

**FAITH EVANGELICAL LUTHERAN CHURCH  
WACONIA, MINNESOTA**

**Semi- Annual Congregational Meeting Minutes  
January 25, 2009**

224 members attended.

**CALL TO ORDER**

Council President Dawn Genz called the meeting to order at the end of the 9:30 a.m. service. After a short recess Genz reconvened the meeting at 10:35 a.m. in the fellowship hall of Faith Evangelical Lutheran Church.

Dawn Genz opened the meeting with a prayer.

**TABLED. Approval of Faith Lutheran Church Minutes of the November 23, 2008 Congregational Meeting.**

**Council President's Welcome**

Dawn gave thanks and recognition to the Pastors, Staff and Council. She also thanked those in attendance for representing the congregation.

Purpose of the meeting is to approve the 2009 FELC budget.

Dawn provided preliminary comments:

Brian Ebent explained the "Leap of Faith" percentage included in the budget (15%). This number was decided upon by analyzing past numbers and our current goals. This is a number Council feels will be reached in 2009. We also took into consideration the economic environment and the mission of church: *To learn, serve and share the Gospel by growing in our relationship with Jesus Christ, one another and those beyond our walls.*

Council will continue to ask itself, staff, and congregation to be accountable to God and each other. Council will continue to monitor numbers as they happen. The focus for the Council work is the long-range plan. We are at the beginning of some serious, very exciting work. Now that we are fully staffed, we will achieve our vision by focusing on our 6 key strategies.

**Pastor's Welcome and Introduction the Proposed Budget**

Pastor Dale recognized Dawn Genz and Brian Ebent, treasurer for their work in getting us to this stage.

**God brought Faith through: (blue handout) to this day.**

1-40 years ago God led Faith with 4 couples. God brought Faith through to this day.

2- Over these 40 years God led Faith to a place of great size and influence. God brought Faith through all 4 phases of church size: Family, Pastoral, Program and

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Corporate. Determining the appropriate designation is made by Sunday worship attendance.

Program size church: many programs, committee run with pastoral leadership

Corporate size church: Moved from co-pastors to corporate pastors, where we are today. Staff lead. Lay run. Many volunteers lead, but there is a streamlined decision making process with fewer people making decisions.

3. Five years ago God led Faith to move from co-pastors to the senior/associate model. God brought Faith through a challenging time of transition into this time of stability.

4. God led Faith in past 3 years to:

- a. Call Pastor Dale and Pastor Jason,
- b. revise and update constitution and bylaws
- c. create new leadership structure
- d. implement Forward in Faith capital campaign 2006-2008
- e. draft a long range plan
- f. become fully staffed (for 2009)

God brought faith through many toils & snares.

5. God led Faith church council to our proposed budget today. Hours and hours of discussion, council meetings, individual meeting with staff, analysis of Faith's giving patterns and statistics, cuts and more cuts. God brought Faith through to this point on this day.

At this point, after much deliberation, it came down to Council, Staff and Ministry areas have decided that if anything more is to be cut from the budget it must be staff. Council has made a commitment to not cut staff. FELC is at a point where we can live out our mission and vision. To cut back we'd have to eliminate the word "growing" in our mission statement. In our vision we state we will fulfill our mission through "unyielding faith in Jesus Christ." Pastor Dale challenges us to make the leap of faith. In past years we have been pretty good at meeting the leap of faith number. This year it's truly a leap of faith.

We believe based on giving patterns we can make it. In studying the giving patterns we know that 100 or more families give \$5 or less per week. Council thinks that will change in the next year. There is such joy in giving. The potential is great.

6. After today, we will once again finish the statement, 'Today God led Faith...' In the future we will look back and say again, "God brought Faith through." after today we will finish this stmt. In the future we'll look back and say God brought faith through.

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**2008 Year in Review:** Treasurer Brian Ebent reviewed 2008 using a Powerpoint presentation.

In 2008, FELC met all its financial obligations. Can feel good about where we ended in this difficult economy.

In December, lots of communications about our financial situation and we raised close to \$90,000 in offerings in that one month. Brian thanked everyone for stepping up.

Pledge analysis:

Eight years of data show average of 15.5% leap of faith. Leap of faith is the contributions that exceed pledged contributions in a year. It is used in budgeting to determine the full amount of income in the coming year. Looking at the trends in pledging over the past several years shows a continued increase – a positive trend.

In 2008 121 families did not meet pledge (could be \$5 or \$5000) the amount equaled \$65,268. If all had met, the leap of faith at year end would have been 17%.

Expenses:

In 2008 FELC ended the year \$65,000.00 under budget in expenses. Staff was cautious about what they spent. The top five expense categories of 2008 were:

- Personnel
- Social Outreach \$39,000 to Synod; Mission trip subsidies
- Property
- Faith Formation (Christian Education & Youth)
- Administrative: includes computer network, copy machine, postage, etc.

2008 Benevolence:

FELC did not meet the pledged 10% to the Synod. We gave \$39,000. The decision was made decision not to meet the full pledge because we would have had nothing to start the year off.

Waconia Food Shelf: FELC (and other area churches) pay a percentage each month to cover the space rent.

Special offerings: not part of pledged monies (\$14,000)

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**Building Fund:**

The mortgage is paid from this account. This past year, 2008, was the third and final year of Forward in Faith 2006-2008 Capital Campaign. We raised over \$1 million. Contributions in 2008 were \$215,000. At this time we have enough for seven months of mortgage payments.

We have not started a new capital campaign. The congregation is asked to continue to contribute to fund as they did in the past three years. Based on the first three weeks of giving, we anticipate receiving \$2,000 each month. If this trend continues throughout the year we will have enough to pay mortgage for 13 payments with the monies held and these contributions.

In 2008 we did not make payments to the principal of the mortgage. The money was held to make mortgage payments. FELC holds a five year adjustable rate mortgage at 4.6%. Our first reset date is in October 2010. In the next year and one-half, we will look at refinancing.

**2009 Budget:** Handouts provided.

Since the handouts were created last week, we had another \$10,000 in pledges come in. Pledges total \$565,608.00

Pledges analysis:

Family unit giving is down three family units from 2008 even though we have 20 more families in the congregation than last year.

Council has set the leap of faith at (15%) \$84,000. We are counting on those contributions to cover our expenses this year.

The pledge per family is slipping a little over the past few years, but is fairly consistent.

2009 Expenses:

Planned expenses total \$729,430, a one and one-half percent increase over actual 2008 expenses and a seven percent decrease from the budget approved last year.

- Personnel: four percent increase
- Social Outreach: Significantly less. We have budgeted \$11,000 less contribution to the Synod than actual payments in 2008. We have removed mission trip subsidies for Africa and Mexico completely.
- Property: Fairly consistent
- Faith Formation: Up \$30,000 because Youth attending the every three year National Youth Convention in New Orleans. The program fees to attend are in the budget. The 38 people will pay on average over \$700 each. This is a flow

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through. The \$10,000 subsidy for transportation and staff (approx \$200 per attendee) is included in the budget.

Question: Why do we include pass through expenses in the budget? Dawn explained that we have to collect the revenues and then pay the expenses. Our accounting must include this. The revenue is included in "Various Receipts".

Question: Explain more on the Synod contribution. In 2008 we missed our pledge by \$20,000, now we cut \$11,000. What's the implication at the Synod level? Pastor Dale responded that it will be the same as what happens at a congregation level. The Synod doesn't ask for a pledge, we don't send a formal card in. They determine their budget by looking at what churches gave over the past years. Only one church the size of FELC gave 10; one gave 6%, four gave 5% and the rest gave 1 to 3%. FELC has a great reputation with the Synod as being generous over the years. They are tightening their budget too. Dawn added that one of the goals we have with budget is to start with 10% contribution. Council wanted to make the 10% contribution but had to make a decision where to cut. After thorough analysis and many hours of breaking down numbers we decided this was one place to cut.

Benevolence also comes through our monthly contributions to various organizations. These funds come out of offering.

Wish List:

There is \$62,000 on a wish list for items taken out of submitted budget. These are the items we will put back in if contributions allow.

From the originally submitted budget, Council cut expenses of \$93,973. We worked to help grow the revenue side. In addition, we have a rainy day account. Approximately three years ago we had \$100,000 extra after we paid our obligations. These funds were set aside for future needs. From that fund, we have paid \$20,000 to fix the roof. Four to five thousand dollars of this helped get us through the summer lean months. The balance is \$62,314. It is not earmarked for anything in particular.

Question: Two years ago we increased our line of credit, why did we do that if we had these funds? In February 2006 FELC paid off the line of credit. We didn't have the rainy day account when the line of credit was in use. Dawn responded that the account was opened at the 2006 time. In 2006 we had a large leap of faith realized. This allowed us to pay off line of credit and set aside funds.

2009 budget

The budget Council presents is \$18,000 unbalanced budget. In past years, the budget included approximately \$30,000 that was to come from the rainy day account, if needed.

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Question: Are we paying 2.5 pastors in the 2009 budget? Pastor Dale responded that Council had hoped that in 2009 Dan Carlson would be able to continue at 10 hours per week. This would make two pastors and a quarter time pastoral assistant.

Question: In looking at the personnel expenses on the handout, 2009 is \$20,000 more than actual 2008. Is there a staff increase planned? Pastor Dale responded that there is a slight increase in salaries planned. This amounts to \$6000. Council feels it is very important to compensate our staff fairly. The bulk of the amount is that we didn't have full staff throughout all of 2008. Curtis is on for 20 hours; Justin came on in July

Question: Are pastoral staff being paid according to Synod guidelines? Pastor Dale responded that he believed so. We have eight full-time staff.

When Pastor Dale last met with the Bishop, he was told that there should be one full-time pastor for every 700 members. We are at a place where we should have three full-time pastors with our 2300 congregation members. We can't offer all we would like to offer with less. The personnel budget is felt to be a bargain. Our staff pay versus hours put in is a great deal for the congregation. Staff is happy. They are committed to the mission, are having fun and want to move ahead with the congregation.

Dawn Genz added that last year the Personnel Committee analyzed where staff pay was compared to other churches. We are a little under the average. Every year we will look at this. We are positioned very well for our long range plan. This plan makes us look forward. We need to look to this and have staff positioned with the right mentality and passion.

There is nothing else to cut from the budget but staff. Dawn challenged people to come in during the week to see what is happening and to ask questions.

Question: Will FELC move? Discussion: We've known the capital campaign was going to run out after three years. Why are we rushing into something? Pastor Dale responded that the planning to begin a new campaign was something that simply didn't get done. We had talked about a bridge campaign, we should have been ready. There is a leadership team for the next campaign along with consultants in place. We have a good plan in place.

Question: If we knew we needed a capital campaign, why did we ask a consultant for a readiness study? The capital campaign leadership team interviewed three companies to manage a campaign. Mark Davys was selected. With \$1.9 million still owed on mortgage, they suggested the feasibility study. A generous family gave \$25,000 to the building fund and agreed we could use \$5,000 of that amount

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to pay for the study. We don't know how much people will give to another campaign. In the process of doing the study, we are also sharing information. Question: When asked to continue with pledge is that not a bridge campaign? We are in a bridge campaign.

Question: At this point we don't know when the \$1.9 million mortgage will be paid for. I'm feeling I don't want to talk about a building campaign fund until we know when we will have the mortgage paid off. Pastor Dale responded that we'll have a debt reduction capital campaign. This is all in discussion with consultants, the capital campaign leadership team and Council.

Question: Where does the money come from to pay the mortgage? It looks like we won't be able to pay the mortgage after seven months. It seems a bit unlikely that people will continue to give to a capital campaign. Even with the leap of faith, the unbalanced budget is greater than 15 percent. We have a great staff but may be digging ourselves into a bigger hole. Dawn Genz responded that this is a huge focus for Council and staff. We don't have a really good answer, although Council and staff are committed to figure this out. We hope Davys & Assoc will help us determine the best way to do this. We must engage all members and believe in our mission going forward. This is Dawn's passion. In next five months there will be action plans in place to move us forward.

Question: When we use the rainy day fund money congregation should know. Brian Ebent responded that Council and staff will be very frugal. Every penny will be looked at.

Comment: I am uncomfortable with using history of leap of faith as a base to determine this year's leap. I feel can't look that far back. Would be more comfortable using a 6% leap of faith – it might be more real. If we cut staff, not happy about it, but it may be a reality.

Comment: Just like budget, done appropriate cutting. If we pull together we can make it happen if we all pitch together.

Comment: Thank you for your work. We appreciate all done. My concern is if it is fiscally responsible to take such a leap of faith in these economic times.

Question: Without a building capital campaign and not knowing when we are going to build, we shouldn't be shortsighted as to taking care of the current building. Dawn Genz responded that there are people looking at the needs of the current building. And, there will be lots of feasibility to find out where we are at.

Comment: Whether or not we pass the proposed budget, the budget is a guideline. We need to trust leaders that if we need to cut staff, they'll do it. Dawn Genz responded that Council is thinking about this all the time. It's the next option. We

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hope we can look to revenue instead. In May we may have to look at where we're at for summer. We want to finish this program year. Davys & Associates plan to start a capital campaign in June or July.

Question: Thank you for all work done. It's not a lot of fun. I'm concerned about the \$18,000 extra expense and an \$84,000 leap of faith. We only have \$63,000 in the rainy day account. This can't cover the gap. Is May too late for a check point? Dawn Genz responded that Council will check before May. We have a large portion of our members that are not contributing anything. We want to focus on that group.

Question: Do we have a plan to contact the families that are not contributing? Yes, each ministry is trying to develop their plans. As we build those ministries and engage people it's all of us asking one more person do they know what is going on financially with Faith. Mike Haugsby says Stewardship is about being a good steward holistically in people's lives. Part of it is contributing money and part of it is time and talent. We have a lot of young people not very far in their faith walk. This year stewardship will work to reach out to that demographic. The Ministry thinks by fall giving will kick in.

Call for the vote.

**MOTION: Be it resolved that Faith Lutheran Church adopts the 2009 General budget as presented. Russ Heagle.** Joel Hentges seconded. Passed by majority vote.

Dawn invited anyone to stay to discuss the budget.

Other Business:

**MOTION: To adjourn the January 25, 2009 congregational meeting. Gary Burau.** Christine Osterbrink seconded. Passed by majority vote. Meeting adjourned at 11:25 a.m.

Respectfully Submitted,  
Cindy Schmieg, Council Secretary