

***MOUNT CROSS LUTHERAN CHURCH
ANNUAL CONGREGATIONAL MEETING MINUTES
JANUARY 31, 2021
ZOOM MEETING 4:00 PM***

Elected Church Council Members: Craig Blois* (President & Learning), Kevin Churchill (Tech), Barbara Cranfill (Stewardship) Betty Ertel (Property), Brian Fisher* (Vice-President & Endowment), Herb Holler, Allison Johnson (Worship & Music), Evonne Kuchera (Resource Nurse), Susan Prosser (Fellowship), Becky Riley* (Secretary & Personnel) Keith Selbrede* (Treasurer), Bill Stoll (Service & Missions), Julie Morris (Pastor), *Executive Committee

The meeting was held virtually utilizing the Zoom Platform.

Quorum established and meeting proceeded: 101 members present (35 needed for a quorum)

Call to order: The meeting was called to order by President Craig Blois.

Slide Presentation: Presentation prepared by Carina McVeigh of some of our church functions during the pandemic.

Opening Prayer: Pastor Julie Morris: She began by saying that saints let their lights shine and asked that we remember those from our congregation who have joined the communion of saints. Evelyn Lacy passed away this morning at 9:25 AM. Other members who have passed this year and are remembered as saints: John Colby III, Barbara Buenger, Bernice Vang, Bridgette Deering, Robert Jackson, Phyliss Valentine, Janet Colby, Jan Beat, Audrey Posthauer, Edith, Frederick, Barbara D’Addario and Madeline Statton.

Approval of 2020 Annual Meeting Minutes: Brian Rubin moved to approve the minutes. The motion received a second from Randy Churchill. Keith Selbrede noted that the financial report has the wrong year for budget comparison, it should be 2019 to 2020. With that correction, the motion passed by a hand raise vote.

Pastor’s Report, Pastor Julie Morris: Pastor Morris provided a written report which was part of the Annual Report. She went on to emphasize a thank you to our God who has brought us through the wilderness in this time of pandemic. God is dependable and provides. Specifically, she thanked our Congregational President, Craig Blois who has guided us through this pandemic and was given a “Live Generously” T-shirt for his “collection”; Bill Dawson, without whom we would not have had live-stream worship online--he works wonders; the amazing staff—Joe Zimmerly--God sent you to us at just the right time; Carina McVeigh-- another Godsend, video editing and media; Carol Browning-- another gift from God who also has musical skills and experience in addition to her secretarial skills; Seminary Intern, Amanda Berg—a wonderful team player; Cathy channels also gets a “Live Generously T-shirt”. She will be ending her service as our CDC director this year; Paul DeBusschere, her husband, for all he does behind the scenes to support her and the church—thanks to Paul & Jesus.

She went on to say that we hear a lot about who is essential. In our walk with God we find the essential from the Prophet Micah. To do justice, to love kindness and to walk humbly with our God. Think back on the things we have done. Justice--thank you to our Peace and Justice Team and our Church Council. Loving Kindness—our Care Team—everyone in the Mt. Cross orbit has been contacted, organizing our kindness and love for one another. Also, everyone on this Zoom meeting practices loving kindness. Walking humbly—we offer worship to God every single week. Thanks to all for using all of your gifts. There is more to come!

We have learned the truth of “we make plans and God laughs.” There have been times of crisis. These times can show how much we need each other. We will do it with more intentionality. Thank you God and thank you people of Mount Cross.

Proposed By-law Changes

Due to missing the Constitutional notice requirement, the vote on the proposed changes will take place March 27, 2021. It will be by secret ballot. **Approval of both motions is recommended by the Church Council.**

The first proposed change is to be able to have virtual meetings.

The ELCA recommended and the Council recommended approval of the following amendment to the by-laws:

“This congregation may hold meetings by remote communication, including electronically and by telephone conference, as long as there is an opportunity for simultaneous aural communication. To the extent permitted by state law, notice of all meetings may be provided electronically. “

After thorough discussion regarding a sunset clause, annual review and possible language regarding a preference for in person meetings, Randy Churchill called for the question, discussion ended and the motion will be voted upon in March as presented.

The second proposed change is two -fold regarding the endowment fund:

The Council recommends to the congregation the adoption of the updates to the language of the by-laws.

The complete explanation and language of the proposed changes was provided to the congregation in the notice of by-law changes. But, in a nutshell, part of the recommended changes would allow in the future, if the church were in the position of requesting a loan similar to the PPP loan obtained in 2020, it would be possible, after this amendment, for the church to essentially borrow from itself from the endowment fund following strict rules and checks and balances.

Questions were asked concerning the meaning of Section 8.04H and whether it allowed loans of 10% each year or a maximum of 10% of the value of the fund at the time of the loan. Endowment Committee members stated that the intent was that one or more loans could be made but that the total amount of all outstanding loans was not to exceed 10% of the value of the fund

at the time of the loan. Based on that explanation no amendments were proposed. (A notation referring to this intent has been inserted following this section of the bylaws.)

Second, some changes are to clean up inconsistent and sometimes contradictory and/or redundant language in the by-laws.

The by-laws as amended would read as follows:

SECTION VIII – ENDOWMENT FUND AND ITS COMMITTEE

8.01. RESOLUTION TO IMPLEMENT THE ENDOWMENT FUND

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind -the created world, the gospel, life, time, abilities, money, including accumulated, inherited and appreciated resources; and

WHEREAS, the scriptural principle of proportionate giving, to return to the Lord a portion of the gifts God has first given to his beloved children, is both a privilege and an appropriate response in all times and circumstances; and

WHEREAS, Christians can give to the work of the church through bequests in will, assignment of life insurance, charitable gift annuities, charitable remainder and other trusts, assignment of certificates of deposit, and transfers of property such as cash, stocks, bonds and real estate; and

WHEREAS, it is the desire of Mount Cross Lutheran Church to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to our Lord expressed by donors and in accord with the policies of this congregation:

THEREFORE, BE IT RESOLVED that this congregation in meeting assembled on January 19,2003 approve and establish on the records of the church a new and separate fund to be known as THE MISSION ENDOWMENT FUND ("FUND") of the Mount Cross Lutheran Church 102 Camino Esplendido, Camarillo, California 93010-1717; and

BE IT FURTHER RESOLVED that the purpose of this FUND is to enhance the mission outreach of Mount Cross Lutheran Church apart from the general operation of the congregation; that no portion of the income generated by the FUND shall be used for the annual operating budget of the congregation; and

BE IT FURTHER RESOLVED that the Mission Endowment Fund Committee shall be the custodian of the FUND in regards to disbursements.

8.02 THE ENDOWMENT FUND

A. The Endowment Fund, whose purpose, governance and operational procedures shall be defined by special resolution adopted by the congregation, shall be established. The Endowment Fund is to provide the means and structure for members who have the ability and desire to benefit Mount Cross Lutheran Church through charitable giving that is consistent with its mission of witnessing to the message of salvation through Jesus Christ on both a local and global level. The purpose of the Endowment Committee (“**Committee**”) is to enable Mount Cross Lutheran Church to promote funding of specific needs that support its mission and ensure its financial stability. The Committee will seek to provide a perpetual source of income to benefit five current categories (not in order of importance):

- Missions: local, regional and world projects.
- Education: college and seminary scholarships.
- Children and Young Adult Ministry.
- Worship and Music: support for the worship life of Mount Cross.
- Capital Projects: major renovations and building of new facilities.

B. Examples of Ministries that the Fund might support include, but are not limited to the following:

Local Missions: RAIN Project, CATS, St. Columba’s food pantry, California Youth Authority;

Regional Missions: Lutheran Social Services, Habitat for Humanity, Teen Challenge, Lutheran Border Concerns;

World Missions: An ELCA missionary, World Hunger Appeal, Lutheran Disaster Relief, Church World Services (CROP Walk);

Education: College and seminary scholarships, Stephen Leadership training;

Children and Young Adult Ministries: Camp scholarships, sending youth to synod, regional or national gatherings, youth servant trips, training for Sunday school teachers and youth leaders;

Worship and Music: Purchasing new or upgrading old instruments, incorporating arts into worship which may include helping to purchase banners or new paraments, upgrading sound technology for use in worship;

Capital Projects: major renovations and building of new facilities.

8.03 THE ENDOWMENT COMMITTEE

A. The Committee shall consist of five members, all of whom shall be voting members of Mount Cross Lutheran Church. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution by the congregation, it

shall elect five (5) members to the Committee: two (2) for a term of three (3) years: two (2) for a term of two (2) years, and one (1) for a term of one (1) year. Thereafter, at each annual meeting, the congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former Committee members may be reelected. A pastor and the president and/or vice president of the church council shall be advisory members of the Committee. The church council of the congregation shall nominate the Committee, which shall report at the annual congregational meeting in the same manner as other offices and committees. In the event of a vacancy on the Committee, the church council shall appoint a member to fill the vacancy until the next annual meeting of the congregation, at which time the congregation shall elect a member to fill the term of the vacancy.

B. The Committee shall meet at least quarterly, or more frequently as deemed by it in the best interest of the assets of the FUND.

C. A quorum shall consist of three (3) members. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution. The committee shall elect from its membership a chairperson, recording secretary and financial secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings. The recording secretary of the Committee shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member of the committee. The recording secretary shall also supply a copy of the minutes to the church council. The church office will keep a complete collection of the minutes, and the minutes will be available to the successors of the Committee.

D. The financial secretary of the Committee shall work with the congregation's treasurer in maintaining and coordinating complete and accurate accounts for the FUND and shall sign checks and all other necessary documents on behalf of the congregation in furtherance of the purposes of the FUND

E. The Committee shall report on a quarterly basis to the church council and at each annual meeting or duly called special meeting of the congregation. At the annual meeting, the Committee shall render a full and complete account of the administration of the FUND during the preceding year. The books and records of the Committee shall be audited annually by the Mount Cross Audit Committee or by a certified public accountant appointed by the church council.

F. The Committee may request other members of the congregation to serve as advisory members and, at the expense of the FUND income, may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the FUND.

G. Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he or she acts in good faith and with ordinary prudence.

Each member shall be liable only for his or her own willful misconduct or omissions and shall not be liable for the acts or omissions of any other member. No member shall engage in any "self-dealing" or transactions with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his or her personal interests would conflict with the interest of the FUND.

8.04 MANAGEMENT OF THE FUND

A. All assets are to be held in the name of the Evangelical Lutheran Church in America (or other brokerage or financial institution), for the benefit of the Mount Cross Lutheran Church Mission Endowment Fund.

B. Management of funds will be by an independent investment manager outside of Mount Cross Lutheran Church. The Committee's recommendation for the independent investment manager will be presented for approval to the church council. The investment strategy, policies and performance of the independent investment manager shall be reviewed annually by the Committee.

C. The Investment Strategy and Policy of Mount Cross Endowment Fund is:

1. To seek and select investment opportunities, which promote social and economic justice, life and human dignity in a manner that, is consistent with the overall vision and mission of Mount Cross Lutheran Church.

2. The endowment fund is to provide the means and structure for members who have the ability and desire to benefit Mount Cross Lutheran Church through charitable giving that is consistent with its mission of witnessing to the message "of salvation through Jesus Christ on both local and global level."

3. To preserve and grow each funds' principal annually.

D. Each fund should have specific asset allocation consistent with the following:

1. Equities 45%-75%

2. Fixed Income/Bonds – 25%-55%

E. Securities Guidelines

1. Both U.S. and foreign equities require a mixture of large and small cap stocks in order to reach the investment goal. Neither fund will acquire more than 5% of any class or single issuer of securities. Neither fund will position more than 20% of the portfolio in anyone industry group (United States Government securities not included).

2. Prohibited Activity. Each fund is restricted from engaging in the following:

a. Options or futures contracts, for hedging purposes only.

b. Margin transactions.

c. Non-rated commercial paper.

3. Socially Responsible Investment Guidelines. Investments of each fund shall be consistent with ELCA social statements. (e.g., not supporting alcohol, tobacco, gambling, Weapons of Mass Destruction, or environmentally destructive practices, hope to promote good labor and environmental practices and community investing).

F. Responsibilities of the investment Manager. The Committee, with concurrence of the Church Council, may hire one or more Investment Manager(s) to achieve investment goals and objectives. Each Investment Manager must adhere to the following responsibilities:

1. The Investment Manager must follow the Investment Strategy & Policy Statement set forth in this Section VIII of these bylaws

2. The Investment Manager must keep the congregation informed in writing of any particular Investment guideline he/she/it believes should be altered or changed. The Investment Manager must report to Mount Cross Endowment Fund Committee quarterly (in writing) the progress of each fund.

G. Investment with the ELCA Endowment Fund Pooled Trust (Fund A). Notwithstanding any provision of these Bylaws governing the Endowment Fund and the Committee, the Committee is authorized to invest all or some of the Endowment Fund in the "ELCA Endowment Fund Pooled Trust (Fund A)".

H. LOANING OF ENDOWMENT FUNDS TO MOUNT CROSS LUTHERAN CHURCH. Notwithstanding any provision of these Bylaw governing the Endowment Fund, the Committee is authorized to loan up to ten percent (10%) of the value of the Endowment Fund to Mount Cross Lutheran Church. The terms and conditions of any such loan shall be negotiated between the Committee and the Congregational Council and shall require an affirmative vote of two-thirds of both the elected members of the Congregational Council and the Committee. This is not to be considered usual practice and should be considered only in rare situations warranting such need. *[Note: The intent of this section is that one or more loans can be made, but the total amount of all loans may not exceed 10% of the value of the fund at the time of the loan. (See Minutes of Congregational meeting held on January 31, 2021.)]*

8.05 PRINCIPAL, INCOME AND DISTRIBUTIONS

A. The Committee shall determine what is principal and income according to accepted accounting procedures consistent with Paragraph D below. Income may include realized and unrealized capital gains in the portfolio.

B. Income from the FUND may be distributed annually and at such other times as deemed necessary or feasible. The distribution of income for the year may be given to

a minimum of usually two (2) or up to five (5) of the following categories: missions, education, children and young adult ministry, worship and music and capital projects.

C. The congregation may submit requests to the Committee each year for the distribution of the FUND income. If no requests are received, the Committee will decide which category, or categories, should be funded according to the Committee's best judgment. The endowment distribution will be publicized in the church bulletin, church newsletter and at the annual meeting.

1. After requests have been submitted, by the pre-determined dateline, and the Committee has recommended programs for support, the recommended programs will be approved by the church council for funding, according to these bylaws.

2. Total disbursement of income from the FUND need not occur annually if, in the judgment of the Committee, total annual disbursement of income is not recommended.

D. The annual distribution of "income" from the FUND will be 4.25% based on a three (3) year rolling average of the FUND balance on March 31 of the current year and previous two (2) years.

E. Emergency Distribution of Principal. When, in the opinion of the Committee, circumstances are so dire and of such an emergency nature that the future of the congregation is at stake, and that the only recourse seems to be the use of the FUND principal, the Committee may, upon two-thirds majority vote, recommend such authorizing action to the congregation.

8.06 MISCELLANEOUS

A. Disposition or Transfer of Funds. In the event Mount Cross Lutheran Church ceases to exist either through merger or dissolution, disposition or transfer of the FUND shall be at the discretion of the church council in conformity with the approved congregational constitution and in consultation with the bishop of the synod to which this congregation belongs at such time. Consultation with the Evangelical Lutheran Church in America may be desirable for continuation of Mission Endowment Fund obligations.

B. Amending Endowment Bylaws. Any amendment to Section VIII of the Mount Cross Lutheran Church Bylaws governing its Endowment Committee and Endowment Fund that will change, alter or amend the purpose for which the Endowment Fund is established shall be adopted by a two-thirds vote of the members present at an annual meeting of the congregation or at a special meeting called specifically for the purpose of amending the purpose of the Endowment Fund.

After a thorough discussion, many questions and answers and explanation by the committee of the 10% referred to in 8.04 H. of the proposed by-laws, there were no proposed amendments. The March vote will be on the motion as presented.

Keith Selbrede gave the 2020 Treasurer's Report

- Pledge Giving: 102.1% of budget (\$7,177 over)
- Gross Income: 103.6% of budget (\$17,322 over)
- Operational Expenses: 91.3% of budget (\$40,886 under)
- Operational Reserves: \$115,518* (up from \$81,854)
- Mortgage: \$269,563 (down \$15,878)
- Checkbook Balance: \$369,267 (up from \$241,560)

*After moving PPP funds to a dedicated account for use in 2021 budget

2020 Benevolence (\$52,454 Total)

- Mission: \$33,836
- Hunger: \$1,385
- ELCA Disaster Relief: \$450
- Friends of Field Workers: \$4,675
- Harbor House: \$470
- LIRS: \$470
- Food Share: \$280
- Holden Village: \$145
- Abundant Table: \$700
- Lutheran Social Service: \$400
- Many Meals: \$400
- Habitat for Humanity: \$470
- LRCC: \$470
- Lutheran Bible Trans: \$400
- PLTS: \$400
- Lutheran World Relief: \$1,025
- Prayer Shawl Ministry: \$628
- LP Elementary School: \$470

- Rain Project: \$470
- St Columba Food Pantry: \$215

Mount Cross Budget Comparison			
	<u>2020</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget(R)</u>
Pledge Income	\$ 347,248	\$ 354,425	\$ 301,115
Good Faith Offering	\$	\$	\$ 37,526
Gross Income	\$ 482,450	\$ 499,772	\$ 477,905
Mission Benevolence	\$ 33,836	\$ 33,836	\$ 29,020
Salaries & Benefits	\$ 289,832	\$ 272,673	\$ 302,697
Operating Expenses	\$ 130,771	\$ 111,757	\$ 135,528
Program Oper. Expense	\$ 9,421	\$ 7,762	\$ 7,960
Total Operating Expense	\$ 469,614	\$ 428,729	\$ 477,905

Questions and comments regarding 2020 Budget

It was pointed out that, with regard to benevolence, there is a difference between what is simply out of the budget and special projects. There was also a request to put Cal Lutheran in for the future in our benevolence.

Keith Selbrede acknowledged that Service & Missions and a lot of other people do a tremendous job and contribute to benevolence.

PPP stands for Payroll Protection Plan.
LCO stands for Local Church Only.

The Council had recommended approval of the recommended budget.
There was a vote by raising hands and the budget passed unanimously.

Elections 2020 Nominees

There was a motion by Marion Cole to accept by acclimation all slates that are the exact number of what is needed which was seconded by Tom Neuhaus.

- Nominating Committee-Vote for no more than 5 (1 year term)

Karen Cherry
Gordon Henry
Jaimie Marroquin
Valerie Patscheck
Beverly Rueckert

Craig Blois asked if there were any additional nominations from the floor for the nominating committee. Seeing no additional nominations, Craig Blois declared the nominations for the nominating committee closed.

• **Legacy Giving/Endowment Committee-Vote for no more than 2**
(3 year term)

Rick Gardner
Lisa Higginbotham (2nd term)

(Continuing members—Tracy Blois 2019-2021, Jan Gerk 2019-2021, Jim Prosser 2020-2022)

Craig Blois asked if there were any additional nominations from the floor for the legacy giving/endowment committee. Seeing none, Craig Blois declared the nominations for the legacy giving/endowment committee

• **Audit Committee-Vote for no more than 1**
(3 year term)

Jim Prosser

(Continuing Members: Marilyn Gardner 2020-2022, La Jean Wenzel 2020-2022)

Craig Blois asked if there were any additional nominations from the floor for the audit committee. Seeing none, Craig Blois declared the nominations for the audit committee closed.

closed.

• **Mediation Board-Vote for no more than 3 (1 year term)**

Carol Broderick
Rick Gardner
Jim Prosser

Craig Blois asked if there were any additional nominations from the floor for the mediation board. Seeing none, Craig Blois declared the nominations for the mediation board closed.

• **Voting Members to Synod Assembly-Vote for no more than 3**

Vote for no more than 3. 1 woman, 2 men or 1 man, 2 women

(1 year term)

Carol Broderick
Gordon Henry
Melissa Henry

Craig Blois asked if there were any additional nominations from the floor for the voting members to the synod assembly. Seeing none, Craig Blois declared the nominations for the voting members to the synod assembly closed.

• **Church Council-Vote for no more than 6**

Kevin Churchill (2nd term)
Kris Dawson (1st term)
Brian Fisher (2nd term)
John Marroquin (1st term)
Bill Stoll (2nd term)
Susan Prosser(2nd term)

(seven returning members: Craig Blois, Barbara Cranfill, Herb Holler, Allison Johnson, Evonne Kuchera, Becky Riley & Keith Selbrede.)

Craig Blois asked if there were any additional nominations from the floor for the church council. Seeing no additional nominations, Craig Blois declared the nominations for the church council closed.

The motion to accept by acclamation passed unanimously by raised hand vote.

Old Business

There was none.

New Business

There was none.

There was a **Motion to Adjourn** by Marion Cole, seconded by Brian Edwards. The motion passed.

Pastor Julie explained the voting procedure—everyone present at the meeting will be e-mailed a ballot. You are to print it, fill it out and those ballots will be collected at drive-through communion or they can be dropped off at the office in person. Each voting person must deliver their own ballot. The ballots can be contained in an envelope to keep the ballots secret.

Adjourned with a church video of the song “We Are An Offering” followed by a Closing Prayer and Blessing by Victor Amanda Berg

Respectfully submitted,

Becky Riley, Secretary