

SUMMARY OF RESULTS

Unity Family Meeting

Monday, November 21, 2005

Pray-In

Reverend Rogers prayed the congregation in and introduced the facilitator, Terri Sue Rossi¹, who is also a member of the church.

Meeting Overview

The facilitator explained her background and how she came to be the facilitator for the Family Meeting. She explained the purpose of the Family Meeting and what the congregants could expect from the evening. One purpose of the Family Meeting was to explain how the Board and staff got to the point of sending out the October 2005 letter describing the imbalance in the budget. Since the October 2005 letter was sent out, the Board and staff have made decisions—some of which congregants knew about and some of which congregants may not be aware. Thus, another purpose of this meeting was to explain these decisions. The main purpose of the meeting, however, is to give congregants an opportunity to respond to the information provided. The facilitator explained that there are additional decisions that have yet to be made. These decisions are not as acute in nature as the ones associated with balancing the budget. The final purpose of the Family Meeting was to focus on the next steps needed to address these additional decisions.

The facilitator explained she would prepare a Summary of Results that will document in detail what happens at the Family Meeting. That information would be made available to anyone via the website by December 15, 2005.

The facilitator reviewed some ground rules for the meeting including:

- Be respectful to one another
- Accept criticism positively
- One person speaks at a time
- All questions are smart questions
- Actively listen
- Anyone can request a stop to pray
- Stay on schedule

She asked if any anyone disagreed with any of the ground rules. No one disagreed.

¹ Ms. Rossi is employed by the Central Arizona Project. She is a policy analyst and a trained facilitator. In addition to facilitating this Family Meeting, Ms. Rossi also prepared the Summary of Results. She was not compensated for her services by the ministry or any other party.

The facilitator introduced the four presenters: Ronda Fisk (Board member) responsible for establishing the context for the other presentations; Bruce Mosby (Executive Director) responsible for explaining the financial situation that led to the October letter; Georgia McGraw-Ball (Board Member) responsible for explaining the decisions that have been made since the October letter and Judy Schwiebert (Board Member) responsible for explain the next steps.

Background Presentations

The background presentations were accompanied by a series of slides. The slides are available on the Unity of Phoenix website.

Presentation by Ms. Ronda Fisk, Board Member.

Ms. Fisk explained that she would provide background information for other presentations about the budget and future steps. She began by providing an understanding of the church structure. She told the congregants that the Board is a policy and governance board. By that, she meant that the Board write policies and hands them down to the Executive Team (i.e. the senior management team for the church that includes the Senior and Associate Ministers, the Executive Director and the Operations Manager). The Board's job is to represent the stakeholders who are the congregants. She explained the Board members are here to see that what the congregants want implemented actually s implemented. The Board is looking for ways to increase communication between congregants and the Board. The Board welcomes that input during the Family Meeting and going forward.

Ms. Fisk explained that the Senior Minister reports directly to the Board. As such, Reverend Rogers is the only employee who actually answers to the Board. The Board hires the Senior Minister, signs a contract with that individual and evaluates performance annually. The Board evaluates the Senior Minister's performance based on feedback from congregants.

The Executive Director, Mr. Mosby, reports to the Senior Minister. The executive director is responsible for overseeing the management or business side of the church. The Senior Minister manages the spiritual and ministerial aspects of the church. The Associate Ministers have two responsibilities. They have spiritual and ministerial responsibilities, and they are department heads responsible for operating department programs. In their spiritual/ministerial capacities, the Associate Ministers report to the Senior Minister. In their department responsibilities, they report to the Executive Director. The Operations Manager, Charlie Brown, also reports to the Executive Director.

The Board does not involve itself in day-to-day operations like deciding what kind of stapler to buy and other operational matters. Ms. Fisk reiterated that the Board's job is to set policy and represent the views of congregants to the Executive Team.

Ms. Fisk then focused on the primary subject of the evening indicating that the Board sees three financial goals: balancing the budget, restoring the reserve and reducing debt. Regarding balancing the budget, the Board has taken steps and will continue to take steps to balance the budget. Ms. Fisk indicated that Mr. Mosby and Ms. McGraw-Ball would provide more detail about how the church got to its current financial standing and what budget reductions have been made.

Regarding restoring the reserve, Ms. Fisk explained that the Board has a reserve policy that requires the church to maintain three months of operating expenses. The policy provides for the reserve to dip below this level under certain conditions, but requires the reserve to be restored as soon as practicable. Ms. Fisk told the congregation that three months of operating expenses is approximately \$600,000. She explained that the reserve is currently at \$300,000.

Regarding reducing debt, Ms. Fisk reminded the congregation that the church went into debt to build the existing church. She explained that the current debt service is \$450,000 a year. She told the congregation that the Board wants to decrease the annual debt service by decreasing debt. She explained that the Board does not have answers for how to deal with the last two objectives. The Board is instead seeking input from congregants on these last two items.

Ms. Fisk gave an overview of the reasons why the church is in the current situation. She described three reasons. First, per capita giving is down in 2005. Second, attendance has level off and dropped. Finally, budgets have not anticipated the serious decreases in revenues in particular the declines seen in 2005 and especially the last two months of the fiscal year.

Presentation by Mr. Bruce Mosby, Executive Director.

Mr. Mosby addressed the congregation. Before providing some history and trending to show how the church got to its current state, Mr. Mosby wanted to discuss a suggestion he has received that the church seek outside experts to track its financial data. He wanted to assure the congregation that the ministry has very good record keeping systems. Two things evidence this. First, the church already has an outside independent accounting firm that conducts a review of the accounting records every year. This firm is one of the most qualified firms in the country and does most of the non-profit organizations in Arizona. These reviews have consistently found that the church a well run, well managed organization. Unity of Phoenix is described as being in the top tier of non-profit organizations.

Second, the bank that holds the churches \$4.3 million debt service, M&I Thunderbird Bank, does an extensive analysis of the church's financial position on a monthly basis as part of its normal loaning practices. Mr. Mosby told the congregation that when M&I Bank approved the loans, this approval was authorized at the corporate level not locally. When the church has ups and downs, the church communicates that with the corporate headquarters of M&I Bank. In fact, Mr. Mosby explained that M&I is aware of these

recent difficulties, and of the steps the church is taking including holding the Family Meeting. Based on their reviews, M&I Bank has consistently said the church is superbly managed and that the church's accounting system is well controlled. What they also say, according to Mr. Mosby, is "Your debt is killing you." The amount of the church's debt coupled with the revenues leveling off then decreasing is what has led to the current situation.

Mr. Mosby then showed the congregation a table of data that described where the church gets its revenues and on what the church spends its money. The primary sources of income come from worship receipts and other operating receipts (i.e. unexpected gifts), education classes and the bookstore. The primary expense is salaries and benefits followed by debt service, administration and facilities and finally tithes. Mr. Mosby told the congregants the church currently has 28 full time employees. With part time employees, there are approximately 50 to 55 employees. Overall, Mr. Mosby explained, the amount of money the church took in during fiscal year (FY) 2004-05 was \$146,000 less than the amount of money the church spent. Specifically, expenses were \$2.55 million and revenues were \$2.47 million.

Mr. Mosby then went on to explain the church's cash flow statement. He indicated that in October of 2004, the beginning of last fiscal year, the church started with over \$600,000 in compliance with the Board's reserve policy. On October 1, 2005, the church had \$243,000 cash in bank to be used for normal operations. Mr. Mosby then showed the congregation the original budget for fiscal year 2005-06. **With everything included, the church was \$280,000 in excess of revenues.** This, Mr. Mosby explained, was what precipitated the October letter. He acknowledged that the ministry was aware of the situation, but did not have sufficient data take action. Mr. Mosby told the congregation that as long as three years ago, the ministry had been making decisions to down size and consolidate programs. These actions were taken because of the trends we now see. But when the financial position reached the critical point in October, the ministry realized more quantum steps were needed.

Mr. Mosby then reviewed the financials for the first month of this fiscal year. The current budget planned for \$250,000 in revenues. Actual revenues were \$302,000 more than \$50,000 over projected revenues for October. Expenses were budgeted at \$191,000 and actual expenses were \$204,000 around \$12,000 over budget but, according to Mr. Mosby, the budget cuts that Ms. McGraw-Ball would explain were not in place in October. Those budget decisions have been applied during the last two weeks. Mr. Mosby described the church as having a positive position of \$36,000 based on the October financials. Mr. Mosby then went on to explain the impact on the church's reserve bringing the total up to \$300,000 in the bank for operating expense.

Mr. Mosby told the congregation that cutting \$254,000 out of the budget is quantum. He expects the budgets cuts to work. If the cuts do not have the desired effect, however, the next cuts will be significant enough to change how ministry is carried out.

Mr. Mosby then shifted his presentation to some graphics. He began by providing an historical perspective. Mr. Mosby explained that when the ministry moved to the existing church home in 1998, attendance was on a straight slope going up rapidly. Prior to 2001, growth was tremendous. Because past growth had been so consistent, this historical information affected how business decisions were being made. Mr. Mosby showed three graphs depicting attendance since 2001, worship revenues since 2001 and a graph combining both data sets. Starting in 2001, this aggressive growth trend started to flatten out. This trend continued into 2002. Mr. Mosby explained that the ministry has been doing things to impact attendance positively. In spite of those actions, attendance remained flat in 2003. Then, Mr. Mosby explained, came the start of the perfect storm. During 2004, attendance took a dramatic drop. Worship receipts showed increases until 2001 and then held flat through 2004. This means that even though attendance dropped in 2004, per capita tithing was up, keeping revenues at the same level as 2003. In 2005, however, revenues dropped significantly.

Mr. Mosby also showed a chart depicting per capita tithing. This chart showed per capita tithing at \$19 in 2001. In 2002 and 2003, per capita tithing flattened out at \$21. In 2004, per capita tithing jumped up to \$22. In 2005, the average dropped below \$21. Mr. Mosby explained that per capita giving declines combined with the drop in attendance has caused the overall decline in revenues.

Mr. Mosby then showed the congregation a chart depicting expenses and revenues. He explained that in 2001 and 2002, expenses and revenues were in balance. In 2003, expenses exceeded revenues. These were calculated expenditures that reflected the Board's decision to implement the new church structure recommended as part of the 2002 strategic planning process. In 2004, revenues flattened out. While expenses decreased from 2003 levels, revenues started to flatten out and expenses still exceeded revenues. This trend has continued since. Mr. Mosby described 2004 as being very tumultuous. Attendance and per capita tithing dropped, three ministers and one director left the church and for the first time in history three new ministers were hired. Mr. Mosby acknowledged that all of this shakes up a church home. He explained that the ministry believes all these things contributed to the church's current state.

Mr. Mosby showed the congregation a chart reflecting the church's annual cash balance. In October of 2001, the balance was at \$650,000 in compliance with the Board's reserve policy. Cash grew to \$980,000 in 2002 primarily in anticipation of implementing the new church structure. In 2003, there was a \$197,000 decline. Approximately \$165,000 of which was used to pay the bank for debt service. In 2004, another \$136,000 decline occurred again largely due to debt service. Then in 2005, the largest decline (\$274,000) occurred. About half of this was due to debt service; the other half was due to operational costs exceeding planned costs.

The final chart Mr. Mosby showed the congregants reflects the General Operating Net Revenues and Expenses for the 2005. The chart shows dramatic swings from month to month where net revenues and expenses would shift from being approximately \$50,000 in the black to \$50,000 in the red. This rollercoaster-like trend, according to Mr. Mosby,

was very hard to predict. Not until the last two months of the fiscal year, when two straight months in a row revealed a \$70,000 negative variance for the year was there sufficient data to inform congregants. Mr. Mosby stated that through this all, the staff and the Board were not sitting idle. Mr. Mosby acknowledged that there were discussions about the potential for the church to face the current situation. And in fact, changes were made. Mr. Mosby explained that the first round of changes were “non-people” cuts. He told the congregants about a discussion between himself and Reverend Roger that if at the end of the day, under a worst case scenario where all this (i.e. the church grounds) had to be sold and if the ministry had to go down to the vacant Harkins theatre and do ministry there, the church could still have the feeling if the people who are really the ones that makes things happen remain. While things are nice, Mr. Mosby explained, it’s really the people that make the church. He concluded his comments by emphasizing that this philosophy drove the ministry’s decisions.

Presentation by Ms. Georgia McGraw-Ball, Board Member.

Ms. McGraw-Ball expressed her apologies for the church being in its current situation. Because she is a certified public accountant, she feels responsible that she should have “rang the bell” earlier. She feels like she could have done a better job. She apologized. She also apologized for not sharing the vision of the Board and giving the congregation a chance to have input into that vision. She expressed a hope to rectify that situation.

She wanted to address three areas: budget reductions, reserve restoration and debt reduction. She indicated that a number of budget cuts, totaling nearly \$255,000 were made to the budget in order to balance expenses with revenues. Ms. McGraw summarized the cuts as follows:

Line Item Description	Amount
Salaries and contract labor	\$108,000
Worship	33,000
Capital improvements	25,000
Advertising	21,000
Printing, postage and website	19,000
Conferences/travel	18,000
Training and staff development	10,000
Supplies	9,000
Cell phone	6,000
Board activities	5,000
Total Budget Reductions	\$254,000

Worship services include things like flowers, cookies and decorations. Capital expenditures included things like parking lot and carpet repairs. She emphasized that everyone is doing what can be done to reduce expenses.

Ms. McGraw-Ball apologized for the timing of events. She acknowledged that the wrong message was sent when the letters were sent out and cookies were cut before congregants

had a chance to provide input. She also explained that the Board felt compelled to take steps immediately so the staff had guidelines about what could and could not be spent.

Going forward, Ms. McGraw-Ball explained that the Board would be receiving weekly cash flow information. In February, the budget will be revisited. If more cuts are needed, then those changes will be made then. By that time, the Board hopes to have input from the congregation.

Ms. McGraw-Ball then began discussing replenishing the church's cash reserve. She explained that the budget reductions would not restore the cash reserve. The budget reductions only keep expenses in line with revenues. Unless, she explained revenues were to exceed expectations. She shared a calculation she had made where if 1,000 people increased giving \$30 per month, within eleven months the cash reserve would be restored.

Regarding the land, she acknowledged that a lot of congregants expressed concern about why the church purchased the land if the financial position was weak. At the time, the Board viewed the land as an investment. Because of the location of the land, the adjacent property owner or the church could only use it. In fact, according to Ms. McGraw-Ball, purchasing the land actually decreased the church's overall payments by \$10,000 per month. Moreover, going forward, the land will give the church the option of selling more valuable land along Greenway Road. She told the congregants that the church currently has a commercial real estate expert developing options for how to maximize the value of the land. If the church did sell the land, then the proceeds could be used to pay off the debt and that would in turn help the reserve.

Ms. McGraw-Ball shifted the discussion to television ministry. She explained that the television ministry is funded through tithes. She reminded the congregants that Unity is a tithing church. According to its tithing policy, part of the church's tithes are to be used for "outreach". When the decision to move into television was made, the staff felt television ministry satisfied the purpose of outreach because it provides access to Unity ideas and touching the lives of people. Ms. McGraw-Ball also explained that the church does receive revenues from the television ministry, approximately \$40,000. She acknowledged that while there may be a philosophical question about whether television ministry is the best way to tithe out into the community, stopping television ministry would not affect the budget situation because the church would still have to tithe the money out to the community, it would just be through some other means.

Presentation by Ms. Judy Schwiebert, Board Member.

Ms. Schwiebert told the congregation that she would brief them on what to expect next. She supported Ms. McGraw-Balls' statements earlier regarding the budget. She explained the Board would be reviewing weekly cash flow reports and then revisiting the budget in February. The Board is also waiting on feedback from the commercial real estate experts on how to deal with the land.

She also shared with the congregants that the Board has a general goal going forward to “create a ministry where everyone feels included.” The Board realizes now, based on feedback, that this has not always been the case. She apologized for this and expressed feelings about how she saw this as a personal failure on her part because she joined the Board in order to represent the views of the congregants.

Along with an apology, Ms. Schwiebert explained what the Board would further commit to the congregation going forward. First, she told the congregants, the Board commits to better inform and listen to congregants. She indicated that the Board does not have a process for what that looks like today because part of better informing and listening to congregants means discussing with congregants how best to give and receive communication. Still, the Family Meeting is a first step in improving that process. The Board also commits to involving the congregation in developing the church’s purpose. She described this as why we do church and why we come together.

She also indicated that the Board is committed to revisiting the strategic plan. Again, she acknowledged that the Board does not know exactly what that process will look like, but they are working on it. The Board is also committed to developing a process for ongoing communication. Again, what that will look like cannot be determined until the Board has had a chance to hear the views of the congregants.

The Board is also committing to report back to the congregation at the annual meeting about what these processes will look like so the congregants can respond to that proposal. Finally, and most of all, Ms. Schwiebert told the congregation, the Board commits to representing the congregation, spending the church’s funds responsibly and standing on the Unity spiritual principles.

Congregant Response Session

After the break, the facilitator explained the instructions for taking comments “town hall” style. She then opened up the town hall. The comments and questions of each congregant have been noted as an item for reference purposes and to delineate when a new congregant spoke. In some cases, there is a post-meeting clarification. In this case, either the presenters could not answer the question or the facilitator determined the response needed further explanation. Written questions and comments that were not read during the Family Meeting are presented at the end of this section accompanied by a post meeting response.

Item 1.

CONGREGANT: The first congregant to speak asked how the Board and Executive Team view the television ministry as tithing at the church level. The congregant further asked for clarification on what our meaning of tithing is as a ministry.

RESPONSE: Reverend Rogers responded indicating that Unity of Phoenix has been a tithing ministry since he arrived. Overall, tithing is divided into categories: 50% is tithed

to the greater Unity movement and other 50% is tithed local through community outreach. Prior to the television ministry, the ministry used radio to share its spiritual message as part of the 50% of the local tithe. When the ministry made a decision to move to television, it was viewed as a replacement for the use of radio. The ministry and then Board of Directors did not feel such a transition was much of a jump. Tithing as a ministry is different than tithing as an individual. As individuals, we tithe to where we are spiritually fed. The church is fed spiritually in the community. We wanted to make a spiritual difference in the community and reach out to people who did not want to come to the actual church.

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Item 2.

CONGREGANT: As a new member, this congregant explained, no one has ever approached him on how to make a pledge to the church. He sees slips of paper to do automatic payments stuffed in the back of chairs in the Family Life Center. He specifically wanted to know about pledging to a particular cause.

RESPONSE: Reverend Rogers explained that methods of tithing vary from passing a basket on Sunday mornings to giving in a greater way through vehicles like stock options and recording the church in your estate. Reverend Rogers explained that if someone wants to give in a greater way, they could talk to Charlie Brown or Bruce Mosby. As a ministry, we do not have an annual pledge drive.

CONGREGANT: The congregant suggested that the church consider an annual pledge drive.

CONGREGANT: If you do not have a computer, how do you get a copy of the results of the Family Meeting?

FACILITATOR: If you do not have access to a computer, then you should give the church you name and address. The facilitator indicated that a sign-up sheet should have been made available for that purpose. The church would mail the Summary of Results to anyone who needs it.

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Item 3.

CONGREGANT: This congregant expressed that the greatest way she feels connected is through the Living Love ministry. She appreciated the idea of creating a ministry where everyone is included. Still, she expressed concern about the ministry's overall commitment to Living Love. She noted that Mr. Mosby mentioned that Living Love is a part of marketing expenses. The congregant asked what kinds of revenues are derived from Living Love?

RESPONSE: Mr. Mosby indicated that revenues from Living Love are minimal. He estimated the amount to be approximately \$3000-5000. He was not clear as to whether those revenues are itemized under worship revenues of other operating revenues.

POST MEETING CLARIFICATION: Mr. Mosby researched this matter and determined that Living Love generated \$3,800 in FY 2004-05.

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Item 4.

CONGREGANT: Overall, what is the church's commitment to Living Love?

RESPONSE: Reverend Rogers explained that the ministry would be exploring its purpose in the future. Today, there is real discussion at the Board level about what our commitment is to Living Love. He emphasized that congregant input about Living Love is important to deciding the level of commitment.

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Item 5.

CONGREGANT: This congregant noted that the drop in attendance has had a dramatic negative impact on church revenue. He wanted to know if the church's leadership understood the reason for not only the negative trend, but also the positive growth trend that occurred prior to the recent down turn. If there is no understanding, the congregant wanted to know what the leadership plans to do to find out.

RESPONSE: Mr. Mosby described a survey process that is currently underway to determine why those who have left Unity made that decision. Once this data has been gathered, the church will analyze the results and see what it reveals. He added that there is a myriad of things that have happened that could have influenced growth. Reverend Rogers corroborated Mr. Mosby's remarks saying in the 90s we grew at 40% per year. Today, there are other factors at play including a shift in the culture. To some degree, the church is competing with itself because of the television ministry.

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Item 6.

CONGREGANT: The congregant suggested that congregants be surveyed on what their thoughts are on why attendance is leveling off and now decreasing.

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Item 7.

CONGREGANT: This congregant explained that she had moved away recently. While she was gone, she relied heavily on the television ministry accessed through Unity’s website. She indicated that she knows a lot of people who have moved away and depend on the television ministry through computer access. She explained that the television ministry is so vital to generating revenues. She sees other ministries making hundreds of thousands of dollars and this ministry has the potential to do the same. She felt that those who are spiritually fed through the television ministry would tithe making it vital for the financial part of the ministry.

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Item 8.

CONGREGANT: This congregant who has attended for three years has two children who attend Sunday school. His daughter is also in children’s choir. He described how recently, his daughter had to arrive at 7:30 a.m. to perform in all three services. His concern, based on this experience, is that there is too much emphasis on production. He expressed concern that the church is becoming too corporate.

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Item 9.

CONGREGANT: The next congregant had two things to address. First, regarding cookies, the congregant indicated that she has volunteered in hospitality for some time. Over time, people became increasingly demanding about what type of foods and beverages would be provided. She saw this as not a good sign. Second, the congregant wanted clarification on what land on Greenway Road people had been referring to. She suggested that the ministry consider selling square feet of land to congregants. She suggested that if congregants paid \$50 per square feet for the land that would be a great thing because it would raise money and people would be more committed to the church.

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Item 10.

FACILITATOR: The Facilitator read the first written comment, “Did Rogers take only a 3% raise total in the last three years?”

RESPONSE: Reverend Rogers explained that he signed a long-term contract with the Board a year ago, and he doesn’t recall what percentage increases are included in the contract.

FACILITATOR: The Facilitator asked if Reverend Rogers recalled if his compensation plan is consistent with the staff compensation plan?

RESPONSE: Reverend Rogers indicated that he negotiates his compensation package with the Board. He added that this year, he rolled his salary back to 2002 levels taking a pay cut this year.

POST MEETING CLARIFICATION: At the beginning of FY 2002-03, staff (i.e. including Reverend Rogers) received a 3% raise. At the end of FY 2003-04, staff (again including Reverend Rogers) received a 3% bonus. There were no raises in FY 2004-05. Including bonuses, over the last three years, staff received an average increase of 2% per year. Reverend Rogers is compensated through a contract with the Board. When the Board finalized Reverend Roger's contract in 2004, his base compensation went up by 30% on top of the 2002-03 3% raise, and the 2003-04% bonus. Altogether, Reverend Roger's received an average increase of 10% per year.

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Item 11.

FACILITATOR: The facilitator read another written comment, "Why doesn't Bruce report directly to Richard instead of Board? Management and Ministry need to be separated to focus on your individual strengths. Richard must let go of control on the administrative side. Just keep dazzling us in church and classes.

RESPONSE: Ms. Fisk responded saying that Board policy establishes the reporting structure within the church. According to existing policy, the Executive Director reports to the Senior Minister. This change was made in 2002 or 2003. The Board separated out administrative functions historically done by the Senior Minister and assigned them to the Executive Director position that Mr. Mosby ultimately filled. Ms. Fisk emphasized however, that Mr. Mosby still answers to Reverend Rogers. She added that the reporting structure is currently a topic of discussion at the Board level. She described an alternative reporting structure where Mr. Mosby could report to the Board most likely through the Executive Committee. No decision has been made on this point.

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Item 12.

FACILITATOR: The facilitator read another written comment, "Is it ethical to tithe to ourselves as we are with television ministry? And who determines how we tithe outreach? Shouldn't congregants participate in how tithe money is given?"

RESPONSE: Ms. Fisk indicated that the Board establishes the overall tithing policy. The current policy states that 50% goes to community outreach and 50% goes to the greater Unity movement. The Board's role stops with establishing policy. The Board

does not interject itself in operational matters. As such, Reverend Rogers decides specifically where the tithe goes. Regarding whether or not it is ethical to use tithing, Ms. Fisk explained that the Board did not view television ministry as tithing to the church. Instead, the Board viewed the television ministry as the best way to get the spiritual message out into the community. In the past, it had been radio, now it's television.

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Item 13.

FACILITATOR: The facilitator read another written comment, "How many congregants have been leaving the church? (The drop in attendance feels like it should be more, but reflects lots of newcomers, which masks old-timers leaving.) Are we eroding the core base that built this church?"

RESPONSE: Mr. Mosby referred back to an earlier response on page ___ of the Summary of Results and reiterated that we do not have enough information yet to know for sure why long-term members may have left the church.

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Item 14.

CONGREGANT: This congregant explained that there are lots of reasons why people are leaving the church. He has been out in trenches talking to people. He tithes regularly and has been here a long time. He explained that the thorn in his side is that four or five years ago, the congregants were being solicited to build a sanctuary. He personally gave a rather substantial amount of money to the church for that purpose. In fact, on the bottom of check, he clearly wrote for the "Building Fund". Since then, no ground has been broken to construct a Sanctuary. He waited and finally went to one of the Board members and asked about the Sanctuary. He was told the money was instead used for the television ministry. The congregant asked how many people the television ministry was serving. The Board member responded that 3,000 people were listening, which the congregant described as "zero growth". While he was told that the television ministry brings in \$40,000 in revenue, he still did not know how much the television ministry costs. He explained that he offered the services of his company to bring in \$35,000 per year. This offer was rejected. He loves the church but he does not like what the church is doing. Had he knows his dollars were going to the television ministry, he would not have given money. Tithing is one thing and he understands that when you tithe the money can go for many reasons. A grant is another. He just wants an explanation.

RESPONSE: Reverend Rogers responded that it is illegal for the church to accept money for a specific cause and use it for some other cause.

CONGREGANT: The congregant reiterated his point that he gave the church money to build a sanctuary and the money was spent on the television ministry.

RESPONSE: Reverend Rogers commented that he would investigate the matter further and stated that designated funds are used only for the designated purpose.

CONGREGANT: The congregant reiterated his point again indicating that he gave money for the building fund and the Sanctuary was not built.

RESPONSE: Reverend Rogers explained that he would not have accepted a check knowing it was for a Sanctuary that the church had no intention of building. He added that donations to the building fund go to all buildings not specifically to a Sanctuary or any other facility.

FACILITATOR: The Facilitator asked if the congregant's comments could be summarized as "people feel money was supposed to be given for something specific and, in his case, that something (i.e. the Sanctuary) has not happened." The congregant agreed that this summarized his concern.

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CONGREGANT: A congregant requested a "stop to pray". The facilitator agreed and Reverend Alice Anderson led the congregation in prayer.

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Item 15.

CONGREGANT: The congregant noted that there has been a lot of talk about how we lost three ministers. She did not understand why. She explained that core members, chaplains and old congregants are now attending the Unity located on Camelback. She asked for reasons why we lost three ministers. She noted the drop in revenues over the last two months and commented that this needed to be looked at and in fact should have already been looked at.

RESPONSE: Mr. Mosby responded saying Reverend Lei Lani Burt retired from this Unity. Reverend Richard Carlini was not a good fit. Reverend Jill Friedal, as he indicated earlier on page ___ under item___, felt her time was up and she needed to move on.

CONGREGANT: The congregant further queried Mr. Mosby asking if there was an exit interview with Jill.

RESPONSE: Mr. Mosby responded yes. He explained that in addition to speaking with him, Jill Friedal spoke with Reverend Rogers, the rest of the staff and with the congregation. Ms. Friedal explained that since she was a small child she has had a sense of when her journey is done in a particular place. That was the case here. Reverend Friedal had come to the end of her journey with Unity of Phoenix.

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Item 16.

CONGREGANT: This congregant suggested that the ministry reduce the number of services to two instead of three. He wanted to know what the average service costs to provide.

RESPONSE: The Board members and staff did not know.

POST MEETING CLARIFICATION: The cost to provide one or more services on Sunday is the same (i.e. there is a fixed cost that does not vary if there are two or three services). The variable costs for each service are insignificant in particular for the 8:15 service, which is the least attended. Moreover, the per capita giving at the 8:15 service is higher than at the other services outweighing any minimal variable cost of conducting that service.

CONGREGANT: Referring back to the per capita tithing chart displayed during Mr. Mosby's presentation, the same congregant asked if that was per year or per Sunday.

RESPONSE: Mr. Mosby responded that the chart reflects the average tithe per person per Sunday.

CONGREGANT: The congregant suggested that if you asked 300 members to give an extra \$1000 over this holiday season the problem would be resolved. Alternatively, you could ask 1,000 people to give \$30. He suggested the ministry ask for pledges or donations.

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Item 17.

FACILITATOR: The facilitator read another written comment, "When the donation average went up (peaked) in 2002/2003 was that because of the land donations (for purchase of east land for parking)?"

RESPONSE: Mr. Mosby responded that the land donations for the recent land purchase were made in 2004. The peak occurred in 2002 and 2003 prior to that period. Mr. Mosby indicated that there was a Million Dollar Campaign during this time frame. This campaign, in part, contributed to the peak.

POST MEETING CLARIFICATION: The highest peak revenue year in the last five years was in 2004 at \$3 million. This included the land acquisition campaign. The second highest peak year was 2003 at \$2.6 million. This year included the Million Dollar Campaign. The purpose of the Million Dollar Campaign was to raise money to “sure up” the operating budget for expected incremental expenses associated with implementing the new management structure for the church (i.e. going from the entrepreneurial model to the corporate model).

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Item 18.

FACILITATOR: The facilitator read another written comment, “For television ministry should that not be up to congregation to determine to share where our tithe goes? What happened to commitment that if it wasn’t making money in first year it would stop!”

RESPONSE: The Board members and staff did not respond. The facilitator marked this as an item that would be responded to in the Summary of Results.

POST MEETING CLARIFICATION: Board policy establishes that Unity of Phoenix is a tithing ministry, but the decision on where to tithe is the responsibility of the Senior Minister. When the television ministry was originally launched, it was aired in two markets: Phoenix and Syracuse. Reverend Rogers believed the commitment to stop television ministry after one year applied only to the Syracuse market. He did not realize that a number of congregants believed the commitment was to stop in all markets.

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Item 19.

FACILITATOR: The facilitator read another written comment, “Much has been made of the church debt “killing us”. What is an appropriate amount of debt for a church with our revenues? Have our operating margins been taking the debt service into account?”

RESPONSE: Mr. Mosby responded that zero is appropriate. He noted that when the ministry talked to its bank last year, bank representatives said it is atypical for a church to carry long-term debt. More typically, a bank loans enough money to get a building started. Simultaneously, churches start campaigns and pay off the debt by the time construction is completed. Regarding the second question, Mr. Mosby confirmed that the church’s operating margins do take into account debt service.

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Item 20.

CONGREGANT: This congregant wanted to know what the rate and term are for the real estate loan. He wanted to know if the church is prepared for increasing interest rates and if the loans have floating rates.

RESPONSE: Mr. Mosby explained that there are two different loans: a \$1.8 million loan and a \$2.3 million loan. The rates are 6.9% and 6.95% respectively amortized over a 20-year period. The loans are, again respectively, five and seven year loans. The first loan, the \$1.8 million loan, was refinanced last year, and the church has four more years. The \$2.3 million loans comes due in 2006. This second loan will be refinanced, and the church is aware the finance rate will be higher than 6.9%. Mr. Mosby indicated that both loans currently have fixed rates.

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Item 21.

CONGREGANT: This congregant stated that just like core members, new people are important too. She told the congregation that the new members are here too and they care. She asked to see more programs reaching out to people who are not yet here.

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Item 22.

CONGREGANT: Referring to statements made earlier about a “corporate model”, the congregant likened the members of the church to stockholders. He felt it was wrong to for the Board to send the letter, indicating we would be dipping into the emergency till, now instead of several months earlier. He felt threatened by statements made earlier in the evening that there would be more drastic damages to stockholders if things don’t come around. The congregant further indicated that when Blain Mays had this church (the Reverend prior to Reverend Rogers) the church was debt free. The congregant wanted to know what these other drastic changes might be.

RESPONSE: Mr. Mosby explained that neither he nor any Board member was trying to threaten anyone. Just as the congregant pointed out, the ministry is trying to inform congregants in a more timely fashion so that we do not find ourselves in a similar situation. From a business perspective, the objective for the ministry is to sustain and move forward. To achieve this objective, the budget must be balanced. If we fail to keep the budget in balance, then there three options: attempt to increase revenues, decrease expenses or a combination of both. Decreasing expenses means eliminating services to congregants. Still, Mr. Mosby explained the ministry’s goal is to share information and possibilities in a timely manner going forward. We do not want to be in the same position in another six months.

CONGREGANT: The congregant continued explaining that there have been no open discussions about the term “deeper cuts”. He ushers and is a part of the Membership

Committee. He has watched services and benefits being cut. Referring back to the stockholder analogy, this congregant thought Mr. Mosby should have informed the stockholders long before now. He suggested it was time to think about replacing Mr. Mosby.

FACILITATOR: The facilitator asked if the congregant's comments could be summarized as "more accountability at the Executive Director level"? The congregant agreed that this captured his concern.

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Item 23.

CONGREGANT: The congregant noted that an early statement indicated that the Board does not have much to do with the financial policies of the church. She asked who does.

RESPONSE: Ms. Fisk explained that there must have been a misunderstanding. The Board does have control over the policies including financial policies. The Board does not control operations. Specific to the budget, Ms. Fisk indicated that the Executive Team (i.e. the Ministers, Executive Director and Operations Director) prepares the budget and forwards it to the Board. The Board reviews and approves the budget.

CONGREGANT: The congregant asked for further clarification.

RESPONSE: Reverend Rogers responded indicating that the Board annually reviews and approves the Budget. Likewise, the congregation takes an annual look at the budget. In addition to that, the Board reviews monthly revenues and expenses.

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Item 24.

CONGREGANT: This congregant wanted to know when the church's reserves drop below the three-month reserve level, does a process exist to replenish the reserve?

RESPONSE: Ms. Fisk explained that there is a Board policy on this matter. Currently, the Board is considering revising that policy to strengthen how the ministry will recover from depleting the reserve.

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FACILITATOR: The facilitator stopped the meeting for a process check. She explained that childcare ends at 9:30. She asked how many people this would affect. It looked like four people would be affected. She explained that the group was at a decision point. There were two options: continue beyond 9:30, as there was still a lot of energy in room or schedule another meeting devoted to questions and comments. The facilitator polled

the group and slightly more than half wanted to continue. As a compromise, the facilitator agreed to continue the meeting another fifteen minutes and then decide if another meeting would be required at that point.

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Item 25.

CONGREGANT: The congregant asked if the ministry has ever used outside investments to increase revenues. She also wanted to know if the ministry has considered a revenue generating committee.

RESPONSE: Ms. McGraw-Ball responded saying that the church invests whatever money is not needed in the short-term. Not all of it can be invested, because some money is needed for daily operation. As far as fund raising aspects, the Board asked for volunteers with marketing backgrounds. Those volunteers have established a fund raising committee. Ms. McGraw-Ball noted however that tithing is not about pledging, it is about giving and as you give you shall receive. She suggested the ministry revisit this spiritual principle.

CONGREGANT: The congregant asked for additional clarification. Specifically, she wanted to know how the church invests its money and who is in charge of those decisions.

RESPONSE: Ms. McGraw-Ball responded saying really the only money that is invested is the \$125,000 endowment money referred to by Mr. Mosby. The church selected an investment advisor. The money is held in quality grade mutual funds. The Board has a policy that describes the types of investment tools allowed. This policy can be shared with congregants.

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Item 26.

CONGREGANT: This congregant had a suggestion for increasing revenues. She suggested that the Divine Idea Bookstore could be expanded to serve more than just the congregation. She felt Unity could have the best metaphysical bookstore in the valley. Another potential idea related to the preschool. The congregant suggested that Unity partner with a university here in the valley that has a dynamic teacher education program. Finally, she told the group that while she heard people apologize, she did not hear anything that needed an apology.

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Item 27.

CONGREGANT: The congregant explained how taking the Four Ts class changed his life by teaching him the whole principle of giving and receiving. “You can’t give enough”, he told the congregation. He noted that per capita giving is only \$20 per week. If that had been \$300 per week, you can see how a 10% increase could be devastating. But when we’re talking only \$20, \$2 per week would get us beyond our problem. Regarding things like cookies, congregants want to participate in specific projects. Let people sponsor cookies. It would take twelve members, one month out of the year, to provide cookies

FACILITATOR: The facilitator asked for clarification on how much it cost to provide cookies.

RESPONSE: Ms. McGraw-Ball responded saying approximately \$1,000 to \$1,200 per month, roughly \$300 per week.

CONGREGANT: The same congregant explained that there is so much money out there. He suggested we could search through the congregation and find someone who could loan the money to church at no interest rate.

FACILITATOR: The facilitator asked if the congregant’s comments could be summarized as “look to congregants for alternative financing mechanism”. The congregant agreed.

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Item 28.

FACILITATOR: The facilitator read another written comment, “In my “paid in full” mindset, I see a large electronic sign on the corner of 16th Street and Greenway advertising Unity. If we sell that land, where will my sign go?”

RESPONSE: Mr. Mosby indicated that Unity would seek a waiver to keep the sign.

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Item 29.

FACILITATOR: The facilitator read another written comment, “Please speak to plans for the Teen Ministry and how teens are being “cared for” without a Teen Ministry Coordinator?”

RESPONSE: Mr. Mosby indicated that the Teen Ministry has been rolled into the Children’s Ministry Program under the capable hands of Linda Depke. She is going to delay the expansion of the preschool and instead focus on incorporating the Teen Ministry into an overall Children’s and Teen Ministry Program.

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Item 30.

FACILITATOR: The facilitator read another written comment, “What are salaries of executive team?”

CONGREGANT: A congregant requested a stop to pray.

FACILITATOR: The Facilitator declined this request because tension in the room did not appear to be high. She asked the presenters to answer the question.

RESPONSE: Ms. Fisk responded saying the Board has a policy that says executive salaries will not be disclosed. In fact, Unity has a policy nationwide not to disclose executive salaries. Consistent with that policy, Ms. Fisk told the congregants such information would not be disclosed during the Family Meeting.

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Item 31.

FACILITATOR: The facilitator read another written comment, “What exactly is the church doing to increase cash flow/revenue? If this is a corporation why isn’t there a quarterly budget review? [sic] and possible rewrite?” The facilitator concluded that these questions had been previously addressed. See ____ on pages ____ and ____ for further information.

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Item 32.

FACILITATOR: The facilitator read another written comment, “I believe the decision like what this ministry’s commitment to Living Love is should be answered by the congregation not just the Board. Seeking, honor and using congregant input is in my opinion crucial and very important to me!!”

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Item 33.

FACILITATOR: The facilitator read another written comment, “What correlation, if any, is there between the ministry’s implementation of a “corporate model” (internal structure) and the decline we’ve seen in attendance and revenue? What year did we implement “corporate model”?”

RESPONSE: Mr. Mosby indicated that the church implemented the corporate model in 2002. There was a Strategic Planning Committee that hired an outside consultant on how to restructure the church going forward. The outcome of that effort was the “corporate model”. This is simply a term to describe the new model. The past model was described as an “entrepreneurial model”. For the church to move forward, the consultants concluded that the church needed to separate spiritual and financial matters. To that end, a new structure was put into place. The business functions were extracted from the Senior Minister’s position and used to create a new Executive Director position that Mr. Mosby now fills. Under the new structure, the Executive Director reports to the Senior Minister. The Senior Minister is the CEO of the church. While those who report to the Senior Minister advise and give input, the Senior Minister still makes all the decisions. The church is still in process of realizing the full intent of the new model.

POST MEETING CLARIFICATION: As indicated earlier under item ____ on page ____, the ministry does not know precisely why attendance has dropped. There is no direct evidence that the drop in attendance and revenues is due to a change in the church’s structure.

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Item 34.

CONGREGANT: This congregant wanted to share two observations. First, congregants want a way to give the Board a lot of input. The ministry should find a variety of ways to make that input meaningful. Second, the church needs help from the congregants. The congregant explained that this congregation is very generous. She suggested that the ministry make a variety of methods available for people to contribute. Just ask them, she told the group.

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Item 35.

CONGREGANT: The congregant explained that she had been away for just four and a half months. When she returned, she noted empty seats and she noticed there were no cookies. She thinks it is good that the ministry is looking into why people are leaving, as there must be a reason. As far as replenishing the reserve, when the congregant heard it would only take \$30, she thought this should be easy. She added however, that having been raised Catholic, she didn’t like the priest asking for money. Likewise, she thinks we should not put Reverend Rogers in the position of asking for money. When he has to do this, it changes the whole energy.

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Item 36.

CONGREGANT: This congregant pointed out that Reverend Rogers took a 25% cut in his own salary this year. That's huge and noted how each of us would fare such a pay cut. Having been a long time member, the congregant pointed out that this was not the first time Reverend Rogers has taken a pay cut. On another point, the congregant suggested that we not nickel and dime cuts that are really important. In particular, she expressed concern about eliminating the carnations for first time attendees. She described this as problematic. The congregant pointed out that new comers would be more likely to stand up and receive packet if they can get a flower. Moreover, when regular congregants see someone with a flower, regular congregants know who is new. Unity does a great job of welcoming new comers into the church. The carnation is an important tool for identifying potential new members.

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Item 37.

CONGREGANT: This congregant thanked the Board for its leadership. He acknowledged that this is a tough spot to be in. He cautioned the Board to be careful about giving up the land asset. You can't replace that, he further warned. He recommended that the ministry communicate some of this meeting in the services especially the part about giving \$30 more per month to resolve the current financial situation. Regarding the Children's Ministry, this congregant suggested that a special Board of Parents be established to give more attention to the Children's Ministry.

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Item 38.

CONGREGANT: The congregant expressed how wonderful the church is, and how she is also involved in Unity in Kansas City. She question whether some of the departure of congregants is due to the new ministers. She suggested that congregants should have a say in what ministers are selected.

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Item 39.

CONGREGANT: The congregant indicated that she has volunteered in enormous ways. She has twelve year-old son who has taken a direct hit by the action taken. There has been no indication of how the church is going to proceed. She emphasized that it takes so much time for teens to develop trust. She watched Lana Sassi develop this trust with the teens. The congregant told the congregation how wonderful Lana has been. She asked how the ministry is going to handle the teen program.

RESPONSE: Mr. Mosby responded saying he did not have more specific information to add to what he said earlier (see item ___ on page ___), but that he and others would be happy to sit down with the congregant to discuss the matter in further detail.

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Item 40.

CONGREGANT: This congregant has been attending for four years. She felt fed by the Saturday night service and the teachings of Lei Lani Burt. She asked to see the Saturday night service brought back.

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FOLLOWS ARE THE ADDITIONAL WRITTEN COMMENTS AND QUESTIONS RECEIVED BUT NOT ADDRESSED AT THE FAMILY MEETING BECAUSE OF LIMITED TIME.

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Item 41.

CONGREGANT: There have been many comments about the loss of three ministers. However, as part of the “pruning of the vine” which promotes an abundant harvest, we have gained three exceptional and remarkable ministers. Change is not comfortable it was time just as Jill stated. And perhaps this pruning of all facets will produce phenomenal results.

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Item 42.

CONGREGANT: Did Bruce Mosby take a pay cut? If so, how much? If not, why not?

POST MEETING RESPONSE: Mr. Mosby is compensated according to the same schedule as all other staff members. Reverend Rogers is the only staff member compensated differently. Consistent with that schedule, Mr. Mosby did not receive the 3% pay increase because that was his start year. He did receive the 3% bonus. Because staff has received minimal pay increases in the last three years, the Board did not ask any staff member to take a pay cut at this time.

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Item 43.

CONGREGANT: What effect did axing Saturday night service have on attendance and dollars?

POST MEETING RESPONSE: The Saturday night service generated about \$110,000 +/- a year in revenue. When that service ended, some of that revenue may have shifted to Sunday morning service, but this shift cannot be isolated because of the overall declines in worship revenues.

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Item 44.

CONGREGANT: Billie Davis will donate three dozen homemade (implied cookies) or more just let her know.

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Item 45.

CONGREGANT: If we were flat on donations, why did we bring on three new ministers? Would it not have been a more financially appropriate decision to bring on two and then see if we should be bringing on another minister? Do it when it is financially appropriate.

POST MEETING RESPONSE: In hindsight, it might have been more prudent. At the time, however, the ministry had consolidated several positions and eliminated a director position. There was also a reduction in salaries between the previous three ministers and the new ministers. Based on these factors, the ministry found it financially prudent to fill the minister positions.

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Item 46.

CONGREGANT: Keep the Living Love movement and groups—it is life changing!

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Item 47.

CONGREGANT: What is the future of the Sunday night service? Will Daniel still be the musician? This is a powerful service largely because of Daniel.

POST MEETING RESPONSE: Daniel will not continue to be the musician of Sunday night service after the January 2006 service. Efforts are underway to find a suitable replacement.

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Item 48.

CONGREGANT: Shortly after moving in we went through this same process. Several years later we are here again. Will we be here again in a few years after we've corrected this problem? Although we are always cost conscience and in a budget balance mode, what checks and balances are being put in place so we are not in this situation again?

POST MEETING RESPONSE: The Board is in the process of developing a more stringent review and response policy. As a part of this policy, the Board is expected to include a review and action level to identify, communicate and act on unfavorable trends on a monthly basis going forward.

CONGREGANT: Television ministry tithes...if it did not pay for itself, it would stop.

CONGREGANT: During the time of 2003 to 2004 when things were flattening out, why did we implement Sunday night, Wednesday night and Living Love?

POST MEETING RESPONSE: These actions were taken to provide additional alternatives to existing and potentially new congregants with the anticipation that such opportunities would impact attendance and revenues.

CONGREGANT: Have you followed up with those that have left as to their reasons? If not, do you plan to?

POST MEETING RESPONSE: A survey process is currently underway and should be completed in the first quarter of 2006.

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Item 49.

CONGREGANT: Can we get a complete organization chart with names of those serving in all areas?

POST MEETING RESPONSE: Yes, anyone can get a complete organization chart of the church. Please contact the front desk and leave a message making this request. Please leave your address and a copy will be sent to you.

CONGREGANT: Would it be possible to have a church directory? (I'd be willing to pay for it).

POST MEETING RESPONSE: It is possible to have a church directory. This suggestion will be forwarded to the Board to decide what level of priority it should

receive. Developing a directory would most likely be volunteer effort and may include fund raising.

CONGREGANT: Could nametags for Unity members be made available? (I'd like to call a person by name on Sunday and I'd pay for it.)

POST MEETING RESPONSE: It is possible to have nametags. This suggestion will be forwarded to the Board to decide what level of priority it should receive.

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Item 50.

CONGREGANT: Why did the leaders of the church wait three years before discussing the impending "red status" with the congregation?

POST MEETING RESPONSE: The leaders of the church waited until October of 2005 to inform the congregation for the reason described on page ___ above—inconsistent data to make the call. Specifically, however, in October of 2004, the beginning of last fiscal year, the church started with a reserve of over \$600,000, in compliance with the Board's reserve policy. On October 1, 2005, just twelve months later, the church had \$243,000 cash in bank to be used for normal operations. The monthly net revenue/expense data for FY 04-05 was also less than instructive with net revenues and expenses shifting from being approximately \$50,000 in the black to \$50,000 in the red. Not until the last two months of the fiscal year, revealing a \$70,000 negative net revenue/expense for the year, did the data show sufficient clarity to inform the congregation.

CONGREGANT: What are the Checks and Balances within the leadership—who reports to whom? Is this system working for us?

POST MEETING RESPONSE: See item 11 on page ____. Also see summary of Ms. Fisk's presentation on page ____.

CONGREGANT: How does or what is the process to make a decision in our Unity of Phoenix system—financial or otherwise?

POST MEETING RESPONSE: Currently, the executive team makes recommendations to the Senior Minister and the Executive Director. After discussing the options, the Senior Minister acting as the Chief Administrative Officer submits this decision to the Board. **DOES THE BOARD THEN APPROVE THE DECISION OR IS THIS JUST A REPORT? OBVIOUSLY NOT ALL DECISIONS GO TO THE BOARD. WHAT KIND DO AND WHAT KIND DON'T?**

CONGREGANT: Is the television ministry self-supporting? Can we see the numbers and what can of tally [sic] do we have to support the claims that it is transforming our

community? Is it possible that it has hurt attendance thus impacted the financial gifts and tithes negatively?

POST MEETING RESPONSE: The television ministry is not self-supporting. The only data we have about the impact of the television ministry is anecdotal feedback from some viewers who write in about the impact the television ministry has had on them. The ministry has considered the possibility that the television ministry has drawn some congregants away from attending Sunday worship services, but there is no direct evidence of this.

CONGREGANT: How do you feel about a “covered dish ministry”, one where the support comes from within the congregants? Bring your gifts, time, talents and treasures. It is all right here can we structure the way in which we do business here at UOPP to open to the infinite resources that we have right here?

POST MEETING RESPONSE: The ministry can consider approach. This suggestion will be forwarded to the Board to decide what level of priority it should receive.

CONGREGANT: Is this the last “family meeting” or will the leadership stay open to hearing and sharing with the congregation the ongoing process?

POST MEETING RESPONSE: The ministry is open to regular family meetings. As indicated in Ms. Schwiebert’s presentation, the Board will be developing a congregant participation plan. To the extent the congregation wants regular Family Meetings, this will be incorporated into the plan.

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Item 51.

CONGREGANT: Can the music budget be downsized?

POST MEETING RESPONSE: Many costs associated with providing Sunday services can be examined. The ministry, however, is concerned about the impact of cost reductions in this area on the worship experience. Any costs would need to be considered within the context of not harming the worship experience.

CONGREGANT: I believe that we elect a board to represent us and it should be the board with the final approval on an item. Thus holding them accountable. Can the structure be looked at?

POST MEETING RESPONSE: Yes, the structure of the Board can be examined. How the Board currently operates and its relationship with staff was presented during Ms. Fisk’s presentation. A summary of this information is found on page ___ through ___. Specifically, the Board is a policy and governance board responsible for developing policy and not managing daily operations like approving “an item”. The board is

involved in reviewing and discussing major items. The board is also accountable for reviewing and approving the budget, reviewing monthly financial performance and to requesting plans and actions on financial or operating anomalies.

CONGREGANT: We need to address the Executive position. We hired an executive person to oversee the budget and finances why are we at a financial break down? The executive position should be addressed. Are we paying too much and getting too little?

POST MEETING RESPONSE: The decision to hire an Executive Director was derived from the Board's strategic planning work in 2002 that resulted in a recommendation to change the structure of the church. As indicated by Ms. Fisk on page ____, the Executive Director reports to the Senior Minister who in turn reports to the board. The authority for final decisions on budget and financial direction rests with the Senior Minister and the board under the current structure. The Executive Director may recommend and advise the Senior Minister, however, the Executive Director does not make the final decisions. The Board can evaluate the new model and decide to change the structure again.

CONGREGANT: We need to address why we are losing members? What needs to be changed and why?

POST MEETING RESPONSE: The ministry is conducting a survey of former congregants to determine potential reasons for leaving. Once that information is collected, the Board will use that information to help make decisions going forward.

CONGREGANT: We need to go through our mailing list and cut down on duplications going to the same address. I put in a request to only have one mailing and I am still getting two.

CONGREGANT: We need to adjust our budget once things stable out and see that the workers get at least a cost of living raise. It is unjust for a church as large as this one and with our prosperity consciousness to think that some should get raises while others do not. If it weren't for the worker bees we would be hard pressed to function efficiently.

CONGREGANT: I do not set blame upon any one. I want to know what is going to be put in place so that when we see a decline, what measures/steps will we take to ensure we will not have to go through this type of cuts/frustrations again.

Pray-Out

Reverend Rogers prayed the congregation out.