

St. Michael Lutheran Church
Council Minutes
October 24, 2010

Present: Bill Henry, Ralph Mellom, Sandy Daughtry, Linda Harriz, Nancy Adair, Pastor Robert, Peter Strub, Tonjia Groblewski, Angela Bostick, Sarah Williams, Billy Koch

Absent: Steve Baker, Sally Sizemore, Pastor Elise, Donna Weathers, David Cooke

Team Reports in packets: Finance Reports, Foundation Draft

Peter opened the meeting at 1:15 pm.

Opening Devotions: Reflection on the Gospel lesson for the day – who are we here serving? What might God be calling us to do through this story? We are never too good, never finished. God is calling us to pray, no matter who we are, we should always pray, whether we feel we are the Pharisee or the tax collector. Pray for our life together –pray for St Michael’s. Widow – gift of continuous prayer. Never as good or as bad as others say we are. Pastor Robert led the group in prayer.

Approval of Minutes: (September 19, 2010 meeting) – **Motion: Sandy, Billy, no discussion. Motion approved by acclamation.**

Foundation: Ralph Mellom – Ralph was asked by the Finance Committee to draft a Resolution for a St. Michael’s Foundation. The purpose of the foundation will be to receive gifts of monetary or real property value, invest it, and make distributions that will spread the Good News of the Gospel. This is a preliminary document, however, it is the intent of the Finance Committee and the Council to finalize the Resolution, distribute it to the congregation so that it can be adopted by the Congregation at the December Congregational Meeting. It is now the responsibility of the Council to appoint a Foundation Committee. Peter asks that Council members review the original Foundation document (Addendum 1) that was presented in April, and the document that Ralph Mellom has now drafted (Addendum 2). All comments and suggestions should be directed to Peter for review.

Other discussion:

- Ralph offers that the Foundation Committee should be an odd number to eliminate chance of tie votes, and suggests: Pastor, Treasurer, Council Chair, plus 3 members of congregation at large.
- Ed Winkler, Donna Weathers and Rick Richardson have expressed interest in being on the Foundation Committee.
- Members of the Foundation Committee are appointed for a three (3)-year term (see Foundation Resolution for specifics on term rotations).
- The seat of Pastor on the Foundation Committee is non-voting.
- The Foundation Resolution should have some notation of how long a Foundation Committee member must be off the Committee before being re-appointed to the Committee.
- Meetings of the Foundation Committee are open to anyone.

Motion: Nancy Adair: that Ed Winkler, Donna Weathers and Rick Richardson be appointed to the Foundation Committee as follows: Ed Winkler for one year, Donna Weathers for two years and Rick Richardson for three years. Foundation Committee members must be off the Committee for three (3) years before being appointed back to the Committee. Sandy Daughtry second. No further discussion. Motion approved by acclamation.

Ralph notes at this point that the audit of St. Michael's 2009 books done in Spring of 2010 is invalid because the audit included members of the Finance Committee. Noted – next year this will not be the case.

(Note 11-2-10: Congregational Secretary notes that the Constitution of St. Michael states that: *C13.02. An Audit Committee of three voting members shall be elected by the Finance Committee. Audit Committee members shall not be members of the Congregation Council. Term of office will be one year. Members shall be eligible for reelection.)* Donna Weathers was part of the audit team, but was not a Council member during the fiscal year audited. Please review for accuracy and clarification.

Property Report – Ralph Mellom: Banner stands and torn banners have been repaired and will be returned to their places tonight. Linda Harriz notes that today's lunch cooks found the dishwasher to be in need of repair (water spraying out).

Finance - Donna Weathers (absent), Sarah Williams: Finance Committee October minutes are attached to these minutes (Addendum 3). Our giving is doing very well, and projections are that we will reach \$390,000 in giving by year-end. Our 2010 expenses are projected to be around \$375,000. With these projections in mind, the Finance Committee directed our Treasurer to send \$10,000 to the SC Synod this past week. The Finance Committee does not anticipate the need to use reserved funds. A CD held at Carolina First Bank came due on October 17, and it will be rolled over into a new CD at Greenville First Bank at an interest rate of 1.45% for 13 months. The Stewardship Committee hopes to have a good feel for pledges for 2011 by November 15.

Billy Koch reminds the Council of St. Michael's history and reputation for support of our local human services agencies, and that we are currently not doing so with budget line items as we have done consistently and historically. He strongly encourages the Council and Finance Committee to consider making contributions to our local agencies when our financial position is strong.

Worship & Music – Sally Sizemore (absent), Sandy Daughtry: Sandy reports that St. Michael will have a Thanksgiving Eve worship service on Wednesday, November 24; Sunday November 28 is the first Sunday in Advent; Chrismon tree decorating is Friday, December 3.

Evangelism – Tonjia Groblewski: Tonjia reports that approximately 30 were in attendance at the Oktoberfest hosted by Bert and Donna Weathers last weekend. The Christmas 3-F gathering will be held on Saturday, December 11 at the home of Hutch and Billy Koch.

Social Ministry – Bill Henry: Bill reports that the largest group ever from St. Michael participated in the United Ministries' Walk for the Homeless, which benefits Place of Hope, UM's day shelter for the homeless. This event raised over \$127K. Bill noted specifically, in response to Billy's earlier concern, that although St. Michael was not supporting local agencies with dollars from budget line items, St. Michael's had participated in a number of other support projects – Habitat for Humanity, Operation Inasmuch (which benefited a number of agencies), two joint blood drives with other Augusta Road churches, Project 52, and others – with dollars and man hours. Another food drive is planned for Saturday, November 13, which will benefit United Ministries' Food Pantry.

As our Thrivent contact, Bill announced that a new Thrivent coordinator, Melanie Hendricks, will be here for coffee hour and attend both worship services.

Other Finance Discussion:

Cleaning up Balance sheet – see handout in packet.

Adopt – A – Room – Motion: Billy, Tonjia – as noted on handout. Motion approved by acclamation.

Greenville Drive – Motion: Billy, Nancy – as noted on handout. Motion approved by acclamation.

Lacy's Lunch Bunch – Peter will talk with Smitty about this item.

Habitat for Humanity – Peter will talk with Smitty about this item.

OIA funds – Motion: Tonjia, Sandy: Whatever portion is designated from Trinity UMC should be given as designated. Remaining can be given to Operation Christmas Child. Motion approved by acclamation.

Other Memorials –

Pastor Robert will talk with Bonnie Cook regarding altar linens, as her mother's (Bessie Foster) memorial were designated for that purpose. Pastor Robert will talk with Jo Hoxit about using her mother's (Dot McBrayer) memorial funds for paraments.

Disposition of other W&M funds should be discussed by Pastor Robert and Sandy.

Motion: Billy Koch: put McDonald, McBrayer, Bailey, Swank, Craven, Wade, Holland, W&M fund, Skip Key memorials to fund for paraments, giving W&M the go ahead to purchase white paraments while they are on sale. Second: Nancy Adair. No further discussion. Approved by acclamation.

Information – nominating committee: Peter announced that a Nominating Committee has been formed and will have its first meeting on Monday October 26: Elaine Holland, Jeffrey Stringer, Ed Winkler, Pastor Robert, Pastor Elise, Peter Strub, Nancy Adair, and Sally Sizemore. Ralph Mellom has decided to resign from Council so that he can spend 3-5 months in Montana where his health is better during the summer months of South Carolina. Peter will fill Ralph's remaining year. This leaves 2 slots to be filled: Bill Henry and Sally Sizemore. Peter will stand for re-election to Ralph's remaining year; David Cooke will stand for Re-election to Scott's remaining year.

New Members – Amanda Carter joined last time we received new members. She is from Redeemer, Columbia and acquaintance with Sarah Williams and Pastor Elise. Carole Angeley – on list but not quite ready – she is a friend of Steve Baker.

1911 – 2011 – centennial celebration of seminary. Handout.

New Business:

Seminary Candidate: Pastor Robert passed out information regarding the process of candidacy for Seminary. This is a first reading of this paperwork; the Council will need to take action at their November meeting. Candidacy is a synod-wide process which starts at the congregation level. Pastors come from congregations. Forms for candidates have to be signed by pastors and Council members, congregation secretaries (but not this congregation secretary, as she is the candidate's mother). The ELCA expects congregations to support seminary students. We are aware that there is a lot of anxiety about money now in churches and in all 8 of our ELCA seminaries. There is no right way to address the questions. The wrong way is to not address questions. ELCA students at ELCA seminaries are already receiving about an 80% financial aid because lots of congregations support the seminaries financially. Cost of attending quoted on the handout is the official number used by FAFSA to determine students' and parents' obligation. The Faculty at LTSS is 12, while the student body is less than 250. Pastor Robert asks that the Council read and pray about this item. We need to decide how to act on this item in November.

Further Discussion: Billy asks – do most students receive scholarships? Each student needs to fill out FAFSA, then the LTSS financial aid office allots scholarship money. SC Synod has a line item that they allot to each seminary student. Some congregations in the area designate monies for seminary students.

Seminary students are eligible for grants, but not lottery funds. We have seminary students graduating with student loan debt at 6 digits and taking calls for \$35,000, which allows for an untenable situation. Council members are encouraged to talk with Rachel about what this means to her, and where she is in this process.

Temple Talks – October 31 – Sarah; November 14 - Angela; December 5 – Ralph.

Energy Assessment – things that give energy:

Walk for homeless

Talk around this table

We seem to be close to having Foundation set up, which will make a difference, builds up the church in a deep and strong way.

Next meeting – November 21, 2010, 1:15 pm

Respectfully Submitted,

Linda B. Harriz
Council Secretary

Upcoming Calendar Events:

- o Trunk or Treat: 10/24
- o Rostered Leaders @ St. Michael 10/25 – 26
- o Saints Alive 10/27
- o Reformation/Confirmation 10/31
- o End of Daylight Saving Time 11/7
- o OCC Packing Party 11/7
- o Bi-Lo Food Drive 11/13
- o CPR Training 11/20
- o Thanksgiving Worship 11/24
- o Chrismon Tree Decorating 12/3
- o Christmas Caroling 12/12

SAINT MICHAEL LUTHERAN CHURCH FOUNDATION

This foundation is adopted by action of the Congregational Meeting of Saint Michael Lutherans Church, Greenville, South Carolina on April 18, 2010.

The Congregational Council shall establish and maintain a separate fund which shall be known as the Saint Michael Lutheran Church Foundation (SMLCF). The purpose of this foundation shall be to enhance the mission of outreach of Saint Michael Lutheran Church. All assets of the foundation shall be held in the name of the SMLCF.

The foundation may receive bequests, charitable remainder and other trusts, charitable gift annuities, assignment of life insurance, and transfers of property (cash, stocks, bonds and real estate) which are designated for the foundation by the donor¹. The Congregational Council shall determine which undesignated gifts shall be conveyed to the foundation².

The foundation shall not manage gifts designated for a specific purpose such as designated Memorial or the Biannual Youth Convention.

Except where authorized otherwise in the terms of a gift, all principal amounts held by the foundation shall be retained and only the income expended. Such income shall include the income generated by gifts which are held in trust on behalf of Saint Michael Lutheran Church, when such income has been conveyed to the Foundation by act of the Congregational Council³.

The recipients of the income generated by the Foundation shall be designated at least annually. The income shall be distributed at such times as deemed necessary to accomplish the purposes of the foundation.

The income from the foundation shall be distributed in accordance with the following purposes:

¹ Congregational council has no influence or rights on gifts made directly to the Foundation.

² On gifts not made directly to the Foundation, congregational council can designate all or part of the gift to the Foundation for disbursal.

³ Congregational council can designate all or part of the income from a gift to the Foundation for disbursal.

SAINT MICHAEL LUTHERAN CHURCH FOUNDATION

- Grants for outreach into the community beyond that funded by the congregations annual budget including, but not limited to, grants to institutions and agencies to which this congregation relates; and to special programs designated for persons in our community who are in spiritual and/or economic crisis. Gifts made directly to an individual regardless of membership in St. Michael are strictly prohibited.
- Grants to institutions and agencies of the South Carolina Synod of the ELCA and for missions of the ELCA at home and overseas;
- Grants to Saint Michael Lutheran Church for the purpose of growing in Christian faith and service to God's people in spreading the gospel message.
- Grants for capital improvements, debt reduction ⁴or a building program of Saint Michael Lutheran Church not normally funded by the congregation's annual budget.

Such grants shall be made for the specific purpose or needs. Foundation can make no commitment for future grants to a current year's recipient. No grants shall be used to fund the annual operating budget of the congregation, except in extreme emergencies. Such emergencies must be declared by a three-fourths majority vote of the Congregational Council.

The Congregational Council shall appoint a Foundation Committee which shall have custodial responsibility for the SMLCF.

The Foundation Committee shall consist of three voting members of the congregation appointed by the Congregational Council, the pastor serving under call and the Chairman and Treasurer of the congregation. The appointed members of the committee shall serve three year terms. Such members shall be eligible to serve no more

⁴ Debt reduction in this instance is not a specific monthly mortgage payment. Mortgage reduction in this instance is part of a campaign to reduce or eliminate debt in preparation for a new capital campaign.

SAINT MICHAEL LUTHERAN CHURCH FOUNDATION

than two consecutive terms. Their tenures shall be arranged so that one third of the terms expires each year. The Congregational Council shall designate the Chairperson of the committee.

The committee shall meet at least quarterly. The committee shall report on a quarterly basis to the Congregational Council and shall render an annual report of the administration of the foundation to the congregation. The committee's year shall correspond to the calendar year of the church.

The specific responsibilities of this committee shall be to manage the assets of the SMLCF in a wise and prudent manner; to encourage, receive and administer gifts to the foundation in a matter consistent with the purposes of the foundation; to receive and act upon requests for grants from the foundation; to maintain an accurate accounting of the foundation activity and provide timely reports to the Congregational Council and the congregation as specified above.

The committee shall distribute the income generated by the foundation in a manner which reflects a balanced appreciation for the purposes of the foundation.

The foundation's assets cannot be dissolved except by a $\frac{3}{4}$ majority vote at a properly called congregational meeting after a motion brought to the floor by a consensus vote of the congregational council.

RESOLUTION

This Resolution adopted the 12th day of December 2010 by a Congregational meeting of Saint Michael Lutheran Church, Greenville, South Carolina (Church), according to the provisions set forth in the Constitution of the Church, November 1992.

The purpose of this Resolution is to provide a means for the Church to receive and manage property to promote the Gospels of our Lord and to serve Christ in the World.

Another purpose of this Resolution is to protect the Contributions of those who choose to promote the Gospels and to support the mission of Christ in the World.

I. Definitions

As used herein, the following terms shall have the indicated meanings:

- A. Foundation is the means of the Church by which property can be received and managed according to the guidelines established by this Resolution.
- B. Foundation Committee is as formed by the Congregation Council under Chapter C13.04 of the Constitution and consists of the Pastor, the Chairperson of the Congregation, the Treasurer of the Congregation and three additional voting members who may serve terms of up to three years with one members' term expiring after one year, another member's term expiring after the second year, and another member's term expiring after the third year.

Addendum 3

- C. Contributions are all personal property and real property transferred to the Church and designated for the Foundation.
- D. Appreciated Assets are any increases in the value of a Contribution
- E. Distributions are monetary grants of Appreciated Assets by the Foundation Committee upon its own volition or in response to an Application for a grant.
- F. Application is a request from a separate entity for a Distribution from Appreciated Assets.

II. Investment Responsibilities of the Foundation Committee

- A. The Foundation Committee may only invest monetary Contributions and the proceeds from liquidating personal property and real property Contributions and any Appreciated Assets therefrom in

The Foundation Committee is strictly prohibited from making investments in anything other than that set forth above.

- B. If a Contribution included written limitations on the types of investments in which it can be made, such limitations shall be honored and given preference by the Foundation Committee in making decisions on investing the Contribution and any Appreciated Assets therefrom.

III. Distribution Responsibilities of the Foundation Committee

Addendum 3

- A. The Foundation Committee may make Distributions from Appreciated Assets upon its own volition or in honoring and Application for a Distribution from a separate entity.
- B. The Foundation Committee may make Distributions only from Appreciated Assets and only for the following purposes:
 - 1. Greenville Community outreach programs to enhance spiritual and economic growth;
 - 2. Mission programs of the South Carolina Evangelical Lutheran Church in America in the United States and abroad;
 - 3. Seminary programs and fees for member of the Church who enroll at a Seminary;
 - 4. Programs implemented at the Church to promote growth in Christian faith and in spreading the Good News of the Gospel; and
 - 5. Special programs at the Church for improvements not specified in the annual budget.
- C. If a Contribution from which a Distribution is based includes written limitations on where any Appreciated Assets shall be made or shall not be made, such limitations shall be honored and given preference by the Foundation Committee in making such a Distribution.

IV. Separate Entity Requests for a Distribution

Any separate entity can make a request to the Foundation Committee for a Distribution from Appreciated Assets. Such a request shall set forth specifically how granting such a request will serve to promote the Gospels and to support the mission of serving Christ in the World. The Foundation Committee shall report to the Congregation Council as part of its routine reporting requirements on the nature of such requests and the disposition of the request.

V. Miscellaneous

Addendum 3

- A. The chairperson of the Foundation Committee, as appointed by the Congregation Council, shall hold a meeting of the Foundation Committee at least quarterly within two weeks after the end of each quarter. The purpose of the meeting is to review and update the status of Contributions and Distributions and to make a written report for the next meeting of the Congregation Council on its activities for the previous quarter.
- B. The Foundation Committee shall keep a permanent record of all Contributions made to the Foundation and of all investments made by the Foundation.
- C. The Foundation Committee shall record all Contributions with Local, State and Federal authorities as may be required by law.
- D. The Foundation Committee shall open a monetary account for depositing Contributions when received. The chairperson of the Congregation and the chairperson of the Foundation Committee shall have signatory authority on such an account. Such an account shall be opened in the name of Saint Michael Lutheran Church Foundation.
- E. The Foundation Committee shall maintain all personal property Contributions in the account from which they were received or, unless otherwise prohibited, it shall liquidate such a Contribution and deposit the proceeds in the Saint Michael Lutheran Church Foundation account.
- F. The Foundation Committee shall annually select an Audit Committee of three voting members who are not members of the Foundation Committee to perform an annual audit of its activities. Such an Audit Committee shall report its finding to the Foundation Committee and to the Congregation Council for a calendar year by the end of the first quarter of the succeeding year.

Addendum 3

Finance Committee Meeting

St. Michael Lutheran Church

October 11, 2010

Attending: Sarah Williams, Donna Weathers, Nancy Adair, Rick Richardson, Dave Cook, David Cooke, Howard Martinie, Frank Tucker, Peter Strub

1. Rick opened the meeting in prayer.
2. September meeting minutes were approved. Peter stated Council would like for the Finance Committee to prepare a rough draft of the 2011 Spending Plan after the pledges are tallied.
3. The September statements were reviewed. All reports on expenses seemed to be in order. **Good news!** September giving was \$34,000. That closed the gap on 2009 giving to 2K. The first two weeks in October totaled 13.4K. October is a five Sunday month. The attached summary of historical giving now predicts a total income for 2010 of around \$376,000. Expenses will approach \$390,000. This amount includes \$20,000 for the SC Synod. Sarah will confirm expense projections for the 4th quarter. Our undesignated cash balance will shrink from \$57,000 to \$43,000.
4. The Finance committee recommends \$10,000 be sent to the Synod immediately.
5. Rick reported Ralph Mellon was on board to help set up the Foundation. The Council still would like for this to be ready for congregational approval in December. Rick will relay that to Ralph.
6. Third quarter statements will go out soon. The committee recommends that the Servant Keeper records not delineate between taxable and non taxable contributions. That change will be discussed with Linda and reflected on the End of Year Statements.
7. The next meeting is scheduled for Monday, November 15 at 7:00 PM. We will discuss 2011 Spending Plan.