

Peace Lutheran Church Leadership Council

Meeting January 8, 2019

Present: John Voight, Vicar Melissa Woeppel, Elizabeth Stevens, Chris Engel, Doug Price, Tom Czelusta, ElizaBeth McCay, Shannon Hofer, Sue Mueller. Guests: Russ Strait, David Poole  
Absent: Crystal Pariseau, Jon Williams

Devotions and highs/lows were shared prior to meeting.

Agenda:

(Note: there were no minutes from December when we met with the Bishop)

1. 2018 financial picture – Chris presented slides and explanation.

December's income was as expected, only off by \$459. Several designated funds were received. Expenses for December were above expected due to catch up pay for Pastor Lauren, \$3500 for reimbursement for withholding taxes she paid on our behalf over the year + \$1500 for mileage.

To date: we operate day-to-day as income has been below expected for most of the year. There was a temporary use of designated funds this past month to cover operating expenses due to low of cash flow, but the money has been replaced . The designated and general funds are really in one bank account; it is just accounting that keeps them separate. We have only about ½ month cushion in the bank; we would like 2 months cushion. At year's end, we ended up using \$25,000 of our \$55,000 savings/carryover that we started the year with. We have covered salaries, building expenses, mortgage, and fulfilled our pledges to all local benevolence, but we have only paid 8 months of our Synod pledge for the year. We would like to make this up as soon as possible. This financial situation will be discussed with the congregation at the Town Hall meeting on January 20. We will make efforts to encourage all members to attend.

2. Budget outlook for 2019 –

Chris presented slides showing our pledge history from 2016 to 2019. We see a steady downward trend in the number of people pledging and the total amount pledged. In 2019, only 53 pledges were received (out of over 110 active families) with a total of \$205,385 pledged. The finance team estimates a total income of \$304K including building income of \$14K and loose offerings for 2019.

The 2018 budget was \$366K, which we did not meet. Details of expenses were presented; about 60% is spent for personnel, 27% for facility (mortgage, insurance, utilities), 5% for operations costs (technology, worship expenses, etc.) and 8% for outreach (designated funds are not included in this). Facility expenses are not negotiable; operations may have a little wiggle room but is only 5% of the budget.

The finance team expects to save only about \$26K in 2019 without a full-time pastor. In 2018, the total package for a full-time pastor was \$106K. In 2019, we expect to spend about \$76,250 for pastoral salary (3 months of supply pastors: \$3500; 5 months of pastoral associate: \$13,500, and 9 months of an interim pastor: \$59,250)

We looked at and discussed the income comparison and giving from 2017 to 2019. We also discussed income from building usage; it is felt that most groups are giving what they are able. Although the market rate

for our building rental would be higher than what we receive, many groups could not afford that, and this is part of our community outreach ministry. There are regulations about charging rent versus suggesting donations (which is what we do now). Charging rent may not be allowed for certain groups, and we would have to pay taxes for rental rather than donations, which would end up not being beneficial.

The finance team presented three options, which will be shared with the congregation at the Town Hall Meeting.

### 3. Format for budget town hall meeting on January 20, 2019

We decided not to present a proposed budget at this meeting, but to inform the congregation of our dire financial situation and request thoughts and ideas for crafting a budget for 2019. We will have a break-out session for smaller groups to brainstorm about the budget. Shannon and Sue will announce at early service this Sunday; Doug will announce at late service. All members will be strongly encouraged to attend.

Other dates:

January 27, 9:30am: congregation will meet with conference dean, Pastor Michael Church.

February 3, 9:30am: congregational meeting for 2019 budget and call process update.

February 10: Peace's 35<sup>th</sup> anniversary – one service at 10am then potluck lunch.

### 4. Pastoral call process

According to the revised Virginia Synod procedures, the call committee does the mission site profile, which in years past was done by a separate committee. The call committee is at least 6 members, nominated by council and voted in by the congregation. We will start inviting members to be nominated for the call committee. Council will propose a list representing a cross-section of the congregation for voting on February 3. We will accept nominations through January 27.

### 5. Vicar Melissa –

As a continuation of discussions over the past two weeks, a motion was made to increase Vicar Melissa's work hours from 80 to 120 hours/month to help us during our initial transition in pastoral leadership; her salary will commensurately increase from \$18.75/hour to \$22/hour; the total monthly salary increases from \$1500/month to \$2640/month; this change is effective January 1, 2019 until such a time that the congregation approves the 2019 budget, which will include her salary; the salary between January 1 and February 3 will be covered by designated funds already give.

Next meeting: Tuesday, January 15 at 6pm. Please come with thoughts for the town hall break-out sessions.