



Love. Transform. Serve.

trinity
Lutheran Church

CONGREGATIONAL COUNCIL MEETING MINUTES

Monday, January 19, 2015

4:00 – 6:00 p.m.

Present: Gail Olson, Doug Johnson, Eric Olsen, Todd King, Dan Poffenberger, Dana Miller, Sara Godfrey, Bob Eiselt

Guests: Tom Olsen, Chair, Long-Range Financial Planning Team

Spiritual Practice: Matthew 5: 1-20 and a prayer for Martin Luther King Jr. day

1. Finance update -

a. Report from Long-Range Financial Planning Team (Tom Olsen) – [See attached report.] Excellent team members. Comparison of financial history compared to similar local churches (10). Compared total receipts and total disbursements for Trinity compared to the peer group. Assessed “debt per member” compared to peer churches. Presented overriding principles and recommendations to council. Next steps for the team are to review the planning cycle compared to the budget cycle.

b. Facilities update (Bob) – The committee is completing their work and will be making their recommendations to Council in the near future.

c. Update on current financials, budget projections (Dan, Bob, Todd)

d. Immediate staffing decisions

e. Opening Doors decisions

f. Croix Center update--One new lease signed with Reclaiming Beautiful.

Motion made to authorize Bob to sign the lease that has been made with RB.

M/S/P.

2. Interim, transition update (Gail) – Who is in charge when Dan leaves? Bob and Jody T as a team – Bob for admin and Jody T for Core Team.

3. Farewell celebration update (Bob)

4. Missions board charter (Sara)

5. Stewardship committee(s)--next steps – Dan to send us a draft of the 2 committee charters for us to review prior to our 1/28 meeting.

6. Communication with congregation – Council Q&A went well with over 100 members in attendance. Kim to publish the noted Questions and Answers on the website today.

7. Calendar coordination (Eric)

Next Regular Council Meeting – Monday, February 16th, 4:00 – 6:00 p.m.

Resolution: We will govern with an emphasis on vision rather than internal preoccupation, strategic leadership more than administrative detail, clear distinction of council, staff and senior pastor roles, collective rather than individual decisions, future rather than past or present, and pro-activity rather than reactivity.

Trinity Lutheran Stillwater
Long Range Financial Planning Team
Recommendations to the Congregational Council – January 17, 2015

- Current Situation

- Trinity is a vibrant community of believers and home to a ministry that connects Stillwater and the St. Croix Valley to the world. Welcoming all persons, wherever they are in their faith journey, is a resonant message.
 - 530 new members have joined the church in the past five years
 - 400 7th, 8th, and 9th graders have participated in Trinity's Confirmation program in the last 5 years.
 - Up to 3000 persons have participated in Trinity mission programs in the past five years.
- Financially, Trinity struggles to raise sufficient funds to cover all its expenses.
 - 9 of the last 10 years have resulted in deficits – albeit relatively small ones until fiscal 2014. Current forecasts for the 2015 fiscal year suggest balancing the budget will be challenging without new sources of revenue and/or cuts in planned spending.
 - Debt has increased due to a series of purposeful decisions made by the congregation, from approximately 1.5 million in 2007 to over 4 million today.
 - The credit line has a current balance in excess of \$800,000 and has become a permanent feature of our operating budget, rather than an occasional source of financing to address variability in our incoming revenues. A balloon payment is due in January 2016.
 - There is a 2.6 million dollar mortgage on the church building.
 - There is a 680,000 dollar mortgage on the Croix Center with a balloon payment due in April of 2018.
 - Revenue shortfall threatens Trinity's ability to maintain current staff and program levels.
- The facility, while generally in good condition, requires investment now, and over time.
 - The facilities team is developing a prioritized summary of work required, along with estimates of probable cost. The facilities maintenance plan will be updated continually as cost estimates are received, work is completed, and new needs arise. The following table summarizes the needs based on the January 2015 preliminary draft of the facilities maintenance plan for long-range financial planning purposes.

Trinity Lutheran Church Facilities Maintenance Cost Estimate		
Time Period	Low Cost Range In 2015 dollars	High Cost Range In 2015 dollars
Needs maintenance now	\$380,000	\$450,000
0-2 years	\$615,000*	\$950,000*
2-5 years	\$285,000	\$520,000
5-10 years	\$210,000	\$390,000
Totals	\$1,490,000	\$2,310,000

* This amount includes \$290,000 for fire sprinklers but they are not presently a code requirement.

II. Guiding Principles

We agree that the following principles should be applied to Trinity's financial planning:

1. Maintain the vibrancy of Trinity's ministry. Love, Transform, and Serve.
2. Practice and promote stewardship. Communicate the status of Trinity's finances regularly and candidly with its members. Make clear the connection between funding and programming, and invite contribution and participation through active stewardship.
3. Reduce the debt. It was accumulated over time for good reasons, but servicing it at the present level (15 cents of every dollar) reduces Trinity's capacity for Ministry. We recommend reducing it to no more than 2 million by 2020.
4. Strengthen the practice of fiscal discipline. Create budgets carefully, and closely monitor revenue. Make adjustments in spending immediately when necessary. Avoid the use of the credit line to cover operational shortfalls.
5. Treat Trinity's staff fairly and equitably. Pay them competitive wages and provide competitive benefits.
6. Steward Trinity's facilities. Plan for maintenance and upgrades over time. Include deferred maintenance costs in yearly budgets.

III. Application to the Current Situation

We recommend that the Guiding Principles be applied as follows in the current situation:

1. Close out of the Opening Doors Appeal: The Opening Doors Task Force survey found strong support for using collected funds to reduce debt and perform urgent deferred maintenance. We believe that, with the consent of the contributors, Opening Door proceeds should be applied in that manner. This recommendation applies to funds already contributed, and to those pledged but not contributed.
2. Engage Kairos Associates, and in particular Tom Jolivette, to facilitate and manage the Opening Doors close-out process. It is important to reach out as quickly as possible to key contributors to Opening Doors to continue the dialogue regarding the dispensation of contributed and pledged funds.
3. 2015 Budget: Communicate clearly to members the status of the 2015 budget, and the gap between projected and budgeted revenue. If a revenue shortfall persists, adjust the budget and reduce spending accordingly. If absolutely necessary, include staff reductions to achieve a balanced budget. Trinity must not run a deficit in fiscal 2015.
4. Implement a "Prepare The Way Campaign". Specifically, the council should consider a capital campaign during the term of the Interim Senior Pastor, purposed mainly to further reduce Trinity's debt and establish a Facility Maintenance Fund. Communications supporting this campaign should emphasize the link between debt reduction and increasing resources available to support Trinity's ministry and funding for priority programs.
5. Form and commission immediately Trinity's new stewardship teams that will communicate clearly, regularly, and transparently the financial requirements for ministry, and invite active

participation by Trinity's members and nonmember participants. Among its tasks, charge the stewardship teams, working with Trinity's finance teams, to evaluate new, innovative approaches to enhancing Trinity's revenue.

6. Form and commission immediately a Mission Board that will work to direct and grow Trinity's Mission outreach, including growing the financial resources needed to enable the mission work.