

**Special Congregational Meeting
Bethlehem Lutheran Church
20 July 2008
Meeting Notes**

1. Call to order - A special congregational meeting was called to order by Council President, Jon Pedersen, at 10:15am with 63 members in attendance.
2. Devotions - Pastor Rich Larson led us in prayer.
3. Agenda - Jon introduced the **3 Agenda Topics** for today's meeting:

I. Financial Update of our Church

- Total BLC Mortgage/Debt as of:

July06	\$450,209
July07	\$464,506
July08	\$417,943

NOTE: Our remaining mortgage on Dane's Place is ~\$57.5k

- Giving vs Expenses

	Giving	Expenses
Sept06	\$323,653	\$398,111
Sept 07	\$348,180	\$363,378
Sept08	\$345,060	\$344,640

NOTE: Sept08 annualized thru June08

- Giving Comparisons (March thru June over 4yrs):

2005	\$79,395
2006	\$87,481
2007	\$120,839
2008	\$120,528

- In this 2-yr budget cycle, BLC council was authorized to increase debt as need up to \$112k; to date we have borrowed \$47k in this 2-yr budget cycle.
- At the Oct06 annual meeting, our 2-yr budget was passed with the following directive regarding our \$37k Line of Credit:
"for the first year for every \$25,000 we use we decrease our expenses by \$10,000 with a cap of \$75,000 for that first year and that for the second year for every \$10,000 we use we decrease our expenses by \$5,000.
- E-Board assumed responsibility to identify \$10k in operating expense reductions to counter-balance the \$20k Line of Credit draw taken. Unhappily, these reductions impacted our 3 full-time staff who were given a 90% time and pay reduction during June/July/August to meet the financial directive from our Oct06 annual mtg.
- GOOD NEWS: one of our BLC family members has graciously offered a stewardship matching gift challenge. They will match \$-for-\$, up to \$10k total, each \$ we contribute to BLC during July/August/September that is above our average giving rate. Jon will be sending a letter to communicate this generous gift and stewardship opportunity to our congregation.

Open Discussion w/ Q&A:

- When do our mortgages "come due"? ... We are re-financing these mortgages as they come due or as finances are favorable to refinance.
- Dane's Place is solely owned by BLC and thus the mortgage is ultimately our responsibility, however the mission is shared by BLC, People's and St. Charles churches
- Interest rate on our Line of Credit (LOC) is ~5.75% (we pay 1% over prime at our bank)
- Interest rate on our mortgage(s) ~6%
- Approximately 68% of our budget supports staff salaries
- Consider the 10% cut our full-time staff has taken this summer ... They have sacrificed for us, how are we as a church family planning and praying about sacrificing for them and for BLC?
- What is the long-term sustainability of our LOC in the current economic climate?
- BLC has ~600 baptized members with a weekly attendance of ~150
- We have ~242 family giving units with ~170 "active" family giving units
- How do we reach our "inactive" family giving units? We have tried phone calls, *et al.* ... other ideas?
- Is there a fund raising committee here @ BLC? Not officially - simply stated, the BLC council and volunteers have typically formed an *ad hoc* committee on an as needed basis.
- Is there a plan to create a committee in an on going basis?
- Good discussion and subsequent suggestions that we consider creation of a formal team to focus on Stewardship in an on going fashion
- How can those who are interested help? **Andree' Aronson has volunteered to organize a meeting of all interested in participating in a fund raising/stewardship committee! Please contact Andree' to participate.**

II. Shining Star Child Development Center (SSCDC) Board update

- Chuck Benson, board member SSCDC, provided background and an update of the current situation:
 - We have capacity for ~50 children however we only have 6 enrolled today
 - We are losing ~\$2.5k/month and have maxed out bank loans to over \$70k
 - Over the last 2yrs we have lost \$28k with SSCDC
 - We have not had a full-time director on site since Sept07
 - Two teachers have given their resignations and intend to start their own daycare w/ Connie Carlson - Pony Preschool
- 3 Options were presented ... SSCDC Board and BLC Council recommend option C:
 - A. Restructuring, hiring strong director & hiring a business mgr
 - B. Shutdown SSCDC and turn-in license; BLC assumes SSCDC debt
 - C. Lease the SSCDC space to Connie Carlson + 2 current SSCDC teachers (Mia & Cory) for their future Pony Preschool daycare

Open Discussion w/ Q&A:

- Strong vote of confidence in Mia & Cory (current teachers) was expressed by a SSCDC parent and BLC member ... she loves bringing her children to SSCDC
- Why have our numbers dwindled so dramatically? Lacking a director since Sept07
- What do we lose as a Christian outreach to the community by entering into a lease situation w/ Pony Preschool? Our original mission and vision for SSCDC was to model Christ's example.
- Pastor Rich confirmed that he and Pastor Karen have offered to work with Connie and Pony Preschool and received assurances that their work with Chapel, *et al.* would be welcomed

Ginny Peulen made a **motion** that we accept recommendation C to lease the SSCDC space to Connie Carlson + 2 current SSCDC teachers (Mia & Cory) for their future Pony Preschool daycare. Second by Kris Jelberg. **Motion Carried Unanimously.**

Open Discussion w/ Q&A:

- Concern about shared space of Pony Preschool with BLC Sunday School. Intent is to include language in any lease agreement to directly address and set guidelines to use of space.
- SSCDC would be dissolved and we would give up our daycare license. The rental payments from Pony Preschool would go toward our mortgage/debt payments for SSCDC. In addition, Pony Preschool would have a shared responsibility in their lease for utilities, et al.
- BLC council has also voted in the July meeting to support option C, above.
- SSCDC was initiated as a two-fold mission of BLC: available daycare in our community and providing a Christian daycare.
- What would the impact on our BLC liability be with the proposed Pony Preschool lease situation? This will need to be addressed in any lease contract and Dwight Cummins has agreed to provide legal advice for BLC.
- Existing SSCDC ~\$70 debt would be reassigned to BLC if we close SSCDC.
- Saturday evening service last evening had 25 members in attendance, key comments shared by Jean included:
 - very positive support for Connie and Pony Preschool
 - leasing situation should provide a more positive financial situation for BLC
 - when we have served with Feed My Starving Children, Second Harvest, *et al.* ... we have not asked if those we serve are Christian ... we should not let this stand in our way with SSCDC and proposed Pony Preschool lease situation

III. Visioning process going forward

- Pastor Rich asked for a group of 8-10 people to work with him in the next several weeks to reinvigorate our visioning process so that we can be clear about our BLC mission going forward. He plans to focus this visioning process on clarifying our future BLC Identity, Purpose and Vision,

4. John Dahl made a **motion** to adjourn. Second by Sara Wenzel. **Motion Carried.** Meeting adjourned at 11:50 a.m.

Constance Nelson, Secretary