

Report to Congregation By Menucha/Downtown Workgroup

February 2, 2020

I.

Background

In 1950, First Presbyterian Church (FPC) saw an opportunity to begin a special kind of ministry, based on ownership of a unique piece of property in the Columbia River Gorge. The church prayed, argued, voted, paid, dug in, worked hard, and grew this ministry to a \$1.5 million/year operation with 38 employees. Menucha Retreat & Conference Center has been very successful, giving thousands of guests a sacred space for purposeful work. With this year marking 70 years since the start of this ministry, it is a good time to look ahead to Menucha's future, and to consider if it would be beneficial to both organizations if we changed our financial/governance relationship.

In January 2019, Session created a workgroup to consider the merits of making Menucha an independent nonprofit tax-exempt 501(c)(3) organization.

II.

Current Structure

Menucha is a community-based ministry of FPC. FPC, through the Presbytery, owns the 102 acre property and everyone who works at Menucha is an FPC employee. Menucha is governed by the Menucha Commission, which answers to the FPC Session. The Commission is made up of up to 16 FPC members and up to 4 community members.

III.

Proposal Under Consideration

Menucha would become its own nonprofit tax-exempt 501(c)(3) organization, with its own board of directors.

FPC would be the sole member of the new Menucha corporation. As the sole member, FPC would retain control over certain actions of the corporation as outlined in the bylaws.

If Menucha ceased operations in the future, its assets would be returned to FPC.

The Session of FPC would elect a majority of the Menucha board of directors and a designated number of FPC members would be Menucha board members.

IV.

Why is this proposal being considered?

Better risk management protection for FPC and Menucha. Having distinct legal entities allows both FPC and Menucha to better protect their separate assets from any liability that might arise from the actions of the retreat and conference center or the actions of the church. Currently, if someone won a lawsuit against FPC, Menucha is one of the church's assets that could be taken away by the court. Likewise, FPC's assets are at risk if someone has a fall or other case against Menucha.

Expand funding opportunities for Menucha. To be successful and to continue to thrive, Menucha needs additional revenue. If Menucha becomes its own nonprofit entity, it would be able to expand its ability to secure grants and connect with new donors, including other churches. Some potential donors are reluctant to give because Menucha currently is owned by FPC.

Optimize best governance systems and structures for FPC and Menucha. The church and Menucha have different operational needs. In 2019, Menucha hired Run River Enterprises, well-respected retreat/conference center consultants, to review Menucha's operations. In their April 2019 report, the consultants noted:

“The systems and structures that are designed to run a church organization, such as financial systems, policies, and governance structures are not designed to run a retreat/conference center. A center is more like a nonprofit hospital or university than a church, with systems of earned revenue, direct expenses, and complex donor development. Creating a 501(c)(3) would allow Menucha to fully develop the systems that are specifically designed to run a conference/retreat center.”

Enable both FPC and Menucha to get stronger and continue to thrive. Church retreat/conference center experts who have consulted with FPC and Menucha have advised that having separate organizations is beneficial, because it will allow each entity to focus on its own mission, goals, and opportunities, while still supporting each other and continuing to find partnership opportunities.

As noted above, in 2019, Menucha hired Run River Enterprises. After a thorough investigation of Menucha's current operations, including a review of Menucha's finances, business practices, deferred maintenance, and goals for programming and growth, they wholeheartedly recommended that Menucha be incorporated as an independent 501(c)(3) organization.

Brian Frick, the Presbyterian Church (USA)'s Associate for Camp and Conference Ministries, also recommended separate entities. This is a national trend; over the past 10 years, many presbyteries have spun off camp and retreat centers to self-ownership. FPC and Menucha could become stronger as a result of legal separation, according to Brian Frick, because each entity would be able to focus on their “why” without diluting that focus by having to spend a certain amount of time and energy on the other.

V.

Next Steps

Get input from congregation. Ultimately, both the congregation and the Presbytery will have to vote to make any legal changes regarding the Menucha property.

Research additional issues.

Develop a strong Covenant Agreement between FPC and Menucha spelling out the continued relationship between the two entities. For example, the FPC retreats that are currently held at Menucha would continue to be held at Menucha. Spencer Parks would remain on the pastoral staff and would remain as Menucha's Executive Director, recognizing that Spencer's hours at the church may need to be adjusted while retaining his involvement in worship and pastoral care. (This arrangement would not necessarily be the case with future executive directors.)

Return to Session and congregation with final recommendations.

More information will be available at a second congregational forum planned for Sunday, March 22.

Workgroup members: Jon Bates, Joyce Evans, Rick Lee, Bill Nelson, Spencer Parks, Brenda Peterson, Tim Sercombe, and Audrey Schindler.

MENUCHA TIMELINE

1914-2020

- 1914** Julius Meier, Governor of Oregon from 1931-1935 and son of a founder of the Meier & Frank department stores, purchases property and names it Menucha (from the Hebrew word “still” in the 23rd Psalm).
- 1950** First Presbyterian Church (FPC) purchases Menucha from Meier’s heirs for \$60,000. Congregation members work countless hours fixing up buildings and restoring long-neglected grounds and gardens. Work parties and Family Camp over the Labor Day holiday begin.
- 1951** Menucha hosts 69 groups. According to FPC pastor Dr. Paul Wright, FPC determined that Menucha would be used for “the enrichment of human life” and available to organizations with altruistic purposes, such as churches, social service agencies, educational groups, etc.
- 1954** Debt retired with FPC Centennial funds; Menucha becomes self-supporting.
- 1958** Menucha hosts 9,000 overnight guests and serves 27,000 meals.
- 1959** FPC hosts the first Menucha Ball, a tradition which lasts more than 50 years.
- 1968** Kitchen receives major remodel.
- 1975** Beam House is dedicated.
- 1977** Mac and Carolyn McCall take the helm as Menucha Administrator and Assistant Administrator. They retire in 2004.
- 1979** John & Donna Leamy arrive for John’s job as Head of Food Service. Donna is now in her 32nd year on the Menucha office staff.
- 1980** Ernie Yoder becomes Maintenance Director. He retires after 34 years.
- 1980** The Barn opens as youth space.
- 1984** Lindsay House is constructed.
- 1998** Creevey Complex completed: 12 hotel-style rooms with private baths, expanding/updating Menucha’s appeal. Creevey’s construction is financed by a Synod loan.
- 2004** Spencer Parks hired as an Associate Pastor and Menucha’s Executive Director.
- 2004** The Friends of Menucha Foundation is chartered. It is a volunteer nonprofit organization dedicated to Menucha’s financial support.
- 2006** Menucha begins offering its own programs in addition to being a hosting facility. These programs help Menucha fulfill its mission of enriching guests’ lives and also help Menucha bring in more revenue by filling empty spaces, especially on weekdays and during colder months of the year.

2012 A new roof and terrace are added to Wright Hall, at a cost of over \$500,000, paid for with funds raised by the Friends of Menucha Foundation and with funds raised via Menucha's first significant grants.

2013 Menucha's kitchen is remodeled with funds raised by Friends of Menucha Foundation.

2014 Menucha's own programs continue to expand, bringing in 222 guests. Rental groups bring in 8,451 guests. Menucha serves 43,191 meals.

2015-16 Funds raised by the Friends of Menucha Foundation pay for insulation and energy efficient light fixtures in Menucha's four oldest buildings. Wright Hall gets all new energy efficient windows and doors.

2015 The Menucha Commission presents to Session a report on the history and current operations of the facility, and the necessary growth for Menucha to remain viable for its users, including FPC. The report concludes that, in order to remain financially viable, Menucha needs to:

- Fund its deferred maintenance; and,
- Construct a new multi-purpose building with a large conference hall (for one-day big events), with break out rooms, a service kitchen, and attached semi-private housing accommodations to house more overnight users.

2015-19 Session appoints a number of groups to evaluate ways to better integrate the Church's mission with Menucha's work and to determine the best ways to raise funds for Menucha's expanded operations without Menucha becoming a financial drain on FPC. One of the options studied was whether both FPC and Menucha would be stronger if Menucha had more independent operations from the Church.

2016 Menucha's own programs continue to expand, accounting for more than 12% of its total budget.

2017-18 One of the groups studying the Church and Menucha recommends formation of an Intentional Christian Community of young adults who will live at Menucha and serve both at FPC and Menucha. The first community begins.

2019 The Session appoints the Downtown/Menucha Workgroup to evaluate whether Menucha should become its own corporation and still be connected, legally and operationally, to FPC. The Workgroup reports to Session.

2018-19 FPC Capital Campaign gives the first direct FPC contribution to Menucha in decades: \$74,504 to re-pave the entry road.

2019 Menucha's own programs continue to expand, bringing in 540 guests and accounting for 15-20% of total budget.

2020 Menucha Workgroup reports to Session and to the congregation.