

First Lutheran Community Church December 17 2020 Virtual Meeting Minutes Final

Attendees: Steve Atkinson (President) Sue Seidel (Vice President)
Ryan Sjoberg (Secretary) Nancy Rollins (Treasurer)
Pastor Adrian Bonaro Casey Nelson
Sonja Miller Chris Billings
Brenton Campbell Sarah Cook
Paul Gaudette (CBA) Suzanne Harvey

Absentees: Mary Benbow Julianne Powelson

Guests: Fred Seidel

1. CALL TO ORDER (President) 7:02 PM
2. OPENING DEVOTIONS (Pastor)
3. APPROVAL OF MINUTES FROM 19 NOVEMBER VIRTUAL MEETING DRAFT 2 (President).

Sonja motioned we approve Draft 2 minutes from 19 November Virtual Meeting. Nancy seconded the motion. The motion passed by unanimous vote.

4. REPORTS

A. Guest Report – Fred Seidel

- 1) 2021 Budget: Council reviewed draft of the budget for next year. There were several challenges in developing the budget. The church was “closed” most of the year. The Payroll Protection Program (PPP) Loan covered \$136,000 in salaries (for church, daycare, and preschool) and utilities (we still anticipate filing for forgiveness). On the positive side, offerings were fairly consistent and did not decrease drastically as feared. The ministry center lease was extended past its originally anticipated expiration. The Daycare remained opened.
- 2) Key Points: At this time, the ministry center is only leased until May. As such, this draft projects a significant shortfall of over \$14,000, primarily driven by this lack of lease income. Prior to the meeting, the council received options for budget cuts to cover the shortfall, however, we discussed an alternative below involving the music director position.
- 3) As is typical, cost increases were primarily driven by wage increases. The minimum wage is increasing by law. The suggested cost of living adjustments for pastoral staff was 0.09% plus the annual increase for years of experience. Tithing to the synod was also increased and some ministries saw increased budgets.
- 4) The music director position will remain vacant into 2021. Based on the state’s vaccination schedule, it’s likely the church will not fully reopen until May at the earliest. If we leave the position open until then, it will help bridge the budget gap. In addition, we can take these next few months to re-assess what we want this position and the music program to be. Adrian will put a team together,

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possibly leveraging the transformation team that is wrapping up its current project.

- 5) With the daycare open and thriving, raising their facility use fee could also help. The Daycare assists with the building often (such as painting this year) so we do not view drastic increases as warranted.
- 6) Based upon the increased facility fee and postponement of funding the music director position, Fred can revise the budget to a balanced state.

B. President

- 1) Annual Meeting: Our constitution does not allow proxy or absentee ballots, so we will need an in-person parking lot service. We will also have Zoom. Planning for January 31st so we can give enough notice. Topics will include approving the budget and electing new council members. The new council candidates who have come forward are Sharon Bacon, Jeff Robinson, Jake Nelson and Diane Aldinger.
- 2) Steve, Ryan, Julianne, Sonja, Casey, Suzanne Chris, and Sarah plan to continue on council at this time. Sue, Nancy, Brenton, and Mary plan to rotate off (thank you for your service to our church!).

C. Pastor's Report:

- 1) Our congregation has been in mourning over the loss of Bruce Ewen, our music director and friend.

Adrian motioned we process payroll for Bruce through December. Sonja seconded the motion. The motion passed by unanimous vote.

Based upon inquiries from the congregation, a fundraiser was set up. The baby grand piano in the sanctuary was Bruce's personal piano. An estimate was obtained so we can buy the piano in his honor with memorial and music ministry funds.

- 2) Potential tenant has come forward for the ministry center. Kitsap Homes of Compassion is a non-profit ministry the leases buildings to provide affordable housing. The program works with people with small but steady incomes and clean backgrounds. The local Kitsap ministry has toured the building and expressed interest in leasing it in its entirety. The building is unique in that it has kitchen, bathroom and laundry facilities available. With the additional square footage of the second floor also being leased, there would be additional income compared with what we receive now. Nothing is official yet, but they wanted to judge our interest. Council discussed a few concerns. There is active case management for the participants in the program, which is not low barrier. It would provide housing for women and their children. The building may not be zoned properly. It would also mean we would likely continue as landlords so that we could support the continuity of the ministry. They are following up with Gary Andersen.

Adrian motioned we proceed forward with gathering more information and exploring this opportunity further. Sue seconded the motion. The motion passed by unanimous vote.

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- 3) Synod has been working on a homeless initiative. They work with a company called Blokable that builds pre-fabricated housing units for seniors. Several months ago, we sent them information on our unused property. They have evaluated that and kept us in the running for the future.
- 4) It is believed there will be another round of PPP Loans. We are solid at the moment, and could let struggling businesses go first. There is some concern about next year and the ministry center lease. We can revisit as the need or opportunity arises.
- 5) Adrian decided not to do the informal stewardship drive due to the current economic struggles many of our members are having.
- 6) We have a new member, Clinton Peoples.

Sonja motioned to accept the new member. Nancy seconded the motion. The motion passed by unanimous vote.

D. Treasurer's Report

- 1) **PPP Loan:**
 - i. We have used the full \$136,040 loan which we received.
 - ii. Kitsap Bank is still waiting for the SBA to finalize the loan forgiveness details.
- 2) **FLCC:**
 - i. General Giving in November was \$22,785, including \$259 from Thrivent Choice.
 - ii. Continuing the trend, November General Fund expenses were \$1,304 more than income.
 - iii. The month-end General Fund balance was \$108,798 before Federal payroll tax liability of \$6,502.
 - iv. Thanks to the PPP Loan and transfers from Designated Funds: Major Maintenance, YTD General Fund income was \$49,279 more than Church expenses.
- 3) **Resource Coordinator Fund:**
 - i. The RC Fund received \$250 in donations in November.
 - ii. RC Fund sub-account balance was \$11,982 at the end of November.
- 4) **NADC - Noah's Ark Daycare:**
 - i. November Daycare tuition income was \$53,635 while the YTD average was \$52,074.
 - ii. There were no unusual expenses in November.
 - iii. Net profit was \$5,789 for the month and \$79,038 for year-to-date.
 - iv. At month-end, NADC had \$172,036 combined in checking and savings.
- 5) **NAPS - Noah's Ark Preschool:**
 - i. November tuition income was \$165, plus small amounts from rummage sale and Thrivent Choice.
 - ii. In addition to the bucket bundles, Karen & her staff offer outside play/story sessions for small groups of children twice a month, weather permitting.

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- iii. The Daycare & Preschool have provided a “Lil Shoppers Shoppe” this month, and will use the small profit for playground maintenance expenses. Families seemed to appreciate the experience.
 - iv. If SK Schools resume in person classes on January 11, Karen plans begin Preschool on January 20, holding only one class at a time.
 - v. Karen expects the Textile Fundraiser to net about \$751.
 - vi. November net loss was \$2,417 and YTD net loss is \$10,340.
 - vii. The Preschool had a combined \$41,442 in savings & checking at month-end.
- 6) FLCCW - First Lutheran Community Church Women**
- i. The only November income was interest for one CD and savings.
 - ii. There were no expenses.
 - iii. Without income from Circles and Global Warmers, the YTD net loss is \$702.
 - iv. Total assets are \$6,780 in checking, savings & 2 CD’s.
- 7) Designated Funds:**
- i. Community Aid Fund
 - 1. Received \$85 in donations.
 - 2. Paid for a sleeping bags & tents, rent, phone bill, auto windshield, glasses and petty cash for gas.
 - 3. The fund balance is now \$17,323.
 - ii. Flooring Fund
 - 1. Received \$118 in donations & 78.30 from Amazon Smile.
 - 2. Total of \$476.65 has been received since 2018 from Amazon Smile.
 - 3. Fund balance is \$5,294.
 - iii. Holiday Events
 - 1. Received \$470 in donations.
 - 2. Spent \$100 on Thanksgiving Basket gift cards.
 - iv. Major Maintenance - Received \$324 in donations, plus the \$300 monthly transfer from the KMH lease payment. Balance is now \$13,025.
 - v. Miscellaneous Pass Through
 - 1. Adrian purchased a new iPhone with the \$750 Technology Grant received from the Synod in August 2020. It will be used for recording our online services.
 - vi. Shed Fund
 - 1. No donations received.
 - 2. The \$615.85 invoice for the garage doors was paid.
 - 3. The month end deficit was \$1,590.66.
 - 4. The Council voted at our last meeting that the deficit will be covered from the General Fund before year end.
- 8) Endowment Fund:** Our 4-Year term investment in the ELCA’s Mission Investment Fund will mature on January 3, 2021.
- i. The current balance is \$12,401.08 with interest credited quarterly.
 - ii. When January interest credited, I expect \$1,395 interest will be available, to be used for special projects.

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iii. The Finance Committee has researched options:

1. If we do nothing, the entire balance will roll to a new 4-Year term investment at the then current rate, with interest reinvested.
 2. We can roll only the principal into a new term investment - December 1 rates:

1-year 0.90% APY	3-year 1.90% APY
2-year 1.10% APY	4-year 2.15% APY
 3. We can withdraw the interest to place in a separate account
 - a. MIF's Demand Investment with check writing, current rate 0.70%
 - b. Kitsap Bank savings current rate 0.025%
 - c. Interest on the new investment could be paid quarterly & moved to savings at either MIF or Kitsap Bank.
 4. The Finance Committee had split recommendations:
 - a. Roll full amount to new 2 or 4 year term investment, keeping track of the amount that is principal
 - b. Move the interest to savings and roll principal to 2 or 4 year term investment.
- 9) Council discussed the options. Generally, we wanted to pull the interest out and roll the principal. Interest received will be used to partially reimburse the General Fund for the transfer made in late December to clear the deficit in the Designated Fund: Shed. There was a lot of discussion on 2 year vs. 4 year. In the end, we decided to split the difference.

Steve motioned that we withdraw the interest and roll the principal into a 3-year investment, which will be approximately 1.9% APY when the investment matures. Ryan seconded the motion. The motion passed by unanimous vote.

Nancy motioned that the council stay convened past the 9 PM hour. Ryan seconded the motion. The motion passed by unanimous vote.

E. CBA's Report:

- 1) Fence is nearly complete.
 - 2) Adding the shed to the alarm system was estimated at nearly \$2,000. And independent SimpliSafe system was installed instead at significant savings.
 - 3) Cold weather is driving additional visits from the homeless community. Corrinne is doing excellent work.
5. OLD BUSINESS (President): None
6. NEW BUSINESS (President): Paul received a communication from the Weyerhaeuser Company Giving Fund, notifying us that the Community Aid Fund was nominated for a grant and requesting information to allow payment to be made if the grant is awarded. Ryan applied for the grant in July through his employer's program that awards grants to non-profits where employees volunteer based on the hours they serve, and his council service qualifies. The funds cannot be used for religious purposes, but can be used for the Community Aid Fund since it is open to all members of the community, regardless of religious affiliation. The

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grants range from \$500 - \$2000, but he guesses we will receive around \$500-\$750 based upon the hours of service he reported. It is good news if they have reached out.

7. FOR THE GOOD OF THE ORDER (President): None

8. ADJOURNMENT (President)

Sonja motioned to adjourn the meeting at 9:06 PM.

Nancy seconded the motion. The motion passed by unanimous voice vote.

NEXT MEETING IS SCHEDULED FOR THURSDAY, 21 JANUARY 2021, 7:00 PM, VIA ZOOM.