

**ITEM A.204**  
**FOR INFORMATION**

**Update from Stony Point Center**

In April, the Board heard a report that the Co-Directors of Stony Point Center and Executive Staff of the Mission Agency had agreement in principle about how to move forward with a plan to integrate Stony Point Center fully within the work of the Mission Agency with the goal of making Stony Point Center financially sustainable by December 31, 2017.

**Milestones:**

We have been working on a “Milestones” document that we will use to objectively evaluate our success in achieving financial sustainability. The following is taken directly from the Executive Summary of the Milestones document:

**Year zero, ending December 31, 2014**

- 2014 Operating loss no worse than \$90,000, leading to a worsening of the interfund<sup>1</sup> balance of up to this amount.
- Common Services from Mission Agency paid in full by Mission Agency<sup>2</sup>

**Year One, ending December 31, 2015**

- 2015 Operating loss no worse than \$60,000, leading to a worsening of the interfund balance of up to this amount.
- Common Services from Mission Agency paid at 33% by Stony Point Center

**Year Two, ending December 31, 2016**

- 2016 Operating loss no worse than \$30,000, leading to a worsening of the interfund balance of up to this amount.
- Common Services from Mission Agency paid at 67% by Stony Point Center

**Year Three, ending December 31, 2017**

- 2016 Operating income/loss at breakeven.
- Common Services from Mission Agency paid at 100% by Stony Point Center

We expect that the specifics of how these milestones will be met are likely to change as our work unfolds. However, we have agreed that if the overall objectives are not met during any two successive years, the Presbyterian Mission Agency will begin the process of winding down operations.

**Achievements since April:**

- We have completed a \$20,000 contract (at Mission Agency expense) with Harrell Hospitality Group – an independent hospitality industry consulting agency. Their report – totaling over 150 pages – is daunting, but their summary judgment is encouraging: “We believe that with 1/

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<sup>1</sup> The interfund represents the net amount of cash transactions that occur between the General Mission fund and Ghost Ranch.

<sup>2</sup> All of the ministry divisions, including Theology, Worship, and Education – within which Stony Point operates, are required to include in their budget costs for Common Services (ex. the work of Finance & Accounting, Human Resources, Buildings Services, Legal, and so forth).

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additional staff, particularly in sales and marketing and repairs and maintenance; 2/ a focused sales and marketing plan; 3/ implementation of HHG recommendations, and 4/ Necessary property improvements...[that] Stony Point Center can get to self-sustainability within the prescribed time frame...”

- We have been given an \$80,000 grant over two years from the Synod of the Northeast to pay roughly half the cost of a full-time sales person this year, and half the cost for a full-time funds developer beginning in July 2015.
- We have hired a new, full-time, outside Sales Manager as of the end of July, and begun training that person (and several others from our staff and volunteers) in prospecting for new leads for potential guest groups.
- With the affirmation of our board members, we have shifted the language describing their role from “Governing Board” to “Advisory Board.” Our fall meeting will focus on what it means for the board to assume that new role for the organization.
- We have had high levels of cooperation and support from Legal Counsel, Human Resources, IT, and Treasury. Further, Kitty and Rick have been welcomed into the Leadership Team of Theology, Worship and Education. Chip Hardwick.

**Finances:**

At the end of July, Stony Point Center had a net loss of \$65,000 for the year. We began implementing cost-cutting measures in June to assure that we will meet our target of no more than \$90,000 for the fiscal year. The most significant of those measures is a full furlough of staff totaling one week of payroll, which took place in August.

We expect to have numbers through the end of July available for the Finance Committee meeting in September.