

**Minnetonka Lutheran Church
Annual Congregational Meeting
January 30, 2011**

President Mike Conroy called the meeting to order at 1:00 pm.

53 members were in attendance.

Senior Pastor Paul Clark opened with prayer.

Agenda – Mark Peterson moved to accept the agenda. Seconded by Glen Hohenstein. Motion carried.

Parliamentarian – Stu Deuring was appointed parliamentarian.

Minutes – Burt Leach moved to approve the minutes of the Annual Meeting of January 25, 2010 and May 2, 2010 and Special Congregational Meeting of February 21. Seconded by Steve Zelinsky. Motion approved.

Senior Pastor's Report – Pastor Bob Rusert reported it was a privilege to work with so many willing servants. He called attention to his written report and asked for questions. We will be proposing an unbalanced budget of \$62,000 for 2011. Since there may be concerns about our unbalanced budget, he clarified some expenditures that we made this year, specifically a choir director, hymnals and sanctuary media. We have invested in the music ministry because of our congregational vote to approve the 3-year Grow the Kingdom of God (öGTKOGö) this past spring. The expenditures for choir director and contemporary music leader are committed in faith with GTKOG. The new cranberry Evangelical Lutheran Worship hymnals are expected to be paid for mostly by donations and memorials. The Council decided to invest in a projector and screen in the sanctuary last year as an investment in our future and as ögreenö stewardship through reduced paper usage. The media will also allow exciting enhancements to worship. We need to be more user friendly to new people. Change is hard, but if we don't change we die. \$32,000 remains in the John Allen fund. It still may be able to help balance budget this year. Pastor Bob shared a few of the dozens of alternative revenue stream ideas that have been submitted so far. He feels privileged to be our pastor.

Associate Pastor's Report - Pastor Paul Clark reported spending time at Minnetonka High School twice a month to help the guidance office deliver messages to students. It is a good way to see what's going on at the High School. There is a growing energy among the young people here and we have more great volunteers, which means more adults making more connections. He has joined the Camp Onomia Board. He has been challenged in becoming a generalist rather than a specialist, which is sometimes overwhelming but other times absolutely beautiful. It has been great experience spending time both with kids and with older members. He gives thanks for the partners in confirmation and Sunday morning programs for youth of all ages. Memory Mates have been reintroduced to children's Sunday School, and he displayed an attractive laminated packet of memory verses produced by Sue Lungstrom and great volunteers to grow this vibrant ministry.

Treasurer's Report – Summarizing the year 2010 financial reports in the annual report, Tim Staffanson reported that revenues were \$422,047.81 and expenditures were \$444,848.68. This leaves a shortfall of \$22,800.87.

The current mortgage statistics are:

Maturity date of 11/01/2015	
Principal Balance at 12/31/2009	\$181,133.55
Interest Paid through 12/31/2010	\$ 9,293.41
Principal Balance at 12/31/2010	\$154,330.96

Jean Schlemmer asked if there is a balloon at the end of our mortgage. Tim answered that there was not.

Tim thanked assistant treasurer Susan Rademacher and financial secretary John Winberg for making his job much easier. Mike Conroy submitted the report for audit.

Other Reports – Mike Conroy thanked the all the ministry teams for their good work.

Appreciation of Service – Pastor Bob recognized all members in order of the decade in which they joined MLC, and thanked them. He also thanked all non- members for standing alongside us. He saluted all who have said öyesö to serving on teams, listing as examples the choir director search team, visioning team and revenue streams team. We are making positive steps forward, with the help of many faithful servants. We are all invited to the first visioning session. We have engaged Pastor Jerry Wahl to work with us on visioning. He has been on the Synod staff and has worked as a church developer. And, finally, Pastor Bob feels privileged to lead with the Church Council, staff and Pastor Paul Clark, and expressed his thanks to them.

Old Business

Cell Tower Status – Mike Conroy thanked Gary Schmidt for working on this project. The City of Minnetonka is currently looking at another site for a co-tenant cell tower and may not build on MLC property.

New Business

Presentation on Giving from IRAs – Gary Schmidt offered a charitable giving update. There are at least four ways to can give to MLC in a tax advantaged way: 1) gifts can reduce income tax by itemizing deductions, 2) gifts of appreciated stock, 3) gifts of life insurance policies, and 4) contributions of up to \$100,000 from a retirement account. Gary Schmidt and John Winberg can help if you have questions.

Election of Synod Assembly Voting Members - Tim Kensok moved that Minnetonka Lutheran Church elect the following Council-recommended slate of nominees as voting members at the Minneapolis Synod Assembly in 2011: Mike Conroy, Anne Deuring, and Sue Hlavac. Burt Leach seconded. Motion carried.

Reallocation of Mission Giving percentages – Tim Staffanson explained that one of the mission giving categories, Accompaniment Relationships, has been underutilized. The Council is

recommending that it be eliminated. Tim Staffanson moved that, effective January 1, 2011, Minnetonka Lutheran Church change its mission category percentages as follows:

- ELCA/Mpls Synod to remain the same at 25%
- Healthcare Bangladesh to remain the same at 19%
- Accompaniment Relationships to be eliminated from 19% to 0%
- Local Missions to be increased from 24% to 43%
- Lutheran World Charities to remain the same at 9%
- Mission Opportunities to remain the same at 4%.

John LaPlant seconded. Burt Leach asked what the Accompaniment Relationship had been used for. Tim answered that funds had been used to help support Zion Lutheran Church in Minneapolis and the Chinese fellowship that met at MLC. Dale Anderson added that it was originally intended to be a partnership with other groups. The Mission Partnership Ministry Team administers the local mission portion of our mission giving. Annette LaPlant, team leader of Mission Partnerships Ministry Team, mentioned that this year we are going to have a mission of the month highlighting individual giving and volunteer opportunities. For example, Zoom House will be our February mission of the month. The team is looking for more members. John Winberg asked that the Mission Partners Team keep the financial team up to date on how to expend funds and set up appropriate accounts. John Winberg added that the mission distribution is not perfectly aligned with the Mission Giving percentages because some members have decided not to give to the ELCA. The motion carried.

Proposed 2011 Budget – John Winberg, Financial Secretary, walked us through his analysis of 2010 expenditures, including three extraordinary expenditures: ministerial costs during Pastor Bob's heart surgery, the computer crash, and the driveway repair. To project 2011 expenses, he evened out these bumps, averaged the past three years expenses, included current staff salaries for the 12- month period and added the only increase, which is in pension and benefits. John forecasts expenses of \$458,896 for 2011.

Revenues totaled \$422,000 in 2010, which includes \$352,000 from general fund giving, \$9,000 from holiday giving, \$5,000 from building usage fees, and \$57,000 from GTKOG (Growing the Kingdom of God campaign). In 2011, John is forecasting \$419,000 or \$3000 less than 2010, resulting in a projected \$40,000 deficit. 96 of the 106 repeat pledgers were down 2% from last year.

Cathy Maes moved and Dale Anderson seconded that Minnetonka Lutheran Church approve the proposed 2011 budget of \$458,890 in conjunction with a search for alternative revenue streams to bridge the gap between projected expenses and projected revenues. Discussion: Al Quie moved to amend the main motion, with second by Stu Deuring, to read that Minnetonka Lutheran Church approve the proposed 2011 budget of \$458,890 in conjunction with a firm plan to bridge the gap between projected expenses and projected revenues. Al said this would mean that we would need to delay the vote and he's not sure we can actually do that, but we have things staring us in the face of decline in attendance, decrease in members and we haven't found the key to reverse those trends yet. Pastor Bob stated that we do not intend to go beyond the May meeting with the gap unresolved. Cathy Maes stated she doesn't like an unbalanced budget either but is confident in the teams and in God and knows that a solution will come forth. Al Quie asked to withdraw motion now that he understands more, adding that he never trusted God to do something his way. We may have to let one of our pastors go. Gary Schmidt stated that he trusts Council but understands Al's

concern. Living in the limbo of an unbalanced budget is not only a challenge for the Council but for every person on every Ministry Team and suggested maybe setting a time limit on finding an alternative revenue source. Stu Deuring stated that adding restrictions on the leadership's charge of finding alternative revenue streams may be too encumbering. Gary Schmidt would suggest it only if the congregation wanted to provide additional guidance. Burt Leach stated we initiated GTKOG to staff the church for growth. We haven't seen it yet but we need to give it a chance to succeed. He recommends approving this budget but when the May meeting rolls around the council needs to recommend a change if necessary. Nancy Sorebo stated that it is going to be important to communicate to those not here soon and often that you don't need to be a member to share in our ministry here. Motion carried with one nay vote.

Perpetual Trust ó Stu Deuring of the Perpetual Trust board reported that the Perpetual Trust is alive and well. The Board is grateful for changes made last year that allow the Board to move forward with total return accounting. It has given them a fresh start and they have been able to make a limited number of grants. He encouraged us to remember the Perpetual Trust in our legacy planning.

Closing ó Pastor Bob recognized the Revenue Streams and Visioning Teams. He reminded everyone of the Congregational "Super Bowl of Visioning" event on February 5, and the "Super Bowl of Revenue Streams" Adult Forum on February 6. He led us in prayer and the singing of the Doxology.

Adjournment – Mark Peterson moved and Stu Deuring seconded to continue the annual meeting until May of 2011. Motion carried.

The meeting adjourned at 2:30 pm.

Respectfully submitted,

Anne Deuring