

Christ the King Lutheran Church
Congregational Council Meeting Minutes
January 28, 2025 @ 5:30 pm
Pioneer Bank

Christ the King Lutheran Church is a caring community to empower all to know Christ and make Christ known.

Members Present: Gary Rudolf (*President*), Jennifer Svien (*Treasurer*), Jessica Ehrich (*Past President*), Barbie Roessler (*Vice President*), Brennan Enstad (*Secretary*), Kaia Austin, Brent Sandhurst, Marlin Spangrud, Kathy Kachelmyer, Karen Moritz, Heather Krause Quiram, Dan Rickbeil, Pastor Melanie

Members Absent:

1. G Rudolf called the meeting to order at 5:37 PM
2. Devotions – Brent
 - Thank you, Brent
3. Approval of the Agenda – Motion by B Roessler, Second by K Austin - Motion passed.
4. Approval of Council Meeting minutes – Motion by B Sandhurst, Second by – H Quiram Motion carried.
5. Approval of Treasurer’s report – Motion by B Roessler, Second by J Ehrich – Motion carried.
Operating cash (in bank accounts) net of restricted funds equals \$134,448.20 on 12/31/2024 (62 days of expenses).
 - Regular offering was above monthly budget by \$45,026 and YTD variance of \$26,167.
 - Monthly operational income was \$113,078. \$45,141 above monthly budget and \$27,186 above YTD.
 - Monthly expenses were \$66,463 which was \$1,748 over monthly budget and YTD under budget by \$12,298.
6. Lease Space Update
 - Our tenant has officially defaulted on their lease. The Congregational council has taken numerous steps over the past several months to procure the outstanding rent payments owed to us by the lessee. A CTK member provided us legal services pro bono.
 - **Grace Period:** we provided the tenant with a significant grace period to correct the default.
 - **Notice of Default:** After several months, we sent a formal notice to the tenant, informing them of the failure to fulfill the lease terms (non-payment of rent). This notice included a deadline for the tenant to remedy the situation. Shortly after sending the notice, our tenant’s attorney confirmed they had no intention of paying the outstanding balance. Additionally, our tenant would not provide us with a confession of judgement.
 - **Eviction:** After our tenant would not address the default, CTK filed for eviction from the property. Our tenant agreed to move out of the building permanently on November 1, 2024.
 - **Legal Action:** The attorney representing us is not a bankruptcy attorney, so taking legal action would require new representation. The council considered this option but decided against it due to the risk of additional expenses with no guaranteed return.
 - **Reletting:** we are attempting to re-rent the property as soon as possible to another organization. Preferably, a non-profit so that we can keep our tax-exempt status. The new lease will likely be much shorter terms (1-3 years) when compared to the lease with our former tenant (10 years)

- As a council we feel that we've taken every possible step to claim damages for the lease breakage, which is our financial duty as representatives of our members. However, we feel it is not worth the financial risk of entering into a formal legal battle.
- **Over the life of the lease, CTK received a total benefit of \$41,479.79**

Rent payments received from lessee	\$98,543.74
Plus: Improvements paid for by lessee	\$23,548.97
Less: Improvements paid for by CTK	(\$75,627.16)
Less: Real Estate Taxes Paid	(\$4,985.76)
Total benefit received from lessee	\$41,479.79

7. Meals on Wheels Update

- Pastor Melanie mentioned that Meals on Wheels is interested in renting both our kitchen and the front space (formerly the Rainbow room). Seven fulltime kitchen employees from 6 am to 2 pm each day.
- Another organization may also be interested in leasing our space excluding the kitchen. An informal straw vote was taken by the council to gauge interest in both organizations. The organization which prefers to remain anonymous (at this time) was the unanimous choice. More discussion to come.

8. Call Committee Update

- Kathy Kachelmyer provided an update on the call committee status. Routine meetings and steady progress being made.

9. Capital Campaign Update

- Jen and an assigned team of both council and board leaders interviewed three capital campaign consultants. As a general rule, the consultants said a goal of 1.5 to 2 times our annual budget is a reasonable objective. The CTK team members completed a debrief and recommend one candidate that they feel would be an ideal fit to lead CTK in a capital campaign. The consensus from the interview committee is that the cost of the consultant would be well worth the investment given the potential returns of the campaign.
- One of the items that all three consultants asked was what we want to do with the money. Obviously, the primary need is the roof repair. Parking lot repairs, door replacement and other building maintenance, local mission needs, speaker and amplification system improvements in the sanctuary, and debt reduction are other possibilities. A coffee shop idea has been floated to the council. Gary provided design material of a preliminary concept that re-purposes the library and courtyard space into a coffee shop area.
- Motion by D Rickbeil, Second by K Austin to hire Steven Olson at Olson Advancement to complete a feasibility study related to a potential capital campaign. Total expense of the feasibility study is \$12,500. Motion carried.

Other Boards Reports and Updates

- Marlin brought up an issue that came up during the Adult Education meeting. Information on our website is outdated or missing. Information on the CTK website needs to be more dynamic and current.

Pastor Melanie's Report

- Pastor Melanie provided an update on current events at CTK.

12. Prayer/Adjournment. Motion to adjourn by B Roessler. Second by K Austin. Motion carried. Meeting adjourned at 7:54 pm.

Next Executive Committee Meeting: Tuesday, February 18, 2025 @ 5:30

Next Council Meeting: Tuesday, February 25, 2025 @ 5:30