

**King of Kings Lutheran Church
Church Council Minutes**

December 18, 2018

Attendance

Members Present

Dave Cowan, President
Melani Howard, Vice President
Judy Miller, Secretary
Randy Swenson, Member at Large
Warren Wessel, Member at Large
Jim Docken, Finance
Dianne Johnson, Director of Operations
Pastor Jon Larson, Lead Pastor
Angie Olson, Treasurer

Members Absent

Brandon Nelson, Vice President
Laurie Weis, Interim Pastor

The meeting was called to order at 7:00 p.m. by Dave Cowan, presiding.

Opening Prayer – Pastor Jon

Approval of Agenda

Jim moved to accept the agenda as revised.
Warren seconded the motion.
Motion passed (CC.18.12.27)

Approval of Minutes

Melani to accept the minutes of the last meeting.
Randy seconded the motion.
Motion passed (CC.18.12.28)

Celebrate Our Culture

1. What accomplishment are you most proud of in 2018?
 - a. Everyone shared.

Old Business

1. Review exemplary volunteers
 - a. Everyone shared names of members who they consider exemplary volunteers.
 - b. Judy will send thank you notes from the council to these individuals.

New Business

1. Organization Structure Change Approval
 - a. Jon reviewed the revised organization chart and changes since the last meeting.
 - b. Dianne's title was updated to Executive Director to better reflect the responsibilities she is already performing.
 - c. The chart also includes a vision of where we want to be including a wish list of the following additional staff: Director of Children, Students and Families; Visitation/Connection Group Coordinator; Choir director/Accompanist; Facilities Manager and Office Manager.
 - d. The changes allow Jon to focus on spiritual and Dianne on business.

Randy moved that the council approve the changes to the organizational chart as presented by Pastor Jon.

Warren seconded motion.

Motion passed (CC.18.12.29)

- e. Staff will be informed before the congregation is notified of the change.

2. Call Committee Update
 - a. Dave reported that the committee met last week and had an in-depth discussion about scoring candidates.
 - b. They are not meeting again until January.
3. Budget Review
 - a. Dianne distributed the proposed 2019 Budget. It will be discussed and approved at the next meeting.
4. Interim Pastor Call Discussion
 - a. The council reviewed the recommendation to extension Pastor Laurie's contract until March 2019.

Warren moved that the council extend Pastor Laurie's contract through the end of March 2019.

Melani seconded the motion.

Motion carried. (CC.18.12.30)

5. Set date for annual meeting
 - a. The annual meeting was set for Sunday, February 24, 2019 at 12:30 p.m. in the sanctuary.

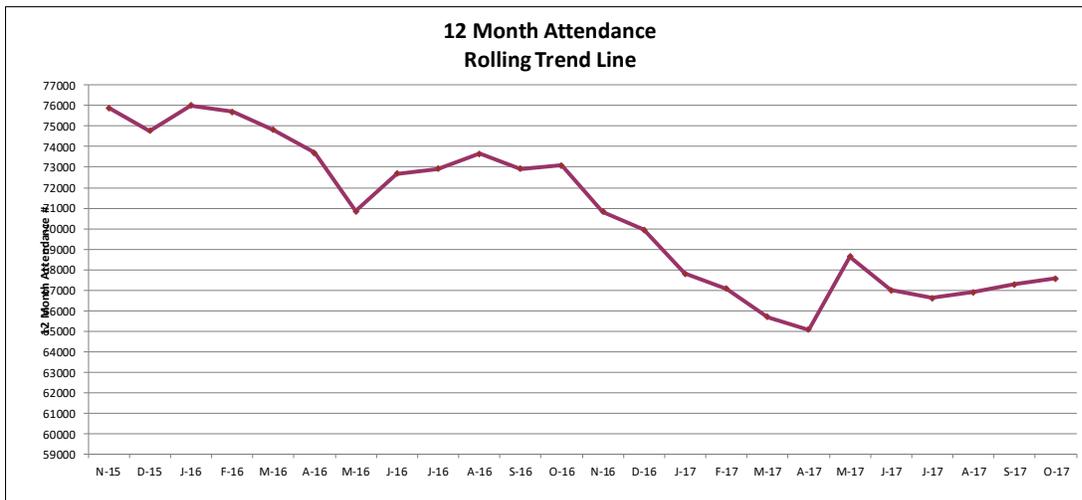
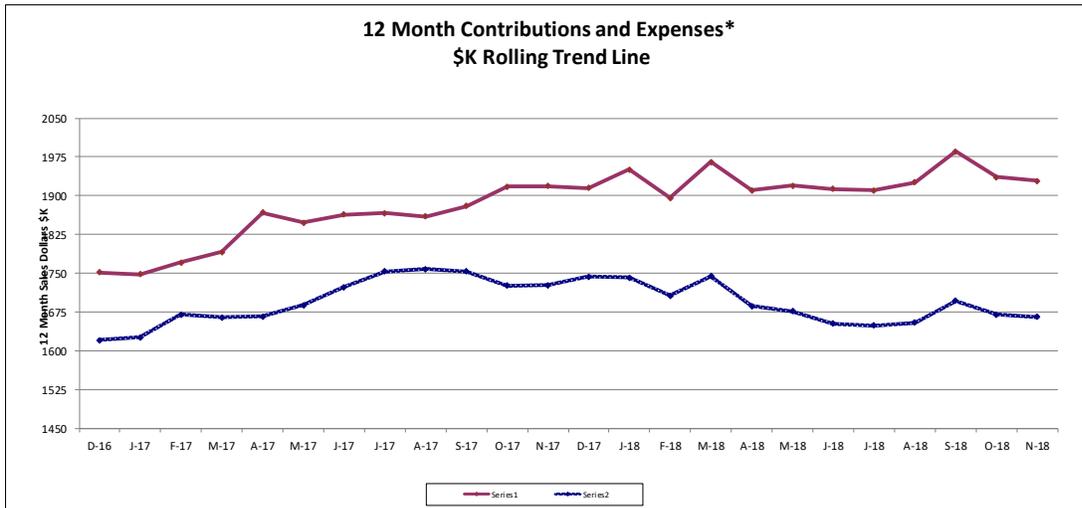
Reports

1. Pastor's Summary (Pastor Jon)
 - a. We are set for Christmas.
 - b. Rebecca Kurtz has agreed to serve as acting chair of the evangelism committee.

2. Interim Pastor's Summary (Pastor Laurie)
 - a. See appendix for detailed report

3. Finance and Treasurer's Report (Angie Olson)
 - a. November was an okay month. We are a little behind last year.

	<u>November 2018</u>	<u>Year-to-date</u>	
Contributions	\$136,159	\$1,688,321	
Expenses	133,610	1,333,858	
Net	2,549	354,463	
Attendance	5156	64,664	(rolling 12 month)



4. Director of Operations Summary (Dianne Johnson)
 - a. Our change to a new payroll company is complete. She thanked Angie for her work on this.
 - b. We also changed our LTD, ADD, and life insurance carrier.
 - c. There is a change to housing allowances for pastors in three other states. It does not affect us now, but may in the future.
 - d. We are falling behind in revenue and project \$152,000 below budget at year end.
 - e. It was suggested that Jon mention from the pulpit that contributions are down. Members can call to get their balances.
 - f. See appendix for detailed report.

Summary of Meeting Action Items

1. Randy moved that the council approve the changes to the organizational chart as presented by Pastor Jon.
2. Pastor Laurie's contract was extended to the end of March 2019.

Future Topics

January	<ul style="list-style-type: none"> • Call Committee Update • Strategic Planning • Sanctuary Lighting Update • Nominating Committee • Budget Approval • Set agenda for annual meeting
February	<ul style="list-style-type: none"> • Call Committee Update • Easter Worship Plans Review - Chris
March	<ul style="list-style-type: none"> • Call Committee Update

Meeting Adjourned

Judy moved to adjourn the meeting.

Jim seconded the motion.

Motion passed (CC.18.12.31)

The meeting was adjourned at 8:30 p.m.

Warren led the closing prayer.

Appendix A: The Report of Pastor Larson

Report as of December 2018

- Tis the Season for the Nominating Committee fa la, la, la, la, la, la, la, la. After the hustle and bustle of Christmas we will be focusing our efforts on identifying potential candidates for upcoming vacancies to present to the congregation during the February Annual Meeting.
- Oh yah... it's also Advent and we've been busy with all things Christmas.

Stewardship/Finance/Vision Appeal:

- We will be having discussion surrounding the follow-up process to engage members we did not hear from during the initial stages of the campaign. Scope and tactics to be determined.

Leadership:

- As part of our ongoing strategic visioning I proposed updates to the King of Kings Organizational Chart at our last Council Meeting to reflect and clarify roles and responsibilities. The Org. Chart has been updated accordingly.
- Next steps will be to evaluate and make any necessary changes to subsequent documentation once the Org. Chart is approved.

Worship:

- We are grateful to all those who signed up to light the candles on the Advent Wreath. The prayers and descriptions each week align with our theme for the weekend. It is great to see individuals, families and friends come together to help out in this way.
- Tis the Season for Volunteering fa la, la, la, la, la, la, la, la. - Please sign up to help usher, greet and serve communion.
- Christmas Eve services will be 2, 4, 6, 8, and 10:00. We will be trying something new this year at 10:00 to create a more "unplugged" feel.
- The upcoming series on the book of Genesis entitled "First Things First" will begin in January and run through March 3. We will then look at each of the 12 disciples throughout the Season of Lent during both our weekend and midweek services.

Missions:

- Thank you to all those who took part in the Christmas Palooza. We had 500+ volunteers of all ages to assembled 2,028 Weekend Food Packs, which equals 12,168 meals for students, Created 193 patriotic wreaths for residents at the Minnesota Veterans Home, Filled 436 shoeboxes with personal care items to be given to the Youth Service Bureau, Assembled 495 kits for Camp Noah, for kids from across the nation to grow and heal after dealing with natural disaster or trauma experiences and created 1,990 bird feeders as an environmental project.
- Thank you to all those who brought in toys for the giving tree. The Toy Sorting and Gift Distribution in Conjunction with the Christian Cupboard took place the week of December 10 – 15.

Evangelism:

- Christmas postcards will be handed out to worshippers on the weekend of December 15/16 to encourage them to invite someone to worship.
- Rebecca Kurtz Schwanke has agreed to be the acting chairperson for the Evangelism team. Beginning in January, Rebecca will preside over the meetings and will be working in conjunction with Jane Halbert our Marketing Director.
- We will not be having a meeting in December but will resume meeting in the New Year.
- The worship promotional videos that highlight our various Christmas Eve Services and Weekend Worship Services are still on the radar but have been put on the back burner due to other demands of the Christmas season. Our intent is to film this year's services and make the video using the actual footage and visuals. Tabled until next year. Jane will be getting addition footage of the weekend services and Christmas Eve services to make those videos.
- We are looking for new members to be a part of the Evangelism team.

Congregational Life:

- There are several new opportunities for feeding spiritual hunger and our hunger to be in community that begin in January including "Gospel Foundations" and "Alpha." God's Gal's will also be doing a study entitled, "No Other God's." Along with these studies we will be hosting a six-week education program designed to help caregivers take care of themselves while caring for another entitled, "Powerful Tools for Caregivers."

CSF Ministry:

- The Children's Program on December 8 and 9 went well and we are grateful for all the students, student leaders, teachers, assistants, video and sound booth techs. 287 Students and over 70 volunteers made each weekend worship service a meaningful experience.
- Met with Chris Vorrie and the CSF team to review the program and make note of any adjustments for next year. A document was provided to the teams for review.
- The Christmas Boutique was a huge success. The event was expanded to the gathering space outside the sanctuary to accommodate more vendors. We are grateful to all those who made baked goods and purchased items at the bake sale and luncheon to support our youth going on mission trips.
- Dinner continues to be provided on Wednesday nights as part of Pizza Feast where students and families can grab a quick dinner before heading to class, brass or choir.
- The deadline for the Summer Camp Registration Brochure was December 14.
- Due to the numbers in our 2nd grade 9:30 and 10:45 kindergarten and 4th grade classrooms we are in need of additional teachers and assistants. 1 second grade, 2 kindergarten and 2 fourth grade teachers are needed. A plea had gone out to our parents who currently have students enrolled.

Additional:

- I lead Chapel Service at Saint Therese. Dave Roseen and Joanne Evavold provided special music. The service was led by Else Evavold on piano. I am thankful to our member residents for providing leadership.
- Pastor Laurie, Sue Oberg and I will be leading prayers for the opening at each of the Ready, Set, Grow Preschool Christmas programs.

Appendix B: The Report of Pastor Weis

Report as of December 2018

Worship:

- Greatly appreciated the Children's Christmas Program and the crowds!
- Led baptism class on December 2

Congregational Engagement:

- Held a second debriefing meeting with New Member Ministry team December 5 and will meet once more in January to finalize format for the next class to be held Sunday, February 17, 10:45-11:15 am.

Leadership & Hospitality/Welcome Ministry:

- Led staff through a creative discussion on K of K's Welcome Ministry which identified five key areas:
 - ✓ need for lay-driven hospitality team working in conjunction with Associate Pastor
 - ✓ greeters needed at north, south, and coffee shop junctions
 - ✓ more signage and communication for location of Kid of the Kingdom's ministries
 - ✓ seating for visitors needed at south entrance
 - ✓ The Welcome Desk's location and purpose TBD
- Received recommendations from staff for folks to participate on a Welcome Ministry Team as well as my own sense of who might serve well in this capacity. I've begun to make calls and currently have eight members who are willing to be a part of the visioning part of this ministry.

Pastoral:

- Care meetings continue with Sue and Pastor Jon on congregational pastoral care
- Ongoing phone calls, emails, office, home and hospital visits.
- Pastor Jon and I continue our one on one meetings
- Attended *Holiday Boutique*
- Participated in the *Christmas Palooza*
- Attended King's Daughters Christmas Luncheon December 10 at St. Therese

Interim Work:

- Ongoing attendance at my weekly clergy contemplative group Thursday mornings from 8:30-9:30 am; currently reading and discussing *The Contemplative Pastor*
- Attended Interim Meeting December 13.

Appendix C: Director of Operations report

Report as of December 2018

Personnel:

- Council to approve the extension of Pastor Laurie's interim agreement to March 31st, 2019. I have the addendum ready to go just need Council approval. Once, approved I will send off to the Saint Paul Area Synod for Bishop's signature.
- 2018 PTO Calculated for staff and updated PTO for 2019.
- Huge thank you to Angie for all her work in setting up our payroll with a new company. We are leaving Paychex due to their cost and lack of service and moving to Clergy Financial. This should provide us some payroll cost savings and their service seems to be so much better. This will begin on the January 15th payroll.
- Our LTD, ADD, and Life Insurance coverage is now being provided though The Standard Insurance Company. This coverage used to be provided the MN Business Chamber Services yet they have transferred this business line to The Standard. Premium and coverages will remain the same.
- *Summary of potential change to housing allowance for Pastors-* I bring this up as it may affect compensation budget for additional subsidiary payments for tax allowances for churches.
 - I thought it was interesting yet totally understand if you do not want to read through this legal jargon.
 - Attorneys representing both sides of the clergy housing allowance challenge currently under appeal made oral arguments on Wednesday to a three-judge panel with the US Court of Appeals for the Seventh Circuit in Chicago.
 - At stake in the case is a 64-year-old tax benefit worth nearly \$1 billion for clergy. In late 2017, a federal district judge in Wisconsin ruled the benefit to be an unconstitutional preference for religion after the coleaders of the Freedom From Religion Foundation (FFRF), a 501(c)(3) atheist organization, challenged it.
 - The 2017 decision technically would affect ministers only in Illinois, Indiana, and Wisconsin, however, there are possible ways it could apply nationwide if it stands. That prompted the current appeal by the federal government, which is responsible for defending the Internal Revenue Code, as well as a group of clergy members who asked to intervene because of the case's potential ramifications beyond the district court where the case originated.
 - Section 107(2) of the Tax Code allows ministers who rent or own their own homes to receive an annual housing allowance from their employing church—and not pay federal income taxes on the designated amounts. The provision was adopted by Congress in 1954 after clergy from a variety of faith traditions indicated there was unequal tax treatment for those who were not provided a parsonage from their employing house of worship. Since 1921, clergy who live in parsonages receive federal income tax exemptions for housing-related expenses through Section 107(1) of the Tax Code.

- In 2015, FFRF’s coleaders attempted to claim housing allowances and exempt them from federal income taxes by amending previous federal tax returns. The Internal Revenue Service denied at least one. The coleaders then filed suit, arguing they suffered a direct injury caused by Section 107(2)’s exclusive focus on clergy. That focus violated the Establishment Clause of the First Amendment, the FFRF coleaders said.
- In Wednesday’s hearing, the Seventh Circuit justices focused their questions on which legal test should apply to the facts involving Section 107(2) based on prior precedent set by the Supreme Court of the United States. Those tests are designed to determine whether statutes like Section 107(2) are properly constructed for constitutional purposes.
- Both sides contend they can prevail, regardless of whether the Seventh Circuit follows the approach used by the Supreme Court in a 2014 case, *Town of Greece v. Galloway*, or whether it follows a three-prong test the Supreme Court set for Establishment Clause challenges in 1971 through *Lemon v. Kurtzman*.
- In *Town of Greece*, the Supreme Court said the “Establishment Clause must be interpreted by reference to historical practices and understandings.” In *Lemon*, the Court held a statute could survive an Establishment Clause challenge if it demonstrated (1) “a secular legislative purpose,” (2) “its principal or primary effect” is “one that neither advances nor inhibits religion,” and (3) it does not “foster an excessive government entanglement with religion.”
- If the Seventh Circuit affirms the lower court’s holding, churches and ministers in Illinois, Indiana, and Wisconsin would lose their ability to use housing allowances. Alternatively, the Seventh Circuit could reverse the lower court’s decision, leaving the benefit intact for churches and ministers in the three states.
- Though the Seventh Circuit comprises only Illinois, Indiana, and Wisconsin, clergy nationwide could still feel the effects were the Seventh Circuit to affirm. The IRS could decide at some point to apply that decision nationwide to promote consistency among taxpayers. Furthermore, an appeal could be made to the Supreme Court, and a decision—regardless of the outcome—would automatically become precedent nationwide. Commentators, believe it’s very unlikely the Supreme Court would take the case.
- Lastly, even if the Seventh Circuit reverses the district court’s decision, future challenges to the benefit could be brought in other parts of the country and eventually make their way through the other federal circuit court systems. Those courts are not bound to a Seventh Circuit decision, though they would consider the decision and could possibly find it persuasive.

Finance:

- We are falling behind in actual revenue in order to meet our annual budget goal of \$1,940,000.
- We have \$97,460 remaining from outstanding pledges.
- After this past weekend of December 15/16, we need to bring in \$152,218.

- Finance Team has decided to wait on approval of budget until year end in order to see how we proceed. If we fall heavily short of reaching our budget of \$1,940,000- is it reasonable to actually increase another \$40,000 for 2019? We have identified areas in which we could possibly cut. Although, not sure of the amounts.
- Interesting to note as part of Pastor Jon’s involvement in the Large Church; the percentage of personnel cost to total budget. At one time, it was mentioned that this percentage should not be greater than 50% yet the following provided from one of the pastors at a Large Church:
 - *If you were at 50%, you were staffed for decline, 55-60% staffed for plateau. And 60-65% staffed for growth.*
- Our personnel line for 2019 is currently at 59%; we are on our way for staffing for growth. Yet, our revenue needs to support this growth, as well.

Pledges received to date:

2018 pledges for 2019

362 Pledges at \$1,192,923
 110 Simply Giving \$ 241,734
 3 PayPal \$ 6,096

Total:
475 @ \$1,440,753

How does this compare to last year results?

2017 pledges for 2018

365 Pledges \$1,171,486
104 Simply Giving \$ 234,913
 7 PayPal \$ 12,420

Total:
476 @ \$1,418,819

One less pledge yet \$21,934 increase in amount.

Analysis of the 362 Pledge Cards Received:

	Decrease	New	Same	Increase
Number (%)	20 (5%)	37 (10%)	161 (45%)	144 (40%)
Dollar Difference	-\$15,886	\$48,360		\$96,544

Net results: Increase of \$129,018 for 2019.

- I have completed call lists for the Council to thank the members that have pledged. I will hand out at the meeting.

Building:

- Front doors will be installed the week of December 17th. Please check them out, they look great. The bottom sills of the doorframe need to be replaced yet and the wiring for handicap access and alarms will take place on Thursday.
- Heat tape is working; just one glitch; the power needed to be split between two circuit breakers as it kept shorting out on just one breaker.
- Prayers are appreciated that nothing else is needed for the building these last two weeks of the year. 😊
- Update on my father: My Dad is currently in his last days; I will be with him and my mom this Christmas eve and as much time as I can. I am able to do most work remotely. There are some things that I just take care of on Christmas Eve that I will need help with:
 - Randy, you are probably most aware of the parking lot lights. They need to be turned on when they go off around 10 and then turned back off once most of the congregation members have left after the last service. I have tried to stay until all have left because the lot gets pretty dark Pastor Jon may be able to help with that considering him and Chris would be the last ones to leave.
 - I am hoping that I will be around to disarm the alarm yet if I am not, I would like to train someone how to do that.
 - The locked money bags go to the night deposit after each service. I believe Lori and Jake Pickett, the worship coordinators will help with that.
 - Kitchen cleaning- Patty provides a meal for the volunteers that stay for many of the services. I just clean up afterwards usually around 8:30.
- I want to thank you for your prayers and support during the last 2 years and appreciate continued prayers as we say goodbye to my dad.