

**St. Michael Lutheran Church
Council Minutes
December 12, 2010**

Present: Ralph Mellom, Sandy Daughtry, Linda Harriz, Nancy Adair, Pastor Robert, Peter Strub, Tonjia Groblewski, Billy Koch, Donna Weathers, Bill Henry, Steve Baker, Sally Sizemore, Sarah Williams, David Cooke

Absent: Angela Bostick, Pastor Elise, Steve Baker

Team Reports in packets: Finance Team Minutes, November YTD Finance Reports, Learning Team Minutes, Spending Plan for 2011

Peter Strub opened the meeting at 1:18 pm, and asked Pastor Robert to pray. We skipped the Renewing Congregations exercise due to time constraints.

The radical notion of God becoming flesh is life-changing, relationship changing, etc. God is already out in the world doing what he is doing. We need to catch up. The baby Jesus was not born in a church, but likely in a cave, by two likely homeless people, out there in the world. Our job as those called to lead this church in life and ministry. Challenge for today and the year to come. What are we doing that is truly incarnational, that puts flesh and blood on the last and the least and the lost? If the Baby Jesus means anything to us at all we need to get out there with the Baby Jesus.

Approval of minutes from November 21, 2010 meeting: Motion: Sally Sizemore, Donna Weathers. Approved by acclamation.

Team Reports: Tonjia reported a very nice Christmas gathering at the home of Billy & Hutch Koch, with 40-50 in attendance.

Treasurer's Report – Not much beyond what was shared at Congregation meeting earlier today. Giving was very good last Sunday. December is typically a good income month. Still anticipate about \$380-\$390K income this year.

There was some discussion regarding changing the recording of the mortgage to a cash basis, rather than an accrual basis, so that mortgage principal and interest are shown on the expense report.

Synod Apportionment: committed to \$20,000 for this year, we have already sent \$10,000. Unless our income is more than we expect, we will have to use reserved funds for this.

Motion: to send remaining \$10,000.

Discussion:

- Donna suggested using the interest gained so far on 100K and just put 100K in endowment when it is started.
- Bill Henry expressed a strong feeling of obligation to the larger church for personal reasons.

(Rick Richardson stopped by to inform Council of today's giving: \$7,100.)

- The question is raised: Can we decide to use interest on 100K? Yes.
- Sally states that we should send the interest from 100K

Motion: Billy Koch: send \$5,854 interest (only) to synod for apportionment. Sally Sizemore seconds.

Further Discussion:

David Cooke reiterates the question that he asked at the Finance Team meeting recently: What is wrong with us? In the August/September issue of the SC Lutheran, there is a list of all churches in South Carolina, their committed apportionment and amount given to date. There were 5 churches that were not up to date in giving, and St. Michael was one of them. David recommends that we cut a check for the full \$10,000 that we committed.

Stewardship update: 122 pledges in, some are \$0. Last year we had 115 total, including some \$0. Current figures - \$301,000. Six books are still out. Add up what we have not received yet, total is about \$55k based on last year's pledges and income. We are still anticipating another 15-20 pledges.

Ralph Mellom agreed that this was a good database – best guess for 2011 income: \$390,000.

Donna asks: what if we got enough in the month of December, can we send the full amount?

Vote by hand: in favor: 5; against: 5. Motion failed. This means that we fall back to the vote that was taken earlier this year to send a full \$20,000 to the SC Synod.

Pastor Robert observes that this group is very interested in protecting the cash reserve, and very interested in supporting the SC synod. Thinks that motion could be amended to use the interest of 100K and send more at end of year as we receive checks up to 12/31.

Peter reiterates that we now fall back to prior motion, wherein the Council committed to send a total of \$20,000 to Synod. We will use the interest gained on 100K and \$4200 out of general funds, and send \$10,000 to SC Synod.

There is some discussion regarding the reporting of our financial position in the Sunday bulletin. It needs to be reported more clearly. Do Income, Budget YTD, Expense YTD, difference +/- between income and expenses.

Seminary Student: there is no line item for financial support for seminary student in the proposed Spending Plan for Ministry for 2011. Need to define how to support the student (Rachel Harriz). Motion: St. Michael as a congregation will support seminary student, Rachel Harriz, by voluntary congregational gifts that will be sent to LTSS on regular basis. This will be advertised regularly through newsletter, WELCA, LMM, bulletin, etc. Ralph Mellom, Sally Sizemore second. Pastor Robert will put something in blue announcement sheet regularly. He has already talked with Rachel about communicating regularly with congregation about what she is doing at LTSS. Our Council needs always to lead in creating this opportunity. Pastors come out of 4th grade Sunday school. No further discussion. Carried by acclamation.

Council Retreat – Linda passed out numbers (should be with your packet in the event you were not at this meeting). We have already paid a deposit, and we are now into the time window wherein not only is the deposit non-refundable, but we will owe ½ of remaining balance. Donna wonders if we can't pay to go ourselves, individually. Yes, in fact until about 2005, each Council member paid his/her own way. The expense is \$113/double occupancy, including the three meals we will eat in the dining hall at Lutheridge. It is determined that we will go on Council Retreat as planned, Friday – Sunday, February 11-13.

Peter announced that Andy Celinskis has been working with Binswanger Glass to have some windows repaired/replaced. There were several windows in the Sunday School Building and a window over the doors in the Gathering area that were cracked and in danger of breaking completely. LMM will fund replacement of the windows in the Sunday School building; Lacy's Lunch Bunch Fund will pay for Gathering Area window. Andy Celinskis also had an energy audit performed. We are in need of new

thermostats in Gathering Area, new timer in sanctuary. There is \$1000 in a designated Property fund to pay for these items.

The next Council meeting will be held on January 23, evening meeting with dinner. This will be a pre-retreat meeting, where Ministry teams will be determined, expectations and responsibilities outlined, etc. We will also be identifying leadership individuals (non-Council members) to assist with the ministry areas.

OLD BUSINESS

Foundation: Donna and Ed have done a lot of work; and the Council has contributed very few comments. Foundation team is talking with Thrivent, and with our insurance agent to determine whether we need to have insurance to protect those on the Foundation Committee investing funds. Further information on the status of the Foundation can be found in the Finance Team minutes in the packets provided.

NEW BUSINESS

Staff Salaries: A motion was made and seconded that the staff receive a 2% increase over their 2009 salaries.

Discussion Points/Questions/Answers:

- BH - Wouldn't such an increase also shift other items, (pension benefits, etc.). Yes.
- NA - The proposal is to increase the budget by over \$5,000? Yes.
- DW- As a member of Finance Team, doesn't know that we can increase our budget and meet it; does not want to be fiscally irresponsible.
- RM – it may be healthy to be in jeopardy. We have a surplus hanging around; perhaps that makes people not feel the need. It doesn't hurt to be almost broke.
- RM asks for PR's comments if comfortable.
- Peter notes at this point that this item was discussed beforehand, he and Pastor Robert and Linda knew that this was coming up. Linda and Pastor Robert both stated at that time that they would not leave the meeting during this discussion.

- Asked for his comments, Pastor Robert notes that when the originally proposed Spending Plan for Ministry was brought to him and Linda, it contained a 4% salary cut for all staff, including benefits; he and Linda were both told that the cuts had nothing to do with merit or job performance, but only with fiscal realities – it is on that basis that we can discuss this together. (He notes that our staff are all very good at functioning at a high level in very difficult situations – it is what we often do in our ministry.) Salary reductions never feel good; however, our staff is most aware on a daily basis of our financial situation – nearly every day we decide not to do something because we do not have the money to do it. On the other hand, speaking for himself only, it doesn't feel good – in an entirely different kind of way – to get a raise when others in our congregation don't have jobs or are being paid ½ of their worth. Pastor Robert personally believes all of our staff is deserving of a salary increase. He recalls that, when the original proposal was presented to him, it was stated that part of the motion adopted by the Finance Committee was to incrementally increase salaries back to the full 2010 level during the course of 2011 – if giving supported doing so; he assumes the protocols for doing this were in place somewhere. His reading of the constitution indicates that this proposed change would, in fact, be a change in the budget just adopted and would therefore need approval by the congregation at special called congregation meeting. He noted in closing that this type of meeting and these types of conversations can become very hurtful and destructive, and have the potential to ruin good relationships; he states his intent to do all he can to avoid that, and he asks the members of Council to do the same.

- PS – has a problem with no raises several years in a row (no raise for 2011 would be the second year in a row). Our programming, ministries and staff make St. Michael a \$400,000-annual budget church, but congregational giving does not support that size budget. He does not feel it would fair to encumber a future Council with deficit, and suggests instead that if income permits, perhaps all staff could be given a bonus.

Vote: 2 in favor; 8 against. The motion is defeated.

A check to cover this amount (a 2% increase in salary across for all staff, including benefits), from a donor who wishes to remain anonymous, was presented. **A revised motion was made and seconded to accept this gift for the purpose of increasing staff salaries and benefits by 2%. Discussion:**

- The raise is permanent.
- The donor is adamant that the funds are not to be used as a one-time bonus
- Accepting the gift as an increase in salaries and benefits will change the already approved Spending Plan for Ministry for 2011, necessitating congregational adoption of the revised Spending Plan.

Vote: 9 in favor; 1 against

There being no further business, the meeting is adjourned 3:00 pm, with prayer by Pastor Robert.

Respectfully Submitted,

Linda B. Harriz
Council Secretary

Upcoming Calendar Events:

- Christmas Caroling 12/12
- Christmas Eve Family Worship 12/24, 6 pm
- Christmas Eve Holy Communion Worship 12/24, 8 pm
- Lessons & Carols, 12/26, 10 am