



8704 Santa Monica Blvd. ♦ West Hollywood CA 90069 ♦ Phone: 310-360-8640, x215 ♦ Fax: 310-360-8680



**A Message from  
The Reverend Dr. Cindi Love**  
*MCC Executive Director*

### **MCC's 2006 Denominational Budget Approved**

*"I believe we are taking flight in a sky that is as open to us as we want it to be," says MCC Executive Director Dr. Cindi Love.*

Dear Supporters of the MCC Ministry and Movement:

The 2006 MCC denominational budget, which was approved by the MCC Board of Administration in November 2005, can now be viewed, printed, or downloaded on-line. To view the new budget, please visit [MCC 2006 Budget](#).

***I'd like to share some information about this new budget:***

The new 2006 denominational budget reflects an overall expense reduction of \$396,788 from the 2005 approved budget. (Note: All figures are in US dollars.)

It also reflects realistic revenue sources for MCC in 2006, based on projected tithes (a reduction from 2005) and other sources including:

– Conferences, Training & Events

- Fund Development (Founder's Circle, Legacy League, Faithful 100, Scholarships)
- Resource Sales
- New Rental Income from 8704 Santa Monica Blvd. (2nd Floor and 4th Floor Suites)
- Clergy Licensure Fees

Prior to 2002, the MCC General Council published the "Budget Narrative for the Restructuring Proposal." This Narrative documented the "best case scenarios" for restructuring in the years between 2002 and 2006. This Narrative held the income and expense assumptions by which the entire restructuring process has been informed.

***Allow me to recap the document to give a context for this year's budget:***

The Budget Narrative assumed that tithe income would increase by 8 percent each year during 2002 and 2003, and that the tithe structure would move to 13 percent in 2006.

The tithe structure is now frozen at 14 percent, based on the vote of the General Conference. We are projecting \$2,285,000 in tithes for 2006, barring any church closures, disaffiliations, or natural disasters requiring tithe relief.

The Restructuring Narrative assumed \$2,848,858 in 2006 – a gap of \$563,858 between the General Council projections and the current tithe projections.

The Budget Narrative also assumed that MCC would hire a Chief Development Officer in 2001 and that fund development (outside of MCC family and friends) would generate an additional 20 percent per year, from \$300,000 in new dollars in 2002 to \$552,960 in 2006. MCC did hire a Chief Development Officer for a short time, but the new income sources did not materialize. That person left MCC employment and fund development was added to the existing jobs of other HQ employees. These employees made valiant efforts and were able to achieve the 2002 through 2004 projections

The Haas, Jr. Foundation and the Gill Foundation donated funds during this period, as well as American Airlines. In 2005, the fund development plan created by the former interim Executive Director, Kerry Lobel, was not achieved, although much was accomplished. Our first external audit was completed. Our new strategic plan was completed and the Annual Report was published. More than \$130,000 was raised for Hurricane/Disaster Relief.

In 2005, we were able to add some significant contributions as in-kind, rather than direct, funds. This included the support of our

LivingFusion site by Tim Gill, the sponsorship by HRC for the Rev. Nancy Wilson reception in Washington, D.C., and special sponsorship of the AIDS Quilt for MCC churches at a 85 percent reduction in cost.

Part of my job as Executive Director has been to work with the Board of Administration Finance Team to develop the best way to bridge the gap in projected tithes and fund development until restructuring is complete at the end of 2006 and for whatever period is necessary to ensure a successful transition and a sustainable future for MCC.

Between 2004 and 2005, we refinanced the property in West Hollywood, reducing our interest expense and creating a revolving credit line from which we could borrow funds as needed. These have to be paid back in full at the end of the 12 month period in which they are borrowed. A generous angel has continued to renew a \$100,000 credit line for MCC over several years. A local church has offered to loan us \$200,000 at the mid-point of what they are earning in a CD and what we would pay our bank.

For 2006, I recommended and the BOA has approved expense reductions of almost \$400,000 and creation of new revenues (rentals) of \$94,500. This has been a painful process for all of us and, at the same time, as Albert Einstein noted, "in the middle of difficulty lies opportunity."

***In my opinion, the rigorous self-assessment required to develop this budget was healthy for MCC.*** It compelled us to evaluate the real costs of operation for each department and to look at the allocation of resources, financial and human, in view of MCC's strategic priorities.

This process is really scripturally based for me. Our spiritual duty is to be good stewards. We are not to bury or hold in reserve the single talent, but to wisely invest. And we know that we cannot use old wineskins to contain new wine.

It is a new day at MCC. The Budget Narrative for Restructuring was based upon assumptions that are different from the reality with which we are living. Yet – even in the midst of these challenges – we have found ways to renew our ministry in the world using the Internet, virtual communities and a rededication to the human family and its most vulnerable members.

***Let me provide some detail about the reductions, as well as ways we are improving our stewardship, enhancing our infrastructure for ministry support and building our capacity as an organization.***

The reduction of \$396,788 reflected in the 2006 budget was achieved as follows:

- An amount of \$130,769 was cut from HQ staffing by reorganizing HQ functions and outsourcing Payroll/Human Resources.
- In 2005, four persons left employment and these positions were either eliminated in the reorganization or absorbed by other current employees. This saves another \$175,000.
- Rev. Dr. Jim Mitulski was appointed Regional Elder and his previous staff position has been absorbed by Elders and other ministry support staff.
- The first year of Rev. Elder Troy Perry's retirement program is funded in the 2006 budget and we continue to accept donations for the retirement of his mortgage. We can save the interest on this mortgage payout if we raise \$60,000 to retire the balance.
- Additional savings were achieved through a new voice over IP phone system, reducing telephone costs by 20 percent. (The equipment was donated by Global Touch Telecom). This new system will allow more international groups to gather in conference and help us resolve issues related to globalization of our movement.
- Also, investment in Fund Development has been cut dramatically. Since most of our anticipated direct contributions are from individuals known to us, we can reduce costs for prospecting in 2006. We continue to work with in-kind donors Tim Gill, Mitchell Gold, Human Rights Campaign, and National Gay & Lesbian Task Force.

If you would like more detail about specific staffing changes, please see the notes which are posted on-line at [Budget Notes](#). If you would like to know more about Outsourcing, go to the link at [MCC & Outsourcing](#).

***Increases in non-tithe revenues for 2006 are projected as follows:***

- We gained new revenue when the National Gay & Lesbian Task Force agreed to lease our office space in West Hollywood for three years. This brings \$90,000 in new income for 2006.
- We remodeled storage space in the same building and rent it as an efficiency apartment for \$400 per month.

**Summary**

While I am saddened that some staff members will leave MCC as a result of the reorganization due to the elimination of two

positions, I am pleased that we were able to offer alternative employment for one of these positions.

I am confident that our ministry is best supported by this new allocation of resources.

***We can truly say that the majority of our resources are directly allocated to the support of local church revitalization and growth, emerging church support and church planting, Internet ministry, outreach, communication, global social justice and ecumenical/interfaith work.*** We have much work to do in the areas of globalization, cultural competency and mobility.

MCC still has a healthy and accountable infrastructure. We have increased benefits for our local churches in the areas of medical, disability and life insurance, payroll and Human Resources management and a 125 Cafeteria Plan (customizable insurance and employment benefits) in the United States, and remain committed to expanding benefits and services to all churches around the globe.

You can quickly estimate the further reductions in budget that would be required if we moved to 13 percent tithes in 2006, and, therefore, let me thank you again for agreeing to freeze at 14 percent.

***I also want to express our deep appreciation to those congregations who continue to support our denominational work at the higher voluntary tithe levels of 14.5% and 15%, helping to fund MCC's Church Planting Initiative.*** If your congregation would like to further explore these options, I would welcome the opportunity to speak with you and share ways your church can help to fund the establishment of new MCC congregations.

I remain committed to the reduction to 13 percent at the earliest date possible and to meeting the new strategic plan initiatives and the ministry priorities as outlined in the Restructuring Narrative.

Our 2005 year end numbers will not be attractive, but they are a snapshot of what has been real for us. We cannot repeat that performance in 2006 and expect external donors to have interest in us. Thus, the budget cuts were essential. We need a budget based on realistic expectations. We also need to meet the remaining expectations of the Restructuring Narrative and focus on resourcing local churches and growing our movement throughout the world.

I remind myself each day of the words of John Henry Newman, an English theologian who died in 1890. He said, "*If we insist upon being as sure as is conceivable, in every step of our course, we must be content to creep along the ground and can never soar.*"

MCC has never “crept” along the ground. *I believe we are taking flight in a sky that is as open to us as we want it to be.* I pray that you will continue to support us as you have done so faithfully for so many years and pray with us as we move forward with our unfinished calling in this unfinished world.

Peace,

/signed/

**Cindi Love**

Executive Director

Metropolitan Community Churches

[www.MCCchurch.org](http://www.MCCchurch.org)

**TO LEARN MORE:**

View the MCC 2006 Budget at: <http://www.mccchurch.org/boa/budget06final.pdf>

View the 2006 Budget and Staffing Notes at:

[http://www.mccchurch.org/AM/Template.cfm?Section=Board\\_of\\_Administration&Template=/CM/HTMLDisplay.cfm&ContentID=1110](http://www.mccchurch.org/AM/Template.cfm?Section=Board_of_Administration&Template=/CM/HTMLDisplay.cfm&ContentID=1110)

Learn more about MCC and Outsourcing at: <http://www.mccchurch.org/boa/outsourcing.pps>

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