023
- The Church of the Brethren withdrew approximately \$2.8 million more than it deposited.
  - Some of the deposits and withdrawals are internal transfers between Church of the Brethren accounts.
- Net of activity, withdrawals, market fluctuation, and fees, the account value decreased \$248,000.
- Total portfolio performance (net of fees and after the service fee rebate) was 7.7% (benchmark was 11.6%).
- Eder's investment managers are required to diversify investments, focusing on sound financial measures and business practices when evaluating stocks.

### Rate expectations

- A mild recession (or 10% market decline) is expected within the next 6 to 18 months.

- A couple of rate hikes are anticipated before next summer.
- Higher yield in the short term

#### Trends in giving

- Religious organizations benefited most from increased giving in 2022 (27% of gifts to religious organizations).

#### Investment strategy mix review

John reported that the investment strategy mix was last reviewed and approved in October 2022. No changes to the investment strategy mix were recommended at this meeting.

#### Committee position description review

The position description was last reviewed in October 2022. No changes to the position description were recommended at this meeting.

#### Financial Policies review

The financial policies were last reviewed and approved in October 2022 with the removal of Brethren Press from the list of Self-Funding Ministries and the Eder Financial name change. The financial policies were provided to the committee for their reference, with no recommended changes.

#### Audit update

Staff and auditors will meet remotely in December for a pre-audit meeting to begin the preliminary audit work. No significant changes are anticipated for this year's audit process.

A 3-year agreement with the FORVIS (formerly BKD) auditors has been negotiated (2022-2024). The agreed upon audit fees are:

- \$38,500 for 2022
- \$40,000 for 2023
- \$41,500 for 2024

John invited questions from the Board.

Q: How was the benchmark of 11% set?

A: The benchmark is the S&P 500.

Joanna Willoughby offered a prayer in preparation for the Kingian Nonviolence training session.

**Prayer**

As a part of Foreground Vision Initiative #8, the Mission and Ministry Board participated in the first of a series of Kingian Nonviolence training sessions, led by Matt Guynn (On Earth Peace) and Dr. Sherri Bevel (Addie Wyatt Center for Nonviolence Training).

**Board Growth –  
Kingian Nonviolence  
training**

Tina Hunt offered a prayer for the noon meal.

**Prayer for the meal**

Following lunch, Kayla Alphonse offered a gathering prayer.

**Gathering prayer**

Becky Ullom Naugle, Director of Youth and Young Adult Ministries, introduced members of the Young Adult Cabinet:

**Young Adult Cabinet**

- Lauren Flora
- Luke Haldeman
- Rachel Johnson
- Thomas McMullin
- Ruth Ritchey Moore
- Hannah Smith

The group was meeting at the General Offices to plan for the Young Adult Conference that would take place at Camp Shepherd Spring (Md.) over Memorial Day weekend. The theme of the conference will be Transformed by God, based on Romans 12:1-2, using the translation from *The Message*.

Treasurer Ed Woolf provided a prerecorded report on the 2024 Budget proposal for Board members to view in advance of the meeting.

**2024 Budget  
proposal – Q&A  
(Exhibit 3)**

Highlights of his report:

A reminder that the Board approved a Core Ministries expense parameter of \$5,442,000 at the July meeting. Staff worked diligently to prepare budgets that live within that parameter. However, due to increased costs for travel and program supplies because of inflation and the added expense for the Kingian Non-Violence training, a revised budget parameter is being proposed.

### **Overview**

- Congregational and individual giving is based on 10-year trends.
- Draw percentages, except for the BSC Quasi-endowment transfer, will remain unchanged for 2024.
  - BSC Quasi-Endowment transfer is being increased from 7% to 8%
  - Savings and Endowment Fund transfers will remain at 5% and the Bequest Quasi-Endowment transfer will remain at 19%
- Budgeting \$400,000 from designated funds
  - We currently have \$661,000 available in designated funds for budget shortfalls (from the 2020 & 2021 Core Ministries surpluses, the Everence insurance funds, and the church loan funds).
  - We have not transferred any of the budgeted \$186,000 from designated funds for 2023 but will do so at year-end, if needed.

- Proposed use of an additional \$65,000 in transfers from designated funds.
  - \$31,000 will come from designated funds for budget shortfalls.
  - \$34,000 will come from increasing the draw from the BSC Quasi-Endowment fund to 8%.
- 2% increase in hourly wages, salaries, and benefits planned for 2024 at an expense of approximately \$75,000.
- Continuing with the employer contributions to our employees' health savings accounts.
- We recently learned that the medical insurance premium expense will be 7.1% or \$44,000.
  - An increase of \$13,000 from the 5% budgeted in July.

### **Core Ministries Budgeted income**

- Budgeting \$1.48 million in congregational giving
  - Based on 10-year giving trend of a 4.3% annual decline
  - \$43,000 less than the 2023 budget
  - If we receive our 5-year average of \$637,000 over the last four months, we could receive approximately \$1.58 million from congregations in 2023.
    - \$100,000 higher than what we are budgeting to receive in 2024.
- Budgeting \$704,000 in individual giving
  - Based on 10-year giving trend with a half-percent increase
  - \$21,000 decrease from the 2023 budget
  - If we receive our 5-year average of \$346,000 over the last four months, we should expect to receive approximately \$652,000 from individuals in 2023.
    - \$50,000 less than what we are budgeting to receive in 2024.
- Budgeting a \$1.1 million draw from the Bequest Quasi-Endowment
  - \$29,000 increase from the 2023 budget
  - Based on a 19% draw from the five-year average of the Bequest Quasi-Endowment Fund balance
- Budgeting a \$580,000 transfer from the Savings Fund
  - \$7,000 decrease from the current budget and based on a 5% draw from the five-year average of the Savings Fund balance
- Budgeting a \$270,000 transfer from the BSC Quasi-Endowment
  - \$18,000 increase over 2023
  - Based on an 8% draw from the five-year average balance of the BSC Quasi-Endowment
    - Increasing the draw by 1% to account for expenses related to the Kingian Nonviolence training
- Budgeting use of \$400,000 from designated funds
  - An increase of \$31,000 from the approved budget parameter in July

- Budgeted use of \$186,000 in designated funds to meet the 2023 budget parameter. If a portion of the 2023 designated funds transfer is unused at the end of this year, these funds would be available for use in 2024.
- We transferred \$200,000 from both the 2020 and 2021 Core Ministries surpluses to designated funds for future budget shortfalls.
- We have not used any of the \$121,000 designated funds from the Church Loan Funds.
- Using a five-year average on draws in support of Core ministries has helped us reduce volatility in transfers and our budget amounts have been consistent with actuals – very helpful in providing steady income.

### **Core Ministries Budgeted Expense**

- Budgeting \$1.97 million expense for the General Secretary's area
  - \$111,000 increase from 2023
  - Includes \$29,000 in expense for Kingian Non-Violence training in the General Secretary's budget and increased costs for travel, printing, and postage in the other budgets
  - Brethren Press budgeting an expense increase of \$41,000 due to lower sales projections and higher printing/publishing costs
- The former Office of Ministry and Discipleship Ministries programs have merged into Discipleship and Leadership Formation, and their collective budgets have been adjusted in the 2023 budget column.
- Discipleship and Leadership Formation is budgeting \$1.08 million for 2024.
  - Increase of \$70,000 from 2023, partly due to increased costs and lower registration income projections
- Global Mission is budgeting \$507,000 for 2024.
  - Increase of only \$400 from 2023
  - Budgeting to use \$10,000 from Emerging Missions Fund and reducing some grants
- Service Ministries is budgeting \$299,000 for 2024
  - Decrease of \$9,000 from 2023
- Organizational Resources is budgeting \$1.69 million
  - \$37,000 higher than 2023
    - Increase of \$13,000 for Finance
    - Increase of \$17,000 for Information Technology
  - Most of the Organizational Resources budgets are static in comparison with other program budgets, but can be more susceptible to product cost and contract variances.

### **Total Core Ministries expenses budgeted to be \$5.5 million**

- Increase of \$210,000 from 2023

When the original parameter was not able to be met, staff made additional budget reductions. Despite the additional savings, the budget parameter approved in July was not met. Staff believe this deficit budget is realistic and an accurate reflection of the organization's current financial position.

### **Net Income and Expense Budget – all ministries**

An overall net expense for all ministries is being proposed – moving from a 2023 budgeted income of \$11,000 to a budgeted expense of (\$69,000) for 2024.

#### **Core Ministries**

- Budgeting a net expense of (\$39,000) for Core Ministries in 2024

#### **Self-funding ministries**

- Budgeting a net income of \$16,000 for Material Resources
  - Rationale: increase in service fees, volunteers returning, increasing in-person gatherings (which brings additional donations), and more pickups of donations for Lutheran World Relief and Church World Service
- Budgeting a (\$46,000) net expense for the Conference Office
  - Uncertainty about income from registration fees and district assessments, both impacted by ongoing conflict in the denomination, budget challenges at the congregational level, and weaker denominational loyalty.
  - Increased costs for A/V equipment and services, infrastructure and support for the virtual option, and cost of living increases for staff.
  - Two of the offerings collected at the 2024 Annual Conference will support Annual Conference, two will support Core Ministries, and one will support our Witness to the Host City project.
- Brethren Disaster Ministries is a breakeven budget with a transfer from the Emergency Disaster Fund
  - Total expenses, including anticipated EDF grants is 5% lower than the 2023 budget.
    - \$94,000 reduction in project allocation expenses due to less large-scale responses and new disaster responses at the time of budget planning
  - Decreased grants for Children Disaster Services responses funded by EDF due to continued support from Red Cross for deployment costs.
  - Nigeria Crisis Response budget is \$225,000, similar to the 2023 budget.
- Global Food Initiative budget is a breakeven budget with a transfer from the Global Food Initiative Fund
  - Conversations for developing projects with our international Church of the Brethren partners will continue in 2024.
  - Budgeting a \$31,000 increase over 2023 expenses

## Summary

### Core Ministries

#### **Original 2024 budget Parameter approved in July 2023**

- **\$5,442,000**

#### **Additional designated funds transfers**

- **\$65,000 (\$31,000 additional from Designated Funds and \$34,000 additional from BSC quasi-endowment)**

#### **Revised 2024 Budget Parameter**

- **\$5,507,000**

### 2024 Budget Recommendation

#### **All Church of the Brethren Ministries:**

- **Total income of \$8,720,960**
- **Total expense of \$8,789,640**
- **Net income/(Loss) of (\$68,680)**

Colin Scott reported that the Executive Committee reviewed the budget proposal and recommends its adoption. He invited Ed to bring any additional information and answer any questions.

Ed gave a quick overview of the budget proposal, adding:

- A revised budget parameter with an increase in the use of designated funds is being recommended due to the inflationary economy, higher travel costs, and overall increase in program expenses.
- Despite expense reductions by staff and the additional transfers, we are still \$39,000 short of a balanced budget for Core Ministries. The remaining deficit will be covered by the Core Ministries net asset balance, which is \$1.75 million as of September.
- In 2025 we are anticipating a \$500,000 deficit and a \$700,000 deficit in 2026. If these deficits become reality, we will not have enough set-aside designated funds to get through 2025 and we will need to find other income sources to fill those budget shortfalls.
- This was a difficult budget-building process. Staff did a very thorough job of reviewing their budgets, estimating expenses, and making reductions wherever possible for the coming year. While we would much rather add funds to increase our departmental budgets than bring a deficit budget, that is simply not the reality we are living in right now.

Ed responded to Board members' questions.

Q: I don't see the budget for the Intercultural Ministries position, a meeting with Intercultural Ministries Advisory Committee, written translation, etc.

A: That kind of detail is not included in the exhibit.

The Director position is a full-time salaried position with full benefits, on scale with non-profit salaries. Around \$42,000 has been budgeted in 2024 for programmatic expenses. If in 2024 there is a need for other funds once the new staff person is in place, we will have that conversation internally to see where the funds will come from.

Q: If a Board member has interest in a particular area, can we see that detail, and who should we ask?

A: Yes, you can ask the General Secretary for that detail. The Board's role is about setting priorities. If there are priorities conveyed in any particular area, staff will take that under advisement and try to make adjustments in the budget.

Q: This pinch point also coincides with the next Review and Evaluation. What is our best course to continue for say the next 4 years until we find out what those recommendations are and how that will be implemented?

A: The best course is business as usual, while also knowing we are at that pinch point where we need to talk about prioritizing our ministries.

After hearing yesterday's concerns, staff will be talking pretty significantly about how to prioritize around Intercultural Ministries. We need to give the new staff person a chance to consult with groups and individuals and help us to understand what more we need to fill the program effectively.

Q: Since we don't know what Review and Evaluation might recommend, how do we make a smooth transition into what comes from that?

Colin asked David Steele to share a bit more about what Review and Evaluation looks at and how it might impact the Board's work.

David explained that Review and Evaluation is built in to our polity. During the fifth year of each decade, a Review and Evaluation committee is called to review and evaluate the structure of the church and bring recommendations. The committee will be called in 2025.

Sometimes a particular focus is added to their task. We are aware of a couple of things that are playing out. A Standing Committee group has been talking about structure and is developing white papers with ideas and suggestions to pass along to Review and Evaluation.

There is also potential for a query, as was shared by our intercultural guests. It will go to the Atlantic Southeast District Conference. If it passes, it will be passed on to Annual Conference officers. Standing Committee may pass it on to Review and Evaluation, or they may take a different path.

It is really an unknown and we don't need to anticipate what Review and Evaluation will do until we know a lot more.

### Discussion

- Concern about the budget for the Intercultural Consultation being cut considerably from where it was. It used to be an annual event and has not happened in a number of years and it can't happen with this budget.
  - David shared that he has funds in his contingency fund to make this happen next year if necessary. If it's added to the budget, we would need to dip further into designated funds or make other budget adjustments.
- Concern about the need for translation and its additional cost. It's a denominational problem, not an Annual Conference problem.

Colin reminded Board members that they are a governing board, not a working board. Delving into specific line items impacts other areas. The Board has empowered staff to live within the budget. We need to respect the work that David and staff have done and respect the role of the Board.

David responded that the concern about Intercultural Ministries is heard and is a priority. If it is determined that it's a priority for a consultation to happen next year, we will make it happen. Translation is a larger issue that is already being talked about in different circles.

Ed Woolf assured Board members that there are funds available in the budget under "Ministry Oversight/Unallocated" that can be used for the Intercultural Ministries director and miscellaneous expenses. They just are not detailed in this document.

David Shumate shared some historical context. In the 1950s and 60s the church underwent a major restructuring, partially to make more efficient use of resources for staffing. The whole church and Annual Conference had a study and a discussion about how to finance the mission and ministries we want to have. That led to the Annual Conference decision to move into the self-allocation process. When the dust settles from this, the whole church needs to talk about how we are going to pay for what we want to do. We continually cut away but don't have the discussion about how we will pay.

Roger Schrock urged Board members to be true to what they are called to be – a governing board. The Board needs to take a bigger view and set the priorities, then hold David accountable as the Board's employee to make those priorities happen and to give staff encouragement.

Colin reminded the Board that Ed would be available during breaks for further questions, and that action would be taken on the Budget Proposal during the next day's business session.

Colin Scott introduced a statement written by Nate Hosler and Cheryl Brumbaugh-Cayford, calling for peace in Israel and Palestine.

**Statement: Seeking  
Peace in Israel and  
Palestine  
(Handout)**

Nate explained that the Church of the Brethren is a member of Churches for Middle East Peace (CMEP). Nate serves on their board, which has been receiving virtually live updates from Gaza.

He explained that in this context, the words have very particular meanings. For instance, the inclusion of the word “ceasefire” in this statement was very intentional, as no congressional members have been saying that. He stressed the urgency of the situation.

#### Discussion

Q: Do we assume that this may be the first of several statements? Might we need to put out further statements as the situation develops?

A: CMEP has issued multiple statements. I probably wouldn’t expect the Board to say anything further, but might ask David to say something or we might issue further statements from the Office of Peacebuilding and Policy. Anything more frequent would be joining with partners.

- Early in the paper there is a simple statement about opposing war, but surprised that it is not stated stronger than that.
- There might be a better way to say “terrible situation.”

Nate explained that Cheryl did the initial draft of the paper, with substantial input from Nate. Wendy McFadden also had eyes on it. He added that the paper could have referenced previous Board or Annual Conference statements on war, but for brevity it does not.

Colin thanked Nate, Cheryl, and Wendy for producing a paper so quickly.

***The Mission and Ministry Board had consensus and approved the statement “Seeking Peace in Israel and Palestine” for immediate publication.***

***Affirmation***

Kayla Alphonse brought an update on the work of Foreground Vision Initiative #6: A Road Map to Seek God’s Racial Justice (FV6).

**Foreground Vision  
Initiative #6 report  
(Handout)**

She introduced team members Jennifer Quijano West (via videoconference), Roger Schrock, Josiah Ludwick, and Wendy McFadden.

Kayla read the Background Vision Strategy, “Seek God’s Racial Justice,” out of which FV6 grew:

*We will identify and critique, confess and repent of the whiteness and racialized hierarchy that have been integrated into Brethren*

*identity; and we will dismantle those barriers and structures that prevent us from becoming a community of all nations, all people, and all languages living together in the presence of God.*

The team's task is to now focus on the "critique" part. The group has met monthly since the spring meeting and has focused on two aspects:

1. Intercultural Ministries director position
  - Vacant since the beginning of the year
  - Open position posted in September
  - Timeline of previous Intercultural Ministries staff
2. Annual Conference Statements over the years
  - Statements posted on [www.brethren.org](http://www.brethren.org)
  - Additional statement noted during the KNV training

Kayla invited the other team members to lead the Board in conversation.

Jennifer invited Board members to look at the timeline of Intercultural Ministries staff and to discuss at their tables trends or patterns they have noticed or questions for the team to consider. Josiah added that the team is inviting the Board into the process of critiquing and wants to know what Board members have observed.

Feedback:

- "Invisibility" of Intercultural Ministries; it should be just as well-known as NOAC or NYC.
- Relatively short tenure of intercultural staff
  - Less concerning in recent years, as Millennials and Gen Zers are more likely to job-hop.
  - Trust is developed with relationship-building, which takes time, and then the person leaves the job.
- Noticed the number of white people on the list, who usually had additional responsibilities.
- Why did it take so long to get the position posted?
  - Hiring of Executive Director in that ministry area did not take place until April; General Secretary was on sabbatical; HR manager has been on maternity leave
- Find it striking that some were tasked with relating to Korean congregations.

Wendy called attention to the Annual Conference statements on Race. She invited Board members to talk at their tables, noting what stands out, where Board and staff have done their best, where they have not done as well, and any surprises.

Feedback:

- Consensus that we have not lived into any of the statements well

Roger read from task team's work report handout, "Unfortunately, the history of our response to Annual Conference statements on racial issues

reveals that the statements often are not carefully monitored to see if recommendations are implemented through appropriate action by congregations, other official bodies of the denomination, or agencies related to the denomination.” He reminded the Board that the work is not done, noting the previous afternoon’s critique from intercultural brothers and sisters. The task team is leading the charge, but they need the whole Board behind them. He stressed that the “critique” phase of the background vision is difficult, but the “confess and repent” phase will be even more difficult.

Kayla emphasized that this is just the beginning, and that the team is committed to carrying out the task. She encouraged Board members to participate in the process by sharing things they notice with the team. The team’s hope is that by doing the critique, steps can be taken toward seeking God’s racial justice.

Colin asked Kayla whether the team plans to bring a recommendation to the March meeting, or whether it will need to be extended to the July meeting. Kayla responded that as the team is noticing things, they are trying to put it into narrative form, which takes time. The team is committed to meeting monthly to make sure the work gets done.

Joanna Willoughby brought a report from the Brethren Faith in Action (BFIA) committee. She called attention to an October 4, 2023, Newline report about recent grants that have been awarded and highlighted the Lansing (Mich.) Church of the Brethren’s gun buy-back program, which was awarded a BFIA grant.

**Brethren Faith in  
Action report**  
*(Handout)*

This year’s BFIA funds are depleted, and the committee is reviewing applications received in order to identify time-sensitive projects that need to take priority.

The committee has submitted a request to the Executive Committee for some changes to the current fund guidelines, which will be reviewed at a future Executive Committee meeting.

Lauren Seganos Cohen brought a report from the Strategic Planning Committee’s recent meeting. Members are Lauren Seganos Cohen (chair), Roger Schrock, Joanna Willoughby, Karen Neff, and Dee Moyer. Stan Dueck is the staff representative. David Steele and Colin Scott also met with the committee.

**Strategic Planning  
committee report**

Lauren thanked Joanna for introducing new Board members to the committee’s work during new member orientation.

She reminded the Board of the various components of the Strategic Plan.

#### Beyond the Horizon Vision (Long-term vision)

- Jesus in the Neighborhood
  - Comes from the Compelling Vision

- Adopted by the Board before Annual Conference adoption.

#### Background Vision Strategies (Guides us to Beyond the Horizon vision)

1. Pursue Christ's call to discipleship
2. Embody the biblical command to love our neighbors
3. Seek God's racial justice
4. Reclaim New Testament models of giving

#### Foreground Vision Initiatives (Shorter-term projects)

1. Foreground Vision Initiative #6 – developing a narrative critique of ways whiteness and racialized hierarchy have impacted the Church of the Brethren
2. Foreground Vision Initiative #8 – Kingian Nonviolence training

The committee does not feel the need to bring a new foreground vision initiative at this time, but is committed to keeping close tabs on the progress of current initiatives and bring recommendations to the Board in the future.

Matt Guynn, co-executive director of On Earth Peace, brought the On Earth Peace (OEP) report.

**On Earth Peace  
report**

He began with an invitation to the agencies and the Church of the Brethren staff and Mission and Ministry Board to partner in OEP's work on undoing oppression within our agencies. He expressed OEP's willingness to have the conversation.

He reported on Standing with People of Color, a three-year denomination-wide study/action process.

#### Objectives

1. Connection: creating a network of Brethren racial justice advocates
2. Education: reshaping the way that people understand racism within and around the church
  - a. Seven prompts tool
  - b. Creating an understanding about race in your own context
3. Action: lifting up the stories of Brethren who are trying to do something about racism

Matt invited Board members to share ideas of what could make this process thrive in the denomination. Responses included:

- Partner with Outdoor Ministries.
- Realize that it takes time.
- Find ways to connect with indigenous people.
- Sometimes people of color have a reticence or lack of trust in the process.
- Be thoughtful about how race is tied to biblical interpretation or how we think about LGBTQ.

Colin thanked Matt for his report and for challenging the Board to find ways to engage in the work of On Earth Peace.

Colin Scott led an envisioning session during which Mission and Ministry Board members engaged in conversation at their tables around the following questions.

### **Board envisioning**

1. What is the Board currently working at (or what has the Board recently accomplished) that is meaningful to you?
2. Within the context of the “Jesus in the Neighborhood” Compelling Vision and the Board’s Strategic Plan, what topics or items should be Board be making greater efforts to address? (For incoming Board members, this might be framed as “What topics do you hope to learn more about and see the Board discuss/act on?”)
3. What encouragements and what concerns that you are hearing in your local contexts (e.g., congregations or districts) would you share to inform our work together?
4. As you look out two to four years, how do you see the Board advancing the Strategic Plan and supporting the structural needs across the Church?

Each table reported back to the entire group the key points of their conversations and provided the Board Chair with notes from their discussion.

Kathy Mack reported on the work of the Board Development Committee, which met the previous week. The committee consists of Kathy Mack (chair), Barbara Daté, Josiah Ludwick, Meghan Mauldin. Colin Scott also attended and Nancy Miner provided staff support.

### **Board Development Committee report**

The committee:

- Discussed interviews of departing Board members
  - Discussed conducting periodic check-ins throughout Board members’ terms in the future
- Planned for the Kingian Nonviolence training
- Worked on nominations for the 2024 at-large Board member
- Planned and carried out new member orientation
- Discussed opportunities for individual Board growth
  - Joel Gibbel represented the Board at NOAC 2023.
  - No individual opportunities were identified for 2024, due to the cost of the Kingian Nonviolence training.

The open session adjourned at 5:07 p.m. Central Time and the Mission and Ministry Board met in closed session to consider the call of the 2024 at-large member.

### ***Adjournment***

Robert Jackson offered a prayer for the evening meal.

### **Prayer for the meal**

**Church of the Brethren**  
**Mission and Ministry Board**  
General Offices, Elgin, Illinois  
**October 19-22, 2023**

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**Mission and Ministry Board – Minutes**

**Sunday, October 22**

**Members present:** Colin Scott (Chair), Kathy Mack (Chair-elect), Michaela Alphonse, Lauren Seganos Cohen, Barbara Daté, Joel Gibbel, John Hoffman, Tina Hunt, Robert Jackson, Josiah Ludwick, Meghan Mauldin, Rosanna McFadden, Karen Shively Neff, J. Roger Schrock, and Joanna Wave Willoughby

**Members present online:** Daniel Butler

**Members absent** Deirdre Moyer

**Ex officios present:** Madalyn Metzger (Moderator), Dava Hensley (Moderator-elect), David Shumate (Annual Conference secretary), Lynnae Rodeffer (proxy for Eder Financial president Nevin Dulabaum), Torin Eikler (Council of District Executives representative)

**Ex officios present online:** Jeff Carter (Bethany president)

**Ex officios absent** Matt Guynn (OEP co-executive director),

**General Secretary:** David Steele

**Recorder:** Nancy Miner

Rosanna McFadden led the Sunday morning worship service in the General Offices chapel.

**Worship**

Meghan Mauldin served as worship leader. Joanna Willoughby led a guided prayer, with the congregation responding by singing “Lord, bless the hands.” Rosanna shared a message, based on Luke 3:15-23a, about Ordinary Time in the liturgical calendar and in our lives. As a reflection following her message, Rosanna shared a recording of the song “In the Little Moments” by the Walking Roots Band.

Karen Shively Neff offered a prayer for the morning business session.

**Prayer**

Colin Scott, Chair, expressed appreciation to staff who provided hospitality, meeting support, and information throughout the meetings. He expressed special appreciation to General Secretary David Steele for the many hours spent preparing for and during the meeting.

**Report from Mission  
and Ministry Board  
closed session**

Colin reported from several Mission and Ministry Board closed sessions during their time together. During those sessions the Board:

- Learned the expectations and parameters of the meeting that would take place with intercultural leaders.
- Unpacked what was shared by the intercultural guests and discerning next steps to address the concerns.
- Received risk management updates from David Steele and Shawn Flory Replogle.

Colin reported that the Board had a very difficult conversation concerning a recommendation to consider the possible closure of the Material Resources program. Roy Winter worked with Shawn Flory Replogle and Loretta Wolf to put together a closing plan. Staff met with partner agencies to discern other options prior to bringing the plan to the Board at this meeting. The Board, after hearing a briefing on the proposed plan, had consensus and approved the plan for the closure of Material Resources.

Colin shared that it was not an easy decision. He added Roy would meet with the affected employees and partners before the Board's decision would be reported publicly. Colin acknowledged the work of Roy, Loretta, and others who have worked with Material Resources and called for celebration of the many ways Material Resources has reached people around the world and the congregations that have contributed to the work.

Other work the Board conducted in closed session:

- Affirmed a call for an at-large Board member
  - To be affirmed by Annual Conference in 2024
- Considered next steps for responding to the intercultural leaders who shared their concerns at this meeting.
  - The Executive Committee will draft a letter to the guests, inviting them to meet with the General Secretary and the Board Chair as an initial step.

Colin Scott presented the 2024 Budget proposal for the Board's consideration and action.

**2024 Budget  
proposal  
(Exhibit 3)**

**2024 Budget Recommendation**

**All Church of the Brethren Ministries:**

- **Total income of \$8,720,960**
- **Total expense of \$8,789,640**
- **Net income/(Loss) of (\$68,680)**

Ed Woolf expressed his appreciation to the Board for their prayerful consideration of the budget. He responded to questions.

Q: For new members, can you tell us whether it is an annual practice to bring a deficit budget and draw from Core net assets?

A: It is our practice and philosophy to bring a break-even budget. The last deficit budget we brought was in the middle of COVID, and it turned out to be a surplus. The last deficit budget prior to that was 2009 or 2010.

***The Mission and Ministry Board had consensus and approved the 2024 Budget as presented.***

***Affirmation***

Colin expressed his appreciation to staff for their work putting together the budget and for the explanations. He noted that the Executive Committee will meet to discern the process for beginning to prioritize ministries. He acknowledged the work needed before the March and Annual Conference meetings in order to not put staff in this difficult position again.

Nancy Heishman, Director of Ministry, brought a recommendation on behalf of the Pastoral Compensation and Benefits Advisory Committee (PCBAC).

**Pastors' Housing  
Fund  
(Exhibit 4)**

She reported that there are currently 30 pastors with accounts with the Pastor's Housing Fund. The fund comes from congregations with parsonages paying 1% of the fair market value of the parsonage in the name of the pastor living in it.

She highlighted the exhibit, noting:

- Pastors will have a choice whether they want to move their fund from Praxis Mutual Funds into the Eder Retirement Plan.
- There will be a check point with the Office of Ministry when the funds are drawn.

Lynnae Rodeffer noted that the age 59½ outlined in the recommendation aligns with retirement age.

David Steele explained that the Pastors Housing Fund is an Annual Conference-approved fund. The treasurer's office has been the manager. This reflects a change in management. If affirmed by the Board, the PCBAC will recommend it to Annual Conference as an item of new business.

***The Mission and Ministry Board had consensus and affirmed the recommended changes as presented.***

***Affirmation***

Rosanna McFadden brought a report from the Sustainability Committee's recent meeting. Members of the committee are Rosanna McFadden (chair), Kayla Alphonse, Tina Hunt, and Daniel Butler. Staff liaisons are

**Sustainability  
Committee report**

Mission Advancement team members Traci Rabenstein, Shannon McNeil Smith, and Nancy McCrickard. Colin Scott also met with the committee.

Before her report, Rosanna acknowledged the presence of three previous Sustainability Committee chairs, noting that the current committee's work has been informed and helped by their efforts.

She read a portion of an articulation statement created by the Sustainability team in 2020, which grounds the committee in its work.

*The Sustainability Committee endeavors to foster intentional opportunities for Board members to share personal faith stories, their individual and unique passions in the ministry of the Church of the Brethren in local and district contexts. The Sustainability Committee looks to assist staff with creative, forward-thinking ideas, to more effectively encourage relationships between individuals and congregations with one another and with the denomination, and to celebrate Christ-like efforts to nurture disciples, to love our neighbors in mutually transformative ways, and to seek God's racial justice and shalom. This may include reevaluating how we connect for worship, study, and fellowship; how information is shared across print and electronic media; and what details and statistics the denomination seeks annually from congregations. We will attempt to meet people we encounter where they are, listening to their testimonies and providing spaces to nurture relationships.*

Rosanna invited John Hoffman to share a story about a recent opportunity he had to share about the work of the Mission and Ministry Board. John's story of reaching out to a congregation while traveling and offering to share about the work of the Mission and Ministry Board illustrated how Board members can be ambassadors on behalf of the Board. Through the experience he also learned about specific ministries of the congregation and developed relationships that he will continue to nurture.

Rosanna called attention to a folder on the Web portal, titled MMB Ambassador, with resources on how to serve as ambassadors for the ministries of the Church of the Brethren. She expressed appreciation to the Mission Advancement staff for their enthusiasm and their continuing work to steward relationships.

Rosanna also noted:

- The committee is working with Mission Advancement staff to come up with a specific goal for this year.
  - Conversations taking place at this meeting may affect that goal.
- Continued challenge of collecting information from congregations
  - We may not have good recent data and may not be asking the right questions to get the most helpful data.

- Materials on the Board tables
  - 2023 narrative budget
  - Information on regular giving campaigns
  - Blue envelopes for Board members' contributions
- Need for translation of Mission Advancement materials
  - Will be an ongoing conversation for the Committee

Madalyn Metzger brought the Annual Conference Moderator's report.

## **Annual Conference Moderator's report**

Beginning with the reminder, "Each of us belongs to one another. Therefore, all of us belong to God," Madalyn reported on a busy season of travel/speaking engagements:

- Germantown Church of the Brethren 300<sup>th</sup> Anniversary celebration
- Northern Plains District Conference
  - Led equipping session on Crisis Communication Planning
  - Preached at the closing worship service
- Provided a sermon for Michigan District Conference opening worship
  - Provided a recorded sermon after contracting COVID
- Attended National Older Adult Conference
  - Co-led a session with Wendy McFadden on the Asian American Experience and the Church
- Northern Indiana District Conference (home district)
  - Preached at the opening worship
- Missouri Arkansas District Conference (attended virtually)
  - Led a session on Anti-racism and the Church
  - Preached at Saturday morning worship
- Congregational visits in central Pennsylvania
  - Preached at Harrisburg First Church
  - Brought greetings to York Church of the Brethren
  - Attended Lititz Church of the Brethren Love Feast

She reported that after several upcoming engagements, she would have some respite in November, with an uptick in travel in the spring.

Reporting on the planning for Annual Conference 2024, Madalyn celebrated the fact that this is the first time in the denomination's history that there have been back-to-back women moderators. It was also noted that Madalyn is the first Asian American moderator.

The following people and committees are involved in planning Annual Conference.

### Annual Conference officers

Madalyn Metzger, Moderator

Dava Hensley, Moderator-elect

David Shumate, Annual Conference Secretary

Annual Conference staff

Rhonda Pittman Gingrich, Conference Director  
Debbie Noffsinger, Conference Assistant

Program and Arrangements Committee (P&AC)

Nathan Hollenberg  
Jacob Crouse  
Gail Heisel

Worship planning

Nathan Hollenberg  
Amber Harris  
Founa Augustin Badet  
Calvin Park  
Seth Crissman

Preachers for worship will be:

Madalyn Metzger  
Brandon Grady  
Cindy Laprade Latimer  
Greg Broyles  
Leonard Dow

Saturday evening entertainment:

Friends with the Weather concert

Madalyn reported that she has been working with four subcommittees of Standing Committee:

1. Review of denomination's organizational structure
  - Recommendation that the Review and Evaluation Committee's term be extended from 2 to 4 years (anticipated item of New Business for 2024)
  - Requested and received an additional year to work on one or more white papers for Review and Evaluation Committee in 2025
2. Subcommittee working on new Agency covenants
3. Review of process for resolving conflicts with Agencies
  - In conversation with subcommittee working on Agency covenants, to ensure that their work aligns
4. Clarification on receiving and implementing Annual Conference statements at the district and congregational level

Eric Miller, Executive Director of Global Mission, gave a brief overview of the Global Church of the Brethren Communion. The formation came from the 2018 Vision for a Global Church of the Brethren paper, which recognizes that we relate to independent groups around the world, not just groups that are under the direction of the US church. The bylaws are part of the process of formalizing the group as a body of equal partners.

**Global Communion  
Bylaws review  
(Exhibit 5)**

The bylaws were drafted by Marcos Inhauser and Alexandre Gonçalves. Norm and Carol Waggy were also instrumental while serving as interim Global Mission staff. The objectives were shaped by a survey that went to the global churches to identify the Brethren values that were most important to them.

In November 2022, those who could met in person in the Dominican Republic to discuss and review the process. Many participants of the Global Communion have a strong desire for a more formal structure. There is also a somewhat urgent need to address potential new members of the Communion and name who makes that decision.

This group could potentially be helpful in the conflict between the Dominicans and Haitians in the Dominican church. It will also bring other churches more into leadership. While the headquarters will continue in the United States, this will remove the domestic denomination from the center of the Global Communion.

Eric responded to Board members' questions and comments.

Q: Why would the headquarters for this be in Elgin? Was there any consideration of it being elsewhere?

A: The vision for the global church puts relationship to the Church of the Brethren at the forefront. Other Brethren entities (e.g., the Brethren Church) may be eligible at some time. Logistically, the organization needs a legal home, a place to store documents, and technology. The US church is most able to support the technology and has the facilities.

Concern: The space where something happens really matters. This would send a message about the centrality of the US church in this group.

Q: Is this looking toward creating a separate corporation from Church of the Brethren, Inc.? What is the long-term financial implication?

A: This language assumes that the organization is not separate. If that happens down the road, then the legal home of the organization would change. There is not an immediate desire to incorporate separately.

Q: The group of intercultural leaders we met with is talking about forming a totally different global group. It seems there are two different groups of international people who are not talking to one another.

A: We are aware of a Spanish-speaking group that has overlap with this group. Some of the people who met with us work very closely with Global Mission in these foreign countries.

### Comments

As dominant culture folks, we need to be very mindful about relationships and about how we communicate.

Concern that the US church will take on a large portion of the funding. It may be unintentional, but the one that has the most money is usually the one who has the most power. We need to look at the funding structure and what it communicates about the US church's involvement.

Concern about the translation in the document, especially the possibility of it not accurately conveying the core Brethren values.

Colin restated the Executive Committee's recommendation that the Global Communion Bylaws be affirmed.

***The Mission and Ministry Board had consensus and affirmed the bylaws, entrusting Eric Miller to take the stated concerns to the Global Communion.***

***Affirmation***

Joel Gibbel brought a report from the Facilities Stewardship Committee. Committee members are Joel Gibbel (convener), Roger Schrock, and Karen Neff. Shawn Flory Replogle serves as staff liaison and Colin also attends their meetings.

**Facilities  
Stewardship  
Committee report**

The committee's job is to review property situations related to facilities owned by the Church of the Brethren, Inc. Shawn plays a very central role in the team. The committee assists him in doing his job and he contributes the greatest amount of information to the committee.

The committee has met five times since the March meeting, reviewing the various properties:

- General Offices (Elgin)
- Brethren Service Center (New Windsor)
- Lybrook (New Mexico)
- Farmland property (North Dakota)
- Germantown church (Pennsylvania)

The team has gathered financials, occupancies, statistics, usages, and background information for better awareness of the respective ministries related to each location.

Joel recognized the unique place of the North Dakota and New Mexico properties, which are much smaller and have less program activity. Therefore, not a lot of attention has been given to those properties.

He noted Germantown's 300<sup>th</sup> anniversary celebration and gathering of the Brethren World Assembly. Shawn attended the event and attempted to network with other Brethren groups, hoping there would be potential of teamwork in sustaining the funding of that property.

He stressed that the decision to close the Materials Resources program does not mean closing or selling the Brethren Service Center. The committee will continue to consider that property, but no recommendation was brought to this meeting.

The committee will allow program to drive its work. It will consider the priorities identified by the Board and will see that facilities are available to meet those needs.

Joel urged Board members with ideas, questions, or questions to approach committee members, not Shawn, with those ideas.

Joel Gibbel reported on National Older Adult Conference (NOAC), which he attended on behalf of the Board. He expressed gratitude to the Board Development Committee for the opportunity to attend and venture into Older Adult ministry.

## **NOAC reflections**

The conference theme was “God is Doing a New Thing!”, based on Isaiah 43. It was a time of joy, worship, and enthusiasm, with an eagerness for something old and something new. It felt like a homecoming, as NOAC has not been held in person for four years because of the pandemic.

Joel made the following observations:

- Speakers and preachers were forward-thinking and bold
- Wonderful fellowship, even across generations
- Ice cream socials sponsored by the colleges and seminary
- Many staff and some Board members were there

Joel had previously perceived NOAC as having an air of “quaintness.” He was surprised by its powerful message and conviction.

He highlighted the keynote speakers and Bible study leaders:

- Mark Charles  
Presentation about the Doctrine of Discovery  
Offended everyone in the room, yet received a standing ovation
- Osheta Moore  
Emphasized the need for love of each other and ourselves in the midst of the difficult work of seeking racial justice
- Ted Swartz and Ken Medema  
Brought humor and music; sentimentality and affection; and a certain lack of filter
- Old Testament scholars Christine Bucher and Bob Neff  
Led Bible study on Luke/Acts each morning

Joel said that he is now an evangelist for NOAC and hopes we can widen the welcome and live with the same vibrancy and enrichment experienced there.

Lynnae Rodeffer, Vice President of Products and Services for Eder Financial, brought the Eder Financial report. She brought greetings from president Nevin Dulabaum, who was out on sabbatical.

## **Eder Financial report**

Her PowerPoint presentation highlighted the following:

### Strategic Initiatives

1. **Growth:** Deepening relationships within the Church of the Brethren and expanding beyond our denomination
2. **Marketing:** infrastructure, capability, refining focus
3. **People:** right people, right positions
4. **Location:** Fully remote, with General Offices presence
5. **Identity:** Deeply committed to Church of the Brethren, Eder name and model allow us to expand

### A Paradigm Shift

- Refocusing based on objectives and needs

### Timely Topics

- Contact Model
- Flexible Contribution Formulas
- Bi-vocational Support
- Atlantic Southeast retirement solution
- Pastors Housing Fund
- Mental Health Grants
- Western Plains initiative
- Fellowship of Brethren Homes
- Culture of Philanthropy
- Interest in clients' stewardship of resources
  - Investment strategies
  - Cash flow needs
- 2024: In-language grant applications (Creole and Spanish)

Lynnae thanked the Board for the opportunity for Eder Financial to serve the Church of the Brethren, Inc.

Colin Scott presented the proposed 2028 Mission and Ministry Board spring and fall meeting dates:  
March 10/11-13, 2028  
October 20/21-23, 2028

**Approve 2028 MMB  
meeting dates**

***The Mission and Ministry Board had consensus and approved the 2028 meeting dates.***

***Affirmation***

Colin announced the date of the next Fireside Chat, explaining to new members that it is an opportunity for voting members to hear updates from the General Secretary.

**Fireside chat**

Tuesday, February 6, at 7 p.m. Eastern

A link to an online meeting evaluation form was distributed to Board members and staff.

## **MMB meeting evaluation**

Karen Neff and Barbara Daté brought the Governance Monitors' report. The task of the Governance Monitors is to monitor the Board's performance and encourage good governance practices.

## **Governance Monitors' report**

In addition to answering the prescribed list of questions provided to the monitors, they noted:

- Difficulty staying on schedule at this meeting.
  - Board members were told in advance that the agenda was going to be heavy.
- Meeting was animated and active; everyone spoke at least once, including the new members, who were engaged.
- Colin brought his gifts to the meeting as new Chair, listening carefully and gently reminding the group to move on when needed.
- Appreciated David and Colin mentioning staff who contributed throughout the meeting.
- Flexibility of those who had to wait because of the Board's need to hear and process with each other.
- Board envisioning time around tables was an effective way to discuss and bring items to the greater body.
- Deeper and longer discussions at this meeting than in the past.
- Board's attentiveness to pain and frustration of intercultural guests
- Colin's tender welcoming and respect of the intercultural guests and clarity of process.

### Meeting soundbites

- "We learn to wage conflict to use it as a creative tool for nonviolent social change." (Matt Guynn during Kingian Nonviolence training)
- I'm asking you to trust me.
- We are a governing board, not a working board.
- We don't prefer to throw a fit, but sometimes we do.

David Steele offered a prayer for the noon meal.

## **Prayer for the meal**

Colin Scott thanked the Board for their commitment and contributions to their work and the meeting adjourned at 12:02 p.m. Central.

## ***Adjournment***

Recorded by Nancy Miner

Approved and respectfully submitted by:

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David K. Shumate  
Secretary

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Date

## Seeking Peace in Israel and Palestine

***“A voice was heard in Ramah,  
wailing and loud lamentation,  
Rachel weeping for her children;  
she refused to be consoled,  
because they are no more” (Matthew 2:18, NRSVue).***

The Mission and Ministry Board of the Church of the Brethren expresses grief and compassion for all who have lost loved ones in the violence in Israel and Palestine, beginning with the Hamas attacks of October 7 and continuing with bombings of Gaza and portions of southern Israel in particular, and cross-border clashes between Hamas and the Israeli military. While the Church of the Brethren has consistently opposed war, we are particularly concerned about the targeting of civilians.

We feel anguish for the Israeli people and those of Jewish heritage around the world, for whom the ruthless attacks by Hamas have brought back memories and fears of the violent antisemitism, ethnic cleansing, and genocide of generations past.

We feel anguish for Palestinians and people of Arab descent who are targets for hate crimes, and whose vulnerability is increased by the war between Hamas and Israel.

We acknowledge that the Christian church over the centuries has been responsible for and has exacerbated antisemitism, and at times Brethren have been complicit. We also acknowledge and lament the role that our own nation of the United States has played in the ongoing systemic military oppression of the Palestinian people. We note that \$3.8 billion a year of military aid from the US is being provided to the state of Israel.

We must confess, repent, and recommit to the work of healing all forms of racism in our church and our communities. The evils of antisemitism and racial hatred, enhanced by the evil of militarism, have been a plague upon our world.

***“Weep with those who weep” (Romans 12:15b, NRSVue).***

We weep with families in Israel whose loved ones were slaughtered in the October 7 attack by Hamas.

We lift up to God’s care the hostages held by Hamas, and we share their families’ fear for their safety.

We weep with the millions of Palestinians who are trapped in Gaza and their families, and all those who have lost loved ones in the violence there.

We lift up to God’s care the people in Gaza who are cut off from basic requirements for survival: water, food, energy, safe shelter, and healthcare. Just a few days before our fall meeting, the explosion at Gaza City’s al-Ahli Hospital—a church-run hospital of the Episcopal Diocese of Jerusalem—was in the news, with reporting of the deaths of hundreds of people including many children.

We worry for the more than 1 million Palestinians ordered to leave northern Gaza, under threat of a ground assault by Israel’s military, and the thousands of people now displaced in southern Gaza.

*Approved by the Mission and Ministry Board on October 21, 2023*

***“Pray without ceasing” (1 Thessalonians 5:17, NRSVue).***

We call on Church of the Brethren members to join in prayer for all the Israelis and Palestinians who are affected by this terrible situation, and for the Jewish and Palestinian peoples worldwide.

We join the Christian leaders in the Holy Land—the Patriarchs and heads of churches in Jerusalem—in their call for prayers for peace and reconciliation and an end to the war between Israel and Hamas.

We join our ecumenical partners in the World Council of Churches, the National Council of Churches of Christ in the USA, and Churches for Middle East Peace in a spirit of lament, praying that God will come alongside and comfort all people who are suffering.

Even as we pray, we will find ourselves confronting immense pain, shock, and outrage on all sides and we must recognize that this is just the latest outbreak of violence in a half century of conflict, and that Gaza has been under a harsh blockade for the past 16 years.

***“Will not God grant justice to his chosen ones who cry to him day and night?” (Luke 18:7a, NRSVue).***

We call on our church members to engage in advocacy for political and humanitarian solutions to end the violence in Israel and Palestine. The World Council of Churches has noted that “it is now thirty years since the Oslo agreement was signed. In the meantime, the number of settlements has grown to at least 250 with 800,000 people. Instead of peace we witness more violence, displacement, and war. The international community must acknowledge the need for a new approach with an end goal of just coexistence. The peace process has failed both peoples, Palestinians and Israelis alike. What is needed is a fresh approach that puts justice and equal human dignity as the basis for the path forward” ([www.oikoumene.org/resources/documents/statement-wcc-calls-for-a-new-approach-to-the-conflict-in-palestine-and-israel](http://www.oikoumene.org/resources/documents/statement-wcc-calls-for-a-new-approach-to-the-conflict-in-palestine-and-israel)).

During such a complicated conflict it is difficult to know what actions may be effective, yet the call of Christ to his church is to witness and act for peace. Therefore we call for:

- The immediate release of all hostages.
- An immediate ceasefire and a halt to the transgressions of international law that protects civilians.
- A halt to the indiscriminate bombing of places of refuge.
- An end to attacks on hospitals, other health care facilities, and medical personnel.
- The immediate creation of safe corridors for humanitarian aid to flow into Gaza.
- No direct, on-the-ground involvement by the US military or additional weapons.
- Diplomatic engagement to de-escalate regional geopolitical tensions and the risk of broader violence.
- Effective work by the international community to address root causes of the conflict.
- An end to the dehumanization of people by all parties to the conflict.

The Mission and Ministry Board reiterates our core stance of discipleship to Jesus Christ as the Prince of Peace and reaffirms that in this situation—as in all others—all war is sin (1970 Annual Conference).

***“Let us then pursue what makes for peace and for mutual upbuilding” (Romans 14:19, NRSVue).***

*The Mission and Ministry Board adopted the above statement during its Fall meeting, October 20-22, 2023, at the Church of the Brethren General Offices in Elgin, Ill.*

*Approved by the Mission and Ministry Board on October 21, 2023*