

## **Council Meeting Minutes      Aug 21, 2014 (Next scheduled mtg:Sept18)**

Present: Bryn Knatterud, Kris Olsen, Dave Hofeldt, Sarah Mohn, John Davis, Lon Erickson, Heidi George, Janine Hughes, Kevan Molton, Jim Stark (Jane Anfang, Lee Diedrick, Maren Schultz absent)  
(note: Davis, Diedrick and Schultz are outgoing council members, Hofeldt is new Pres. Elect, Mohn is new VP, and George, Molton, and Stark are incoming council members)  
Staff: Pastor Steve Molin, Pastor Kris Kurzejeski, Pastor Sarah Spohr

### **Opening Prayer: Pastor Steve**

### **Agenda Amended and Approved**

### **Minutes from July 27: Approved**

#### **Endowment Committee Update— Janine Hughes**

Sherwin Singaas is going off the Committee, and has been the primary person overseeing investment of funds. With his departure, committee would like to invest money in a managed fund (Vanguard Balanced Index Fund). Asking for council approval to suspend part of Appendix C of the committee charter covering fund investment guidelines to allow them to make this change (as opposed to having an individual from the committee oversee investment choices directly).

Moved to suspend App. C: Endowment Fund Investment Policy, excepting the first bullet therein (Funds shall be invested with care, skill, prudence, and diligence), and with the condition that the committee provide council with an update on plans for investments by year end (2014).

#### **Green Space Update – Kathy Pederson**

Kathy Pederson gave an update on sale of green space (narrow strip of land that provides access from Lexington to Bruce Russell Park. Jim Stark commented that this was originally purchased as part of land swap arrangements when RLC expanded and built the new worship center.) Realtor that Kathy contacted suggested property could list at \$104,900. Kathy met with a potential buyer, and he said he would be interested in buying the property at that price. Council agreed with moving ahead with negotiating the sale. Purchase Agreement is generally buyer's responsibility; will likely be prepared by buyer's attorney. Motion was made for Kathy to proceed with negotiating sale of property, and with obtaining purchase agreement. Approved unanimously.

Once purchase agreement is obtained, council would then move ahead with calling a special congregational meeting to get 2/3 approval of property sale (as required by Sec 5.3.e of Constitution).

#### **Budget Task Force Update – John Davis**

John Davis is heading Budget Task Force (charter distributed and follows this page). Motivation was recent budget struggles and current maintenance needs. Maintenance needs have been deferred in past years to the point that there is now a list totaling around \$200-250K, depending on where you draw a priority line. RLC's property value is roughly ~\$9 MM, and expecting 1% annual maintenance is typical. Another goal is to find way to pay back money borrowed in prior years from designated funds. To address both of those issues, expenses would have to be reduced by ~\$150K in each of next two years (assuming no increase in giving; Stewardship committee will be addressing that). Task Force members have been asked to look holistically at the budget for opportunities to save get expenses back on track. No course will be an easy decision, but their task is to bring recommendations to council.

# ROSEVILLE LUTHERAN CHURCH COMMITTEE CHARTER

COMMITTEE NAME: Budget and Facilities Maintenance Task Force

PURPOSE OF COMMITTEE: The Budget and Facilities Maintenance Task Force will be formed as a short term committee, commissioned by the RLC council with the purpose of looking at the state of RLC's giving, spending, and facilities planning work and considerable facilities maintenance needs, and then provide to RLC council a holistic recommendation to address current and future maintenance needs. Recommendation may include sale of assets, budget changes, and facilities planning recommendations, program changes and any other steps the committee would like to have be considered to address the budget and maintenance issues.

GUIDING SCRIPTURE: Luke 14:28 – 30. Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it? For if you lay the foundation and are not able to finish it, everyone who sees it will ridicule you, saying, 'this person began to build and wasn't able to finish.'

KEY RESPONSIBILITIES:

1. Review the current state of expenses and giving at RLC
2. Review and consider facilities planning and design recommendations
3. Review the current maintenance issues and priority areas to focus upon.
4. Provide monthly updates to RLC Council on progress of the work
5. Provide a holistic plan to address current and future maintenance needs.
6. Provide any recommendation for budget development to put us on the track to reduce the probability for future deficits.
7. Out of scope: Stewardship activities as these will be addressed by the stewardship committee.

Task Force completes their work as soon as possible, with recommendations by Thanksgiving weekend, 2014.

Also, the work of preparing the 2015/2016 budget will remain with the President elect position.

REPORTING RELATIONSHIP: RLC Congregational Council

TASK FORCE CHAIR: John Davis

COUNCIL LIAISON: Lon Erickson; Dave Hofeldt – ad hoc

STAFF LIAISON: Dave Booms

PASTOR LIAISON: Steve Molin

Task Force Members: Dave Richter (Finance Committee); Dave Werner or delegate (Endowment); Vicky Lorenz (FDC); Katy Pederson (Green Space sale); Greg Johnson (Stewardship); Erik Wolhowe (Mission & Outreach)

MEETING SCHEDULE: Determined by team

QUALIFICATIONS/MAKE-UP OF MEMBERS: Individuals that can think broadly, holistically and critically about the budget and maintenance issues we face and work together to provide a recommendation that addresses the budget and maintenance issues we face at RLC.