



2010-2011
ANNUAL REPORT

Annual Meeting
September 25, 2011
6:00pm

2010-2011

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ANNUAL MEETING AGENDA

September 25, 2011 | 6:00pm

Welcome and Opening Prayer	Derek Sanford
Time of Worship and Prayer	
Convening of Business Meeting	Matt Warner
<i>MOTION: That the church approve the agenda for the annual meeting as printed (page 2).</i>	
Minutes of Previous Meetings	Matt Warner
<i>MOTION: Approve the minutes from the 2010 Annual Meeting and the August 2, 2011 All-Church Meeting (page 4-5).</i>	
Life Story	
Presentation of Elections Ballot/Vote	Derek Sanford
<i>MOTION: That the individuals on the ballot be elected to serve in the stated roles (page 6).</i>	
Membership Deletions	Matt Warner
<i>MOTION: That the church remove the names included in this annual report from church membership (page 6).</i>	
Video	
Life Story	Damon Peterson
Financial Report—Fiscal Year 2009-2010	Bernie Farabaugh
Presentation of the 2011-2012 Budget/Vote	
<i>MOTION: That the church approve the 2011-2012 Church Budget (page 10).</i>	
Our Time	Derek Sanford
Time of Worship	
Closing Remarks	Derek Sanford
Adjourning	Bill Fogleboch

2010-2011

SENIOR PASTOR'S LETTER

I love Grace Church. It is a great privilege to write this introduction to the 2010-11 Annual Report. Even though I'm in my 16th year on staff at Grace, this was my first year as Senior Pastor. It felt like a whole new beginning! This year our church accomplished one of the healthiest Senior Pastor transitions that I'm aware of anywhere in the country. Whenever I've talked about our transition with other Pastors they stand astounded at what God did here. I'm so grateful for the humility and foresight of Pastor Al and the graciousness of our congregation during this season of transition. It has been fun watching Al thrive in his new role in the area of Care and Support and as the Campus Pastor of the 9:15 Commons service. And I am absolutely loving my new assignment.

I am also very proud of our church as we launched a second location this year in Harborcreek. It would have been easy for us to sit back and coast in our new comfy facility on Grubb Road. Instead we chose to risk and sacrifice and pull together in order to reach more people with the gospel. It has been so encouraging to watch Grace Harborcreek begin to thrive during these 6 months since our launch.

It has also become evident to me that we are a young church – both in age and in faith. This comes with great benefits and also some challenges, including the need for ongoing discipleship and biblical training for those who are new to Christianity. We must renew our focus on discipleship going forward. As always, we will continue to commit ourselves to the mission of making more fully committed followers of Jesus and being better fully committed followers of Jesus.

So we pause for this annual celebration and we mark the day. We look back at the past year to reflect and celebrate and learn. And we also look ahead with great anticipation. As we chase God's future for our church, it will be with a spirit of excitement and adventure. A willingness to ask "what's next, God?" followed by "here am I, send me." I can't wait to write the next chapter with you.

In His grace,

Pastor Derek Sanford
Senior Pastor

STATS AT-A-GLANCE:

510 people volunteered during 4 ServErie Saturdays

509 Active Volunteers

43 BAPTISMS

146 people went to 2nd Date and 72 participated in VolunTour

168 individuals (parents and children) engaged in one of the family ministry milestones or Family Tool Box events.

There are 41 Small Groups and 9 Mid-size Groups, involving over 400 people

Financial Peace University helped 40 people get control of their money, reduce debt, save and improve their relationships!

Benevolence: More than 35 families received tangible help & hope in the midst of financial & personal struggle. Grace met a variety of basic needs ranging from gas & food to utility, housing & car payments. Each situation was carefully reviewed to ensure good stewardship of the funds entrusted to this ministry.

Over the past year, 75 teen and adult volunteers have poured into the lives of children, teaching them to know, love and serve Jesus.

Approximately 325 kids actively participate in GraceKids!

Over 1200 needy families were provided with a complete Thanksgiving dinner and meals were served at two inner-city housing facilities.

Grace teams worked every day for a week on the House That Love Built-Habitat For Humanity

Over 13,000 shoeboxes packed at Grace Church for Operation Christmas Child

Grace Church delivered and partially installed an x-ray machine at the Bethesda Medical Center and Dental Clinic in Cap Haitian Haiti.

whoisgrace.com had 15,816 UNIQUE visitors this year!

GRACE EXISTS TO
MAKE AND BE
FULLY COMMITTED FOLLOWERS
OF **JESUS CHRIST**

Connection rate: **27%**
(Status changed to attendee)

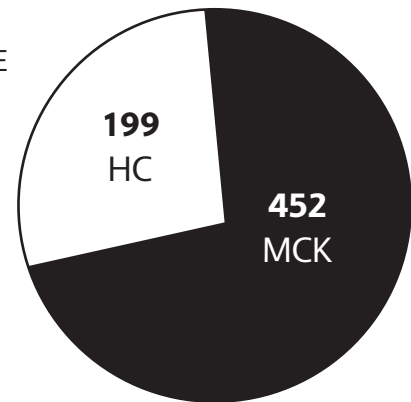
"Only 10% of first time visitors end up becoming regular attendees."

- Outreach, Inc.

658
FIRST TIME
GUESTS

LAST YEAR,
WE HAD
472

ONLY SINCE
APRIL!



STAFF CHANGES

God has been moving on our staff in 2010-2011! We have a large group of volunteer staff who oversee many areas such as Commons worship, GraceGroups, Grace Harborcreek ministries and more! Below are the paid staff changes this year:

September 2010:

- Derek Sanford voted Senior Pastor
- Al Detter moved into Campus Pastor role in Commons and Care and Support Ministries leader
- Aaron Lundberg began leading staff and ministry development under new "flat" staff restructure.
- Larry Shallenberger moved into a role of equipping parents and writing curriculum and sermon studies
- Jess Burkell joined our staff to lead GraceKids
- Tim Hull joined staff to lead campus and retail operations

January 2011

- Mike Watson officially moved into the role of Campus Pastor at Grace Harborcreek
- Dustin Clark joined staff as part-time Worship Director at Grace Harborcreek

April 2011

- Kristin Hesch transitioned from interim to full time Youth Director

June 2011

- Tim Hull transitioned to Tech Director, as we said goodbye to AJ McGlynn who went on to pursue a ministry opportunity in Texas
- Diane Wright assumed a piece of Tim's former role with retail services in addition to leading the Guest Experience Team, Office Team and EQUIP
- Mindy Marshall assumed the other piece of Tim's former role with building and grounds operations

LIFE CHANGE

Every experience I have at Grace touches my heart and makes me want to come back for more. This church and the people involved at Grace changed my life for the better...and for good!!

MEGHAN

Grace has been the church family I didn't know I could have, didn't believe existed. It has been a place that challenges me to grow and improve, while accepting and loving, wholeheartedly, the person that I am, faults and all.

CHRISTINA

"GraceYouth is an amazing, safe place to experience God." - Chloe

"FPU gave me the tools to deal with my debt and to see a good future. I know I'll get there and it will be tough. But I can see the other side."

"ServErie is a great opportunity to give others by grace what by grace has been received from God. It's a great opportunity to serve others, be aware of other people's needs and see how great it is when the body of Christ gets together with the purpose of serving others. It's one thing to say to a person "God loves you" but it has so much more impact when we can say "the sole purpose of us being here to assist you and help you, it's because God loves you and gives us the privilege of loving you as well". -Omar

"Thank you for making us feel so welcomed. I also enjoyed the CD. The sermon was helpful; in many ways. Perfect timing! Funny how these things work out. I really enjoy this church. My husband and I are planning on attending again this Sunday. Thank you for reaching out to us." - Nicole (From monthly mailing)

"Grace Harborcreek has changed my life in so many positive ways by providing my family and I a place to come and worship God where we feel welcomed and important. Before attending, I was on a path of self-destruction and I am proud to say that through my "Family" at Grace I am now a Christian and living my life for God." -Heather

"The smiles, the welcoming voice, the openness and the support from the members of the Grace Harborcreek Community awakened me to the blessings within my life. The outpouring of grace from the people there is amazing." -Joe

"Grace Harborcreek has given me a sense that it's my home! I never felt like that about any church before. Also by reinforcing how important it is to cultivate a RELATIONSHIP with Jesus Christ, my life will never be the same." -Tiffany

"Thank you again for taking the time to meet with me today, and for pointing me in the direction of some helpful offerings at GRACE. Thank you for all the tremendous resources! The challenge for me will be choosing where to begin! I will carefully look over all the options you sent, and make some decisions. Please stay connected with me. Just knowing someone is out there to provide a little direction and support as I keep my eyes and ears open to what my path is, is very helpful." - Cynthia

"Most of the time people assume that members of small groups go to the leader of that group for advice and support. However, it is equally, if not more important, for the leader to receive that very same love and support from their group. As a leader, I can certainly attest to that.

This past year has been a very tough one for me, but knowing that I did not have to go it alone made all the difference for me. Small groups work!"

"Grace Harborcreek has given me back what I lost while going thru abuse. I now have a loving, caring church family that I Love Very Much!! Grace has also helped my daughter be born again and there is nothing better than being a part of that! God is soooo good!" -Lori

Two years ago, God led me to Erie to obtain a Master's Degree at Gannon University. My first weekend in town, the family I stay with suggested that I check out Grace. On my first Sunday, I attended Ignite and was immediately blown away that there were other people my age who were not only friendly, but were eager to dive into the Word and as on fire for Christ as I was. Many of the people I met that day are now my best friends. I can honestly and humbly say my life would be sadly different without Grace and Ignite. -Amy

ANNUAL MEETING MINUTES

SEPTEMBER 26, 2010

MOTION: That the church approve the minutes from the 2010 Annual Meeting.

Pastor Al greeted everyone, and opened the meeting with prayer, followed by a short time of greeting each other. Jim Ward, church chair, then convened the business meeting. A motion was made to approve the agenda for the annual meeting as printed in the Annual Report. The motion was seconded and approved with no further discussion. Jim then announced that we would be using a written ballot for voting, instead of voice.

The minutes of the 2009 meeting were reviewed and a motion was made to accept the minutes as presented and seconded – with no discussion.

Jim Ward then made a motion to accept the nepotism policy into the by-laws, as discussed from previous meeting. Motion was seconded, and approved.

Pastor Derek then came forward to explain ballots for voting on the new Trustees and Elder positions. He pointed out that bios for each candidate were included in the Annual Report. Each nominee then stood to be introduced.

The elders brought the motion, and it was seconded, and passed, to accept the ballots. Jim Ward also thanked Jim Delsandro for serving on the Elder Board for seven years.

Jim then announced the deletions to our membership. After a brief discussion in regards to how people are notified of their removal, the motion was made, seconded, and passed to approve the list.

Bernie Farabaugh was introduced to share the financial review. He stated that it was also a 'Spiritual' review, and spoke about the word 'faithful', sharing 1 Cor. 1:9. Bernie told us that the budget for '09 was only off by \$5,000...which was the equivalent of .4%! God and the people were faithful.

Jim introduced Mike Watson after a video presentation was made about the multi-site initiative, to share some additional details, and address questions. Mike announced that there would also be time set aside on Oct. 3rd and 10th, to have another question and answer time. Mike shared that \$52,500 had been raised already, in only 9 days, to support Grace Harborcreek. The first public service will be held on Easter Sunday, 2011.

The Elders brought a motion that the church approve Derek Sanford as the new Senior Pastor at Grace Church. Discussion was opened, and the following questions were asked:

1. What will Al's role be? *Care and Support, Counseling- Health and Healing, Support-type groups, 'Explore' community presence in Erie, Increased leadership role in Commons, Preaching and teaching at Grace.*
2. Will there be a change in salary? *Derek would be receiving an increase due to the increased role and responsibilities. It was noted as well that Derek is moving towards ordination and the completion of his theological degree.*

Bernie presented the '10-'11 budget. A motion was made to approve the budget as presented. Discussion was opened and the following questions were asked: How was a budget determined for the multi-site? *Based on the McKean 11:00 service.* What is happening with our missionaries ie; who keeps track of them? *Mike addressed the question, as the missionaries we support are under his job description. He reported that there are details on whoisgrace.com as well as blogs from the missionaries themselves. The mission board reviews each missionary and their situation. Bernie offered to give a breakdown of the mission budget details*

Derek presented staffing changes, as well as an announcement that Evelyn would be retiring, with a celebration forthcoming. Larry would be moving on from Children's ministry, and staff will be organized with a team approach. Derek has been the 'point' person, and that will change. There will be 6 ministry teams: Worship Experience, Discipleship, Family, Care and Support, Influence, Operations. Motion was made and seconded, to accept budget as approved. All were in favor.

Ballot results were announced approving Derek as the Senior Pastor at Grace. There were 145 votes 143-2! (The crowd went wild!)

Al gave closing remarks, including how unique the transition at Grace was compared to what many churches have to experience in receiving a new pastor. He spoke of how Moses summoned Joshua, and said..." I say to you be strong and courageous..."

J.T. Salmon, Elder Chair, closed in prayer. Jim Ward adjourned the meeting.

Recording Secretary
Kathy Herrmann

BUSINESS MEETING MINUTES

AUGUST 2, 2011

MOTION: That the church approve the minutes from the August 2, 2011 Business Meeting.

The meeting was opened with worship and prayer. There were 100+ people in attendance.

Elder Chair Matt Warner gave a brief discussion of the ordination process and presented the motion from the Elder Team, that the Church ordain Derek Sanford. After a few questions for clarity were answered, the motion was accepted, with all in favor. Ballots were passed out to each member.

Matt gave a brief overview of the Fellowship Baptist Gift, then presented the motion “that the church accept the gift from Fellowship Baptist Church, provided there is a clear title to the property, and an environmental study has been completed”.

Pastor Mike Watson came forward to share about Grace Harborcreek, and gave a brief update of the progress of the church since their opening on Easter Sunday at the Harborcreek High School. He spoke about the new people who are attending there – and reported that one young woman came to faith in Christ and will be baptized this month. Several pictures were shown of Fellowship Baptist, to give an idea of what it is like inside the church, as well as the surrounding property. Pastor Derek told us that the real question of the evening is not how will we vote – but actually - Is God in this?

Derek then gave a brief explanation of what the move might look like – should the vote be to accept the gift. He is suggesting a staggered approach to moving in – ie; immediately begin to use office space as well as open the building for youth and college ministries, and possibly Wednesday evening classes. The building could also be used for weddings, baptisms and/or funerals if needed. Derek pointed out that there is power in a “well designed building”, and that it would be wise to do some updating before opening the church for Sunday morning services. Things that need to be looked at would be the children’s ministry area – especially the stairway, and to create a check-in station. There is also a water problem on the lower level that would need immediate attention. In addition to these things - the lobby is very small, as is the parking lot. A possible source of income would be to thin the timber on the property and sell a few of the small sections of land to neighbors who have expressed interest in the past. It was also mentioned that we will have some fund raising efforts, as well as having a line of credit to use if needed.

Before opening up the floor for questions, Pastor Derek talked about the value of having discussion about this issue. He pointed out that we will find the will of God through prayer and talking about the details, as a group.

While ballots were passed out, the floor was then opened for questions and comments. Many people spoke – discussion included the following items:

- What will happen to Pastor Damon, would there be a spot for him at Grace?
- Bud Harrison spoke about there being a camp ground on this property at one time, owned by the Lindquists, and that they wanted the property to be kept as a ministry of some sort.
- Is the building being protected from vandalism? Could 4 mile creek flood the church?
- Is selling portions of the land acceptable? What about mineral rights?
- Will any of the tree removal be in the front part of the property, so that the church could be seen easier?
- Originally what was the plan with Harborcreek High School – how long did we intend to worship there? Will we continue to worship there? Do we have a contract? It was noted that a place like a school is a more “neutral” area for people who are turned off by “church”.

The Elder Chair then brought the motion to accept the gift of the property. It was decided that the actual wording of the motion needed to be changed to read “That the church accept the gift from Fellowship Baptist Church, according to the stipulations in their offer to us, provided there is a clear title to the property, and an acceptable environmental study has been completed”. The motion was accepted and seconded, with all in favor.

After all questions were satisfied, the results of the ballots were announced. There were 90 votes cast for the ordination – all were YES votes. There were 84 votes cast to accept the gift of Fellowship Baptist Church – 83 were YES, and one was NO. The meeting was adjourned.

Recording Secretary:
Kathy Herrmann

2010-2011

BALLOT & MEMBERSHIP DELETIONS

MOTION: *That the church approve the names on the ballot for election to office.*

ELDERS:

2 Bill Fogleboch* (Church Chairman*)

2 Dean Lewis*

Married for 10 years to Darcey – accepted Christ as a child. Has 2 children – Caroline 5 years old and Abigail 3. Attended and graduated from LeTourneau University in Longview TX, with graduate degrees from Rensselaer Polytechnic Institute in Troy NY. At present time he works in youth ministry and with guest experience at Grace.

2 Doug Nelson*

1 JT Salmon

2 Ryan Smith*

Ryan is married to Katrina – they have two children – Gianna who is 4 and Gunnar who is 1. Ryan has been involved in the Budget coaching ministry and Guest experience. Ryan accepted Christ as a child, however after rededicating his life at 19, his heart had been radically changed.

2 David Treusch*

Married to Lisa for 16 years – accepted Christ at age 12. 2 children – Abby who is 10 years old, and John who is 9 years. Ministry involvement at Grace includes youth ministry, wild at heart leader, Sunday school teacher. David attended Grove City College as well as Edinboro University – presently teaching Physics at General McLane High School.

2 Matt Warner* (Elder Chairman)

TREASURER:

1 John Bergquist*

John is married to his lovely wife Diann, and they have four children: Marie, Matthew, Abigail and Sarah. He currently works at Millcreek Community Hospital and has vast accounting experience in the public, private, and not-for profit sectors. John has served the church body in different capacities and tries to help out where called.

Following a 6 week review period (August-September 2011) to receive comments and input from the members of Grace, the Elders have voted unanimously to implement a by-law change concerning our current leadership structure. The following proposal has been approved by the elders and will be implemented immediately: **Grace church replaces the elected Board of Trustees with an elected Treasurer and non-elected Finance Team (and all related constitution and by-law changes).** An amended copy of the by-laws is available upon request and is also published at whoisgrace.com. A copy of the new Treasurer Job Description is also available upon request. In addition, in order to provide continuity and insight we have asked all current Trustees (who wish to continue) to serve on the first Finance Team which will meet regularly throughout this year of transition. We believe that their participation will help us to properly implement this new model at Grace. In this change we want to assure you that we are as committed as ever to financial transparency and are increasing our efforts to make financial information available. We provide general financial information in the bulletin each week, but more detailed monthly statements are always available for any member or regular attendee who wishes to have a copy. Simply inquire to Bernie at bernie@whoisgrace.com.

* = on the ballot for a vote 1 = 1 year term/2 = 2 year term (bios have been provided for those up for election)

MOTION: *That the church remove the names included in this annual report from church membership:*

Dana & Joyce Barre
Chris & Tracy Berger
Lauren Biebel
James & Marnie Brooks
Rob & Alicia Coffman
Ray & Kathi Dembinski

Daniel Eades
Joe & Amanda Farr
Ken & Nancy Fisher
Al & Cinda Ganzer
Chip & Amy Gorzynski
Ken Lindenberger
Cindy McDonald

AJ & Lindsey McGlynn
Mike & Sharon Miner
Jason & Diane Pauli
Ned & Sharon Reade
Melanie Reade
John Reade
Michael & Rachel Rice

David & Valarie Rico
Beth & Matt Sahlmann
Duane Stutzman
Dennis Thompson
Kipp & Katie Tiger
Jim & Lisa Ward
John & Brandi Williams

2010-2011 FINANCIAL RESULTS

GIVING		Previous Year	Comments
Ministries/Operations	\$1,299,394	\$1,249,901	\$25,155 worse than plan (1.9%)
Debt Reduction/Capital	110,672	196,719	
Harborcreek Fund	107,000	0	
Missions	75,251	59,966	
Thanksgiving	20,237	30,140	
Benevolent	29,979	40,835	
Parking Lot Fund	<u>7,820</u>	<u>0</u>	\$32,180 worse than plan
Giving Total	\$1,650,353	\$1,580,231	4.5% over previous year

YEARLY GIVING DISTRIBUTION	
\$0 - \$499	46%
\$500 - \$1,499	21%
\$1,500 - \$3,999	19% *
\$4,000 - \$6,999	8% *
\$7,000 - \$9,999	2%
\$10,000 - \$14,999	2%
\$15,000+	2%
AVG HOUSEHOLD GIVING \$1,819	
*Accounts for 50% of total contributions.	

29%

of all giving at Grace
is done ELECTRONICALLY

53 FAMILIES

started giving online through
"Automate the Important"

11%

INCREASE

IN NUMBER OF
GIVERS OVER
LAST YEAR!

Total Operating Revenue **\$1,565,950*** \$46,503 worse than plan

*Includes Giving and Ministry Revenue but not Debt Reduction/Capital or Benevolent

TOTAL OPERATING EXPENSE		
Personnel	709,691	
Operations	255,147	
Mortgage Fund	228,000	
Ministries	123,777	
Missions	122,702	
Harborcreek	120,944	
Retail	21,682	Book Store, Café, Rentals, Kitchen
Thanksgiving	<u>20,537</u>	
Total	\$1,602,480	\$13,634 better than plan

Deficit (**\$ 36,530**) \$32,869 worse than plan (due primarily to Parking Lot funds not solicited)

Benevolent Fund		Debt Reduction/Capital Fund	
Revenue	\$29,979	Revenue	\$110,672
Expense	\$29,310	Mortgage Fund	\$228,000
Over 35 families served!		Expense	\$319,540
		Loan Balance	\$3,495,331
		Monthly Payment	\$27,000 (approx.)
		Balance in Fund	\$17,659

Questions, details? Call/email Bernie before the meeting: 790-4973 x235 or bernie@whoisgrace.com

Worship at Grace is a very moving experience. The Holy Spirit is all around you and you sure can feel it. Makes one grateful for all that He has done for all of us. Our Pastors sure know how to deliver His word.

What an amazing sermon Al Detter blessed us with at Grace Church this morning. I had a few major 'aha' moments there that were definitely Spirit-inspired. Praising God for this!

Hello Grace, I had my wedding there this past weekend. Everything when perfect and the staff was great (thank you Jess). Pastor Derek Sanford was wonderful as always. Thank you very much!

Keep the music loud and powerful! Great service in McKean today! :)

Bought the ladies meal behind me at the McDonald's drive through tonight and gave the cashier an invitation to Grace Church for herself and the lady we paid for. Maybe that's too "Christian" lol, or maybe it'll change her life! Either way... glory to Jesus alone!

The service tonight was terrific. The dance moved me deeply. Whoever that young lady was she did a remarkable job bringing the words of that song to life in worship to our savior and I thank her very much. I was half expecting her to come back out in all white at the end of the song. :)

Me and my family have been going to Grace for about a year and we love it.

Great Serve Erie today! It is amazing who God opens your eyes to.

Enjoyed visiting your church this morning in HC. You got it going on....Keep serving!

Great weekend so far with new friends from Grace Harborcreek. Anticipating awesome worship together this morning!

Inspiring.....

Thank you Grace Church for making Christmas Eve Services so special and I am so blessed to be a part of it !!!!! :)

Praying for Derek Sanford, our new senior pastor at Grace Church in Erie, PA as he follows God's leading in shepherding us. He started a new series in the book of Mark and one of the things I learned so far is that we all make bad choices at times... even Mark and the other disciples did, but we learn from them.

I feel so incredibly blessed to be a member of Grace Church during this exciting season of expansion and transition. Grace pastors, you ROCK!!

After 9 years of catholic education in addition to practicing for over 20 yrs., Not once did I ever see HUMILITY in a church member nor clergy. Our Lord and Savior, Jesus is so humble and the bible shows it. HOW DID I NOT GET THAT LESSON? I got the saint diversion . . . THANK YOU GRACE FOR TEACHING ME WHAT I SHOULD HAVE KNOWN and so much more!

We had a great time at the picnic today. Thank you to everyone that helped to put that together. You guys are great... what a team!

Thank you so much for the opportunity to participate in ServErie this weekend. It was so great to run into some familiar faces and meet several new ones as well, and see and hear how God is working in other people's lives! and the painting was fun too =)

Getting ready for CHURCH @Grace Church on Grubb road this morning! Love it soo much!! One of the highlights of my week! If you are wondering whether you should give it a try, the answer is "YES!!"

Had a wonderful experience at worship this past Sunday. Seems like a great fit for my family and what we have been looking for in Harborcreek. Thank you!!

What a great sermon today!!!! I have never felt more at home at church than I do at Grace. My kids love the children's ministry, and my teenager even wants to join the youth group! Thank you for making us all feel welcome!

I've been looking for a new church.... maybe this will be the one.

NOTES
