



2019-2020 ANNUAL REPORT

Annual Meeting and Celebration
September 27, 2020 | 6:30pm
Virtual Meeting Hosted Online

LEAD PASTOR LETTER

Dear Grace Church Family,

Wow ... none of us saw 2020 coming. I remember back in 2017 when we were deciding on what to call our Transform 1:8 Vision, one of the ideas was "2020 Vision" because it was originally going to wrap up in 2020.

I'm glad we didn't call it that.

This prior year captures some of the highs and lows that parallel life in general, and life as a Jesus follower specifically. There can be high mountains and dark valleys on this journey. And this previous year has been no exception.

We were full steam ahead with establishing the Grace Leadership Institute, we welcomed some incredible new staff onto our team, we had an amazing outreach effort at Christmas at the Warner, heading in to a re-launch of all our locations and the grand opening of the new facility at Grace Harborcreek. In fact, we hit our highest all-time non-holiday attendance number of 2,108 people, just a couple of weeks before the COVID lockdown began in March. And the whole world changed. But Jesus didn't change. Nor was he surprised.

And yes, we've now had to figure out how to live and lead when all the numbers aren't going "up and to the right." We immediately cut \$150,000 from our budget. We turned our attention to blessing our community through our Be the Church efforts. We made thousands of phone calls (yes phone calls!) to our entire congregation multiple times through the summer. Our worship and tech teams began to pivot and explore how we could continue to produce and distribute content and reach new people with the hope of Christ. As a result, we released our first worship album on Spotify and iTunes. We decided to put our services on TV every week which has seen tremendous ministry fruit. We became a resource to hundreds of other churches in our region and our denomination by hosting weekly zoom calls to provide support and information. But as we projected the financial impact of COVID to our church over the next 18-24 months, we also had to make the very difficult decision to discontinue services in Girard and let go of our Girard ministry staff.

High highs and low lows.

And through it all God is still faithful. So, we will again gather to celebrate at our Annual Celebration. This time via Zoom, to allow for maximum participation. We will still worship and pray, we will celebrate new members, and we will make some key decisions for the future of our church. We take this night very seriously and I hope you will to – make it a can't-miss event!

I love you all and it's an honor to be your pastor.



Pastor Derek

2019-2020 ANNUAL MEETING AGENDA

September 27, 2020

Pastor Derek Welcome

Recognition of New Members (*see page 9 for complete list*)

Convening of Meeting: Tom Hesch

Minutes of Previous Meeting: Tom Hesch

MOTION: That the church approve the minutes from the 2018-2019 Annual Meeting (pgs. 3-4)

Presentation of Elections Ballot/Vote: Pastor Derek Sanford

MOTION: That the church approves the names on the ballot for election to office (page 5)

Pastoral Licensing – Pastor Derek Sanford

MOTION: That Grace Church License Sarah Burt as a minister of the gospel, upon unanimous recommendation of the Elders (page 10).

Financial Report and 2020-2201 Budget: Aaron Lundberg

Closing of Meeting: Bill Hunter

Pastor Derek Message

Worship & Prayer

2018-2019 MINUTES

MOTION: That the church approve the minutes from the 2018-2019 Annual Meeting.

Minutes | September 22, 2019

The 2019 Annual Meeting was called to order by Church Chair Tony Gingrich at 6:36pm.

- A motion was made to approve the minutes from the 2018-2019 Annual Meeting by Lee Faulkner. Second by Aaron Lundberg. No discussion. Motion was approved unanimously.

• Elder Elections

- Derek made a presentation of the election ballot.
 - o Bill Hunter, Neil Donovan, and Dennis Wagers are being nominated on the ballot to join the Elders team as new lay Elders.
- David Snell is on the ballot as the Treasurer for one year term.
- Nate Burt was added to the Ballot during the meeting. Nate was on the info in the Annual Celebration but not on the Ballot. Members were asked to add Nate's name on the ballot as well. Nate has already served a two-year term and is up for re-election as a Lay Elder.
- Pastor Derek called for a written ballot vote and asked for the motion to approve these two names on the ballot for office. The motion to approve the names on the ballot for the offices was made by The Elders. Second by Dick Page. No discussion. Motion was approved unanimously.

• Pastoral Licensing

- Pastor Derek discussed the process and reasoning for Pastoral Licensing. Scott Michel was recommended for pastoral licensing. Scott currently serves as Site Pastor for McKean he also leads the Site Pastor Team. Pastor Derek noted that Scott is already a pastor in many ways and this licensing was to formalize his role. The staff, and church then prayed over Scott and his family.
- Pastor Derek called for a motion that Grace Church license Scott Michel as a minister of the gospel, upon unanimous recommendation of the Elders. This vote was done on the Ballot card. The motion was made by The Elders. A second was made by Amanda Fiske. No discussion. All in favor. None opposed. The motion carried.

- The votes were tabulated, and All were affirmed into their two-year term. Scott received his License certificate.

- **Financial Report**

- Staff Lead Aaron Lundberg recognized the members of the Finance Team and thanked them for their hard work and dedication this past ministry year. He also thanked David Snell for his serves as Treasurer.

Giving

Ministries/Operations	\$2,555,254
Transform	\$803,153
Missions	\$144,580
Debt Reduction	\$30,456
Benevolent	\$107,610
Giving Total	\$3,641,053

Total Operating Revenue \$3,024,875 \$31,937 better than plan

Total Operating Expense

Personnel	1,321,994
Mortgage Fund	324,000
Operations	238,373
Ministries	542,542
Missions	261,867
Café & Rentals	18,034
Fixed Asset Transfer	<u>253,500</u>
Total	\$2,960,310
Net Income	\$55,578

Transform Project Expense

\$1,397,882

Total Debt Balance Potential: **\$4,500,000**
 Total Reserves **\$306,160**

- Aaron opened the floor to questions:
 - o JT Salmon asked the Question: What is the duration of the Loan for Harborcreek Loan? Aaron responded: The loan is for 15 years but there will be no penalty if the loan is paid off sooner.
 - o No Further question were asked.
- New Church Chair Tom Hesch asked for a motion to close the business portion of the meeting. A motion to close was made by Jered Gossage. Second by Jess Wurst. closed the meeting at 6:35.
- All in favor. The motion to close the business portion of the meeting passed.
- The meeting adjourned at 7:04 PM

2020-2021 BALLOT

Motion - that the church approves the names on the ballot for election to office.

Treasurer:

2 * T.J. Hesch

Elders:

2 * Tom Hesch (Elder Chairman)

2 * Doug Nelson

2 * Skip Papa

1 Nate Burt

1 Neil Donovan

1 * Bill Hunter (Church Chairman)

1 Dennis Wagers

Staff Appointed Elders:

1 Bernie Farabaugh

1 Aaron Lundberg

1 Jim Scarpitti

Legend

* On the ballot for a vote | 1 One-year term. | 2 Two-year term

Bio of TJ Hesch: Treasurer

“Born and raised in Erie, Pa, TJ is a lifelong resident of Erie. He and his wife Emily, their two kids Cece (5) and George (3), and their two dogs Archie & Winston currently reside in Harborcreek. TJ & Emily began attending Grace Church 9 years ago, and have called it home since. While at Grace, TJ has served on the guest experience team, and is an active budget coach. TJ and Emily have also been in and led a Life Group for 6 years. Lastly, TJ is a current member of the Grace Church finance committee. TJ is the Vice President/Controller for Marquette Savings Bank, a \$1 billion locally headquartered bank where he helps oversee the accounting operations of the bank. He has been there for 11 years and started as a Staff Accountant. TJ enjoys working in the community and has been on various boards and committees, including United Way’s Young Leaders Society Steering Committee and holding the Northwest Tri-County Intermediate Unit board treasurer position. During his spare time, he enjoys any kind of family time! He also enjoys working on his 1967 Chevy C10 truck and attempting to golf.”

2019-2020 FINANCIAL REPORT

GIVING

Ministries/Operations	\$2,795,213
Transform	\$491,769
Missions	\$257,923
Debt Reduction	\$25,433
Benevolent	\$89,281
Giving Total	\$3,659,619

GENERAL FUND

Giving Distribution	1074 Giving Unit % of all Giving Units
\$1 – 499	26.16%
\$500 – 999	24.67%
\$1,000 – 4,999	32.5%
\$5,000 – 9,999	10.8%
\$10,000+	5.87%

Average Giving per Giving Unit: \$2,609.26

TOTAL

Giving Distribution	1265 Giving Units % of all Giving Units
\$1 – 499	31.46%
\$500 – 999	21.58%
\$1,000 – 4,999	29.33%
\$5,000 – 9,999	10.51%
\$10,000+	7.11%

Average Giving per Giving Unit: \$2,831.61

TOTAL OPERATING REVENUE \$2,837,559

\$14,194 better than plan

TOTAL OPERATING EXPENSE

Personnel	\$1,454,938 (includes \$279,330 PPP)
Mortgage Fund	\$298,500
Operations	\$228,999
Ministries	\$445,839
Missions	\$207,112
Café & Rentals	\$11,184
Fixed Asset Transfer	\$144,000
Total	\$2,790,572

2019-2020 OPERATING SUMMARY

Total Operating Revenue	\$2,837,559
Total Operating Expense	<u>\$2,790,572</u>
Net Income	\$46,987

TRANSFORM PROJECT EXPENSE

\$1,711,691

Total Debt Balance \$4,196,843

Total Reserves \$585,046

*If you would like to see greater budget detail or have questions, please contact
Aaron Lundberg (814.480.0189 or aaron@whoisgrace.com)*

2020-2021 OPERATING BUDGET

REVENUE

Ministries/Ops Giving	\$2,326,500
Other	\$40,465
Cash Flow	<u>\$313,100</u>
Total	\$2,680,065

EXPENSE

Personnel	\$1,414,755
Mortgage Fund	\$432,000
Ministries	\$492,822
Operations	\$247,103
Cafe & Rentals	\$9,425
Fixed Asset Transfer	<u>\$84,000</u>
Total	\$2,680,105

2020-2021 OPERATING BUDGET SUMMARY

Total Revenue	\$2,680,065
Total Expense	<u>\$2,680,105</u>
Deficit	(\$40)

ASSET BUDGET BALANCES

\$350,050 – includes Repair, Maintenance, Construction, Renovations & Equipment

If you would like to see greater budget detail or have questions, please contact Aaron Lundberg (814.480.0189 or aaron@whoisgrace.com).

2019-2020 SITE PASTOR UPDATES

Pastor John Tiernan – Grace Harborcreek

This was a big year for Grace Harborcreek because we opened our new building in February which includes a new Worship Center, Atrium, Café and classroom for CORE. It was incredible to see dozens of volunteers step up to help prepare the new building, reset the Family Wing to better accommodate GraceKids, and to host two fantastic events leading up to our Grand Re-Opening. On February 2nd, our first official Sunday, we welcomed over 750 adults and children! And we averaged over 600 people in attendance for the following 4 weeks. As disappointing as it was to stop having services due to Covid, I am so glad that so many people got connected to Grace before March so they could stay engaged with our online services over the last 5 months. It has been a joy to welcome people back to church over the past two months who attended Grace Harborcreek for the first time in February and have stayed engaged the whole time.

When I think about God transforming lives at Grace Harborcreek, here are a few who come to mind: Jonathan started attending regularly last Fall after losing his father. His faith in the Lord has grown so much since then as he has learned to rely on Jesus more and more through the grieving process. He volunteered countless hours to prepare the new building and is now our key sanitizer on Sunday mornings to make our space as safe possible for people to gather for worship. Stephanie joined a virtual Life Group in the Spring and has made finding her chair a consistent priority over the past few months. Through this challenging season, she is closer to God now than she's ever been before. Since coming to Grace, John & Debbie have felt called by God to minister to their neighbors. They been intentional to introduce themselves, invite neighbors over for dinner, coordinate neighborhood parties and start a group message with over 20 of their neighbors. Even through the difficulties of this past year, God continues to reach and change people with His love and grace! I am so grateful to worship and serve alongside our amazing church family at Grace Harborcreek.

Pastor Scott Michel – Grace McKean

Writing the reflection for this past year at McKean has been a good exercise. It has brought to the forefront of the mind the reminder that God is still God, that we are not to be wise in our own eyes and as it says in Proverbs 3:5-6 "Trust in the Lord with all your heart, and do not lean on your own understanding. In all your ways acknowledge him, and he will make straight your paths." While I must say reflecting on this year started out as a challenge given the reality in which we are entrenched, it was helpful to look past the circumstances and be reminded in the ways God has been moving this past year.

There are plenty of stories of people God brought to McKean in the last year for specific purposes. People like Sara Macosko who went from attending for a while to stepping into a leadership role and galvanizing a group of volunteers to serve with such vibrancy at our Next Steps desk. A young lady by the name of Kaelin O'Leary who through conversation realized that God was setting her up to become part of our Life Group team on the site level. It's been so encouraging to see how God has positioned her to use her past church experiences to strengthen our ability to connect those unconnected at Grace McKean. We've also seen the beginnings of a movement within the men that call McKean home. Coming off our men's Awakening event, which saw over 100 men in attendance, over 50 men have engaged in men's life groups. To say that I'm very excited to see where our church family will be as a result of this groundwork being done is an understatement. Strangely enough, though, covid-19 is what this reflection will end on.

These last 7 months have shown me that our church rises when called upon. That for the stories of some disengaging or leaving, there are far greater that have become emblazoned in their faith walk. Members of McKean reaching out to those around them, being the hands and feet of Jesus, taking care of one another, gathering in homes and moving the church outside these four walls. We have seen the resiliency of the body of Christ in full effect and I for one am anticipating so many more stories that have yet to be told; stories of renewal and redemption, stories of triumph, stories that reflect the heartbeat of Grace Church...to be the disciples God has called us to be.

NEW MEMBERS

Amy Barrett
Douglas Buettner
Stacey Buettner
Anita Bush
Alla Denisyuk
Carl Eby
Carol Eby
Steve Elliott
Danae Ervasti
Mikael Ervasti
Megan Glassman
Ron Glassman
Nancy Gorman
Jaclyn Grubbs
Justin Grubbs
Janet Hull
Jalonna Krueger
Pamela Lasher
Sally Lundgren
Jeffrey Miller
Mary Miller
Joe Mott
Tammy Mott
Kelly Mozdy
Kristie Rick
Christopher Wagler
Melissa Windoft

MEMBERS REMOVED

All members have been removed at their request:

Michael Kuvshinikov
Diane Kuvshinikov
Don Sweatman
Debbie Sweatman
Jeff Wolford
Jackie Wolford
Loren Little
Becky Little

**Please contact us if we have accidentally omitted or added your name. We sincerely apologize for any oversight!
Jeannine@whoisgrace.com | 814.427.8413*

PASTORAL LICENSING

Motion: That Grace Church License Sarah Burtt as a minister of the gospel, upon unanimous recommendation of the Elders.

This Year Grace had the privilege to license *Sarah Burtt* as a minister of the gospel. Sarah is on the Central Preaching Team. A Ministerial license is a form of temporary certification by the local church. We license un-ordained pastors so they can perform all the responsibilities of their office while they are considering the process of ordination. A number of our Pastors have been licensed through Grace, including Pastor Derek, John, Scott, Jim, etc. A licensed minister of the Gospel receives all the governmental privileges and legal rights of an ordained minister.

The steps in the process of Pastoral licensing are:

1. The candidate makes his/her desire for licensure know to the Elder Board
2. The Elders interview the candidate to determine his/her eligibility for licensing.
3. Upon favorable recommendation of the Elders-the candidate is presented to the church body for a vote of approval.
4. Upon an affirmative vote of the church, a license to preach the Gospel is granted to the candidate.

We have already completed Steps 1-3 of this process and the Elders are bringing a unanimous recommendation to the church body for a vote.

A word from Sarah:

I have been crucified with Christ and I no longer live, but Christ lives in me. The life I now live in the body, I live by faith in the Son of God, who loved me and gave himself for me.

God gave me His word from Galatians 2:20 when I was 17 on my first mission trip. At that time my biggest life challenge was deciding where I would play volleyball in college. But that verse, and a night on my knees, left me certain that my whole self, my whole life, from that day forward, was to be lived in and through Christ. I know the story of my life is woven into the big story God is writing, and in truth lies my confidence to walk with Him into my next step, His next chapter. I believe God has used the ministers and ministries of Grace church to strengthen my faith, and that He has called me to minister through preaching, writing, teaching, and discipling. I am passionate about the Word of God- early mornings alone in my chair are precious to me. I love to be outside- hiking, camping, exploring- just soaking up the majesty of His creative power. My husband Nate- cheerful, joyful, extroverted, fun- keeps me from becoming too serious and boring. My kids- Madelyn (7) and Lincoln (5)- keep me active and humble. I love them. I love the church. I'm honored and humbled to be considered a pastor. And while I may never be wise enough or good enough, my life is in the hands of the One who is always enough. Praise God that His power is made perfect in our weakness! Praise God that His gifts are given in the power of His Spirit!

From Stephen Hay:

I was adopted into a Christian family and at the age of eight, God captured my heart and moved me under His grace. Throughout my teenage years, however, I spent time as a prodigal wrestling through identity and acceptance issues. It wasn't until I turned 19 did the Holy Spirit convict me in such a way that I had no other choice than to confess and turn from my sin, fully handing my life over to His lead. From there I was catapulted into full-time ministry, and through connections I had to the United States, arrived at Wilson First Baptist Church, to assume the role as their Youth Pastor in 2008. In December 2009, the Lead Pastor at Wilson FBC resigned due to significant health issues, which led me into that Position in January 2010 until April 2020. During that season, I learned about church growth/health and what it looks like to shepherd a body of believers Biblically. God was also gracious in those 12 years by blessing me with a wife (Nicole) and three kids, Alex (foster son), Marlo (3) and Soren (1). After discerning a call from Wilson in 2019, we were sad to leave our beloved community during a Pandemic but are glad and expectant as we join the body Christ here at Grace. As a family our motto is, "We are blessed to be a blessing," and we're believing that God will use us in way in Erie.