

Mount Cross Lutheran Church
Annual Meeting Minutes
Sunday, January 28, 2018

Having been determined that a quorum of 67 voting members was in attendance, the meeting was called to order in the sanctuary at 1:20 by President Stan Patscheck.

Pastor Jim Bessey opened the meeting with a prayer.

Stan informed those in attendance that the order of the agenda would be changed. The voting matters would be moved to the top of the agenda to accommodate those who might need to leave the meeting early. Reports would be given after the voting was concluded.

APPROVAL OF RECOMMENDED 2018 BUDGET: Keith Selbrede presented the recommended 2018 budget to the congregation. The budget has been prepared in a new format this year that should make it easier to track funds from each line in the budget and see where the funds for each line item are coming from. It has also resulted in significantly fewer pages in the budget hopefully making it easier to read.

An incorrect version of the budget was originally given to the congregation, so all were asked to be sure that they had the correct version of the budget to look at during the meeting. The correct version of the budget is the version dated January 9, 2018.

Keith informed the congregation that there was new, updated pledge information available since the budget was approved by the council on January 9th. There are currently a total of 91 pledges received and a total pledged amount of \$275,998.

Budget Discussion: There was discussion regarding the new budget format and it not having any information from the 2017 budget for comparison purposes. Our previous budgets have shown actual and budgeted amounts for each line item from the previous year so the congregation can see how the current year amounts compare to the previous year. There was also a question regarding whether the church ended 2017 with a deficit. Keith replied that 2017 did not end with a deficit.

There was a question regarding line #50600, Special General Giving (LCO) in the amount of \$11,000. That money had previously been included in with the total pledged amount, but has now been broken out to have its own spot in the budget.

There was a lengthy discussion about the negative balance of \$82,869.43 shown at the bottom of the budget (Net income & Fund Sources) and having line item # 70400, Contingency in the amount of \$30,000 and line item # 70200, New Storage Building in the amount of \$25,000 in the budget and added in to the expenses even though both note they will need a capital campaign for funding. With those 2 items excluded, the negative balance would be \$27,869.

The discussion of the capital campaign projects included in the budget led to a discussion of the current Patio Pavilion Project. There was a question raised as to why there was \$25,000 being allocated in the budget for a new storage facility when the first phase of the patio project has not been completed and the second phase has not been started. At the special congregational meeting in June of 2017, the congregation approved completing both phases of the patio project. It does not seem right to be moving ahead with other projects before that project is completed.

There was a question regarding line item # 70400 in the amount of \$30,000 and exactly what that line was for. That is the money that is needed to be raised from a capital campaign for the patio project.

Questions were raised regarding the completion of the patio project and the estimated timeline for completion. It was noted that the original motion approved by the congregation had Phase I being completed in 2017 and Phase II being completed in 2018 but at this point in late January of 2018, Phase I is still not complete. There was no information on Phase II at this point, since Phase I is still in progress.

There was a question raised about money that has already been donated to the patio project and where that money has been allocated on the budget. Any money that has been donated for the patio project has been added to line item #70300, Special Funds Patio Project, Construction.

Stan was asked to provide information on the current amount spent on the patio project. To date, \$111,620 has been spent on the project (including the design phase) and there is currently \$30,988 left in the fund for the project. Stan was not able to give an exact cost to finish the project, but did note that due to the flooding issue encountered during construction, the project is approximately \$30,000 over budget at this time. During further discussion of the project, Stan estimated it would cost an additional \$61,000 to finish Phase I of the project. Adding that to the \$111,000 already spent would bring the cost of Phase I to \$172,000 up from the original estimate of \$120,000 for Phase I. It was noted that the estimate of \$120,000 for Phase I did not include the design phase of the project. With the design costs removed from the total costs, the total for Phase I would be \$167,000 vs. the estimate of \$120,000 at the beginning of the project.

Regarding Phase II of the project, Stan has not even started to get bids on that phase yet since the first phase is still in progress.

There was a question and discussion on why the capital projects were included in the budget when there were no hard numbers for them at this time and they were reliant on capital campaigns to fund. After discussion, it was moved and seconded to remove all of the "other expenses", (line item numbers 70000,70100,70300,70400, and 70200) from the 2018 recommended budget. During discussion for this motion, it was noted that line item # 70300 is actual money that has been donated for Phase I of the project and needs to be in the budget to pay for pending or continuing expenses for the project. This will also have the effect of increasing the amount approved at the June 2017 special meeting for the patio project of \$120,000 to \$135,000.

After discussion, it was moved and seconded to amend the above motion to only remove line items 70400 and 70200 from the 2018 recommended budget. After discussion and explanation of exactly what this vote would be doing, the question was called and the vote was taken. The amendment to the motion passed.

The first motion, with the amendment, was then read prior to voting. "It has been moved and seconded to remove all of the "other expenses" (line item numbers 70000, 70100, 70300, 70400, and 70200) from the 2018 recommended budget with the amendment that only line item numbers 70400 and 70200 be removed from the 2018 recommended budget. The motion passed.

It was then moved and seconded to approve the recommended 2018 budget as amended.

During discussion there was a question regarding the auto and cell phone allowances for the DOM and why they were so much higher in the 2018 budget than was paid in 2017. Keith

explained that since the DOM position was approved toward the end of 2017 those expenses were only incurred for 3 months in 2017. The budgeted amount for 2018 is for all 12 months.

It was noted that Benevolences paid by Mt. Cross to 5 organizations that Mt. Cross has historically supported in the past were not a part of the 2018 recommended budget. There was a suggestion that the new council be directed to find \$2100 in the budget to continue funding those 5 organizations. Other comments felt the money should be included in the budget and not left to the council to add in at a later time. It was noted that the Endowment fund does give to some of the same organizations, but those donations are in addition to what Mt. Cross gives as benevolences. It was also noted that the Service & Mission Committee has requested \$1000.00 in the budget for Many Meals, one of the organizations that receives money from the benevolences. That money is used to purchase food and is separate from the benevolence amount.

There was a comment requesting a clear statement of income vs. liabilities. Keith responded that the current income, with the new pledges, is \$451,324 which leaves the budget with a shortfall of \$16,702. There was a request to put the newly adopted budget on the church website so that it is available for the entire congregation to see. Keith will have it on the website by the end of next week.

The discussion returned to the oversight of not including the benevolences to the 5 organizations in the budget. It was moved and seconded to amend the 2018 recommended budget to include the following under Benevolences: Lutheran Bible Translators--\$400, Lutheran Social Services--\$400, Many Meals--\$600, Maritime Ministries--\$400, and Pacific Lutheran Seminary--\$400. During discussion the question was asked where this additional \$2200.00 was going to come from. It will be added to the deficit amount in the budget. The question was called and the vote was taken. The amendment to the budget passed.

It was moved and seconded to approve the 2018 recommended budget as amended. There was no further discussion. The motion passed.

ELECTION OF OFFICERS FOR 2018

A printed ballot was provided to each member in attendance at the meeting.

Nominating Committee: There were only 2 names printed on the ballot out of 5 names needed for the committee. The floor was opened for nominations. Gayle Johnson, Gordon Henry and Jim Prosser were nominated and all accepted the nominations. It was moved and seconded to close the nominations. The motion passed.

Synod Assembly: The minimum required names were printed on the ballot. The floor was opened for further nominations. No nominations being received, it was moved and seconded to close the nominations. The motion passed.

Mediation Board: The minimum required names were printed on the ballot. The floor was opened for further nominations. No nominations being received, it was moved and seconded to close the nominations. The motion passed.

Audit Committee: The minimum required names were printed on the ballot. The floor was opened for further nominations. No nominations being received, it was moved and seconded to close the nominations. The motion passed.

Legacy Giving Team: The minimum required names were printed on the ballot. The floor was opened for further nominations. No nominations being received, it was moved and seconded to close the nominations. The motion passed.

Church Council: There were six names printed on the ballot leaving one spot open. The floor was opened for further nominations. Susan Prosser was nominated and accepted the nomination. It was moved and seconded to close the nominations. The motion passed.

It was moved and seconded that the recording secretary be directed to cast a unanimous ballot for the Nominating Committee, Voting Members to Synod Assembly, Mediation Board, Audit Committee, Legacy Giving Team and Church Council. All those on the ballot who were present at the meeting were asked to stand and be named prior to the vote. By a show of hands, the motion passed.

Those voted into office were:

Nominating Committee:

Mike McClary (outgoing council member)
Brian Fisher
Gayle Johnson
Gordon Henry
Jim Prosser

Voting Members to Synod Assembly:

Denise Sobolik
Allison Johnson
Bob Brickley

Mediation Board:

Marion Cole
Nils Rueckert (re-election)
Becky Riley (re-election)

Audit Committee:

Don Hauser
Herb Holler

Legacy Giving Team:

Nils Rueckert
Lisa Higginbotham

Church Council:

Tina Riley (1st term)

Keith Selbrede (2nd term)
Craig Blois (2nd term)
Joan Brundage (1st term)
Ivan Fernandez (1st term)
Allison Johnson (1st term)
Susan Prosser (1st term)

APPROVAL OF MINUTES FROM THE 2017 ANNUAL MEETING AND THE JUNE 4TH

SPECIAL MEETING: It was moved and seconded to approve the minutes of the 2017 annual meeting and the June 4th Special Meeting with one correction to the minutes from the June 4th special meeting. The minutes show that Brian Edwards was a member of the Legacy Giving Committee. He was not a member of the committee.
The motion passed.

CYFM DIRECTOR'S REPORT: Meredith Gardner was not able to attend the meeting. She was in Houston, TX attending a church sponsored event.

PASTOR'S REPORT: No Pastor's report was given.

PRESIDENT'S REPORT: No President's report was given.

TREASURE'S REPORT: Treasurer Keith Selbrede reported the church's cash reserves are in good shape. They are currently at \$99,000 and it is recommended they stay above \$50,000. There was approximately \$133,000 given to the Endowment fund during the past year. Approximately \$85,000 was moved from the Money Market account for the Patio Project. The reserves have increased from \$96,854 to \$109,935. Pledges received were at 95.3% of anticipated and expenses (not including the patio project) were at 93.1% of budgeted.

PATIO PROJECT UPDATE: Stan reported that to date, approximately \$111,000 has been spent on the project (that number includes the design phase of the project). The project is currently over budget due to a flooding issue that happened and the need for more concrete and labor than was originally anticipated. Stan did not have a budget analysis or exact expenses to report to the congregation. The project has been on hiatus since last November due to other activities happening at the church and the holidays. Stan had hoped to resume the construction the first week of January but is now having a hard time finding a framing contractor for the next step of the project and is finding that current bids are significantly higher than the original estimates. He is estimating anywhere from a \$22,000 to a \$36,000 cost increase for the framing portion of the project. He is estimating that the total costs for both Phase I and Phase II will be between \$160,000 and \$170,000. In addition, he noted that he is looking into new fencing options for the required CDC fence. That may add approximately an additional \$14,000 to the project. He was asked for a timeline on finishing Phase I/the roof but said that without a start date set for the work yet, he can't estimate when it will be completed. He did say that once it was started it should take 5-6 weeks to complete. After that, it will need to be have stucco applied and be painted. He estimates that once work resumes, Phase I will be completed in approximately 3 months.

Regarding the Capital Campaign to fully fund the project, Brian Edwards has volunteered to be in charge of that. He was not able to attend the meeting today, but will be getting information to the congregation soon about his plans to raise the needed money to finish the project.

INTERIM PROCESS UPDATE: Stan informed the congregation that the formation of a MET team (Mission Exploration Team) will be the next step in the process. This will be a volunteer group appointed by the council. Stan is working with the Bishop's office to get the needed information for this. Watch for announcements and information on this to be coming soon. A member of the congregation asked that the information on the MET be posted to the church website. Stan replied that he would see that the information is added to the website. The Call Committee will be formed when the MET has completed their work. Call Committee members will be elected at a congregational meeting.

Pastor Bessey gave a brief overview of the MET and Call Committee process. He hoped that at the upcoming council retreat the first possible names for the MET would be produced. He assured the congregation that the entire congregation would be asked to participate in the MET process through a church meeting led by a member of the Synod staff.

It was moved and seconded to adjourn the meeting. It was noted that Old and New business had yet to be covered. **The motion failed.**

OLD BUSINESS:

There was no old business on the agenda and none was brought forward from the congregation.

NEW BUSINESS:

A member of the congregation asked that the council be implored to have a wide variety of people appointed to the MET for the best possible representation of Mt. Cross and its needs.

A member of the congregation asked that the minutes from this meeting be put on the church website as soon as possible so the members would not have to wait for a year to review the minutes and make comments on them. Denise replied that she would send them to Sheri as soon as they were completed and ask that they be put online. If any corrections are needed, please contact a member of the church council and alert them so the correction can be put into the council minutes for review at next year's annual meeting.

There being no more business, it was moved and seconded to adjourn the meeting. The motion passed.

Pastor Bessey closed the meeting with a prayer.

The meeting was adjourned at 3:15 p.m.

Everyone is invited to the Parish Life Center for a potluck meal.

A full copy of the 2017 Annual Report can be seen online at:
<http://www.mountcross.com/church-council.html>

Respectfully submitted by Denise Sobolik, Recorder