

**Christ Lutheran Church
Council Minutes
January 13, 2014**

Present: Pastor Eric Moehring, Pastor Kristin Hunsinger, Council President Heather Heckel, Vice President Glen Kellogg, Treasurer Paul Quel, Council Members: Stephanie Feaser, Shannon Fleming, Chad Foltz, Ernie Foltz, Faith Hobson, Jim Ingraham, Tinky Keen, Bruce Matson, Ferrell Newman, Gerald Ransone

Absent: Secretary Diane Kellogg

Guest: Francis Caldwell, fundraising specialist who was recommended by Mark Cooper, our synod recommended facilitator from recent council meetings.

Heather opened the meeting with devotions.

Minutes from December were approved with minor corrections.

Round robin introductions from all present and welcome to new members of council.

Goals and Expectations:

- a) Annual Report – ministry reports due Katy by January 20.
- b) Doorkeepers and Devotions – Sign-up sheet was passed around for each council member to sign up for two months as doorkeeper, either to open before the early service or close after the 2nd service. Each member will be assigned a month for devotions.
- c) Ministry Liaisons – Volunteers requested for ministry team liaisons.
 - a. Youth = Chad and Ernie
 - b. Music = Shannon
 - c. Christian Education = Jim
 - d. Stewardship = Vacant
 - e. Evangelism = Vacant
 - f. Other Ministries = Faith, Tinky and Stephanie
- d) Shepherding Lists – Ernie passed out a new shepherding list so that incoming council members will take over one of the out-going council members lists. This is an informal way for council to keep in touch with individuals from the congregation via emails, letters, Christmas cards or other means of communication.

Pastor Eric's Report: (written report)

- Annual Richmond Conference Gathering hosted by Bishop Mauney is February 16 from 3-6 pm at Christ the King Lutheran Church.
- Pastor will be installing Pastor Phillip Martin as senior pastor at Epiphany Lutheran Church on February 2.
- First Communion classes will be held on February 16, 23 and March 2. So far 6 children are signed up and the date of their First Communion will be March 9.
- Four students attended confirmation classes in the fall with two more to be added in January.
- The baptismal bowl was broken at the end of December. Diane Bentz is meeting with the artist to try to determine the reason for the break and how to avoid it in the future. A donor has volunteered to replace the bowl.
- Pastor's next newsletter article will be about his and Donnas' experiences visiting other congregations.

- Pastor shared a thank you letter from Bishop Mauney for Christ Lutheran's benevolence and generosity in 2013.

Pastor Kristin's Report (written report):

- Thanks to Bruce for his fall class which will be ending on February 2. A new adult class is scheduled to begin on February 16.
- There was a meeting this past week to begin formalizing the formation of small groups of 4-6 people as recommended by Pastor Herman.
- Five youth will be attending Winter Celebration on the last weekend of January.
- Pastor provided a short description of the evening worship service which will be included in the next newsletter.

Ministry Team Reports:

Music – A motion was passed to approve a new service contract for the organ that would provide a savings of about \$370 per year.

Old Business:

The Constitutional Updates will be discussed at next month's meeting.

Treasurer's Report: Expense Report and Balance Sheet

We ended 2013 with a \$5,217 deficit and a reserve fund of about \$6,000. Currently no budget has been approved for 2014.

New Business:

Discussion of Draft Letter to the Congregation and Budget Discussion:

- The draft letter was not what some on council were expecting. It did not spell out the contingency options discussed by the Budget Recommendation Committee as planned.
- On the advice of Francis Caldwell (an expert in faith-based fundraising), the committee that met on January 6 to finalize the draft of the letter decided to write a new letter which was shorter, more positive, and more hopeful as a way to introduce the congregation to the reality of our financial situation and buy some time for planning before more severe contingency plans would need to take effect. This version includes a list of the many ministries that Christ Lutheran supports which are enabled by the dedication of staff and volunteers.
- There was concern that this new letter was misleading and under represented the seriousness of our financial situation.
- It does not provide a long term solution to our ongoing budget issues.
- Fundraising is viewed as a short term fix and is not sustainable long term. Fundraising only solves the 2014 budget woes and only if the funds are indeed raised. What happens if the \$43,000 requested is not raised?
- There was much discussion about the line of credit option and cash flow issues. Should we go that route? At certain times of the year cash flow is an issue, but overall, we are spending more money than we take in, leading to the multiple deficit years in our recent past.
- It was agreed that the letter needs some edits to represent the reality of the financial situation for 2014 and beyond, the impacts or consequences if the funds are not raised, and that we need to set a time line for the campaign and implementation of contingency plans.
- Heather will incorporate the changes discussed at tonight's meeting into the letter and Paul will work on the edits to the 2014 Budget proposal as revised by Pastor Kristin.

- A committee will need to be formed to plan and implement the Lenten Fundraising campaign which will kick off at the Annual Meeting on February 9.
- Council will meet after the 2nd service on January 19 to vote on the revised letter and the 2014 budget.

Meeting closed with remarks for the good of the church and a prayer by Francis Caldwell.

Next Regular Council Meeting: **Monday, February 10, 2014**

January 19 Meeting after 2nd Service

Present: Pastor Eric, Pastor Kristin, Heather, Kim, Gerald, Glen, Bruce, Jim, Faith, Stephanie

Absent: Ernie, Chad, Tinky, Ferrell, Shannon

Further edits to the congregational letter were discussed including:

- Specifying that this fundraising proposal is for the 2014 budget crisis and that the 2015 budget may look very different.
- Specifying a date when financial commitments must be in by, such as by the beginning of lent.
- Adding that “the council and the congregation need to work together to determine the church’s mission” and that the congregation should “prayfully consider the church’s future beyond 2014”.
- Reiterate that the three options discussed and considered by council may need to be implemented in the near future if the fundraising goal is not met.
- Include two dates set aside for the congregation to ask questions of council on January 26 after the 2nd service and on January 2 during the Sunday school hour.
- Remove the sentence that “attendance appears to be stabilizing” as Glen’s graphs tell a story of decline.
- Reiterate that we need everyone’s voice at the February 9 Congregational Meeting which will include Annual Reports, the 2014 budget proposal, the fundraising kick-off, and Pastor Herman talk after a single 10 am service.

Edits to the Proposed 2014 Budget included:

- Adding some wording stating our “Projected Offerings = \$325,000”

Heather will make the necessary changes to the letter and mail it out to the congregation on Tuesday.

The 2014 Budget was approved provisionally with the understanding that if the funds are not raised, we will need to amend it.

Pastor Eric closed the meeting with a bible reading and prayer.

Submitted by Stephanie Feaser, for Diane Kellogg, Council Secretary

Annual Congregational Meeting Minutes - Corrected
February 9, 2014
After a single 10 am service

Heather Heckel, Council President, presided over the meeting.

A quorum was present (about 90 persons in attendance).

Copies of the proposed 2014 budget were distributed along with copies of the 2013 Annual Report.

Bill Franz presented the Fundraising Committee's Report.

- Today kicks off a capitol fundraising campaign to raise \$43,000 to cover expenses for 2014 and start rebuilding the reserve fund.
- One possible scenario to raise the funds would look as follows:
 - 1 family pledging \$10,000
 - 2 families pledging \$5,000
 - 5 pledging \$2,000
 - 8 pledging \$1,000
 - 50 pledging \$100
 - 66 pledges totaling \$43,000
- The actual mix of pledges could look very different, but the goal is achievable. Everyone is asked to pledge according to their means.
- Eleven congregational leaders/council members have pre-pledged \$14,820, so we are already 1/3 of the way to our goal.
- A letter regarding the campaign will be forthcoming.

Discussion from the congregation (**NOTE: Key points have been paraphrased and summarized below**):

- Judy – Request for clarification on pledges.
- Paul (treasurer) – About 85 families pledged during our fall stewardship campaign totaling approximately \$292,600. Our projected income is \$325,000.
- Pastor Eric - We have about 140 active “units”, but not all pledge.
- Eileen – She does not feel that the 10-11% that faith money represents should be included in the budget planning process. Essentially, we are looking to raise about \$70,000 (13% = fundraiser and 11% = faith money.) We are spending more money than we have. The fundraiser is a one year fix, a band-aid, and she would vote no for the proposed budget.
- Mason – Same concerns. Pledging beyond fall campaign is not possible for some, especially in a lump sum. Suggested approving the budget provisionally and if funds are not raised, revising the budget accordingly.
- Clarification by Heather – The campaign does not require a lump sum payment. You have until the end of the year to fulfill your pledge. And, yes, the proposed budget is provisional and will be revised and put to a revote if sufficient funds are not raised.
- Judy – Concerned about low attendance. Believes the church should be living within its means. Suggested the church talk more to its members about tithing.
- Kathi – Concerned that some people may have under pledged during fall campaign and might use this additional pledge to represent the amount they would have given any way beyond their fall pledge (faith money).
- Heather – Please pledge the amount you are realistically willing to give above and beyond what you planned to give for the year, whether pledged or not.
- Bob – We may need more than \$100 from the majority of families to meet the goal.
- Dennis asked for clarification on benevolence and reserves.

- Heather – Of the \$43,000 requested, about \$3,000 would be put toward starting to rebuild the reserve fund and \$3,000 to benevolence.
- Dennis – How much money will we need to raise next year?
- Heather – The campaign this year buys us time to devise a thoughtful and sustainable plan for the future and hopefully avoid ongoing fund raisers. However, that will mean the budget could look very different next year.
- Ferrell – We don't want to fire staff, but the bottom line is that staff expenses represent the bulk of the budget. The fundraiser buys us (the council, pastors and congregation) time to thoughtfully plan for a sustainable future.
- Clarification by Paul – Last year we had a \$5,200 deficit (even though we under spent our budget) and the past 6 of 7 years have been deficit years. We use faith money calculations because pledges historically under represent total income.
- Judy – We have experienced years of deficit and years of council discussions and planning. What is different this year?
- Heather – Council has tried many things to increase membership and giving, cut expenses, and rework the budget over the years. Pledges are down and reserves are low. We have tried to be optimistic in the past, but reality is setting in, and we cannot afford to put off the tough decisions much longer.
- Harry – What is the time line for making decisions this year and preventing this same discussion from happening next year?
- Heather – The campaign ends at the beginning of lent (March 2) at which time we will know if we can meet this year's proposed budget. By summer, she hopes the new planning committee would have a draft of next year's budget/plan for the future.
- Shannon – Pledge cards will be handed out after the meeting. Please be realistic with your pledges and council will reevaluate the situation if needed after the campaign. Some of us may see the church as in crisis, but she sees a thriving church. Look at all of the ministries and services we provide to the community. We do not have a money problem, but a spirit problem. Council has been bogged down by budget issues, but the church is not a business. It is about changing lives and serving the community.
- Julie – What would happen if the budget is not approved today?
- Heather – Council meets Monday night and a new budget would have to be developed in the next month. However, there are not many options outside of cutting staff.
- Don – The best indicator for the future is past results. We have been in the red many years in the recent past. The budget does not leave much room for unexpected expenses. Based on past results, we should not pass a deficit budget. What if we waited until the campaign was over to approve a budget?
- Paul response – Whether we vote on the budget today or postpone the vote, he will continue to pay the bills based on the proposed budget, unless a change or resolution to the contrary is made at this meeting.
- Julie – What about putting a halt to discretionary spending?
- Paul – There is very little discretionary spending. The vast majority of expenses are staff compensation, utilities and debt (mortgage).
- Margaret – Motion to end discussion and vote.
- Mason – What does the constitution say about continued spending without an approved budget?
- Paul – Church has operated in the past without an approved budget especially for the month of January.
- Pastor Eric – The constitution does not spell out a contingency plan but it is customary to get approval of the budget from the congregation. Otherwise, if we did not pay bills, the church would have to close.
- John – in summary – In a controversial move in the past, we approved an addition to the church. We didn't have enough money, borrowed and numbers grew. We had several years of surplus. Then in 2008 we hired an assistant pastor. We knew it was a risk. We anticipated more growth, but the opposite happened. We experienced deficit years. The last few years have seen smaller deficits, but pledges are down and savings are down. The fundraiser buys us (council, congregation, pastors) time to decide next

steps, such as making more painful cuts to expenses, while still serving the community. We need everyone involved moving forward. Approve the budget to buy us time to plan.

Trenton made a motion to approve the budget for now, proceed with the fundraising campaign, revise the budget if needed after the campaign is completed, and form a committee to look at a plan for a sustainable future. The motion was seconded and a vote was taken by raise of hands. 47 voted to pass the motion, 18 were opposed. The motion passed.

A motion was made to approve the 2013 Annual Report, seconded and approved.

A motion was made to adjourn the meeting, seconded and passed.

Fundraising letters with pledge cards were handed out to those present and will be mailed to those absent.

**Congregational Retreat
by Pastor John Herman
February 9, 2014**

About 30 people attended (half attended Pastor Herman's last session in November on "Discipleship Making").

During the November retreat, Pastor Herman discussed moving from a membership model of a church to a discipleship model (chart available from the pastors).

Today he is discussing the next steps for leadership here at Christ Lutheran (PowerPoint Presentation available from the pastors).

God is about love, relationships and community.

- UP – Using prayer and bible study to listen to God and his vision or mission for the church.
- IN – Building relationships and community within and outside the church through long term small groups meetings.
- OUT – Being God's hands and feet in all aspects of your life, in the world and making disciples of others.

Acts 2: 42-47 The disciples ate together, worked together, prayed together, shared their resources, spread the good news and grew followers.

Church renewal is about:

- 1) Growing relationships – UP, IN and OUT
- 2) Knowing your purpose/vision – Who are we as a church? What do we do best? What is our "business"? What products or services should we provide? Who should we serve? How do we change lives and make disciples of others?
- 3) Using that singular purpose to guide all other ministries. Ministries that invite new members, transform lives and send people out to make disciples of others through outreach efforts.

Pastor Herman asked what Christ Lutheran needs to do next to build relationships, change lives, make disciples, invite, transform and send?

Discussion will continue at the March 1 retreat.

Submitted by Stephanie Feaser