

Annual Congregation Meeting
Saint Luke Evangelical Lutheran Church
June 2 and 9, 2019

Note: The June 2, 2019 session of the Annual Congregation did not have a quorum of members attending, so the session was adjourned to June 9, 2019 at 10 am, following the first worship service.

June 2, 2019 Session

The Annual Congregation meeting was held at 12:15 PM in the Great Hall, following the morning worship services.

Council President Carol Howell welcomed members to the Annual Meeting.

Opening Prayer

Pastor Miller opened the meeting with prayer, thanking God for the gifts of the ministries of the congregation and asking for guidance to make decisions regarding the future ministries of Saint Luke.

Call to Order

Carol Howell called the meeting to order and announced that a quorum was not present. She proposed that the meeting act on the measures presented and the meeting would be adjourned until June 9 between the services. At that time the congregation could ratify the actions taken at this meeting.

Approval of Agenda

Mike Allen moved, second by Darrell Neily to approve the proposed agenda. The motion was adopted.

Approval of Minutes of Previous Meetings

Janelle Ryan, seconded Taylor Kampia, to approve the minutes of the 2018 Annual Meeting and the special congregation meeting on November 18, 2018. The motion was adopted.

Annual Report

Pastor Miller presented the annual report, noting that it had been many years since her baptism and that she was also celebrating this year the 40th anniversary of her ordination, with 20 years in ministry at Saint Luke. She reviewed the ministries of Saint Luke and shared expressions of gratitude from people who had participated in these ministries: Hallowood, the Christian Day School, caring ministries, worship and music, La Sagrada Familia, WELCA, and ministries of outreach to the community. Saint Luke is recognized by the ELCA for its leadership in support of the worldwide ministries of the church.

In the past year, there were five retirements from the staff, which constituted a significant change in leadership of our ministries. We have been blessed with new staff bringing their gifts to the

ministries of Saint Luke. The Spanish service, San Lucas, which had been held once a month will not be held twice each month.

Although Saint Luke has had challenges, including financial challenges, we are meeting those challenges. One example is cost-saving measures, such as reducing the amount of printing. She also asked members to be aware of the need for safety in the building.

Recognition of Five Year Anniversaries: Pastor Miller announced that Howard Harris and Gary Pritchett were celebrating anniversaries of their service. Howard is celebrating 20 years of service. Gary Pritchett was honored for 40 years of service as Director of Hallwood.

Rick Ahlberg asked to be recognized and announced that Pastor Miller was celebrating 20 years as Pastor of Saint Luke.

Pastor Miller asked members to consider serving as greeters for the Sunday morning services. Sign-up sheets were distributed. She also announced that in October, Reformation weekend, we will be hosting a seminar on The Forgotten Luther, FLIII.org.

Nominating Committee Report

Ralph Watkins, Chair of the Nominating Committee presented the recommendations for Council, Mission Endowment Fund Board, and Audit Committee.

Council: Ralph Watkins explained that there were six positions to be filled on the Council: a Youth member to serve a term of one year; three women for three-year terms; one man for a one-year term; and one man for the one year remaining in a vacant position. The nominees were:

Women for 3-year terms: Kathy Bergeron; Kari Twaite

Male for 3-year term: David deGroot

Youth Member: Caden Jacobs

Rick Ahlberg asked for clarification on the length of terms of the vacancies, and Ralph Watkins responded that they were a three-year term for the woman to be selected and a one-year term for the man to be selected. He further advised that the Council could elect a person to fill each vacancy until the next meeting of the Congregation.

There were no additional nominations from the floor.

Mike Allen moved acceptance of the nominees. The motion was approved.

Mission Endowment Fund Board: Ralph Watkins reported for the Nominating Committee that there were two men to be elected to full terms and that a vacancy had occurred in one of the female positions. The Nominating Committee recommended the election of Brock Beamer and Brian Horick, each of whom has served one term and is eligible for election to an additional three-year term. The Committee also recommended the election of Alysha Rajnarine to complete the remaining year of a three-year term. Ralph Watkins explained that she had been elected by Council in 2017 to fill a vacancy on the MEF Board and, due to an oversight, her

name had not been submitted to the 2018 Annual Congregation Meeting to be approved for the remainder of the term. Council re-elected her to the Board to serve until the 2019 meeting of the Congregation. If elected, she would serve the remaining year of the term.

Ralph advised that the Nominating Committee would consider recommendations for the vacancy that had occurred, which could be filled by Council until the next meeting of the Congregation.

There were no additional nominations from the floor.

Mike Allen moved to approve the election of Brock Beamer and Brian Horick. The motion was approved.

Audit Committee: Ralph Watkins reported on behalf of the Nominating Committee that there were three positions to be filled: a male and a female for three-year terms and a female for the remaining two years of a term. The Nominating Committee recommended the election of:

Mike Allen (currently serving and eligible for election to an additional term)
Carol Jacobson (currently serving and eligible for election to an additional term)
Pat Freitag (elected by Council to fill a vacancy, nominated for the remaining two years)

Ralph Watkins, on behalf of the Nominating Committee, moved the election of the nominees. The motion was adopted.

Mission Endowment Fund Grants

Brock Beamer described the role of the Mission Endowment Fund, which was established in 1999 to provide ongoing support of Saint Luke ministries. The Mission Endowment Fund is invested pursuant to Saint Luke guidelines in the ELCA Pooled Trust and other investments and its current value is approximately \$576,000. For the current year, \$56,000 in earnings were available for distribution. Brock Beamer, on behalf of the Mission Endowment Fund Board presented its recommendations for grants to the Council. The proposed grants were:

Ministries Within Saint Luke

Caring Ministries Quilting, Prayer Shawl, Needle Ministries	\$2,000
Tent Troupe	\$1,700
Sunday Hospitality	\$6,000
New projector and screen in nave	\$8,217
Update of the Shepherd's Staff software	\$2,550
Replacing range in the kitchen	\$8,000

Brock explained that the "Shepherd's Staff" software is used to manage the membership records of the congregation, including emails and other communications among the membership. The gas range is being replaced because its pilot lights would go out but gas would continue to flow, creating a safety hazard. It is being replaced with a range that will have electronic ignition.

Ministries in the Community

Lutheran Campus Ministry at University of Maryland	\$7,500
Lutheran Social Services of the National Capital Area	\$5,000
Metro DC Synod of the ELCA - Gifts of Hope Catalog	\$1,500

Brock explained that the students of the Lutheran Campus Ministry are involved in a mentoring program for high school students and the funds contributed by Saint Luke will be matched by other funders. The Gifts of Hope catalog promotes Christmas gifts in support of various ministries affiliated with the ELCA, and the publishing of the catalog facilitates giving in congregations throughout the Synod.

Global Ministries

Poultry production and ecological stoves for Yuvinani, Mexico	\$8,020
Relief for Mozambique damaged by tropical storm	\$5,000

Brock Beamer explained that the project in Yuvinani, Mexico was one with which Pastor Rosario Hernandez has been working. Many of the people in this low-income community relied on open fires for cooking, which were damaging to health and the environment. Providing assistance for poultry production would support better livelihoods for the community.

The total amount of all proposed grants is \$55,487.

Carol Howell announced that we would treat the recommendation of the MEF Board as a motion, which would not require a second. The motion was approved.

Stewardship

Carol Howell explained that Lynne Yao, the Chair of the Stewardship Committee, was unable to attend the meeting, so Deacon Warfield presented for the Stewardship Committee. He noted that the Committee is now treating recurring electronic gifts as the equivalent of pledging. The number pledging and using e-giving had increased by 2% over the preceding year. E-giving had increased by 130%, which made the revenue stream much more predictable for budget planning. Deacon Warfield noted that three classes on church finance had been developed – “finance 101, 102, and 103” – and both 101 and 102 had been presented this Spring. Deacon Warfield indicated that the classes would be repeated in the Fall.

2019-2020 Ministry Proposal

General Fund: Deacon Warfield presented the ministry proposal (general fund budget) for 2019-2020. He noted that in preceding years there had been significant and increasing deficits. The deficit had been reduced in 2017-2018 and the Council proposed a five-year plan for reducing the deficits through increased giving and reductions in expenses. The 2018-2019 budget reduced income by \$70,000, omitting the special appeal line item and a supplement from the sale of the parking lot. At the same time, there was a focus on reducing costs. These savings included a 10% cut across the board in ministry programs and \$8,000 reductions in energy use for heating and cooling the church. Through renegotiating of contracts, we had realized a \$6,000 reduction in maintenance costs had also allocated some expenses from the General Fund to dedicated funds. There had been a concentrated effort to reduce printing costs, primarily through

distributing information electronically. There were also savings from renegotiation of contracts for the office equipment used to prepare and print documents. There was also an effort to make better use of dedicated accounts; one example is that the compensation of the parish nurse is now drawn from the Pennington Endowment, which was established to provide ministry to seniors. As nearly all of the nurse's work is involved with senior members of the congregation, that was an appropriate use of those funds.

Deacon Warfield pointed out that the deficit had already been substantially reduced. Rather than trying to achieve a balanced budget in the current year, which would require radical reductions in staff and severe cuts to ministries, the Council proposes a further reduction of the deficit to be done systematically through additional work in reducing expenses by increasing efficiencies and renegotiating contracts with our suppliers. The ministry proposal for 2019-2020 includes a \$53,000 reduction in income to bring income in line with our current projected income and then an increase of 3% in contributions was added for our stewardship efforts. The proposed budget calls for further reductions in expenditures, without reducing funds allocated to ministry programs. Containing increases in costs will be a key element in reducing expenditures. Many of these savings are possible only as contracts come up for renewal. Most of the utility savings have resulted from tighter control of temperatures in the nave. Deacon Warfield advised that better controls of temperature in other areas of the building should result in additional savings.

With changes in staffing (as noted in Pastor Miller's reference to retirements in the preceding year), business processes were reviewed to reduce the labor required through more use of automation. This increase in efficiency allowed Saint Luke to replace the 7 retired positions with 4 positions at a saving of more than 2,500 hours annually. A 2.8% cost-of-living adjustment is included in the staff salaries. Another source of savings for the general fund is more intensive use of dedicated accounts that are available to support ministry functions.

The general fund budget proposed for 2019-2020 will have a deficit of \$45,000 and the goal is to further reduce the deficit for the following year to \$25,000 and successive years should be balanced.

A question was raised regarding reserve for major repairs, such as the replacement of the roofs and maintenance of the buildings. Deacon Warfield said that adding to the existing budget any additions to reserves would simply require borrowing from other accounts to fund the reserves. The hope is that when we achieve a balanced budget, one priority would be to put more money into reserves for major repairs. Rick Ahlberg noted that 90% of the income from the cell tower rental goes into the fund for reserve and replacement. Phil Fraulino asked about the designation of "major" and "minor" expense categories. Deacon Warfield explained that the budget is now printed using the main accounting system, rather than being typed into a separate spreadsheet as in preceding years. Rick Ahlberg explained that the designations are used to group related accounts. Phil asked why some lines were zeroed out for the coming year. Deacon Warfield explained that the salary of Dr. Pannebaker had been reported under the Rostered Staff category, whereas the current director is not rostered, so the salary is shown under Lay Staff. He also asked about the elimination of expense for The Lutheran. Deacon Warfield explained that there was a dedicated fund that will cover that expense.

A question was raised regarding the installation of solar panels. Deacon Warfield reported that the Property Committee is looking into it and that one estimate was \$90,000 which would be recovered in savings on the electric bills after 12 years.

Deacon Warfield suggested that we regard the internal borrowing from funds as a mortgage to be repaid over a span of time.

Another question was raised about the upgrade of the heating and cooling system. Rick Ahlberg explained that the project had been split into 4 phases following the design. Phase 1 was the new boiler and air handlers in the choir room. The second phase covered the nave and the Luther Room, but phases 3 and 4 have not been completed. An estimate made several years ago to complete these renovations was approximately \$1 million. One option might be to start a new capital fund, but it seemed prudent to address the deficit in the operating budget first. Deacon Warfield advised that the Property Committee is reviewing the possibility of completing smaller parts of the HVAC update. Some small steps could be taken to reduce costs related to those systems.

A question was raised about the reference to paying back the amounts borrowed. Rick Ahlberg explained that money has been borrowed from dedicated accounts. Deacon Warfield advised that additional detail will be provided in the Finance 101 and 102.

Ralph Watkins moved and Darrell Neily seconded to approve the general fund. The motion was adopted.

Christian Day School: Deacon Warfield presented the budget for Christian Day School, noting that declining enrollment in all daycare schools had affected the Saint Luke school as well. He noted that a small increase in the enrollment would eliminate the deficit. Amy Zandarski-Pica, Director of the Christian Day School, advised that the current enrollment is 125, but the projected enrollment for 2019-2020 is 100. Gary Pritchett stated that his congregation in Frederick experienced membership growth because people were first connected to the church through the Christian Day School. Liz Garifo reported that many people are looking for full-day child care. Because our Christian Day School is only part-time, it works only for those families who have someone at home to provide care when the school closes for each day. Deacon Warfield reported that the CDS Board is working on these issues and considering new approaches.

Darrell Neily moved, seconded by Jenny Farrar, to approve the CDS budget. The motion was adopted.

Hallowood: Deacon Warfield presented the budget proposal for Hallowood. He noted that several years ago Hallowood was running deficits. Through improved publicity, Hallowood's bookings have increased and the budget is now projected to have a small surplus for 2019-2020. Rick Ahlberg explained that Hallowood had an accumulated deficit, a loan from their dedicated funds, and that the surplus could be used to repay those dedicated accounts. A question was

raised about adding a swimming pool. Gary Pritchett said that it would be taken under advisement.

Mike Allen moved, and Darrell Neily seconded, approval of the Hallowood budget. The motion was approved.

Carol Howell expressed her gratitude to Deacon Warfield, Treasurer Rick Ahlberg, the Stewardship and Finance Committees, and the Council.

Ratification of Amendments to the Constitution

Carol Howell noted that the 2018 Annual Congregation Meeting had approved amendments to the constitution that must be ratified at this session. Rick Ahlberg appointed that the matter was considered unfinished business, so no motion was required to bring it to the floor. He further explained that when a congregation adopts a provision in the Model ELCA constitution, only a single vote is all that is needed. When changes are variations from the Model ELCA constitution, a second vote is required to ratify the changes.

The amendments requiring ratification would: 1) permit Council to elect officers by acclamation where there was only one candidate (section C11.02); and 2) clarify that certain functions assigned to the Pastor in the Model ELCA constitution would be the responsibility of the Senior Pastor in our congregation. The full text of the amendments is set forth in an appendix.

The vote was taken and the amendments were ratified.

Concluding Remarks

Carol Howell then thanked the Council members for their service. She noted that several members were completing their terms - and thanked them for their service. Pastor Miller noted that Carol Howell was completing her service on Council and expressed thanks for her leadership.

Pastor Miller led the congregation in prayer, closing with the Lord's Prayer in unison.

Rick Ahlberg moved, seconded by Ralph Watkins, that the meeting adjourn to Sunday, June 9, following the first worship service.

June 9, 2019 Session

President Carol Howell called the meeting to order.

Ratifications of Actions Taken on June 2, 2019

Carol Howell reviewed the actions that had been taken at the meeting on June 2:

1. Approval of Minutes of the June 10, 2018 Annual Congregation Meeting and November 18, 2018 Special Congregation Meeting
2. Election of Council members

Women for 3-year terms: Kathy Bergeron; Kari Twaite
Male for 3-year term: David deGroot
Youth Member: Caden Jacobs

3. Election of Mission Endowment Fund Board Members

Brock Beamer
Brian Horick

4. Election of Audit Committee Members

Mike Allen
Carol Jacobson
Pat Freitag (elected by Council to fill a vacancy, nominated for the remainder of term)

5. Approval of Grants from Mission Endowment Fund

Ministries Within Saint Luke

Caring Ministries Quilting, Prayer Shawl, Needle Ministries	\$2,000
Tent Troupe	\$1,700
Sunday Hospitality	\$6,000
New projector and screen in nave	\$8,217
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Global Ministries

Poultry production and ecological stoves for Yuvinani, Mexico	\$8,020
Relief for Mozambique damaged by tropical storm	\$5,000
TOTAL	\$55,487

6. Approval of Ministry Proposal (General Fund) for Fiscal Year 2019-2020

7. Approval of Christian Day School Budget for Fiscal Year 2019-2020

8. Approval of Hallowood Budget for Fiscal Year 2019-2020

9. Ratification of Certain Amendments to Constitution Adopted at 2018 Annual Meeting

Carol Howell moved, seconded by Janelle Ryan, that the actions taken at the Congregation Meeting on June 2, 2019 be ratified.

Everyone voted to ratify the actions taken at the Congregation Meeting on June 2, 2019.

Carol Howell moved, seconded by Rick Ahlberg, that the meeting adjourn.
Janelle Ryan

Acting Secretary

APPENDIX

Amendments Proposed for Ratification at 2019 Annual Congregation Meeting Saint Luke Lutheran Church Silver Spring, Maryland

The following amendments to the constitution were approved by the 2018 Annual Congregation Meeting, but to take effect must be ratified without change at the 2019 Annual Congregation Meeting.

Language being removed is shown in ~~striketrough~~.

Language being added is underlined.

C11.02. The Congregation Council shall elect its officers and they shall be the officers of the congregation. The officers shall be elected by written ballot except in the case of only one nominee per position, a voice vote of acclamation shall be sufficient. ~~They and~~ shall serve for one year or until their successors are elected. Their terms shall begin at the close of the meeting at which they are elected.

C12.02. The members of the Congregation Council except the called pastor(s) and the youth member shall be elected at the annual meeting to serve for terms of three (3) years or until their successors are elected. Their tenure shall be so arranged that one-third of the terms expire annually. The youth member shall be elected at the annual meeting to serve for a term of one (1) year or until his or her successor is elected. Their terms shall begin at the close of the annual meeting at which they are elected. Nominations shall be made by the Nominating Committee. Additional nominations may be made from the floor of the annual meeting to the number of vacancies to be filled. Nominees must be voting members of this congregation, must be of legal age (18) except for the nominee for youth member, and must not have served as a member of the Congregation Council continuously for the immediate past three years. Newly elected Congregation Council members shall be installed by the senior pastor according to the prescribed order of the church at the next worship service following their election or as soon thereafter as convenient.

C12.11. The Congregation Council shall normally meet once a month. Special meetings may be called by the senior pastor or the president, and shall be called by the president at the request of at least one half of its members. Notice of each special meeting shall be given to all who are entitled to be present.

C13.04. A Mutual Ministry Committee (in the absence of a mutual ministry committee, the duties shall be fulfilled by the executive committee) shall be appointed jointly by the president and the senior pastor. Term of office shall be two years, with three members to be appointed each successive year.