



2018-2019 ANNUAL REPORT

Annual Meeting and Celebration

September 22, 2019 | 6:30pm

Hosted at Grace Harborcreek | 2420 Cumberland Rd.

LEAD PASTOR LETTER

Dear Grace Church Family,

It's been an interesting and eventful year at Grace. We've had some highs and some lows. We've seen some new leaders come to the table and are preparing for some beloved friends like Pastor Mike and Pastor Dick to retire from our staff. We've had some progress on our vision and some setbacks. Such is life and ministry.

Let me focus on the positives for a moment. We've experienced some amazing records at Christmas at the Warner and Sunday in the Park and experienced some wonderful salvations and baptisms this year. We have two breathtaking buildings going up with our expansion at Grace Harborcreek and our new leadership center at 7th and Holland. God is so faithful!

We've also shared some teaching series together that I think have made a kingdom impact. Some of my favorites have been the Problem of God, and The Art of Neighboring, Bible Hacks, and Encounters. And, we've experienced an amazing move of God and spiritual shift during Revival Month(s) this summer. The stories of God's healing and presence have been faith-expanding! Personally, I also had a chance to put the finishing touches on a book that I've been working on for a couple of years which I'm really excited about. Our staff and volunteer leadership culture continues to grow and take shape, and we had a great addition this year with Team Night! A gathering to help fuel the mission and ministries of our volunteers.

And so, we arrive at the one night each year where we pause, take a deep breath, reflect on where we stand as a church, and bask in the faithfulness of God. I want to invite you... no URGE you, to attend this year's annual celebration. We will be gathering for the event at Grace Harborcreek in the new facility space (unfinished). We will worship and pray, we will celebrate new members, and we will share some critical information about the trajectory of our church. We take this night very seriously and I hope you will too – make it a can't-miss event on your calendar!

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

A handwritten signature in black ink, appearing to read "Derek", written in a cursive style.

Pastor Derek

2018-2019 ANNUAL MEETING AGENDA

September 22, 2019

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

Convening of Meeting: Tony Gingrich

Minutes of Previous Meeting: Tony Gingrich

MOTION: That the church approve the minutes from the 2017-2018 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 of Scott Michel – Pastor Derek Sanford

MOTION: That Grace Church License Scott Michel as a minister of the gospel, upon unanimous recommendation of the Elders. (page 11)

Financial Report and 2018-19 Budget: Aaron Lundberg

Closing of Meeting: Tom Hesch

2017-2018 MINUTES

MOTION: That the church approve the minutes from the 2017-2018 Annual Meeting.

Annual Celebration 2017-2018 Minutes | September 30, 2018

A recognition of new members preceded the opening of the business portion of the meeting. Mike Watson prayed for the meeting.

- The meeting opened at 5:37PM by Tony Gingrich.
- A motion was made to approve the minutes from the 2016-2017 Annual Meeting by Paul Mirone. Second by Lee Faulkner. No discussion. Motion was approved unanimously.

- **Elder Elections**

- Derek made a presentation of the elections ballot.
 - Tom Hesch, Skip Papa, and Doug Nelson are being nominated on the ballot to join the Elders team as new lay Elders.
- David Snell is on the ballot as the Treasurer.
- The motion to approve the names on the ballot for the offices was made by The Elders. Second by Bill Foglebock. No discussion. Motion was approved unanimously.
- After the ballot count, all names listed on the ballot were approved as members of the Elders.

- **Financial Report**

- Attendance
- 1680 average across all locations
- Christmas at the Warner-Almost 5000 people attended
- Aaron Lundberg shared the financial report for 2016-2017.
 - GIVING
 - Ministries/Operations: \$2,444,859
 - The Forward Project/Transform: \$503,540
 - Total Giving: \$3,141,794

- OPERATING SUMMARY '17-'18
 - Revenue: \$2,620,421
 - Expense: \$2,406,665
 - Net Income: \$213,756
- Aaron gave an overview of the proposed 2018-2019 budget.
 - 2018-19 OPERATING BUDGET
 - REVENUE: \$2,592,393
 - EXPENSE: \$2,722,358
 - Surplus: \$129,965
 - Fixed Asset Reserve: \$50,372
 - Operating Reserve: \$160,000
 - Special Purpose Reserve: \$75,280
 - Transform Balance: \$660,419
 - Debt Reduction Balance: \$39,338
- Aaron opened the floor to questions:
 - No questions asked.
- A motion to close the business portion of the meeting was made by Aaron Lundberg.
 - Second by Sarah Weismer.
 - No discussion.
 - All in favor. The motion to close the business portion of the meeting passed.
- The meeting adjourned at 6:10 PM

2019-2020 BALLOT

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

Treasurer:

1* David Snell

Elders:

2* Nate Burt

2* Neil Donovan

Neil has been married to his best friend, Heather, for 35 years. They have two kind and generous, adult children, Libby and David. Libby and Phil brought them their first grandchild, Charlie, four months ago. Neil committed his life to the Lord at age 40 and has been attending Grace for six wonderful years. His spiritual gifts are teaching and encouragement. Neil has been active in Life Group ministry, ServErie and occasionally creating Christian sculpture for Grace Church. After a career as public-school teacher and administrator, Neil now works part time for the PA Dept. of Education and creates furniture and sculpture in his studio at his home.

1 Tom Hesch (Church Chairman)

2* Bill Hunter

Bill Hunter is a professor of American and African American Literature at Edinboro University. He lives in Edinboro with his wife Debbie; they have 3 children, Seth (25), Noah (21), and Emma (19). He has been a member of Grace for 20 years and has served as an Elder and the teaching and worship ministries.

1 Doug Nelson (Elder Chairman)

1 Skip Papa

2* Dennis Wagers

Dennis has been married to Elaine, his high school sweetheart, for 36 years. They have 7 boys ranging in age from 31 to 16...Joshua Adam, Nicholas Andrew, Richard Aaron, Jonathan Abram, Noah Ayden, David August, and Kaelen Amos. Dennis decided to follow Jesus when he was 17 and has served Him in various roles, most recently as Life Group leader, a member of the Site Pastor team, and Service Host at Grace.

Staff Appointed Elders:

1 Bernie Farabaugh

1 Aaron Lundberg

1 Jim Scarpitti

Legend

* On the ballot for a vote

Lay Elder - appointed to a 7th year

1 One-year term

2 Two-year term

**Bios are provided for those new to the team.*

2018-2019 FINANCIAL REPORT

Giving

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

General Fund

| Giving Distribution | 1091 Givers % of all Givers |
|----------------------------|--|
| \$1 - 499 | 38% |
| \$500 - 999 | 17% |
| \$1,000 - 4,999 | 30% |
| \$5,000 - 9,999 | 10% |
| \$10,000+ | 4% |

Average Giving per Household: \$2,264

Total

| Giving Distribution | 1216 Givers % of all Givers |
|----------------------------|--|
| \$1 - 499 | 39% |
| \$500 - 999 | 14% |
| \$1,000 - 4,999 | 30% |
| \$5,000 - 9,999 | 10% |
| \$10,000 + | 6% |

Average Giving per Household: \$2,766

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 |

Transform Project Expense

\$1,397,882

Net Income \$55,578

Total Debt Balance Potential: \$4,500,000

Total Reserves \$306,160

If you would like to see greater budget detail or have questions, please contact Aaron Lundberg (814.790.4973 x249 or aaron@whoisgrace.com).

2019-2020 OPERATING BUDGET

REVENUE

| | |
|-----------------------|--------------------|
| Ministries/Ops Giving | \$2,764,740 |
| Other | 59,624 |
| Cash Flow | 55,578 |
| Total | \$2,879,942 |

EXPENSE

| | |
|----------------------|--------------------|
| Personnel | 1,459,839 |
| Mortgage Fund | 371,500 |
| Ministries | 623,111 |
| Operations | 260,234 |
| Cafe & Rentals | 18,065 |
| Fixed Asset Transfer | 144,000 |
| Total | \$2,876,749 |

SURPLUS \$2,693

ASSET BUDGET BALANCES

\$185,827 – includes Repair, Maintenance, Construction, Renovations & Equipment

If you would like to see greater budget detail or have questions, please contact Aaron Lundberg (814.790.4973 x249 or aaron@whoisgrace.com).

2018-2019 SITE PASTOR UPDATES

Pastor Malcolm Beall – Grace Girard

As we celebrate five years of ministry in Grace Girard, we celebrate over 75 baptisms and over 50 salvations/rededications! We praise God for the work He continues to do within the individuals at our site and, within our community. In this past year, God has truly transformed individuals who have helped transform the various communities represented by attendees at Grace Girard. When I think of the many ways God has used individuals at Grace Girard, I think of the family that has felt compelled to continually invite their neighborhood over for movie night in the summer; the vast majority of which do not go to church. I think about the life group that has rallied around a family who experienced an early birth at 28 weeks, and another life group that has come around a family who experienced a miscarriage. It has been encouraging to see the spiritual development and discipleship of individuals in our congregation, as they mature in their relationship with Christ.

Pastor John Tiernan – Grace Harborcreek

I am so grateful for the many people God has led to be part of Grace Harborcreek. We have people attending from Harborcreek, North East, Erie City, Wesleyville, Lawrence Park, Millcreek, Wattsburg, Waterford and even Ripley, NY. And the hundreds of people who attended our Fall Fest and Egg Hunt outreach events represent all those communities as well. God has given us a wide reach – and we never get tired of seeing people meet Jesus and take steps to grow in their faith. We broke ground on the new worship center and parking lot in April and we are all so excited to invite more friends, family members, neighbors and coworkers to experience Jesus in that space. There is a dedicated team of volunteers meeting to decide how to renovate our current building to accommodate GraceKids, CORE classes and office space.

Here are a few snapshots of what God is doing in and through the lives of people at Grace Harborcreek: Sebastian was invited and started coming to Grace during his junior year of high school. He gave his life to Christ and began serving on Sunday mornings and at the Exchange, going out of his way to make new people feel welcome like he had been. Sebastian graduated in June and it was such a joy to baptize him days before he left for the Army. Brittany was a follower of Jesus when she came to Grace, but seeing how the Holy Spirit has grown her faith and is using her to impact others is amazing. The encouraging relationships she has built with her Life Group, ministry teammates and others in the church have been catalysts for her growth. Her growing passion for Christ shines through as she sings on the Worship Team. She feels called to start leading a Life Group this year so that she can pour into others the way she has been poured into by her leaders. Jeff & Victoria's first step at Grace was coming to Sunday in the Park in June. They rededicated themselves to Christ and were baptized that day! And they have been coming to Grace Harborcreek ever since. Week by week, they are growing in their trust in the Lord and feeling loved as more people get to know them. I thank God for the lives he is transforming - and for the devoted leaders and volunteers he is using to be part of it!

Pastor Scott Michel – Grace McKean

I feel it is most appropriate to start off by acknowledging both Pastor John and Pastor Brian for the time, effort, and investment they each made in mentoring me. Thank you just isn't enough to capture how I feel about these two men of God. It is because of their commitment to Christ that the transition was as smooth as it was.

It is a bit surreal to be a year into this role already. What I have quickly come to learn is that the heartbeat of our church rests in the countless number of the AMAZING volunteers that call Grace McKean their church home. This was put on full display during our Fall Fest event this past September as well as our Easter Egg Hunt in which we served over 500 pancake breakfasts, many of whom did not call Grace McKean home. We also tried something new and took the neighboring idea from the fall sermon series and put it into the hands and homes of our congregation. Dubbed "Friendsgiving," the idea was to invite neighbors and friends into our homes for a meal, share some stories, and be that presence of Christ that we are each called to be to the world around us. The relational equity has been laid and we are eager to see how God wants to build on that this coming year.

No reflection is complete without a snapshot of God at work, especially when it involves the heart of someone who doesn't believe in God at all. After a couple of years of laying the groundwork relationally and God's timing, an opportunity to share the gospel was presented to one of our congregant's neighbors, who just happened to be on his 3-3-3 card. The result...His neighbor coming to Christ and signing up to get baptized, which then resulted in a spontaneous decision by his neighbor's wife to get baptized as well....and they have been faithfully attending ever since! May we never lose the awe and wonder of how truly great our God is!!!

NEW MEMBERS

Alex Scott
Amanda Burnett
Amy Dunn
Andrew Davies
Andrina Walters
Becky Davies
Catherine Pugliese
Christine VanHook
Cleve Wright
Cora Layhue
Danielle Taft
David Miles
David Donahue
Diane Wright
Dustin VanHook
Faith Lux
Felicia Fried
Gene Smith
Gerard Niebauer
Giordano Tartaglione
Harry Fried
Jacquelyn Beardsley

Jessica Donahue
John Lutz
Jonathan Beardsley
Josh Layhue
Karen Burlingame
Katelyn Reisenauer
Kelly Lester
Kelly Chew
Kristen Miles
Linda Broach
Michael Burlingame
Nicholas Haller
Patricia Smith
Patty Chapman
Richard Palmer
Robert Burnett
Ruth Addis
Sarah Moser
Sharen Niebauer
Stacey Hammer
Stephanie Mathews
Susan Rockwell

MEMBERS REMOVED

Mike Drayer
Rachel Hillen
Tiffany Hills
Eric Hills
Molly Black
Scott Landis
Juleann Landis
Dave Bennett
Patty Bennett
Jennifer Coyne
Jon Coyne
Ryan Cragle
Jeanne Krueger
Keith Krueger
Daniel Mingoy
Lindsey Mingoy
John Pavkov
Kathy Pavkov
Larry Shallenberger
Nikki Drayer

**Please contact us if we have accidentally omitted or added your name. We sincerely apologize for any oversight!
Jeannine@whoisgrace.com | 814.790.4973 x226*

2018-2019 BY THE NUMBERS:

523 people raised their hand to take a Next Step with Jesus

156 people were baptized

1071 people are serving at Grace!

SCOTT MICHEL LICENSING

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

This Year Grace had the privilege to license Scott Michel as a minister of the gospel. Scott is the Site Pastor of Grace McKean. 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 and Malcolm. 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 desire for licensure know to the Elder Board
2. The Elders interview the candidate to determine his eligibility for licensing.
3. Upon favorable recommendation of the Elders-the candidate is presented to the church body for a vote of approval.
4. 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 Scott:

“Lord, I want you to do something in me and through me that will unmistakably point to YOU and not me, Amen.” This was my prayer two years ago, right here in the atrium at Grace McKean during a GLS. Never did it cross my mind that it would result in such a moment as this.

It’s funny isn’t it... when you look back on the tapestry of your life how easy it is to see God’s hand, the common thread of His redemptive story weave throughout, and yet are unable to see it while you are currently in it. I just was unaware of how He was drawing me to Him, preparing me, cultivating me in the wilderness of life.

For the first three decades of life, I checked the box as a good Catholic boy should. Sunday was really the only day, well... only hour, that I really looked different. My wake up call came through a loss of a grandfather to pancreatic cancer, and a younger brother who, filled with God’s grace and mercy, led me to the Lord. That decision set off a chain reaction inside and truly have never been the same since.

I left my job as Director of Medical services for a small college in Kalamazoo, MI, went back to school to get my doctorate and took a visiting instructor gig at another small college. If I had it my way, I probably would still be in Kalamazoo. To be honest, though, the lure of staying obedient to God, even in the most difficult stretches when Heather (my wife) got sick five years ago, and trusting Him with every ounce of my being, has resulted in why I stand before you today.

We moved to Erie five years ago this August for an Asst Professor in Sports medicine gig at Mercyhurst University and to be closer to family. We first came to Grace that fall after an invitation from Bob Deppen, who I had met as part of my MU responsibilities. We landed in Fairview and called Grace Girard our home. Got plugged into a Life Group. Began serving. We both really felt God drawing us closer to Him in the midst of so much struggle. Those were formative times. And then in March of 2018, during Heather’s chair time, God whispered to her that I was going to be asked to consider the Site Pastor role...an ask that came two days later at a lunch with Pastor Derek.

It doesn’t make sense in my eyes, why He would choose me. A knucklehead in so many ways.... just ask my girls (Maelyn is our 5th grader and Maya is our 3rd grader). I love them with all my being and want nothing more than to be that example of the redemptive power of Jesus in their lives...of what it looks like to live a life dedicated to abiding in Him, all the while doing things that unmistakably point to Him and not me.