

Minutes of Community Lutheran Church Voter's Assembly November, 19th 2023 One Church Two Campuses

On November 19th 2023 at 11:55 Governing Board President Lance Andersen called a duly notified Voter's Assembly meeting to order. Congregational members were present at both the Escondido campus and the San Marcos campus. The San Marcos Congregation participated in the Assembly by video conference. The Assembly had the required number of Voters present to approve the two agenda items (2024 budget and new Governing Board member). Presenters include: Pastors reports by Pastor Bob Hiller and Pastor Matthew A. Knauss-Behal, presentation of the Budget for 2024 by Governing Board Senior Vice President Silas Harrington and Treasurer Cherri Ewing, and new Governing Board member election by Governing Board President Lance Andersen.

There were two items on the agenda requiring approval:

1. **Approval of 2024 Budget**
2. **Election of Officers to the Governing Board for a two-year term.**

Opening prayer was given by Pastor Bob Hiller

Pastor Hiller's Report:

Pastor made the following update regarding staff: Debbie Lundberg retired after 17 years as our Church secretary/ office administrator and we want to thank her for her faithful service. Her replacement, Kristin Peters is doing a marvelous job. She is planning on teaching next year, so we'll be in the market for another office administrator.

Maria Dangel has joined us as our Director of Discipleship and is doing wonderful work including making connections with visitors and working on a major Bible study survey.

Rachel Zamorano, our Director of Youth and Care Ministries, took the youth to a servant event this summer in San Diego while also organizing Vacation Bible School at two campuses and getting married.

Other programs this past year include:

- CLC TOGETHER – work through families together for worship, dinner, study together. This takes place on Tuesdays in San Marcos and Wednesdays in Escondido.
- Wednesday night – expanded God Squad, dinner, whole family – good outreach
- Rooted & Growing – 1st year Goal was to receive one million dollars over three years. We received \$750,000. \$425,000 now in account, one half is unpledged dollars
- Families of Faith event – plan family every summer
- Living Nativity
- Bible studies continue on a regular basis

Rooted and Growing (R&G) has been a wonderful success!

The campaign launched in 2022 with a goal of \$1 million in pledges. We had great involvement from the congregation that resulted in pledges of just around \$750K.

This \$750K is money pledged over the course of three years and we began collecting for the R&G account in Jan. of 2023 and at this point, our R&G account, we've received \$424K. This amounts to nearly half of the unpledged dollars and is wonderful news.

Great Ministry events this year include: the Families of Faith which was a great event this summer, the Living Nativity, and we continue to offer three services and numerous Bible studies each week

Pastor Matt provided additional items from the San Marcos Campus. We have been able to fix plumbing and electrical failures, at no cost to the church, thanks to Jordan DCT Site Construction Supervisor who managed these fixes for our San Marcos Campus.

Also:

- Closed 6pm Sunday service (convenience verse necessity)
- CLC TOGETHER- Tuesday is different than Wednesday in Escondido. Single households to mature families. Good opportunity for outreach.
- Want to be more of a presence in the neighborhood" in new year
- Memorial Day Event – very positive. Each branch of service was honored – multiple families impacted.

Pastor Bob thanked all involved including Pastor Auggie Iadacicco , staff, elders Congregation and Governing Board that made his Sabbatical a time for renewal and family.

Next Year

Pastor reported that like so many other churches in the country, and certainly in Southern California, we are facing a number of challenges in the next year. They include:

1. A deficit Budget for 2024 is being submitted for approval. It was noted that we have had a deficit budget for CLC for the past 10 years. Reasons for the deficit budget include: Ministry, 5 Million mortgage debt on our buildings, maintaining our buildings, and staffing which takes a lion-share of the budget.

We received an Employee Retention Credit that helped pay for our roof replacement in K-Hall. We have money available for a new sound system in Escondido, but we may need to table that for a while.

The Call to action and goal for the coming year is to get to a 0 deficit budget. We intended to accomplish this by first looking at accounts we can control and where we can control spending.

A finance ministry action team will be established to function in the same way as our old board of finance. The team will work with Pastor Bob and the treasurer to watch our finances, discuss our monthly management of dollars, and look for ways we can save.

Investment Management-We have a good amount of money invested. We have decided to draw from our investments at about 3% on an annual basis. This will use resources we already have in place to maintain our ministry.

Budgeting Process-We need to reexamine our budgeting process. Numbers at this meeting are based on algorithms and conjecture with no real idea of how we will do this

year. We can try to base our numbers off of last year, but those will not be reliable given loss of members due to moving and dying. In order to have more accurate information on our current year revenue and spending the Governing Board has committed to organizing a committee to examine a different calendar for our budgeting. Options for discussion include budgeting from Feb-Jan so we can have our December numbers in and close out the year before budgeting. The Board also discussed transition to an August to July calendar. Research will be required to see what way will work best for our Church.

Giving-We need to establish a Stewardship Ministry action team to focus on ways to communicate the need for an increase in weekly giving and overall giving. It is noted that some of you give above and beyond, and we are truly thankful to you and others of you give whatever you are able and whenever you are able, but are on fixed incomes and are making it week-to-week. Thank you! You are going to be amazed to see what the Lord does with that. It would be most beneficial to the Church if everyone could give \$50-\$100 more a month, we would not have these stressful conversations in November.

2. Evangelism and Outreach are needed due to fewer people in worship. This has been caused by members moving out of state, some to heaven, and not strong in the evangelism program. We will be looking into this ministry area. Two plans are under consideration:

This winter, we'll be looking at Everyone His Witness courses again for Sunday School. Pastor Matt and I are also looking at other programs, one called Rooted, to see what sorts of resources are offered there.

Also we will also be offering a class called Foundations. This class will take place in January (post-Christmas), Post-Easter (April/May) and in September with a focus on preschool families. Foundations is a four week course with no strings attached, where we will explain what we believe, and what it means to be a member of CLC. It will serve as our new member class, but it will also be a class you can invite AND bring your friends to who are not church.

The purpose and focus of our evangelism is to give something to people: the Lord Jesus and His gifts of forgiveness, mercy, and love. Those are freely given, by grace alone. We will be a church who never ceases to give those freely

It is noted that it is a hard time to do ministry in the US right now. Our church looks like a lot of churches with dwindling money and members. We can wring our hands and feel sorry for ourselves and get really fearful and cynical. But, that's what the devil wants. When, in the OT, Israel was in sin, God would send prophets to tell them to repent, to return to their God. Our deficit budget and smaller numbers are, for us, prophets.

Brothers and sisters, this is a hard time to do church, and it is a thrilling time to be in the church. We're learning what it means to be the church that has less and trusts more! And faith clings to Jesus and is bold and courageous. We heard that in the parable this morning, we are the church that has been given the talents. This is a thrilling place to be a Christian. We have the Word given to our ears and hearts, we have Jesus in the bread and the wine, and He just won't go away. We have brothers and sisters who pray for us, who support us, who fight for us and stand by us. We have the talents. We have the Lord

Jesus! And, Jesus has us! We need to be bold and courageous, ready to step out and sacrifice in faith, ready to tell others of Jesus, and do what we are called to do. We are a wonderful church who is called to give. But, more importantly, we have a God who loves to give, who loves to pour His mercy out upon us and through us. He has given Himself to you, so fear not, CLC.

Pastor Knauss gave an update on the Pastoral Leadership Institute (PLI) that he is participating in. A two year program with monthly coaching – “leadership in Christ and context in which we live” and it builds on what God has given us and the offices He has placed us in. He will share the resources with leaders in church and board members.

Approval of 2024 Budget

Lance Andersen – called for motion of approval of 2024 Budget. The motion was made by Diane Kienbaum and it was seconded by Mike Seilnacht.

Silas Harrington presented the 2024 Budget and noted that it was a deficit budget. We have accumulated reserves so there is no immediate jeopardy to our financial health. In addition, Cheri Ewing responded to several questions.

Several comments/concerns were raised by members of the congregation regarding the budget.

Discussion included:

Jeff Hinke questions:

Income related:

1. 2023 Envelope offering projected actual are nearly 24% less than the 2023 Budget. Based on that projected Envelope income of 686,521, the 2024 budget is using an increase of 16.6% or 800,374. In light of the economy, stagnant attendance numbers, what is the plan to increase Envelope income to this level in 2024?

Response - The projected Envelope income of 2023 does not take into account the increased giving during the holiday season of November and December.

2. Preschool exceeded budget in 2023. Has the preschool director committed to another 6% increase in income for 2024, by raising prices, fundraising, or otherwise?

Response - YES and it should be noted that the preschool budget projected for 80 students and there are currently 83 enrolled. However we are in need of more teachers to reach our licensed limit for 120 students

3. Although less \$ than other items, Theatre income is budgeted to be 43% higher than projected in 2023. It’s hard to understand how that can happen without some other increase in theatre expenses.

Response - The Theater/Drama ministry net proceeds go into dedicated account, not to budget

Expenses

1. Comment: 2024 budgeted wages increasing by 11.4% over projected 2023 actuals.
Response – Individual wages increased by only 4%. The increase is a result of added staff.
2. Comment: 2024 budgeted Total expenses increasing by 9% over projected 2023 actuals.

The Rooted and Growing budget shows a positive \$36000 of net income after Mortgage. Rooted and Growing should be a zero sum game and if there are extra funds for some reason, they

should be funneled to the R&G dedicated account for future use against the mortgage as opposed to applied against a 2024 budget deficit.

Response – Correction made and, as a result, the budget deficit has been increased to \$105,777. The 2024 Budget presented for approval will now show a deficit of \$105,777.

What are the accounting numbers for the “Covid” funds that have been tied up in litigation, now that that process is complete?

Response - In the 2022 Voters Meeting a Congregational Fund was established and the funds that can be spent by the Senior Pastor upon approval from the Governing Board.

Scott Hayward commented on the 42,000 due to CLC from the city of Escondido and is for the reimbursement for installing the sewer connection. Lance indicated we should have an answer within two weeks

John Thompson noted: operating deficit a concern for 3rd straight year

Restricted set aside for dedicated accounts

- \$405,000 in 2021
- In 2022- 150,000 was used for San Marcos
- Current \$50,000 deficit
- Proposed \$106,000 next year will need to dip into dedicated funds. John wants the board to develop a plan and report in April to the congregation.

Silas moved and Cherri seconded that the 2024 Budget be approved subject to the following: The 2024 Budget be modified to show a deficit of \$105,777 and the Governing Board report back in April to the Congregation the status of plan for achieving a balanced budget in 2025 along with the Pastor and Treasure report on the impact of existing and proposed new programs on 2024 budget.

Mel Schuler noted that it did not appear anything was being cut and that a plan was needed for how to limit the deficit.

Diego Zamorano from SM asked how the Drama Ministry reaches out and inquired as to how is it promoting God’s Word..

Pastor Knauss – Noted that there were prayers in rehearsals and that most people in the play are not members of church.. In addition it provides opportunities for people to question, in months of rehearsals, the Church’s belief. Pastor Hiller noted that it draws people to church through theater.

Brandon Peters – Asked if the two counselors pay rent. The response was that they charge the congregation a reduced rate.

Penny Andersen stated that it was encouraging to see members showing concern and asking questions and complemented the Board for their service.

Weaver restated the Budget motion as reflected above.

Mel Schuler made a motion which was second by Paul Trzinski for written ballot

A written ballot was taken and processed in accordance with the By-Laws.

The vote was FOR – 34 AGAINST 14

The 2024 Budget was approved subject to the following:

That the 2024 Budget is modified to show a deficit of \$105,777 and that the Governing Board report back in April to the Congregation the status of plan for achieving a balanced budget in 2025 along with the Pastor and Treasurer's report on the impact of existing and proposed new programs on 2024 budget.

Election of Officers to Governing Board

Silas made a Motion to approve the nomination of Mike Seilnacht to serve a two year term on the Governing Board and it was seconded by Weaver Simonsen and unanimously approved. Mike gave a brief presentation of his background.

Meeting was closed at 1:26 PM Pastor Knauss led the Assembly in the Lord's Prayer.