

# Our Saviour's Lutheran Church

**Mission:** Knowing Jesus & Making Jesus Known

**Vision:** To be a beacon of light and hope that impacts the world

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## Church Council Minutes: May 16, 2020 (Zoom Meeting)

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Members		Attending	Absent
Glenn Wishnew	David Novak	Pr. John Gerike	
Brett Lindberg	Mike Nulicek	Pr. Brian Wise	
Robyn Carlson	Rebecca Cremin	Pr. Emily Wiles	Guests
BJ Okel	Graham Brenna	Rick Lebeck (Treasurer)	Jean Jepson
Ruth Nelson		Laurie May (Recorder)	

## Opening Prayer / Devotion – Ruth Nelson

Recommended book Bethlehem Besieged, by Mitri Raheb ([Amazon link](#))

## Action Items:

1. Realm Check In – Completed by Graham
2. Approval of April 2020 Council Meeting Minutes (with updates from an email vote this week)  
**Motion: Rebecca Cremin | Second: BJ Okel | Motion Passed with correction made in real-time**
3. Approval of New Members – None at this time. Pastor Brian is taking this time to work with Samantha Hood and Jean Jepson on updating the website to include more information about being open to those seeking a church.

## Council Discussions

FY2020-2021 Budget Approval | 5-Year Projection from Finance Committee | Rick Lebeck

### Preschool Budget

If preschool starts, there will be a tuition increase, otherwise consistent with last year's budget. This year's income was down \$90,000 due to closing early, but they will transfer in the anticipated \$80,000 in loan forgiveness. (If we are approved, the amount should be cleared in July). A motion was made to approve the preschool budget as is with knowledge that things may change.

**Motion: BJ Okel | Second: Brett Lindberg | Motion passed**

### Operating Budget

Member giving was originally down 9%, but has improved to being down only 6%

Building use loss due to closure - \$4,000

Mission, Camps & trips cancellation loss - \$9,000

Expenses \$30,000 down from last year, so this will be adjusted in next year's budget

Compensation and benefits are 54% of our revenue. This figure is higher than optimal.

### Administrative

- Mission and Benevolence: \$5,000 put back in benevolence because of increase in giving. This is 8% of revenue and 10% of member giving
- Faith Formation: 9% decrease

- Facilities: down \$10,000 hopefully less maintenance because of closure
- Worship & Arts: same
- Camp Revenue: had to be refunded, but that will affect next year's budget
- Aside: Question about choirs is up in the air because of big risk of virus transmission. The Choirs may be on hiatus for a time. There was a recommendation to not have "stipends" sign contracts in the fall until contracts are reviewed and have some stipulation about suspension of program.
- Operating revenue: Consistent with last year's budget

**Net income \$185,000**

Budget will be reviewed continuously because of changing reality.

The projection is based on what we know, but much of the future is uncertain. How often should we revisit the budget? Kathy is doing a weekly snapshot. Monthly is the best view because it reflects gifts coming in.

#### **How do we best communicate with the congregation to keep them up to date?**

The Finance Committee prepares a quarterly summary for the congregation. Should this interval be increased? Are there certain items we should watch as key performance indicators? Rick continues to give a monthly report to Council, and he will give Council alerts as to trends. Conversations will continue.

#### **Do we have a Plan B if preschool does not open?**

Pr. Brian is working with Kelly Gilligan on plans. Waiting for state recommendations. We will follow D203 and D204 decisions on opening and watch for possible DCFS reductions in class size.

#### **Do we have a safety valve from which money could be diverted if preschool does not open?**

\$150,000 project reserves could be used in an emergency. Mortgage could be re-casted if needed.

### Children Center

\$141,000 revenue loss this year. A further drop will come in September if not open. Loss in tuition would be \$72,000/month. They have a 3-month reserve in case of closure.

Since \$10,000/month is given to the church by the preschool, the church income would also be affected. Salaries will have to be adjusted if closure happens, but we just have to wait and see.

An option would be to furlough teachers so that they can collect unemployment, then rehire when school opens.

Annual report information is due Monday, so that it can be compiled and be presented at the Annual Meeting.

#### **A motion was made to approve the FY 2020-2021 budget**

**Motion: Mike Nulicek | Second: Ruth Nelson | Motion passed**

### Property Committee Budget for FY 2020-2021

#### Capital Projects Forecast 2020-2021

\$170,000 for upcoming year public flooring, sanctuary repair, phone system upgrade, landscaping refresh at both campuses, handicap bathroom upgrade, kitchen grease trap, and contingency fund. If cutback is needed, flooring may be delayed until later in the year, but within this year's budget.

Landscaping could be pushed to next budget year, except for sign landscaping required by city. Looked at future projects. If all emergency funds are used, we will have to dip into reserves. Will watch to see what happens, so that reserves are not depleted.

Completed projects. Celebration Backup Sump will be covered by lawsuit funds.

### **Motion to approve Property Budget**

**Motion: BJ Okel | Second: Ruth Nelson | Motion passed**

### 5-Year Operating Forecast

Projections based on the following:

- We are working with the assumption that member giving will be flat based on the fact that it has been flat for the last 3 years.
- Parking lot rent increases with inflation, as per our contract with Edward
- Increased ministries camp and trips (the \$63,000 decrease in revenue from 2020 to 2021 reflects Eagles Wings was taken out of the operating budget)
- Operating income goes down each year

Capital projects reserve eventually depletes going forward. Want to keep \$100,000 in reserve.

In the projection, the next 2 fiscal years are fine, but then we are in a deficit situation starting 2024. The finance committee would like to present this at the June annual meeting, to continue being candid with the congregation. When shared, it was suggested that they might point out how bottom line might be changed in different giving scenarios.

### Annual Congregational Meeting is June 21, 2020

Format discussion followed, keeping in mind that our Zoom participant limit is 100. Videos in by May 25th to be included.

It was decided that the 3 Live Zoom presentations will include prerecorded videos from the mission and benevolence budget, general operating budget, and the property budget. Following video viewing, the host will take questions from the participants. Following the 3 live sessions, the prerecorded videos will be shared with the entire congregation.

Voting: Google Form (or other survey tool) will be used for those with emails. A second voting option will be provided for those who do not want to vote electronically.

### Enhanced Internet connections bid submission and approval

Fiber optics cost will be partially offset by the new phone system savings. The current phone system costs \$27,000 annually. If the phone system is rolled into the fiber optics, savings would be \$7,100 annually. That would help offset fiber optics cost and would result in improved phone quality. It will take 30-60 days to update the phone system.

Fiber optics will cost \$20,000 annually, with an initial fee of \$1,000. The construction costs will be waived. The up-front cost will come out of the capital reserve and the ongoing expenses will come out of the operating budget.

Additional cost of live streaming includes hosting and equipment costs. Livestreaming through YouTube will be most efficient. Our equipment will need to be upgraded at a cost of \$15-20,000 for each campus. This includes the camera and computer hardwired to the Internet as well as a switchboard. Due to the complexity of operation, the recommendation is to hire a professional (part-time) to run switchboard. Ruth will check to see what a part-time person will cost. We might consider college student that has been through a class in broadcasting. Hoping for recommendation to start testing in the coming weeks. May do a mock trial service with Council.

The goal is to start with livestreaming 2 services/weekend. Funds would come out of the memorial committee and ongoing costs will come out of the general operating budget.

**Motion to approve expenditure for fiber optics**

**Motion: Graham Brenna | Second: Robyn Carlson | Motion passed**

Maybe \$40,000 would need to be added to the capital budget to cover the above. Jean noted that \$15,000 was allotted for a new website. We could switch to refreshed template for free and could reallocate funds. It was decided that fiber optics would be the priority, but the website update is also important.

### Church Reopening Options

We are watching recommendations from the State of Illinois, the Chicago Metropolitan Synod, and the national church. It looks like we may be able to open for groups of 10 as of June 1<sup>st</sup>. We are looking into options for space and activities. Small groups could start meeting in Phase 3. Phase 4 in another month or so would allow groups of 50. We are looking at having groups in multiple locations. We have to look at screening, seating, communion, and many other questions. Groups working on all those questions. The church will follow guidance from larger church organization and encourage people to follow their own inclinations. It will be a shock to our culture to not have live singing in worship.

### Update on the lawsuit with our property insurance carrier and use of funds

The insurance settlement check of \$45,569 was received. All funds were used to reimburse donations and to cover sump pump costs. However, the suggestion was made to donate an amount equivalent to 10% of our award to a community need outside our church through the mission and benevolence committee.

**Motion to allocate 10% of \$45,569**

**Motion: Mike Nulicek | Second: BJ Okel | Motion passed**

### Other FYI

A nominating committee will be formed for next year. The Synod Assembly was deferred until October 3<sup>rd</sup>. At this time, it is not known whether it will be an in-person or alternative format.

## Committee Reports

Finance Committee – Rick Lebeck

See earlier report

Giving \$72,000 halfway giving off to a good start

Stewardship Committee – David Novak

Pr. John indicated the Good Samaritan fund has \$17,000. They have been giving out grocery cards in April and May to those in need.

Memorial Committee – Glenn Wishnew

Meeting next month

Mission and Benevolence Committee – Graham Brenna

Scholarship funds earmarked for rescheduled trips. Starting talks with Alive Center, but no financial commitment. Meeting on Monday for a decision on the \$4,557 from the lawsuit money.

Nominating Committee  
Deferred

HR Committee – Ruth Nelson

As a result of an audit. The HR committee met to discuss a whistle blower policy. All leaders will have to sign a conflict of interest policy.

## Closing Notes

- We mourn the loss of several longtime leaders of the congregation:
  - Cliff Crone
  - John Ott
  - John Swanstrom
- **Generative:** Deferred
- **Unfinished Business:** Proposed edits to the constitution
- **Next Meeting:** Saturday, June 20, 2020, 8:00 AM | Opening Devotion by Mike Nulicek
- **Closing:** The Lord's Prayer

Notes respectfully submitted by Laurie May, Recorder