

Annual Meeting of Roseville Lutheran Church: June 28, 2015

The annual meeting of Roseville Lutheran Church was called to order by President Kristin Olsen.

Pastor Sara Spohr led the congregation in opening prayer.

A quorum of members were present. Last years annual meeting minutes from June 29, 2014 were approved and seconded.

Ballots with nominees for lay leadership positions at RLC were handed out to the members present.

President's Report

Kristin listed Council's 2014/2015 goals:

1. Support Year of Go
 - A. Project Home, Feed My Starving Children
2. Financial Issues
 - A. Basically "get the house in order" as we prepare for a new pastor. A task force was recommended & formed to steer us in the right direction.
 - B. Stewardship Committee was formed
 - C. Green space adjacent to the church to be sold
3. Preparation for New Pastor
 - A. Call Committee was established
 - B. Church Council served as a supporting role to Call Committee

Financial Update

At the beginning of the year there was a \$122,000 deficit against the discretionary fund. There was \$200,000 needed for facility maintenance. The Green space was sold for \$104,900 and after taxes the church made a profit of \$95,000. Roseville Lutheran Church (RLC) received an estate gift of \$71,000. With these two gifts RLC nearly eliminated the \$122,000 debt, plus additional dollars will be used for maintenance. In general monetary giving has been down over the past year. The year-end receipts for the year 2014-2015 shows that RLC is \$24,000 in the black.

Three Issues Related to Finances Update:

- 1955 Building – what to do with it?
 - Water seepage in the walls
 - Outside door is need of replacement.
 - 55% of congregants voted to do a short term fix rather than tear down the building
 - 1955 Building Repairs - \$14,000 will be spent to redo landscaping that may permanently stop of the water issues. \$10,000 will be spent to replace the outside door at the entrance to the preschool.
- Mission & Outreach
 - Currently giving 10% of offering; all ministry areas, including Mission and Outreach were asked to hold their spending to 75% of their budget for

the last 4 months of the year. Some of their budget will be restored and we estimate that final Mission and Outreach spending for this year will be 9% to 9.5% of total offerings.

- How do we define Mission & Outreach
- What is our priority and how much do we spend
- Child Care house
 - House was purchased for extra parking space
 - \$125,000 tax value
 - No plans to sell Child Care House
 - Need to revisit this issue periodically

Moving Forward

During her tenure as president, Kristin stated that three pastors left and two new Pastors arrived. She enjoyed working with the 14 council members and appreciated the opportunity to work with the Pastors. She has communicated with the congregation. The issue of same sex marriage presented itself, round table discussions were held, and the council decision was that RLC would support this issue; however, the final decision to marry a same sex couple will be left to the Pastor. Qualifications for same sex marriage are they must be a member of the congregation or a family member. Kristin thanked Dave Hofeldt, Sara Mohn, the church council, the Pastors and the congregation for their support. She recognized Pastor Steve Molin for his leadership for the past two years – “God indeed smiled on us.”

Budget Outline by President Elect, Dave Hofeldt

Dave and a few members from the Ministry Teams formed a committee to discuss the process and priorities related to the RLC budget for 2015-2016. The general offerings total approximately \$1,400,000 annually.

A few changes were outlined in the budget process. Monetary receipts are determined from two sources basically; congregant commitments (pledges) and historical trends. Suggested changes for the new budget 2015-2016 include:

- Decrease the Mission & Outreach to 8%; maximize our ministry
- Increase the staff salaries (no salary increases in last 4 years)
- Make facility maintenance a line item in budget
- Pay back our own deficits from areas borrowed

Restricted & Designated Funds

Building Fund: 6 years left on mortgage. RLC pays \$63,000 annually. If RLC borrows from the designated fund area, it must be paid back as a non profit.

Challenge is to get engaged and reach out. There is a downward trend in the number of people that financially support RLC.

Goals for 2015-2016:

- Assemble a 3-5 years plan for facilities/space, storage

- Define policies for designated funds
- Continue efforts on communication

The budget for 2015-2016 was approved and seconded via voice vote

Kristin added that work would also be started on maintenance of the parking lot this summer.

Election Results of Congregational Lay Leaders Announced by President Kristin Olsen

Election of lay leaders in the congregation were as follows:

- Nominating Committee: Malcolm Olatunde & Chris Smedsrud
- Council Vice-President: Jeff Johnson
- Congregation Council: Vanessa Anderson, Georgia Nygaard, Jake Von de Linde
- Endowment Fund Board: Jan Biebl, Tony Richter, Dorothy Tostengard
- Ministry Team chairs: Children, Youth & Family: Co-Chairs: Jim Maahs, Marlaine Maahs

Election of lay leaders was approved and seconded.

Kristin Olsen was complimented on the excellent work she has done as President of Roseville Lutheran Church.

Pastor Steve Molin gave the closing prayer.

Post Annual Meeting

President Kristin asked if there were any questions from the congregation related to the past year. There were no questions asked.

Mike Dolan & Carol Solie updated the congregation on the progress of the Call Committee.

Respectfully Submitted, Georgia Nygaard

Roseville Lutheran Church

Annual Meeting
June 28th, 2015

Meeting Agenda

1. Approval of Prior Year's Minutes
2. Election of Lay Leaders
3. President's Report
4. President-Elect's Report
5. Budget Proposal & Vote
6. Report of Election Results
7. Closing Prayer

Post Meeting (Optional):

- Q & A
- Call committee update

2015/2016 Candidates

Council



Vanessa
Anderson



Georgia
Nygaard



Jake
Von de Linde



Jan
Biebl



Tony
Richter



Dorothy
Tostengard

Endowment Cmte.

Nominating Cmte.



Mike
McGregor



Malcolm
Olatunde



Maren
Schultz



Chris
Smedsrud

Council Vice President



Jeff
Johnson

Children, Youth & Family Co-Chairs

Marlaine and Jim Maahs



2014/2015 RLC Council

GOAL: Support the Year of Go

- Project Home and FMSC were major events

GOAL: Address Financial Issues

- Formed a task force to study and provide insights into budget and maintenance needs (Aug)
- Launched the revitalized Stewardship committee (Summer)
- Sold the Green Space (Congregational vote in Oct)
- Presented task force findings – 4 sessions (Dec)
- Facilitated Table Discussions – 3 sessions (Jan)

GOAL: Prepare for a New Lead Pastor

- Supported the Transition Task force
- Implemented a process for Call committee nominees
- Identified Call Committee
- Facilitated “Looking Ahead” Leadership meeting (April)

Financial Update

July 1st, 2014:

\$122,000 borrowed against our discretionary funds

\$200,000 in identified maintenance needs

Current Status

We have been blessed!

- \$95,000 from the sale of the Green Space
- \$71,000 in estate gift
- \$24,000 projected surplus*
- Reduced overall costs by 8%
- Deficit will nearly be **eliminated** and we plan to do ~ \$75K in maintenance work.

How did we do this?

- Careful monitoring of spending including a specific ask to ministry teams and staff to spend only 75% of their budget for last 1/3 of the year.
- Stewardship messaging that helped us predict out giving

* Year ends 6/30/2015; also includes small surplus from multiple years of Flower Fund giving.

1955 Building

Issue

Currently used by primary ministries of cornerstone, confirmation and pre school.

It is in need of significant maintenance to address security and water concerns

Congregational Input

35% Tear down

13% Tear down and rebuild (one said after a five year period)

52% Short term fix

Status

- Remain committed to the 3 ministries housed in 55 building; Pre school may be affected by future legislation.
- Water Abatement work will be done and **may eliminate water problems for good** (\$14K)
- Replace the outside door (\$10K)

Mission & Outreach

Issue:

Mission and Outreach is a line item on our budget for 10% of offering.

How do best allocate these funds?

Do we have too many special appeals ?

Would we benefit from more focus giving?

Congregational Input

2% raise above 10%

26% keep at 10%

72% adjust

Status

- Opportunity in the coming year to further refine how we define “mission and outreach” at RLC
- Project Home and FMSC involved many members – is this a new outreach model? Should we be measuring our “impact” not just our dollars spent

Childcare House

Issue:

Originally purchased for extra space for parking

Operating at a small loss and the church covers some additional expenses.

Property tax value is \$125,000 but likely worth more.

Congregational input:

26% keep

33% sell

29% keep and raise fees

12% other

Status

- Childcare business is more profitable than one year ago
- No immediate plans to sell the home
- Decision to sell should be re-visited on an a periodic basis as our mission continues to be defined.

Proposed Budget for 2015-16

- Budget group: process & priorities for 2015-16:

Council members	Other Lay members	Staff members
Dave Hofeldt, President Elect	Dave Richter, Finance Cmte Chair	Steve Molin, Senior Pastor
Kris Olsen, President	Dave Werner, Endowment Cmte Chair	Dave Booms, Church Administrator
	Trupti Storlie, Stewardship Cmte	Laurel Hofeldt, Director of Finance and Data

- Targets:
 - 3% pool for merit increases
 - \$30 K for deferred maintenance
 - \$15 K surplus as installment to pay back accumulated deficit

Proposed 2015-16 Budget (from Annual Report)

	2014-15 Budget	Increase (Decrease)		2015-16 Proposed
Total Offering	1,483,600	(45,600)	-3.1%	1,438,000
Other receipts	75,000	17,000	22.7%	92,000
Total Receipts	1,558,600	(28,600)	-1.8%	1,530,000
Cost of Staff Positions	1,045,468	3,175	0.3%	1,048,643
Total Worship & Prayer	21,550	0	0.0%	21,550
Total Mission & Outreach	148,000	(35,968)	-24.3%	112,032
Total Education & Children's	21,353	(1,903)	-8.9%	19,450
Total Youth & Family	10,500	0	0.0%	10,500
Total Christian Life	60,400	1,000	1.7%	61,400
Total Program Ministry	261,803	(36,871)	-14.1%	224,932
Total Sustaining Ministry	123,953	5,972	4.8%	129,925
Total Property Ministry	127,376	(876)	-0.7%	126,500
Total Expenses	1,558,600	(28,600)	-1.8%	1,530,000
Receipts Over/Under Expenses	0			0

Proposed 2015-16 Budget (Changes Highlighted)

Thousands of \$\$\$			
		Proposed	
Receipts		2015-16	
Offerings		1400	M&O percent comes from here
Special gifts and other receipts		130	Includes hospitality income, exceeds expenses below
TOTAL Exp'd Offerings + Other Rcpts		1530	est'd from pledge cards and past giving; 2014 budget= \$1543 K
Expenses			
staff salaries		839	incl visitation pastor, lower salary for new sr pastor beg in Jan
staff benefits		175	incl 10% incr in health ben costs in 2016; deductible also incr'd
other staff costs		11	
Bus Mgmt, Communications, etc		130	Insurance jumped; also includes \$5K for call + relocation
Properties & Bldgs (utilities, grounds)		127	
M&O	8.0%	112	8% of Offerings, rest "flexible" (roundtable)--special asks???
Hospitality expenses		57	This shows up in Life Ministry; team has \$4 K budget
Other ministries		55	Other 4 permanent ministry teams, including Life Ministry
pool for sal increase	3.0%	25	no apprec. raises in 5 yrs, health care deduct incr \$1000
maintenance		0	still not in budget. '55 Bldg needs plan, possibly capital cmpgn
repayment of dedicated funds		0	
TOTAL Exp'd Expenses		1530	
Rcpts Minus Expenses		0.0	balanced budget

Proposed 2015-16 Budget vs Historical Trends

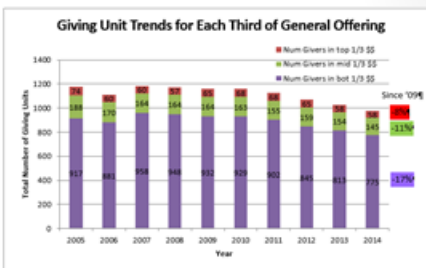
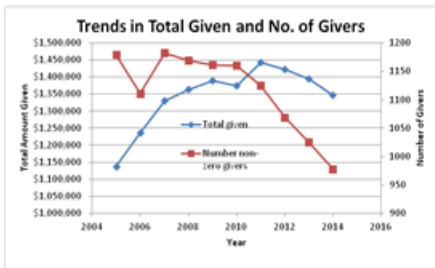
Thousands of \$\$\$						
		Proposed	Subtotals	Exp'd		
Receipts		2015-16	2015-16	2014-15	2013-14	2012-13
Offerings		1400				
Special gifts + other rcpts (incl Hosp Inc)		130				
TOTAL Exp'd Offerings + Other Rcpts		1530	1530	1544	1538	1546
Expenses						
staff salaries		839				
staff benefits		175				
other staff costs		11	w/o raise w/ raise			
Total staff costs			1024 1049	1012	1090	1188
Bus Mngmt, Communications, Ins., etc		130				
Properties & Bldgs (utilities, grounds, etc)		127	Sustaining Ministries			
Total Sustaining Ministries			257	238	248	254
			M&O			
	M&O 8.0%	112	112	132	138	146
Hospitality expenses		57	Program Ministries			
Other ministries		55	113	102	108	75*
pool for sal increase	3.0%	25				
maintenance		0				
repayment of dedicated funds		0				
TOTAL Exp'd Expenses		1530				
Rcpts Minus Expenses		0		23	-46	-118

*Hospitality was included as a net expenses - income in this year

Restricted & Designated Funds

- There are other accounting categories not included in the general operating budget—"Restricted & Designated Funds"
 - For example, building fund (~\$40K balance)
 - Monthly mortgage comes from here (\$5251/mo, or ~\$63K/yr), also large capital repairs
 - Finance committee strives to maintain 6 month payment balance
 - Current mortgage principle is ~\$381K (paid off in 6 years)
 - Fund was declining, people pledged to it this year; ↑ by \$1K/month
 - \$13.5 K came out this year for new A/C compressor
- We "borrowed" from Restricted & Designated Funds when we ran deficits several years back
- Nonprofit laws govern how we can use restricted/designated gifts -- had to "pay that back"

Our challenge is to get engaged and reach out...



Goals for Next Year

- Build warm and inviting atmosphere
 - Welcome visitors, engage members, reach out into community
 - Welcome new pastor
 - Assemble a 3-5 year plan for facilities / space usage, including '55 building
 - Better utilize what we have – from church building consultant
 - Address maintenance issue – capital campaign for Building Fund?
 - Policies for designated funds, “special asks”
-
- Continue efforts on communication
 - Holy Cow survey – communicate, communicate, communicate
 - Stewardship – what ministry can we accomplish with the gifts we receive?
 - Provide budget updates