OUR SAVIOR'S LUTHERAN CHURCH
SPECIAL CONGREGATIONAL MEETING
JULY 22, 2009

MEMBERS PRESENT:	Pr. Ted Gulhaugen	Pr. Jeff Martinson	Gene Bebel
	Paul Wegener	Scott Severt	Ann Verdoorn
	Gene Bondioli	Kathy Gruett	Pr. Ted Gulhaugen
	Shirley Mitchell	David Peterson	Allen Handlin
	Kathryn Knutson	Rebekah Murphy	Brenda Mueller

MEMBERS EXCUSED:

The meeting was called to order at 7:00 pm by Church Council President, Gene Bebel.

DEVOTIONS:
Pr. Ted Gulhaugen led the congregation in prayer.

There were 103 members of the congregation (including all Church Council Members) to represent a quorum. This meeting is to inform the congregation of the following:

1. Council action regarding staff reorganization that involves reducing the Associate Pastors position to half-time status in order to help alleviate our current financial deficits.
2. To review the need possibly to borrow additional funds to cover operating costs on a continuing basis for the near future.
3. To discuss additional staff reorganization and possible budget reductions that might be needed to further balance our income and expenses.

Pr. Ted addressed the congregation regarding the sadness that Jesus sees in how we have been treating, speaking to and about each other during this difficult time. We have not put our full trust in God's will. Christ gave different gifts to different people to prepare God's holy people for the work of serving to make the body of Christ stronger. We are not the mature people that Christ wants us to be. We have not only failed our brothers, but also the Lord. We need to speak well and charitable to each other. Love the Lord God with all your heart, with your entire mind and all your soul. Passages of Scripture were read from Corinthians II, Ephesians and Matthew.

President, Gene Bebel reminded the congregation that this Council action happened due to economic reasons. Working with a budget gives us a plan but it is contingent with the money that is given. During the fall of 2008, this country was deteriorating financially and the Finance Committee in October at that time, opposed to increase budget and raises – they suggested at that time trouble paying the bills. This financially difficult time was announced weekly in the bulletins and the monthly newsletters that the income coming in was not covering the fixed costs, let alone the many other expenses and Benevolence that was to be given. Pr. Ted has had to hold several pay checks before cashing them. Action was needed as the situation was chronic and was going to get a lot worse if something was not done. At the current rate, we have been running approximately $9,000 - $10,000 short of what the monthly costs and budget call for. This has been a continuous problem with who was and was not going to get paid on a monthly basis.

Our roll call is approximately 938 people. The average attendance per weekend service is about 210 people. Over 600 people participate in name only. We need to bring in thousands of dollars, not just a few dollars here and there to change this situation. We also need to look at the long term financial situation. One option that the Finance Committee brought up was the number of people versus the number of pastors. Do we need two pastors? Average health care costs run between $65,000 to

$75,000 per year alone for all staff. This does not include retirement and program costs. After using up all other funds that are available (Script, Fairstand, BC Ziegler accounts) the estimated projection stands at $9,700 short per month.

On May, 5, 2009, Pr. Bill Bloom (through the Synod) came in and reviewed the retirement options. His opinion was that anyone that is close to retirement age being paid by the church should review their retirement benefits options. The retirement benefits are funded totally by the finances of the church. With that being said, we need to reduce our spending by $30,000 this year. This action was strictly financial, not personal.

Question
Do our employees pay any part of their health care coverage?

Response
The ELCA set up a group policy and it's their rules. The church at this time does not pay 100% for health care coverage. If the church does not pay the pension plan within 45 days the health insurance program would be in jeopardy. Many budget expenses were taken out of the budget over the past two years.

Question
This was a very fast decision being made without knowledge of the seriousness of this situation.

Response
Since early fall 2008, the Finance Committee has raised questions regarding the financial aspects of this situation. They looked at numerous options, and continuously came up with the same conclusion, the church needed to alleviate $30,000 from the 2009 budget this year. The Bishop was called and asked for input. The Finance Committee's recommendation was to change the Call letter of Pr. Jeff to half time in a signed agreement for a year to year contract. The Covenant Contract would still be legal if changed. Pr. Jeff has already signed this agreement and it will run from October 1 to September 30 on a year to year basis. The Church Council acted on the recommendation from the Finance Committee.

Question
Do we have to have Continuing Education?

Response
Yes, Continuing Education is to keep up-to-date with different aspects of the church and community. Regarding the Continuing Education part of this, the Call Committee definition – the covenant enters in with the congregation. We need to look at <u>all</u> positions in regarding continuing education, hours and mileage.

Question
Could furloughs be used? Numerous businesses' are using them and have saved thousands of dollars. This could be an additional tool that could be used.

Response
At this time, the church has not used furloughs before and we will have to look into this.

Question
Should the SOS (Serve Our Savior) Program continue?

Response
A lot of good things have happened because of the SOS (Serve Our Savior) programs. The Pine Ridge Mission Team, Care & Companionship Team, and the Outreach Program have all happened because of the SOS programs. We need more people involved in the church as well as its programs. It was approved in the Church Council Minutes on May 14, 2009 to modify the rules used to define how we are able to use the funds for SOS projects and this has been mentioned in the bulletins and newsletters as well. That modification stated that if the general offering does not cover the fixed operating expenses, the SOS funds not designated for specific congregational goal/projects may be used to cover current operating expenses. Also, should the SOS program be put on hold until the financial goals are met? We will be looking into this.

Question
Could the current office staff be streamlined from 4 people (3 part-time) to one person? The secretary's position could also go down to 36 hours – which is considered full time.

Response
We will need look at all positions in regarding cutting costs.

Question
What will the new pastoral duties be?

Response
Both pastors will sit down together and will work out what each of their duty assignments will be. The agreement will encompass visitation, outreach and will have to fit within the time constraints and work with each of their abilities. This will need to be approved by the Council Executive Committee.

Question
If each person were to give just $10 more per week, would that not make up the difference?

Response
That would only work for the short term. Even with presuming the BC Ziegler was usable for whatever, we need to look at the long term plan. It has been 9 months with a projected $9,700 shortfall per month. We would need to borrow $6,000 - $9,000 every month just to cover expenses and that is not a good situation or pattern to be following.

Question
What about the non-active members? There are approximately 600 on this list. We need to ask the non-contributing members to get more involved. If everyone would contribute a little more, that would help out.

Response
The numbers of giving are still consistent and have not gone up. There are approximately 930 envelopes (includes children) that go out. All the information is given in the Annual Report.
All Council Members have been given a list of names to call upon the inactive members. Jamie also called during her leave time and tried to enlist their support.

Question
How long before we go bankrupt or out of business?

Response
We need to take all necessary and appropriate steps to insure our viability. People need to speak up, step up, and contribute. We need to cut our costs.

Question
Why only Pr. Jeff's position to be cut to half-time? It should be across the board. It's not fair. We still need to do something and make more recommendation cuts.

Response
We will need look at all positions in regarding cutting costs. This would include continuing education, hours, mileage costs, insurance and other benefits, and salary expenditures. We will review our staffing requirements continuously.

Question
Do we need two pastors? Can we afford two pastors?

Response
In reference to the ratio of number of members to pastors, one pastor would be able to handle the load. We also have to remember that when we had the Congregational Survey, the congregation wanted to continue with 2 pastors as well hiring a youth director. The survey needs to give more economic direction – we can not continue to spend. Sometimes only salaries are considered, but benefits are a large part of staff costs.

Question
Do we need a youth director?

Response
Yes, we need a youth director. Look at the medium age in this room. Congregational growth needs youth. Without them the church will die off. Where are all our young families? With young families, they bring energy to the church. They show us the "Fever to Catch" in living, working and doing for the Lord. Our Youth Director puts in about 50 hours per week.

Question
Would it be feasible to merge with another church?

Response
This has not been discussed at this time, but is something that we could look into.

Question
What exactly is the BC Ziegler Endowment Account? Where did it come from?

Response
This fund came from the sale of land and other donations. Part of the fund is restricted for designated funds.

Question
Do we have any other debt? Should we refinance the mortgage that we currently have?

Response
We only have the current standing loan which is about $24,000. Included with this loan, we have put on a new roof, upgraded technology and new furnaces have been added. In regards to refinancing the

mortgage, we need to look at all the options first. Our new borrowing will probably be rolled into this loan.

Question
Who are all the paid employees at the church?

Response
The paid employees are Pr. Ted, Pr. Jeff, Jean Monti (Secretary), Jim Ruprecht (Janitor), Rebecca Truckey (Office Assistant), and several others (which is a very small amount) such as Choir Director, Treasurer, and Organists.

Question
Could we pay for a consultant from the Synod or other to help us get back on the right track?

Response
Help from consultants would cost money. We can not pay the bills now including Benevolence and the pastor's salaries, how would we pay the consultant? We need to learn to be more efficient and cost effective.

Question
How do we contact the Church Council Members if we have any suggestions? We don't know who they are.

Response
Publish the Church Council Members contact information.

The congregation came up with numerous ways of cost reductions. The Council will look into these action items.

Reorganization of Staff

1. Salary Cuts – Not only look at salaries, but health insurance and other benefits ($80,000 – $95,000 per pastor). Need to look at the annual report to streamline staff costs summaries for congregation.
2. Furloughs
3. Office Cuts - Streamline office personnel from 4 down to 1.
4. Cut janitor hours

Cost Reductions

1. Copy Costs – In the bulletin are copies of songs from the hymnals – Instead just open the hymnal. This would save copyright costs as well as paper.
2. Skinny Bulletin – Use white paper rather than color.
3. Giving Envelopes – Use plain envelopes.
4. White window envelopes – Use generic plain envelopes.
5. Color Paper – Use less color – more white paper.
6. Need to do "things" more efficiently and effectively.

Money Matters

1. Short-term borrowing – to meet our current cash flow problems. What is the limit?
2. Vision to Serve Program - Need joint effort to raise money. The Vision to Serve Program can not be the "Same O Same O" program. How many talk fact to face? We need to stand up and be counted.

3. Phone-a-thon – We have had success with the Phone-a-thon campaign "Commitment to Give."
4. Drive – Do some type of "Drive" for raising money.

Inactive Members

1. Need to get more inactive members involved with the church and church functions. Sign up for the Stewardship Team to help with getting more members involved.
    a) Ruth Benson – 536-9309 – would like the Irma/Gleason area
    b) Ruth Lindstrom – 536-6520 – will visit Audrey Gerinud
2. In-home Visits – The pastors should do in-home visits. There are approximately 600 on the inactive members. The Pastors Report includes hospital and home visits.

On a Personal Level

1. Commitment to Yourself – Need to save the church – Make commitment not only to give more financially, but also volunteer more – we can not depend on the inactive members.
2. Volunteer – How little to proclaim to be a Christian - Not just what the pastors can do, but "What I can do"
3. "Casting Stones" – If you have any questions or concerns regarding these issues, do not make comments in the hallways, or speak out in public, contact a Church Council Member. The Church Council has the congregation's interest at heart. Remember this has to do with finances only – this is not personal.

A motion was made by Karen Olson and seconded by Bob Opsahl to borrow money on a 90 day revolving account for 3 to 6 months in excess of revenue – to include consultants (need this as it is especially difficult when emotions are running high decisions for livelihood). Need consultants to help work on staff and current money issues.

Jeff Peterson motioned that 3 months is not realistic and should go to year-end.

Ruth Nelson-Lau amended the previous motion from Karen Olson to borrow money on a 90 day revolving account until year end to pay expenses without including a consultant. Larry Lebal seconded the motion and the motion passed as amended.

Meeting Adjourned

Pr. Ted and the Congregation closed the meeting with the Lord's Prayer.

These are the items from the meeting that we were able to record. Please note that some recommendations and discussions could not all be recorded.

Respectfully submitted,

Kathy Gruett
Congregation Council Secretary