

## CALVARY LUTHERAN CHURCH COUNCIL

Meeting Minutes for May 24, 2016

Members Present: Craig Anderson, Rick Bode, Jim Borowick, Paul Carlson, Pete Duelo, Dave Eshelman, Linda Glass, Rich Graversen, Dan Hanson, Heather Hetzler, Julie Holmen, Heather Hosfield, Marisa Houghland, Tim Johnson, Anne Kaluza, Suzanne Kersten, Dave Kufahl, Cory Maass, June Mattson, Christine Olkives, Steven Opheim, Connie Otto, Jeff Pedersen and Craig Recknagel.

Members Absent: Susan Beacham, Carl Geving, Steve Hagstrom, Scott Madson, Philip Nelson, Lisa Reesnes and Carol Rudd.

Also Present: Pastors Jeff Krogstad, Carol Skjegstad and Jason Roton, Jason Beaver and Jerry Gates.

Devotions: Rich Graversen - Servant Leadership- shares power, puts the needs of others first. We on the council have been elected to serve Calvary.

### Endowment Board

- Mark Pedersen
- Question from Steve Opheim- related to the funds for staff members to attend the Orange conference in Atlanta. Why was this not passed by council? Answered by Jerry Gates; this was run through the Lindberg Endowment Fund which does not need to be approved by council.
- Fund requests were approved by council.

### Approval of Minutes of April 26 meeting

- Minutes were approved

### Financial report

- Report given by Jerry Gates.
- Trend has not improved. There has been a decline in giving.
- Church-wide is behind budget.
- Pledges are still strong in commitment, but the amount has dropped.
- Attendance is down.
- Jerry included a handout of what the shortfall in giving will be, 6%, 8%, or 10% and scenarios for each of these options. Shortfalls are expected because of the trend in giving.
- Question from Steve Opheim: as part of the constitution, is the council in charge of the budget and should they be in charge of decisions related to the budget? Example given was related to the choice to end the radio ministry.
  - Agreement related to this comment- Dave.
  - Answer: Council was notified in each meeting of the shortfall since January. A letter went out to the council and the congregation stating that if giving doesn't turn around there will need to be budget cuts.
- Question from Julie Holmen, this is a council decision, how do we as a council with EC and leadership tackle the larger problem and the impact of larger giving.
  - We need to examine the short and long-term outcomes before cutting staff.
  - If we do not do this right, we will still have this problem in the long term.
- Question from Anne Kaluza, have our expenses been adjusted in the budget? How has this been revised?

- Jerry: The largest portion of our budget comes from personnel related expenses. Our church has changed significantly in weekly attendance. We need to get our staffing in line with where we are today. We need to find a new way to staff ministries. It is not a one-time event to help balance the budget.
- Question about the mortgage debt, how much is it?
  - Jerry: 4.4 million, P&I 398K/year
- What is our current cash balance?
  - Jerry: We have 600K-700K in cash.
  - Jerry: If we were a different church we could go to the congregation, asking for additional funds. If we do not change the budget we will have the same problem next year.
- Question from Steve: what is the recommendation? What does the new budget look like?
  - Pastor Jeff, we have a surplus, debts are paid, and we are in a position to weather a bad couple of years because of our reserves.
    - We must be fiscally responsible. We need to look at the next fiscal year and beyond and be responsible for looking at next year's budget to make sure that we reduce spending and ensure we are in a good position.
    - Voiced agreement to this statement.
    - We need to ask if we have stabilized. If we get into the fall and giving is still down, our budget will not be sound.
- Call for input
  - Julie Holmen: We cannot weather a continued downturn. We have not heard what we think will turn this ship around or what we think went wrong. What are the predominate facts pointing to? Sitting back and waiting a couple of years is not an okay mindset; we should be a growing church.
  - Pastor Jeff: I would like to highlight the positive directions we are going.
    - We spent 15 years getting into this situation. We are studying the patterns at what will turn this church around. We as a staff have just spent two days figuring out the steps we can take to move forward in a positive way.
    - How are we moving forward in the coming six months? November 6, 13 and 20 will be stewardship Sundays and we will be looking for members to commit to the future of Calvary. What does God want for you in the question of your finances? How can Calvary help people in our congregation and in the community to get out of the trap of living pay check to pay check? We will be preaching through the book, "Mind Your Own Business." Financial Peace University will be lifted up to the congregation to give people a chance to become more financially healthy.
  - Jim Borowick- we need to be willing to participate; we need to be asking ourselves as leaders in the church how many people have we invited to Calvary in the last 6 months or a year. If we aren't doing this as leaders, then who will? We need to be an example for the rest of the congregation. We have lost the invitational aspect of our congregation. I have personally been asking God who I might be asking to come to Calvary? This is not a staff issue, it is up to us.
  - Dave- We are still making a difference in our community and in our world. We can use these opportunities to invite others to Calvary.
  - Marisa- recovering an invitational culture.
    - Churches around the county are failing and programming will never fix that. We need to have excellent programming, but the rest of the world is pulling people away from church.

- It is great that we have a commitment to the people of our congregation regarding their financial future. Offering classes is a great way to minister to our congregation.
  - Pastor Jeff- freeing those held captive, most likely financial captivity, because our culture makes them believe that they are number one and should spend that way.
- Rich- people come here because of worship. Our attendance has dropped significantly and we need to address that.
- Dan- do we know where our people are going? Do people go to other churches, are they actively fading away, do some stop going to church altogether?
- Dave- a call back to the point of order, what scenario are we likely going to see?
  - Rich- we should have this in place before the end of the fiscal year
- Jerry- We should be expecting a shortfall of over \$300K.
- Paul Carlson- what does the radio ministry cost and how do we measure who is listening to it?
  - Pastor Jeff- There is no way to tell who is dependent on our ministry. We are willing to meet the needs of those people who do use the radio ministry.
  - Steve- is the radio ministry a line item?
    - Jerry- it is under communications and media
  - Steve- how was the radio decided to be cut?
    - Pastor Jeff- we have been looking at this for some time and asking staff if they knew members who were served by this ministry
  - Steve- question related to how this decision was made? Wasn't this part of the budget and shouldn't that have been decided by the council.
    - Dave- staff has been looking for ways to meet the needs of those members that have been using this service. We are asking for people to assist in finding those using the ministry.
    - Pastor Jeff- the constitution does not delineate what is a staff decision and what the council can decide.
    - Julie- there wasn't a downside to bringing something like this to the council?
      - Jeff- no we should have asked the council about this. However, the reality of this is that as staff members we are charged with the daily work of Calvary. We are not taking away from the priesthood and leadership of Calvary. Part of my task is to theologically lead Calvary.
      - Julie- As the leadership of Calvary we need to decide what should and should not be brought to Council.
      - Steve- the second half of the charge from the August meeting was to understand what are the roles of each position here at Calvary. Council is in charge and we have gotten away from that; we need to get back to that.
      - Jerry- day to day decisions are difficult to give to the council because of the time sensitive decisions.
      - Jim- we should be looking at the outcome of our ministries.
  - Jerry- we need to focus on expenses and our direction. The larger question is what we need to do for next year.
  - Dave- the larger question is having a discussion related to our direction next year.
  - Suzanne Kersten- Jerry does have some ideas related to staffing.
    - Jerry- what are our ministry needs and how are we staffing those.
    - Pastor Jeff- the EC is the personnel committee

- Pete Duelo- how do we know as a council what are each of the line items included and how we are spending them? This is what staff needs to be doing. Do we have a budget committee?
  - Jerry- in June we reach out to each ministry area and ask them to create each of their budgets
  - June Mattson - we have to believe in the positive intent of our Pastors and believe in them to make the right decisions.
  - Craig Anderson- we expect and hope staff would make decisions like the change in the youth mission trip to save \$54K
  - Marisa- we do not want to micro manage, however, we should highlight these changes to the council to allow discussion. Give people the opportunity to discuss. It might not be a bad thing to bring big ticket items to the council so that we have the opportunity for discussion or even just be informed. In the future how are we going to be proactive to bring those affected into the congregation? How are we going to be communicative to make sure that members are well informed?
  - Julie- we will have the opportunity to be ambassadors for decisions even if we don't personally believe them. It isn't about me and what I personally think and it is up to me to bring it forward to the congregation. We cannot make it difficult for staff to function. We need to reach decisions about process.
  - Steve- there is strength in the decision making process. We are run like a city council.
  - Dave- the constitution doesn't spell out exactly how the council is going to act. There has not been any attempt made to communicate decisions. Tonight we are looking for direction on what we should use as the shortfall starting point?
  - Paul Carlson- Jerry has stated that the 6% change is not realistic.
  - Cory Maass - Anything below the 10% is not responsible on our part.
- Question asked what exactly are we looking for tonight?
  - We are looking for the council to make a motion related to the shortfall.
  - Craig- motion to use the amount of \$341,000 as the shortfall in the 2016 budget as the target when planning for the 2017 budget. We authorize the EC to make staffing adjustments to accommodate the projected budget.
    - Jeff Pedersen - is the motion to cut 10% of the budget now?
  - Questions of how to use the council after these cuts are made and how they will affect the ministry areas and how we can fill these spots?
  - Steve- thank you to Jerry. Support of the motion.
  - Pastor Carol- we need to be careful with this information. We need to be careful with how we state this information. People's lives will be affected with these changes.
  - Jeff Pedersen - the EC will need to consider what the bottom line is as well. Ask that the EC consider the expenses as well as revenue.
    - Jerry- the expenses and the revenue were balanced when the FY started, then revenue went down, and we need to adjust the expenses to be in line with the revenue.
    - Clarification of how the facility fee of Early Childhood and other revenues will be affected by the budget.

- We are voting the budget based on the revenue.
- Motion passed

#### Wrap up from Pastor Call meeting May 3

- Dave- recap of the process.
- Pastor Jose will start on June 1 with a small break for a trip related to his doctoral work. The welcome reception is July 17.

#### Wrap up from Pressing On

- Dave- recap of event.
- Pastor Jeff- asking for feedback from the event. People are eager to see positive things happening. We have accelerator events in May looking forward in specific ministry areas.
- Pastor Carol- we will be kicking off new adult educational hours. Between each service hour we will be asking people to pray for Calvary. We will end at 10:25 to allow people to go to service or adult education.

#### Atrium table – July 10

- Dave- We stated we would be doing this once a quarter. An email will be sent out before this date asking for volunteers. We are going to consolidate FAQs from the previous tables and provide feedback.

#### Governance – postpone until fall

- Dave- EC recommends this be postponed until fall to allow discussion in more detail.

#### Black History month

- Iron Men- Intercity Christian ministries came to an event in February. They offered to make it a larger event next year. It is a great way to help people who are moving out to our area and partner with them to impact those that need us most.
- June- a call to become more culturally sensitive, especially those of color. Brings us back to the culture of invitation.

#### Closed in the Lord's Prayer

Next Council meeting: June 28, 2016.

The council meets on the 4th Tuesday of the month at 6:30 pm in the following months:  
Jan, Feb, Apr, Jun, Aug, Sept, Nov and other times as needed.