

SHEPHERD OF THE VALLEY LUTHERAN CHURCH

12650 Johnny Cake Ridge Road, Apple Valley, MN 55124

Minutes of the Annual Congregational Meeting

Date: June 5, 2016

Location: Shepherd of the Valley Lutheran Church

Call to Order: President Jenny Harrits called the meeting to order at 12:30 p.m., welcoming the members assembled in Rooms 20-22 at Shepherd of the Valley.

Opening Greeting and Prayer: President Jenny Harrits welcomed the 138 members of the congregation in attendance and thanked them for demonstrating their interest in, and support of, the ministries of Shepherd of the Valley.

She then led the assembly in an opening prayer.

Secretary's Report: Jenny announce the first order of business would be the ratification of the minutes of the Annual Congregational Meeting on June 7, 2015. She referred members to the distributed printed copies of the minutes as they were approved by the church council on June 18, 2015. Hearing no corrections or additions, Jenny called for a motion to ratify the minutes. Ken Syverson moved the secretary's report for the June 7, 2015 meeting be ratified. Vern Bloomquist seconded the motion and it was passed by the assembly.

The President's Report: Jenny Harrits repeated what she feels has become a very familiar statement at Shepherd of the Valley - *We invite all people to experience the Welcome, Transformation, and Sending of Jesus Christ*. It is our adopted Vision which is giving shape to all aspects of our ministry.

Jenny said we also have a Mission, which demonstrates how we live our Vision. In community, we discover, grow, and live into our individual relationships with Jesus Christ. She said there are four core ministries – Worship, Learn, Connect, and Care. She reported that over the last several months the staffing structure, programs, and ministries have been shaped to respond to the challenge of the Vision and the Mission.

Jenny pointed out that SOTV is completing the year-long emphasis on Welcome, and is moving into the year focusing on Transformation.

In review of the past year at Shepherd of the Valley, a video was shown to the assembly, highlighting events and programs.

Jenny reviewed some plans for the coming year's emphasis on Transformation. She said, in the fall, a series of sermons will describe the meaning of transformation and how it plays a role in our lives as Christians. The lectionary for services will include Biblical references to transformation. There will be three forums during the year that highlight transformational experiences and testimonials shared by SOTV members, using print, email, or video media.

Jenny provided an update on the process involved in calling a senior pastor for SOTV. She said there is no announcement, at this time, concerning a selected candidate. However, it was reported that two candidates have now taken part in a third, expanded interview session, and discussions and discernment will continue in the coming weeks, and the committee asks members to support them with their prayers.

Jenny said that once a candidate is selected by the Call Committee, the name will be presented to the council for their approval. When approved by the council, a congregational meeting, following the mandatory three week notification, will give members the opportunity to vote on the call.

Subsequent to that approval and acceptance of the call by the candidate, the transition from one congregation to another may involve several weeks.

Jenny spoke about changes in the print communications policy at SOTV. She pointed out that the redesigned service bulletin now contains some information previously included in the weekly *News for the Flock*. A monthly publication will replace the previously distributed weekly and quarterly printed media. It will be made available on the SOTV website, the church wide email, and at the church entrances.

The publications will enable us to make better use of our resources and are designed to keep members informed concerning the Vision and Mission news.

The Columbarium Committee has been working this past year on preparing detailed design plans, policies and procedures, an illustrated brochure, and a 3D/video display in the narthex, all in advance of providing SOTV members with a columbarium. Jenny said that, in response to many requests, the columbarium will provide the final storage of the urns following cremation. Jenny said niches are now being sold, and with sufficient interest in the coming months, the columbarium construction will begin next spring in an area on the outside wall of the chapel.

Jenny called on Paul Keller, Vice President of the church council, to acknowledge some of the people who have been working diligently to implement SOTV's Vision and Mission challenge. Paul cited first, Pr. Randy Brandt and Pr. Duane Paetznick for their great leadership in all aspects of ministry, particularly at a time of transition in the pastoral staffing. He also acknowledged the amazing dedication and service of the interim pastors, Ron Olson, Maggie Novak, and Wendy Steger.

Paul reminded the members that Shepherd of the Valley is one of the larger E.L.C.A. congregations, nationally. He said this means we rely on a staff of people that are very committed to the many programs and ministries, often providing extra inspired effort. Paul added that the staff cannot meet all the demands of the ministries without a deep concentration of volunteers. All of the SOTV programs are magnificently supported by the time, effort, talents, resources and gifts of a large group of volunteers.

Paul Keller's final tribute was extended to Troy Nelson, who is now leaving his role on Finance Team and as treasurer. He has served on the Finance Team since 2004 and as Treasurer for the church for the past eight years. Paul said that Troy has been a very dedicated provider of leadership in the area of finance, and has also served in many other capacities here at SOTV.

Paul concluded his presentation with the showing of a slide that listed the Leadership Teams that have now been established at SOTV. He pointed out that the membership of these teams is a blend of lay leaders, staff, pastors, and council members. He said they were created to provide organized, transparent planning and decision making for all of the programs and ministries of a large congregation. The slide listed teams named Benevolence, Endowment, Engagement, Finance, Human Resources, Nominations, Properties, Stewardship, Transformation and Welcome. Currently being formed is the Send Team, the third piece of the Vision, with their activities following this year's emphasis on Welcome and next year's focus on Transformation.

Paul noted the Nominations Team is the team to be contacted by members interested in serving on any one of the teams, or on other committees, such as the Call or Columbarium Committees, or the church council.

Election of Council Members and Council Officers: Jenny Harrits announced that three Church Council positions need to be filled for the coming year. The three members nominated are: Katie Ellis, Michael Schaeffer, and Paula Swiggum. For the officer positions, Paul Keller is listed for President, Michael Kelly for Vice President, Michael Schaeffer for Treasurer, and Jennifer Harrits as Past President. Jenny said that all candidates for council membership have gone through the nomination process by completing an application, reviewed and approved by the Nominations Team.

Jenny asked that the prepared ballots be distributed and requested the assembly to vote and return them to the counters.

Budget Presentation: Troy Nelson, Treasurer and Finance Team member, presented the background information pertinent to the development of the budget proposal for fiscal year, 2016-2017.

He stated that the beginning General Fund balance this past year was \$614,745. The adopted budget showed in income of \$2,498,000, and expenses of 2,670,000, resulting in a predicted deficit of \$172,000.

Troy said SOTV is completing the current fiscal year quite differently from the adopted budget, due in part to some open personnel positions. On the basis of income to date, the projected total for this fiscal year is \$2,429,517. On the basis of the current total expenses, the projected balance of the General Fund will be \$631,986, which is \$17,241 more than the balance at the beginning of the year.

Troy stated that the message shared at last year's meeting was that SOTV needs to adopt a balanced budget for fiscal year 2016-2017. He said considerable work this past year by an Advisory Team working with the administration, H.R., the Finance Team, the staff, and the council, resulted in the balanced budget now being recommended for approval. The budget uses the same projected income for the current year, \$2,498,574. To balance the budget, projected personnel expense was adjusted by reallocating hours and duties, in some cases to cover vacated positions.

Troy directed attention to the Capital Fund, which receives Capital Campaign gifts, along with gifts designated for the Building Fund. He said any projection made on the total received in the current year was just a guess, because the Capital Campaign drive was not yet complete. Troy expressed amazement that \$966,420 has been gifted. He said at this rate, SOTV should have its mortgage paid in full by December of 2020.

This means, he explained, the loan will be paid in full about 11 or 12 years earlier than under the current schedule, saving about \$1,900,000 in interest.

Though there is no way to predict the amount or timing of campaign gifts, Troy said \$902,300 is the planned income for the Capital Fund. He said all of this income will be spent according to the allocation determined by the council each month. Currently, 80% of the funds are applied to debt reduction, 15% to building and facilities, and 5% to Benevolence for outreach.

Troy invited questions about finance and the budget. In response to a question about the current debt balance, amount, he said the amount is about \$3,800,000, at an interest rate of 4.38%.

Another question was raised about details of the savings projected in personnel expense. Troy said that he wasn't able to give specific information, but changes in work hours for part-time staffers, and unfilled vacancies were cited. He said the budget would have been significantly in the negative this past year if SOTV had been fully staffed. Though the savings projected are primarily staff related, there are some savings being realized in facility costs, such as the current very low price for natural gas.

Troy explained, in response to another question about the mortgage payments, that the required monthly payment of just over \$27,000 is taken from the Capital Fund. Additional debt reduction payments are also taken from that fund each month, currently 80% of what is received by the fund. He clarified that no payments for debt come from the General Fund.

Vice President Paul Keller called for a motion to approve the 2016-2017 Shepherd of the Valley budget as recommended by the council. Michael Schaeffer moved the approval, Vern Bloomquist seconded the motion, and it was approved by voice vote the members.

President Jenny Harrits thanked Troy Nelson and the Finance Team for all their dedicated work on the budget.

Election Results Announcement: Jenny announced the election results. She congratulated Katie Ellis, Paula Swiggum, and Michael Schaeffer for their election to the church council and to the new slate of officers; Paul Keller – President, Michael Kelly – Vice President, and Michael Schaeffer – Treasurer. Jenny Harrits will serve in the Past President position.

New Business: Jenny invited members to ask any questions they may have about Shepherd of the Valley. Brian Green asked if there were specific projects that are planned for the funds allocated to the building. Paul Keller said that there is a list that has been created by the Properties Team. Jenny said that current projects include entrance security, the parking lot, and immediate work will replace the front entrance sidewalk and the walk and steps leading to and from the side door of the sanctuary. Some of the funds allocated are being saved for more costly facility expenses on the list.

Michael Kelly asked for the methods of communication available throughout the year for members who have questions or comments about the church. Jenny explained that members can contact the council by using the email address, *council@sotv.org*, or go to the church website, where all of the council members are listed. She invited members to personally contact council members if they have questions or concerns. Leadership Team members can also provide a connection to the council. Kari Slotten said there is a comment box outside the office door that can be used by anyone wishing to establish a contact and pass on questions or feedback.

Recognizing the hard work and dedication of the pastors, a questioner wanted to know if SOTV ever pays them a bonus. Jenny said that bonuses for pastors would present a difficult finance consideration, but she did appreciate the concern expressed, and she led applause for the great work done by a pastoral staff carrying a very heavy load. Jane Lee asked why SOTV can't call our fill-in pastors, Maggie Novak and Wendy Steger as our associate pastors. Again, Jenny led applause, this time for these two pastors she credited with doing a fantastic job. She then explained that the first priority of the Call Committee is to bring a senior pastor to SOTV. She said Maggie and Wendy are available for call to SOTV or other congregations. We have to trust God to provide the senior pastor, and then the associates, bringing a timely completion to our pastoral staff. Jenny thanked Jane for the question because she knows Maggie and Wendy are appreciated very much.

Jenny noted, in response to a question about building projects, that the printed communications do list current and upcoming projects.

A member asked why it is necessary to have a senior pastor designation for one of the church pastors. Jenny said that the constitution calls for a senior pastor position, undoubtedly because, in a large church such as SOTV, it is necessary to have one pastor responsible for the administration of programs to carry out the Vision, and to supervise a staff to conduct an orderly pursuit of the core elements of the Mission.

She said we have a lot of good leaders, but we still need one leader at the head. Pr. Duane Paetznick stated that he agreed that a senior pastor is needed, but added that the pastoral staff in the past has been very collaborative in a way suggested by the questioner. He said though it is not official, that is likely the way the staff will continue when a new senior pastor joins the staff. He said, in fact, the Call Committee includes the need for a collaborative staff as a part of their search criteria.

A member asked why it seemed so difficult to fill the senior pastor role. Jenny stated that SOTV is one of the larger churches in the E.L.C.A., and there are not many candidates for the senior pastor role in these churches. She said in addition to the usual pastoral duties in smaller churches, the larger congregations require administrative skills such as those held by a company CEO.

Jenny said the usual time involved in bringing in a new called pastor is 12 to 18 months. SOTV's Call Committee was first formed to call an associate pastor, but last August that purpose changed to a focus on filling the senior pastor position. She said it seems like a slow process, but we are just ten months into the search.

Adjournment: With no more questions or comments from the assembly, Jenny called for a motion to adjourn. Vern Bloomquist moved the meeting be adjourned. Judy Anderson seconded the motion and it was passed by the assembly.

Jenny Harrits declared the meeting adjourned.

Minutes Approved by Council:

Arden Wilson
Secretary

Ratified by Congregational vote: _____

Secretary

Attachment

2016 -2017 Budget