

Leadership Collective Podcast

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Hello and welcome to the Leadership Collective Podcast, a conversation focusing on the challenges that leaders face in ministry. Each month we sit down with seasoned ministry leaders to discuss the nuts and bolts of how they've navigated specific challenges in ministry and the lessons they've learned along the way.

I'm Ted Leavenworth, Pastor of Reliance Church in Temecula, California.

I'm Rob Salvato, lead Pastor at Calvary Vista in Vista, California.

"So, number one, they need to love Jesus and they need to love you, in that order. Otherwise, you just have a gang! It's got to be about Jesus. What does Jesus want? I'm begging you, I'm imploring you, please help me to hear Jesus, not that I get my way."

(Ted Leavenworth) In today's episode we tackle the subject of church boards. We're looking at what makes for a healthy board. What makes for toxic boards. How to fix a board that is broken and not functioning well. We are going to consider various board structure models. We're going to look at the optimal skill set for candidates for your board and healthy board practices. We're going to discuss issues such as term limits and what you do if you've got the wrong person on your board, and maybe a whole lot of other things you never wanted to think about, but things that could really cause lasting damage to your ministry if you don't think about it. Rob and I are joined today by Wayne Cordeiro. Wayne is a respected leader. He's the the founding pastor of New Hope Christian Fellowship in Honolulu, Hawaii. He is a church planter with over 124 churches planted both nationally and internationally. Wayne has authored 12 books and he is currently serving on the board of directors of New Hope Christian Church and College and certainly has a lot to add to this conversation. This will be Wayne's second appearance on our Leadership Collective episodes and I'm really looking forward to that.

(Rob Salvato) Well, welcome to the conversation, Wayne!

(Wayne Cordeiro) Absolutely! It's a thrill each time I'm with you, Rob.

(Rob) Yeah, I should really say, "Welcome back!"

(Wayne) Yeah, I'm like a boomerang! You know, you throw me away and I come back!

(Rob) We love that because we consider it an honor to have you on the show with us. We appreciate it!

(Wayne) You bet.

(Ted) So, let me sort of start the conversation just throwing this broad question out. If you guys could have your dream board, what would it look like and why?

(Wayne) Rob, what do you say?

(Rob) Ha! I knew you were going to do that! Oh man, so I think my dream board would consist of a broad group of guys as far as in age and experience. It would be a group of guys, obviously, who are radically in love with Jesus and it would include Paul the apostle! But it would really include a group of guys that are as focused and as passionate for the ministry that I'm leading as I am. That's the thing that I find to be a little bit of a challenge because guys have their own things that they're doing and this is just one of the things that they're doing. So, my dream board would just be a group of guys who are all one hundred percent focused and as passionate about it as me.

(Wayne) Yeah, I think for me...I'm just writing a few notes here...I think for me, because the ultimate buck will stop with the pastor, that I've got to get people around me that are smarter than me in a wide circle of things

that I'm going to face. So I need to take a look at and forecast, "What am I going to face?" Maybe some things in finances, maybe something in hiring and firing, in succession, in expansion, how fast the pace of growth is in building. So I write those notes down and then I'm praying about who has those gifts and maturity that I can surround myself with. So that would be the beginnings, the embryonic inception of those who would at least fit somewhat in those categories.

(Ted) I agree with that. You know it occurs to me, as I consider the question for myself, something that each of you said that sticks out is a guy who loves Jesus - which seems to be a given - but you want guys who are passionate, they're not just phoning things in. They're concerned about our ministry. They've got their finger on the pulse of what's going on with our ministry. I think that's critically important, especially when you have outside people on your board, guys who aren't part of your organization, which is fine and all, but they should have some bit of finger on the pulse of what's going on within the organization. And Wayne, you're pointing out that you want guys who are smarter than you in certain areas...

(Wayne) By the way, that's not hard to do!

(Laughter)

(Ted) You took the words right out of my mouth for myself! But yeah, I mean you want guys that this is not their first rodeo kind of thing, and who can bring wisdom to areas, especially where you're lacking in it, so I would agree with that as well.

(Wayne) And you know, when you talk about people that love you, make sure they are your friends!

(Ted) Yeah!

(Wayne) Because it's hard to work with people you don't like!

(Rob) True!

(Wayne) And even though they have gifts in certain areas, if you don't like them or they're suspicious of you, you're in trouble from the beginning because they'll sabotage things they don't agree with. They won't just disagree with you, they'll sabotage you. So number one, they need to love Jesus and you...*in that order!*

(Rob) Right.

(Wayne) Otherwise you just have a gang....yeah, the Wayne gang! Ha! It's got to be about Jesus. What does Jesus want? I'm begging you, I'm imploring you, please help me to hear Jesus, not that I get my way.

(Ted) Yeah, I had a friend of mind who once said to me that he is looking for guys on his board who come into the meeting wanting to say yes, wanting to further the ministry objectives of the pastor. They come in believing in the pastor's call and vision and so on, but they're prepared to say no if they need to say no. They're prepared to put on the brakes if they need to put on the brakes. I think that's a good balance because sometimes, and I think we've all experienced it, where we have a guy on our board who comes into a meeting with the posture of his arms crossed and the attitude of, "I'm here to say no unless you can give me a compelling reason to say yes." That's a horrible way to start any conversation.

(Rob) I really like the idea of guys who are like-minded and when you feel like you're running together.

(Ted) Yeah.

(Rob) You're running to base and you're running in the same direction. One of the things we do with our church board is I tell the guys, "Anybody on this team can cast vision." We call it our three "C's." Anyone can cast vision. It's not just all going to come from me. They can have vision for our church and they can cast that vision, and

then we look to our leadership team, or our board, to confirm the vision. It's like, "Are we all on board with that? Are we all sensing the same thing?" Then we look to our staff and the body and the volunteers to then carry out the vision. So I really like that idea of not just "yes men," but I always say I come into a meeting with sort of a very narrow vision and those guys in the room will open my eyes and expand my vision by the things that they are seeing and sensing from the Lord and what's going on in our church. So them being guys who, like you said, first and foremost love Jesus - and I would add this - they love Jesus, they love you, and they love the body. They love the church and they have a heart for the body. I love having a group of guys like that around me.

(Wayne) Another thing that's going to be important in the embryonic approaches of building a board together is you'll need to know what needs to be the ingredients that are already present - sort of like the "givens" - like giftedness, marks of friendship, loving Jesus, loving the church, being involved, those all have to be in place, but then you have to take a look at your own play, "What must I teach them, orient them to, assimilate them into, that they may not already know?" It is my responsibility to take on that. Let's say eighty percent has to be "givens" and twenty percent has to be taught, such as governments, transparency, conflict of interests, Robert's Rules of Order, like who the stockholders are, as the terminology goes, and all of these things that have to be taught them and maybe even seminars or sessions or clinics that you can go to so they will learn together that corporate sense of doing things correctly. When I first put a board together, I just sort of put together rogues and renegades like me and we just said, "Let's go get 'em! Let's pioneer this thing! Let's take that enemy!" So we went after it but everything we did was wrong. We didn't have board minutes. We didn't have Robert's Rules of Order. We didn't know how to first and second our own meals, you know?! It was just chaotic. We got stuff done but when it came time to make sure that we were corporately in line, it was chaos! So there is a certain amount that you need to teach and you need to know as a leader.

(Ted) Yeah, let's lean into that a little because that's good. I'm sure we all have horror stories and one of the horror stories that I was involved in was a church where there was a merger that was taking place and the church that was merging into the existing church did not have their financials in order! We could not find a set of minutes that had been taken for years in regards to this church. So like those basic ideas about just taking

minutes, somebody is supposed to do that and this is the role of the secretary of the board. It's not just a title. You know, when we have a board, we have a president of the board, we have a secretary of the board, we have a treasurer of the board. Some boards have a vice-president, which isn't required legally, but it is if your bylaws stipulate that the vice-president's role is to be the one to assume the role of president in matters of transition or what have you. But, you know, these aren't just officer titles that are required by law - which they are - but they're actual roles that people need to fulfill and the taking of the minutes and the reading of the minutes in the subsequent board meeting to be able to say, "This is what was discussed. This is what was resolved." Then everybody having the opportunity to confirm those minutes and then moving on with the new board meeting and so on. So yeah, leaning into that, there are these kind of things and I suppose that kind of opens up the question to, "How do you vet these guys? How do you find them?" Wayne, you mentioned about even needing training and seminars and so on and now I'm thinking of the guy either who has a board and maybe is hearing this podcast so far and they're thinking, *Boy, my board needs some work!* or maybe the guy who is just planting a work, just starting out, and has never even thought in terms of having a board or whatever. So I guess we could lean into, "How do you go about finding these guys? How do you go about getting this type of help with structure?" That's a broad question for all ya'll.

(Wayne) Well, let me circle back first. One of the things that is going to be important with the board is that they understand what the bylaws of the church are, especially if you're an independent church your bylaws have to be water tight. One of my suggestions would be to do what we did and that is to join Alliance Defending Freedom, (ADF) for a nominal cost. One of the best things in the world that they do is they have you send your documents to them: your bylaws, your constitutional whatever's, your mission statements, etc. Even if you have a handbook or a policy book for your staff, their attorneys will go through it to make sure it is water tight because if you're successful at all, you're going to get nailed. If your church grows, you're going to become a target. And as big as your church is, is as big as your target is going to be. So we sent it in and they made some corrections and some suggestions and it helped us so much. I'm would encourage everybody to check out Alliance Defending Freedom. For a nominal cost you can join their group and they will assess and evaluate all of your documents.

(Ted) That's fantastic. We'll add that to our show notes for this episode as a resource.

(Wayne) The other thing that I think is important is when I choose these board members, these are the things that I look for, I say, "Their primary responsibility is to look out for the pastor and his family's welfare." Because if the pastor burns out, or if the pastor is eating "Ramon" every night, if he can't support his kids or he's behind in his bills, then he has to look for a job, a part time job, a full time and a half job...the church is going to suffer. So if you have a healthy pastor, you're going to have a healthy church. You have a healthy pastor's marriage, you're going to have healthy marriages in your church. Because think about it this way, we can teach what we know, but ultimately, we're going to reproduce what we are.

(Ted) Yeah.

(Rob) Right.

(Wayne) And so if that pastor is struggling with his marriage, you're going to have people struggling. So number one is, they look out for the pastor's family, his marriage, his personal health, and the welfare thereof. That's number one. If they're really good at finances and interrogating your finances and auditing your decisions, it's not going to help the church. It ain't going to grow. What if they're really good in polity? Great, but it's not going to help the church. A healthy pastor with a healthy marriage and a healthy financial condition will help grow the church because then his mind is free to think about the sheep and their condition rather than himself and his condition.

(Rob) That's a good word. When I planted my first church, my board consisted of other pastors, partly because I didn't know anybody, you know?

(Wayne) You didn't have any friends!

(Laughter)

(Rob) I didn't have any friends. I didn't know who had experience or who was wise so all of the guys on my board - and it was quite small, probably four or five guys - were all other pastors. My sending pastor was a part of it and one of our admin pastors from the church that sent me and a couple of friends. But as soon as I could, I sought to move the board - and this was just my own personal conviction - in a direction where the guys on our board were all from our church because I really wanted guys who could have a pulse on what was going on, and see what was going on, and be close enough to me and to what we were doing to be able to speak into it and give insight into it. And now, at the church that I'm pastoring, I've been here twenty-five years and we have a group that is very much like that; it's all guys who are here at the church. A few of the guys are on staff, the rest of them are not. It's kind of half and half at this point. But one of the things that I've sought to do over the years, and I've found it to be really helpful, is to have a broad mix. Not just of skill set, but also age, in the sense that we have some empty nesters, we have some guys on our board who have kids in our children's ministry, and we have guys on our board who have kids in our youth ministry. I really wanted to have that type of broad perspective so that I had guys around me who had a pulse for every aspect of our ministry and what we were doing in the sense that they could speak into it. So, one of the ways that we choose the guys on our board is when we have an opening - we actually have terms and I think we're going to talk about that in a little bit - but our terms are three years and then after three years you go off for a year and then you can opt to come back on. But when somebody opts out and there's an opening, I basically say to the guys on our team - there's twelve of them - I say, "Hey I want you guys to be praying. I want you to be thinking about some guys you think would be a good fit for what we're doing here, that have the right qualifications, that have the right heart, that have proven themselves to be faithful here in the body and email me their names." Then, what I do, is I look for the reoccurring names. So when I have four or five guys all sending me these and the same name is popping up then at our next meeting we'll kind of vet that person. We'll talk about that person and then if he is vetted and we all feel good about him, then I'll approach him about being a part of this. That is kind of the way that we function and have done so for about twenty-five years and it's worked out really well for us. I love our team.

(Ted) You mentioned how you had started out and a lot of guys have what we could term as a "starter board." Sometimes a "starter board" is when you don't have an official board, like if you're a church planter. You might operate under your sending church's board, where that board is your covering and so on. I've seen it done that way. Sometimes you start with a few trusted friends and maybe your sending pastors. You've experienced that, Rob, and it's very common for guys to go out and start that way. Then you get into, "Ok, let's transition from this starter board to our permanent board," and there are different schools of thought. You've got twelve guys on your board, Rob...

(Rob) Like Jesus who had twelve disciples!

(Ted) Yeah! And that's a lot. Most guys I know have smaller boards than that. It's not unheard of, but most guys have smaller boards. There are different philosophies on that too. Some guys have the philosophy that you should keep your board as small, you know, as necessary, and other guys go to varying degrees. I personally have five members on my board. Sometimes we have even numbers and that brings up something else, like, what if you have a split vote and it's 50/50? That goes to philosophy of ministry. For us, in our bylaws, it's majority rules. But we tend to, if we've got dissenters on the board, put the brakes on it and we take that as an indicator that we need to pray. So all of our resolutions are unanimous, but it's not because we're always unanimous, but we wait on issues until we are all unanimous, but we don't need to according to the bylaws. So I currently have an odd number which allows for majority rules and so on, but I've had six members on my board. I think that's as many as I have had. I don't know, Wayne, what do you think about that in terms of total number of guys?

(Wayne) Yeah, whatever you're comfortable with. There's no one rule. We have seven, an odd number, because if we need to, we can have discussion, but we have seven. I think it's a a minimum of seven, a maximum of nine. We have three year terms, Rob, like you have, and they rotate off a year and then they can come back on. The other thing that I watch for is not only the ones who will look out for my welfare, the welfare of the pastor and his

family - because I look after the welfare of the staff and their families - but no one is going to do it for me. The board does it for me. I don't want to do it for myself lest it seems self-serving or is seen as self-promotional so that's the board's responsibility. The second thing is I ask them to watch for heresy in any form in teaching or spirit, which requires them to mingle and be a part of the church. Rob, I understand about the sending pastor and other pastors being a part of that, but like you said, ultimately they need to know what's going in that local body of believers. So they need to be part of the ministries, they need to be mingling, they need to be engaged to be able to sense heresy. For example, let's say I'm teaching one thing from the pulpit and in one of the Sunday school classes they'll hear a teacher say, "Well, you know, I know that's what Wayne says, but that's Old Testament, or that's New Testament. Let me give you the fuller view." I need to know about that because we don't allow disunity. If he has a beef or if he needs to arm wrestle with me, we'll arm wrestle in my office but not in public like that. So the second thing is they watch for heresy in *any form*: in theology, in word or in spirit. Then the third thing is they really need to have savvy or competency in understanding finances. That is a very important thing. I don't need someone to be a critic about finances or a cynic about finances. They need to be competent about finances and they need to understand it. They need to understand how every penny comes in and where every penny went. If their conscience is good and they can affirm that, then you have an alligned group on your board that will take you down the road a long ways.

(Rob) That's good, good. And you know, our board has ranged anywhere from nine to twelve. Right now it's twelve, but it's been as little as nine. You brought up something just about watching out for things like heresy, and I like the way you put it, "In theology, in word or even spirit," because that can create a toxic culture in church. But let me ask both of you guys, what do you think makes for a toxic board? We can start with a toxic board, but what are the traits of a toxic board? The first thing that came to my mind is "toxic people!"

(Ted) Right!

(Rob) But let's start with the board. What is a toxic person?

(Ted) I think - and you both mentioned it - "yes men." I think "yes men" make for a toxic board. If you've got guys who are just there to rubber stamp everything...and let's acknowledge, I come about this from a tribe, if you will, a church background where in some boards it's a plurality of elders that are running the church and so on.

(Wayne) But you know, another thing on that toxic board that I was thinking of, is that I'm dealing with a pastor right now where a board member was talking to his worship leader who was disgruntled and then the board member started siding with the worship leader against the pastor. So as of this date, both the worship leader went to another church, and the board member and several from the worship team were all "toxified," they were all metastasized with that cancer, and they're all down the street, three blocks away at another church!

(Ted) Wow, that's difficult! Yeah, toxic boards are one where confidentiality is not maintained. We need to have the attitude that we need to talk about this at the board, we need to have resolution at the board level, and resolve it in that way. What I started off to say earlier too, is that coming from our tribe and our culture, God gives the senior pastor a vision and the board is there to ratify the decision and really to provide accountability and so on. But some church's boards don't operate that way. Some boards are the plurality of elders and it's like, "We together are going to make the decisions and carry the day." So we have to acknowledge that there are differences in how people come to their board meetings and how they're functioning. But I think in our system of government, toxic board members can be those guys who are just going to rubber stamp whatever the pastor wants. I want my guys to come into the meeting, as I said earlier, I want them to come in ready to say yes, but prepared to say no if they need to. An example of that in the past was when I had someone I thought would be a good addition to our board and through the personnel for nomination there was robust discussion and a couple of the guys were not comfortable and had very specific reasons why they weren't comfortable. In a "yes man" board that never would have happened. They would have just approved whoever I wanted, but they had good reasoning and they weren't afraid to have that conversation. That is a low threshold example. That's not a high stakes issue. But there are other high stakes issues that we talk about when we're talking about staffing and salaries and compensation packages and things like that, that can be a really dangerous thing if we have guys come in as "yes men." So in answer to your question, Rob, I think those are some examples of toxic boards. Do

you have any specific ideas, Rob, about things you've experienced with boards that were toxic?

(Rob) You know, what I have experienced personally is when all the sudden there was somebody on the board or on the leadership team who suddenly had really lost the vision of the church, was against me, the pastor, and suddenly it just turned into a very toxic situation. So I kind of joke about what "toxic people" means, but I have experience personally in that.

(Ted) And how about this Rob? How about people that come in - and I think Wayne you kind of touched on this - people who come in who are very miserly in their approach to things? They have this attitude that the pastor should make a small amount of money and so on, and they don't consider the pastor's needs and that can make for a toxic board.

(Rob) Yeah, and also I would say guys who just have their own agenda and they're not really team players. I'm looking for guys who are team players and not somebody who has an agenda that they want to ram through. I've seen that happen in other churches as well. What are your thoughts on that Wayne?

(Wayne) First of all you're going to need to factor in if you're a denominational church. If you're listening to this and you're a denominational church, you're going to have to decide and factor in that it might be a kind of Episcopalian kind system, or a Presbyterian kind of system, but there is different polity. In one you have trustees, where the board basically is called a board of trustees and they run the church. Historically that has become the template for Presbyterian or a congregational board of trustees. They rule because pastors would come and go every few years and the board would throw up their hands and say, "Who's next to come in and change everything? Who's next going to change everything?" And Episcopalian rule is kind of where the pastor kind of runs the ship. He has his hand on the helm and on the wheel, whereas Presbyterians have trustees because pastors are going to turn over so they basically run the church and the pastor is basically a hired gun. He is the teaching pastor, he shepherds the people, does house calls, and blessings, and weddings, and funerals, but the trustees basically steer the ship. A congregational rule is sort of like majority rules so they vote on stuff all the

time at business meetings and everything has to be sort of like voted on. So you have to see what kind of congregational or Presbyterian or Episcopalian or modified Episcopalian that you're going to be utilizing and you've got to work within that framework, otherwise you will be a rogue and you'll be pushing against the goads at that point. So I think that's going to be something important for every pastor to recognize and if that's not what he wants, they need to change it. We did that. We made some modifications to our whole system so that everybody was on the same page.

(Rob) Ok. Wayne, what are your thoughts - actually both of you guys - what are your thoughts on having men who are on your staff also on the board? Any thoughts about that?

(Wayne) Yeah, I would be very careful because you're going to have a major conflict of interest. You can't talk about pastor's salary. You can't talk about staff salary. Anything financial would be walking on thin ice. And if there are any corrective measures that have to be made, you almost have to skirt or circumvent that staff person and then if you want to talk about that staff person, he's got to recuse himself and then he already knows something is wrong. So that's a wasteland. You want to be careful of that. Unless that person is like seventy years old and has been around the barn a hundred times and is like your grandfather or grandmother, then no problem.

(Ted) I think I tend to agree. I have had staff members on my board but I think it's tricky for a number of reasons. All the reasons you mentioned, Wayne, and as well, when you're signing somebody's paycheck, essentially, it's difficult to refute any allegations that there is a conflict of interest. So that's challenging and so in general I try to avoid having staff members but there are situations where I think, *Well, this staff member is going to be the best person for the job.* For many years I had a guy who was on staff that was actually the treasurer on my board. But his situation was that he actually took a significant pay cut to come to work for the church as a ministry and at any moment he could leave the church and go make twice what he made from what we were paying him. So it really wasn't that he was beholden to us for a check, he happened to be paid by the church by choice. But, yeah, he wasn't there by necessity, so to speak financially, and then secondly, he was the best guy for the job.

He actually is now my current treasurer, but now he's in a different capacity. He is leading another ministry and doesn't get any support from us as a church in that capacity so he has come back on as our treasurer now. So yeah, there are some exceptions, but I think in general, as you said Wayne, that is wise. But I do believe there are exceptions to that.

(Rob) I'll give a little different perspective because for years I didn't have anybody on our board that was on our staff except for my executive pastor who was on there with me. We went through a season where I had some guys on our staff that were questioning that because here these men, a lot of business men, guys who are really, really busy and leading companies and that type of thing, were on our board and guys on our staff were saying, "These guys don't seem like they can be as invested as we are and know what's going on here." So they sort of made me change my perspective a little bit and I started bringing some guys on our staff on our board. Right now our board is probably three-quarters not staff guys and a quarter that are, but what we do to kind of get around that is we have a separate finance committee on our board that handles all the financial aspects and financial decisions and then they inform the board and none of those except the "ex-p" is on that finance committee. So that's the way we've kind of navigated it in order to do that. I liked having the guys on staff on the board because I feel like they have a better pulse of what's going on in the church than the guys who are not on staff do. So that's just been my experience and so far it's worked pretty well. We've been doing it that way for about the last ten years.

(Ted) I like that because there's a difference between paid staff and non-paid staff, so you can get guys who are from within the church who have their finger on the pulse of what's going on that aren't part of your paid staff. I think that's important. On my board now I have guys who are members of the church who are not on paid staff. As well as guys from outside the church and I like your idea about the finance committee. There are so many different areas we could go into with that. Wayne, I know you may have some thoughts on this so before I move on, do you have anything to add to that before I turn a corner here?

(Wayne) Yeah, it depends on the function of your board. Some people lean on their board more for financial and

polity issues, some are more a combination of that plus ministry issues and for our board, primarily I lean on them for financial and polity issues of vision, leadership, they help me clarify vision which is a 32,000 foot level kind of leadership. My staff - I have an executive team - in fact I came to do this podcast from my executive team meeting that we have weekly where we have eight of my executive team where we do all ministry issues. It's no polity, no financial, just ministry issues. So if you can combine those, that's great, but if you can't, I would separate them so it doesn't get too much cross talk.

(Ted) Yeah, some clarity on that, because that was something that I was going to throw out. The guys that you have, Wayne, that are part of your executive committee, those are non-board members? That is separate from your board, is that accurate?

(Wayne) Yes, that's accurate.

(Ted) Yeah, I do a similar thing. I have my board which primarily takes care of financial, contractual issues, those types of things. Then I have my pastoral staff and the executives within that and we meet for day to day ministry activity and discussion about the general shape of the ministry. So the board gets the update on what's happening ministry wise, we give them the 30,000 foot view of what's happening with the ministry, but the board isn't making those day to day ministry decisions. So the guys on our board are known as the executive elders or the ruling elders, I should say. That's the language in our bylaws. They are the ruling elders and then the day to day ministry is for the pastors. So I like that structure. That is a structure that works well for many people that I know. Other guys have a different structure and their board of elders are dealing with all the ministry issues as well. Rob, I think that's more your structure with the finance committee exception. Is that accurate Rob?

(Rob) Yeah, I would say it is and that's why I have guys on staff that are on there. We are dealing with the whole picture and then there's a separate group who are dealing with the financial aspect of things.

(Ted) What do you think about the discussion between having senior pastors on your board and not having

senior pastors on the board but guys from within the church. I know there's a whole range there. But what I've found, and then I'd be interested in hearing from both of you guys on this, what I've found is that one of the frustrations of having non-pastoral voices on the board is that there is a lot of time that is sometimes required to bring people up to speed. I have two senior pastors on my board, beside myself, and it is so useful when I bring up an issue. I just see them nodding their heads. They are right there. They've been there. They've done that. They've bought the t-shirt. So there's not a lot of time that needs to be spent to teach them an issue of ministry. So in our board meetings we get a lot of ground covered just by virtue of their experience and so I think that's a good argument for having senior pastors on your board - maybe not exclusively - but certainly a few who bring their wisdom and experience and hopefully they are pastoring churches that are larger than ours, who are ahead of ours, so they can bring that wisdom and experience to bear as well. But, then the argument to that could be, "Yeah, but they don't have their finger on the pulse of your ministry. They are busy doing their own ministry." Your thoughts on that? It's a broad subject.

(Rob) Go ahead Wayne.

(Wayne) You know, again, you want to split it up for context. So the contextual framework would be that ministry would be for ministers, and the business portion would be for businessmen. If I brought my staff in and began to talk about audits and talk about general excise tax and talk about HR and talk about different things such as finances, I would have to go through the spreadsheet and the balance sheet and they don't even know how to read some balance sheet or a cash balance or accrual reports. But businessmen, they got it; they know. So they help me a lot. And remember, they are there to help me because I'm supposed to lead this thing. God's going to hold me accountable to lead this, not the youth pastor and not the businessman who sits on the board. I am going to be ultimately responsible because it falls on my desk so I use business people who are sharp and competent to help me make some wise, sharp, competent business decisions, but I need my ministry guys who are sharp in ministry to help me make sure that my decisions are correct in ministry decisions. So if you need to, I would break them up into two groups of leaders and that's why I have my executive ministry team and I have my board. And, if I need the board to hear from the ministry team, I actually invite them into the board. They actually

give their reports and they do consultation or they give inspiration, whatever it might be, then they are dismissed and we deal with some numbers and calculators and ten key stuff that we have to deal with. So I don't really combine them unless it's something like with Rob, where it's something that is really good for you and it works for you, then combine them. For me, it's not as workable, so I keep them a little apart.

(Rob) I like that. Ted, to answer your question, I think I haven't had another senior pastor on my board since the church I planted in Oregon. However, what I have done several times is there have been situations where I felt like it would be very important for us to hear from somebody, like let's say a "Wayne," so I've brought that person into our meeting to help us address a certain issue from their perspective and from their experience. I've seen that to be helpful where I can have the outside influence of somebody who is a lot further along and has better insight on something than we would have. But for me personally, I have just wanted to keep things with men around me who I feel like have a pulse on what's happening because I would say in our situation that I made this very, very clear with the board when I first started that I didn't want them to merely be an advisory board. Our situation would resemble a little bit more of a plurality of eldership at our church. So these guys, I'm wanting them to be leading with me, but knowing that the buck stops with me and I'm the one who is going to answer to the Lord and be accountable for what's going on here. But like you said in the very beginning, Wayne, I want to surround myself with guys who are a lot smarter than me and further along and I really value their wisdom, their insight, their heart on things. So that's the way we function and there have been a few times where I have, you know, called upon a senior pastor or a couple of them to come in and advise us on an area where maybe we were stuck or for a decision that we needed to make that was just kind of over our heads, so to speak.

(Ted) So, Rob, you've mentioned you have a finance committee. Does your finance committee handle compensation packages, salaries, cost of living increases, those kind of discussions? Are they spearheading those types of issues?

(Rob) No. They primarily help set the budget for the church and go over the various budget aspects of the ministries who are submitting their budgets to the church. Then the compensation package is done between

myself and two of the guys who are part of the executive team.

(Ted) Ok. How about you, Wayne? How do you guys approach compensation and review of those things?

(Wayne) Yeah, I deal with the staff myself and I check the budget and I basically work with the finance committee. The board has given me the latitude to make sure the salaries are commiserate to our income so I do all of those. They deal with my salary and my compensation so if I have requests, they're really open to my requests, like if I need another computer, things like that. But usually I take care of the staff and their compensation. I take a look at it every six months unless I see there is a need happening and one of them has a baby or an addition to their home or they're moving, and then I will write them a check. Maybe it's a thousand or two thousand to help them get going in their new location, whatever. So I'm constantly watching the needles on all of the staff, but formally I take a look at it every six months.

(Rob) What I was going to mention for us, you know, our finance committee does set my salary; they do that. Then myself and these two others on the executive team do the rest and we actually follow a chart, a study that's been put out, and we have determined for our church and where we're at, that we want to be in the middle of that chart. We feel like that's the best for where our church is located and the kind of people that are coming to our church. So we don't want to be on the low end of it, but we aren't necessarily on the high end of it. We're sort of in the middle of that chart and we kind of follow that in setting salaries and compensation and all of that.

(Ted) I appreciate you mentioning that Rob because it touches on a couple of things. One is that it is bad form for us to be deciding our own salaries and so to recuse ourselves from that discussion entirely and then trusting our board to have that discussion to determine our salary. Then the other important point that you make, Rob, is using the industry benchmarks. For us we use - and maybe it's the publication that you use - but one of them is the Church Law and Tax Report which has a church salary division and that establishes benchmarks for representative places across the nation that have your geographic region, your cost of living, and so on. So that gives us that median income, those benchmarks. It's not just some arbitrary number that you're paying. And that

can be significant. We had an employee whose need was higher than they were making, but man, the industry benchmark did not provide for what this person needed to make and it was heartbreaking because they were a valuable person on staff but it was like, "Hey, this is what the position pays. We really can't justify, you know, changing that too much." Sometimes you take things into consideration as much as you can, but you have to, at the end of the day, be able to have some very concrete objective things where you can say, "Look, this is how we came at this decision. It's not just the 'good old boy's club' where we're going to give him more because we think that he should get more." There's some accountability that's built in and I think that's important to consider.

(Rob) Here's another thought that just came to my mind that I'd love to get you guys' thoughts on and that is how do you go about removing a board member?

(Laughter)

(Rob) I think we've all experienced that one guy who just seems to be the stick in the mud or who is always in left field it seems like. How would you guys deal with that and how would you recommend dealing with that?

(Ted) I think with humor you tell them a knock-knock joke. "Knock-knock. Who's there? Not you anymore." No, it's touchy boy! And especially, I think, we have the luxury perhaps to be more in the driver's seat in terms of having more say and sway on the board, but others don't get a lot of say on the board and the structure is so that if there's somebody on the board that they wish wasn't there, they don't have the recourse to get the person off. I'm a big fan of directness and I have invited guys off my board before. What I have done personally - and I'm not saying this is the right way, it's just the way I've handled it - in both instances, I had two people on my board, not at the same time, but over the years. I went out to lunch with the person and I explained face to face why I did not think that they were a fit on the board and had a dialogue with them about it. Then I said, "I'd like to have you prayerfully consider stepping off the board." That saves them the embarrassment in a board meeting for fronting them off and gives them the dignity of, "I appreciate your service but this is why I don't think you're a fit." But, along with that, inviting them by saying, "Look, if you disagree, then we can have this

discussion with the whole board and be able to sit down and talk about it." It's never come to that, but that's the way I've handled it in the past, "Hey, I don't think you're a fit anymore. I think we have a different approach to ministry," or whatever it is. What about you, Wayne?

(Wayne) I think you need to think through whether it's retaining a position and losing a relationship, or maintaining a relationship even though it might cost a position. There's a book by Michael Marquardt. That's his name and the book is on audio as well as analog and it's called *Leading with Questions*. When there's not a fit on the board or on the staff, they feel it in their gut. The same Holy Ghost that lives in you lives in them and He's going to talk to their conscience and they know they're not fitting the role as they should. They're not competent or they don't have the capacity for what they've been asked to do. So there is going to be consternation in their own spirit so what I do is I take them out or have them come into my office and I ask them, "How do you feel you're doing? How do you feel your fit is?" I just lead with questions, "Do you feel it's something really that is fueling your passion or is it draining your passion?" I just keep asking them questions until I can get them to say, "Well, yeah, it's not that good. Maybe it's not really where I should be." And then I say, "Is there another lateral position that would fit better for you? Because my heart is that you fit somewhere because everybody is a '10' somewhere." Then I put that fault on myself and say, "I may be the one who misplaced you, not you. You said yes and you were kind enough to comply and by that I am just honored and blessed, but I need to ask your forgiveness. If it's not fitting, it's my fault, not yours. So let me help you as your shepherd, as your pastor, to find a place that really fits for you. I don't know which one, but you tell me." And usually about that point they'll go, "Yeah, you're right, it's not my favorite spot and I'm not really helping am I?"

(Laughter)

(Wayne) And I'll say, "Probably not, but you are a '10' somewhere so where else would you rather fit?" And he'll go, "Well, you know, I really love working with junior high kids." And I'll say, "Good! I'll bet that's where God is going to anoint you like nuts, man! So if I don't help you move there, I'm sinning."

(Ted) Wow, Wayne, we can rely on you! We'll call you, "Hey Wayne, can you have a conversation with a friend of mine, please?!" How about you, Rob, how do you handle it?

(Rob) I just want to say I think what Wayne said is brilliant! That's why he's the legend and we are just who we are, Ted.

(Laughter)

(Ted) Yeah!

(Rob) You know, I can honestly say I haven't had to do that very often. I've had some times when I handled it very poorly but I did have a situation not too long ago, a few years back, where I did exactly what Wayne described and it went beautifully. That individual is still in our church, they're still friends, and he's still serving and it was just going through those same types of questions. So I would agree whole heartedly. I've never read that book but I'm going to read that book!

(Ted) Yeah! I wrote that down.

(Rob) I have definitely found that has been the best. If you can get people to come to that place of understanding for themselves, that they're not a good fit, then taking it one step further, like Wayne mentioned of, "Let's find where you do fit because you're a '10' somewhere," gosh, that's golden! We could end this podcast on that. It is so good!

(Ted) So that book again was, *Leading with Questions* by Michael Marquardt, is that correct?

(Wayne) Yes.

(Ted) Ok, great book advisories! That's good! Yeah, you know, I've known guys who kind of take the chicken exit with their board and they just have everybody serve one year terms and you have to turn in your resignation at the end but what they're known for is asking, "Hey, would you serve another year?" But then suspiciously they accept the resignation of the other guy and I'm like, "He can see right through what's going on. Just have the conversation with him." I'm curious about that too. Both of you guys have three year terms on your boards, what do you do if you've got somebody on your board who is brilliant and you really lean on them, do you have the latitude to invite them to stay longer or are you handcuffed to the three year term? How does that work?

(Wayne) Well, for me, you can do a couple of alternative actions and one is to have them on as an advisor to the board on their year off. They do not have voting rights but they have influential rights so they can influence me, they can speak to the board and if they are brilliant and if they're an elder in any way, the board will listen to them and take into account what that person is saying because he has great context or wisdom or depth. The other is if someone has been for a long time a great and wise consultant, I have a smaller group of only four that I call "elders." These are not ruling elders, per se, we just call them the board, but elders to the church. You see in Timothy these guys are elders and to me the board is deacons, so to speak, but elders have no term. It's not a three year term, it's not a five year term, it's a life term. They have a life sentence!

(Laughter)

(Wayne) I have one guy who is 86 and he's still an elder to me. Another is 74. So these are usually older guys who have been around and I've known them for forty years and they've always had great and wise things to say and the congregation respects them as such, even without a title. So these are elders and the elders are invited to every board meeting that I have but they do not have voting rights. Only the directors, according to our corporation bylaws, has voting rights but our elders, when they speak, it's like E. F. Hutton, everybody shuts up and listens.

(Ted) Yeah, you're leaning in.

(Rob) That's brilliant. So, for us, if you went to our website you would see where it says "Leadership Team." That's what we call our board. And on our board everybody who is taking their year break is listed on there as inactive. So it has active and inactive and they're listed as inactive, but what we've decided is on any major decision - like if we're buying property or something like that - then everybody who is on that team, whether active or inactive are brought in to be a part of that discussion. So let's say there's a brilliant guy, and I've had a couple of them who have been in that inactive status, we have brought them in to be a part of a meeting that we felt like was within their gift set, where they had a voice to be able to speak. But those guys have really enjoyed that. I have one guy right now and he's brilliant and he just retired and he's enjoying the retired life right now and he's taking his year off of the leadership team, but on a major decision - like when we were trying to figure out how to deal with COVID - we brought him in and he was a part of that conversation. That's the way we've navigated it. But once their year is up some guys decide that they don't want to re-up and be on the board. I've also had a few guys who've said, "I'm leaving it up to you. Do you feel like I'm a good fit at this time?" And I've talked with them like you have, Wayne, and said, "I feel like the Lord is leading in a different direction, but I feel like you have a great place over here." Those guys go off of our website entirely. So on our website it's active and inactive. The guys who have been on the board but are no longer in either of those places are just not listed any more.

(Ted) That's an important principle just to highlight, that there is your *board* and then there are *advisors* to your board. And those advisors may be in an official capacity as an advisor, but the term advisor would denote that they are non-voting participants in the board meeting. But then there are those unofficial advisors too, that we welcome in. You know, for instance we had a discussion - as part of our staff compensation we had to go through insurances - and well, as it turned out, our administrator was the subject matter expert on that and so she was invited into the board meeting to be able to speak very authoritatively in regards to medical insurances and life insurances, in terms of policies and who qualified and who didn't, and all of that. So, not an official advisor to the board, but for that particular meeting served in an advisory capacity and was very helpful. And as you had put it, Wayne, previous to this they would have been asked to step out of the meeting for the

continuance of the meeting so that is an important principle that you bring up.

Ok, so other thoughts? What are some common mistakes that you guys see that could be corrected? Maybe we've even already addressed it.

(Rob) Well, I think you've already mentioned the whole idea of "yes men." I think that's a horrible mistake and I've seen that type of situation go down in such a way that it just didn't allow the church to be led well, so we've kind of addressed that. There's nothing else that really comes to my mind. What about you, Wayne?

(Wayne) Well, yeah, sometimes you're going to have "yes men" that start off as "yes men" because they think, you know, Rob, that's kind of what you're looking for. You want people to agree with you, you want people to affirm you, so they do exactly that. Not thinking that they're sinning or doing anything wrong; they think they're doing exactly what you want them to do. So one of the things I do to alleviate or to mitigate that tendency, Rob, is I'll ask them a question, "Hey, I'm thinking of a vision and it's a pretty gargantuan vision but here it is, A, B, C, D, E, F, G." Then when I'm done, I won't say, "This is for you 'yes men.'" But I will say, "Now I need you to ask me the most poignant and pointed questions you can about this endeavor or this initiative. The reason is that I have not thought through it completely until it's totally clear in my mind. I have not exhaustively investigated every aspect of this, so if you don't ask me questions, then there are going to be blind spots in this vision that we're going to get nailed with. You need to ask me the toughest questions you can and what it does is it helps me immensely because it points out blind spots that I would never have seen, had you not asked. So I'm not going to ask you to be quiet. I'm going to finish this vision, I'm going to finish this thought that I have about this ministry or this expansion or this building program, whatever it is, and when I'm done, will you help me find blind spots?"

(Ted) I think that's excellent!

(Wayne) Then I finish it and let them run and you know, it actually cures the "yes men."

(Rob) That's great, "Help me find blind spots." I love that!

(Ted) I love when guys come in and realize, just because it's not on the agenda doesn't mean it's not something that needs to be discussed. That's where you want guys to come in who are driving things and say, "Hey, we haven't talked about this in a while." You kind of touched on that, Wayne, with the board wanting to make sure, "Hey, how are you? How's your marriage?" asking those kind of questions. A big part of that is observing but another part of that is just leaning in and asking the tough questions. Then asking other questions like, "I've noticed we haven't talked about a cost of living increase for the staff in a couple of years. We should be addressing that. I don't see that reflected in the budget." That can be good.

(Rob) Yeah, I think that's awesome. I love what you said earlier, Wayne, about it being the board's job, primarily, to take care of the pastor. I think in our situation, our board could be a little bit better in that and I want to stress that it is part of their role. Another thing that I'd love to get you guys' thoughts on is this, I will usually send out an email prior to our meeting that has a bit of an agenda to it. Sometimes I will even send out, maybe a couple of weeks ahead of time, something that I'm thinking about and I'll send it out either in a video or I'll send it in an email and I want them to be praying so that when we meet they have already been praying about it and we can address it. Or a lot of times we'll talk about something and then we'll take two weeks to just pray about it and then we come back together. And what I usually do...and this has been so amazing...because like I said, I want to hear from them, I am using them to confirm what I feel like God is saying to me, so when we come back to those meetings, after praying, I'm the *last* guy to talk, I'm not the *first* guy to talk. I start asking, "So what's God showing you? What is God saying to you?" And we'll go around the room and it's amazing but it just builds, like, "I was reading here and God showed me this." And the next guy says, "That really goes with what I was studying here and God showed me this." And it comes around and there's great confirmation. But there have been a few times, like you mentioned earlier Ted, where we are not all on the same page. When that happens, even though our bylaws are set up so that majority rules, on big things we really, really want to be unanimous and we feel like if the Holy Spirit is talking to all of us, we should be able to hear the same. So if that doesn't happen, we will curb something, we'll put it on the shelf, and we'll continue to pray. I was just wondering, do you guys send out like an

agenda or things to be thinking about prior to the meeting? Or do you just lay it out when everybody comes in?

(Wayne) Yeah, my assistant sends out an agenda. There are several boards that we have around our ministry. We have a board for the college aspect, because it's New Hope Church and College, so the college is its own 5013C and we have a board for that. Then we have one for the church and we have one for New Hope International that oversees our missions as well in Asia, Australia, etc. So we have several boards and my assistant will send, via the chairman, a template or suggested agenda. The board chair then tweaks it and sends it back. I then look at it, add any last and final things, and then it's sent to the board members one to two weeks in advance. So we do that for sure because none of the board members want to be surprised by anything!

(Ted) Yeah, I agree with that. We do the same thing. I don't want to lay something on the board when they're just now hearing it and then go, "I need you to vote on it." I need time to walk with this. I need time to pray over this. So I agree. We send it out ahead of time. I give them as much information as I can so if we're going to be resolving a budget then they're getting a copy of that budget with plenty of time to ask questions. Then, as far as, you know, the staff is concerned, all of my staff knows that if anybody on the board calls and wants to know anything about anything, you give them whatever they want, you give them whatever they're asking for. So we're getting ready - and we're doing it a little bit early this year - but in the month of September we're actually going to be ratifying our 2022 budget. We normally do that in November but we're doing things a little bit sooner this year, so yeah.

(Rob) I have one final question. I know we've kind of been at this for a little while now.

(Ted) Yeah, and thank you both for giving your time to this because this is one of those issues that can be that way.

(Rob) Yeah, we could do a couple of these on this! Thank you both so much for your time. But I was just curious, especially Wayne, you're talking about being on three different boards that you have at your church and I'm sure

you're probably on some others, so how often do your boards meet? Do you meet monthly, quarterly, or when necessary? How does it work for you guys?

(Wayne) It depends. If we're on a project, Rob, that requires our attention we will meet monthly for a season until we make sure that we nail this baby and then we go to quarterly. So usually the norm is quarterly, every two to three months, that we will meet which means about four times a year unless there is a big project taking place then we will meet monthly. Our international board meets quarterly, period. If we have any urgent matters we will do what we call, "action without meeting" where it's sent out via email and then they can vote without actually having a meeting. But normally it's quarterly.

(Ted) Yeah, we're similar. We do a quarterly schedule and then we can either cancel one if there's really nothing compelling, no resolutions to be made, or if it's just updating people, we can do that by email. Or conversely, if it's just one issue, then sometimes we'll handle that by email, but in general it's quarterly and last year was bi-yearly. We had two last year.

(Rob) Awesome. Well Wayne, thanks so much for being with us today. We really enjoyed this conversation. Your wisdom and insight is always really, really appreciated. So thanks for taking the time.

(Wayne) It's my honor, Rob. Thank you Ted. We appreciate all of you and all that you're doing.

(Ted) God bless you, Wayne! We're so glad to have you back and for your wisdom. I agree, just thank you.

(Wayne) God bless you.

(Rob) God bless.

Thank you for listening. Our goal with this podcast is to help you lead well through all seasons and challenges of

ministry life. So we'll see you next time on the Leadership Collective.