

Lutheran Church of the Incarnation Council Minutes

September 8, 2021, 7:00 pm

By Zoom

Council Members: Jeff de Ropp (2023), Ed Green (2023), Carol Huegli (2023), David Hartley (2022), Karl Larson (2022), Becky Linvill (2022), Damian Genetos, Pr. Dan Smith

Guest: Karen Slabaugh

- A. Introduction: Carol
 - I. Devotion: Pr. Dan
Church attendee and close personal friend Elaine Kasimatis passed away yesterday. Pr. Dan is planning the Memorial Service with her daughter, Katia.
- B. LCI Renewal: Pr. Dan
 - I. Fruitful congregations focus on what is in front of them and take risks caring for people outside of their own congregation. Who are the people in our neighborhood who need us? Where is God leading us?
- C. Pastor's Report: Pr. Dan
 - I. Pr. Dan will be leading a new class on Sundays at 10:30 AM on the *Enneagram personality test*
 - II. Jeff will teach a class on Galatians on Thursday evenings
 - III. There are 4 new attendees that are interested in joining the church.
- D. Approval of August Council minutes: Becky
 - I. M/S/C de Ropp/Green (Hartley abstained)
- E. August Treasurer's Report: Karl
We currently have a surplus and are spending below budgeted amounts.
- F. Council Action Items
 - I. Establish a separate account for Sanctuary Renewal Task Force (SRTF) funds:
 - M/S/C Green/de Ropp (unanimous)
 - II. Motion: Reduce giving to the Synod by approximately ½ to a flat \$9,500 for the remainder of 2021 and 2022 if our deficit at any time exceeds \$10,000.
 - Note: a flat amount paid quarterly or semi-annually would be easier to administer than a percentage.
 - M/S/C Genetos/Green (unanimous)
 - III. Motion: Authorize stepwise reductions in pay for salaried staff (Pastor, Worship Director, Youth Director) according to these criteria:
 - Deficit of \$15K or more results in a 10% pay reduction until the budget deficit is eliminated.
 - Deficit of \$20K or more results in a 20% pay reduction until the budget deficit is eliminated.
 - Deficit of \$25K or more results in a 30% pay reduction until the budget deficit is

eliminated.

- M/S/C Genetos/Green (Smith-abstained, Hartley-no)

G. Committee and other Reports

I. Sanctuary Renovation & HVAC replacement: Ed

- Expects permit from architect in early October
- Steve Slinkard is looking at lower cost HVAC options

H. Council Action Items (continued)

IV. Worship Committee – Communion modifications: Karen Slabaugh

- Motion: Add option to receive communion from pastor during outdoor services
- M/S/C Worship Committee/Smith (Linvill-no)

V. Motion: At this time, if LCI services are moved indoors due to wildfire smoke, excessive heat or other weather conditions, removing masks to take communion in any form potentially increases COVID-19 risk to congregants (especially to children) whether they are vaccinated or not. Therefore, if the service is moved indoors, communion will be cancelled. When COVID-19 case rates are no longer at a dangerous level, this policy will not apply.

- M/S/C Linvill/de Ropp (unanimous, Genetos was absent).
- Amendment: Therefore, if the service is moved indoors, the council recommends that communion be served outdoors. M/S/C Smith/Hartley.

I. President's Report: Carol

I. Bob Kerr and Paul Kolarik have submitted 4 budget motions. In addition, they request an in-person outdoor congregational meeting. On September 14, the Executive Committee meet to discuss this request.

II. Council meetings will be moved to the 2nd Wednesday of the month due to David Hartley's request.

J. Social Justice: Becky

- See minutes from the 8/26 Social Justice Meeting

Lutheran Church of the Incarnation

Balance Sheet

As of August 31, 2021

Bank Accounts

4 MM - First Northern Bank	69,156.15
8 First Northern Bank - operating	305,193.01
Total Bank Accounts	\$ 374,349.16

Operating Reserves

20115 MMPs owed	727.50
20117 Memorial Fund	11,856.41
20213 Worship/Music Reserve	2,008.99
20214 Flower Fund	996.09
20301 Pastor's Discretionary Fund	2,947.14
20500 Youth / Day Camp / Mt. Cross	4,276.03
20551 Mission Trip Fund	4,213.01
20614 Hospitality	1,361.36
20759 Major Maintenance Reserve	43,861.05
20776 Sanctuary Renovation	220,276.89
20777 Property Infrastructure Reserve	347.68
60100 Synod support owed	6,682.91
Total Operating Reserves	\$ 299,555.06

Protected Reserves

20760 Columbarium Fund	39,136.51
24151 Endowment Fund	30,019.64
Total Protected Reserves	\$ 69,156.15

Total of all bank accounts	374,349.16
Less all reserves	368,711.21
Operating cash surplus	5,637.95

Mortgage Principal Balance	497,375.88
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Undesignated Income

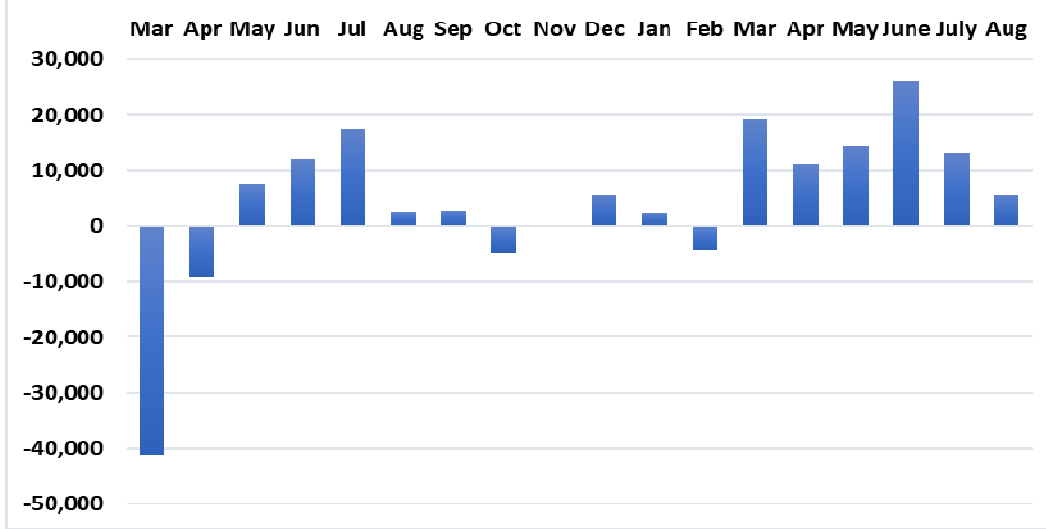
Aug 2021 YTD

41000 Income		
41100 Envelope Offerings	16,398.63	125,893.06
41200 Loose Offerings		44,534.40
41310 Rents Applegate Nursery	1,644.00	11,508.00
41320 Rents Other	100.00	800.00
Total 41000 Income	18,142.63	182,735.46

Designated for Operating Reserves	3,448.52	141,042.46
Designated for Protected Reserves	2.50	18.31
Designated for MMPs	100.00	1,045.00
Total designated income	3,551.02	142,105.77

Total Income 21,693.65 324,841.23

LCI Budget Surplus/Deficit 2020-21



Lutheran Church of the Incarnati

Spending vs Budget 1-1-21 to 8-31-21

	Actual	Budget	%
Expenses			
60000 Benevolence Funds			
60100 Synod Mission Support	3,367.54		
Total 60000 Benevolence Funds	3,367.54	19,250.00	17.5
61000 Worship			
61200 Altar Supplies	226.94		
61202 Music Licenses etc	891.40		
61208 Liturgical Arts	200.00		
61215 Devotional Booklets	315.91		
Total 61000 Worship	1,634.25	8,080.00	20.2
6200 Witness			
62300 Social Justice Committee	300.00		
Total 62000 Witness	300.00	1,750.00	17.1
64000 Learning			
64500 Sunday School	77.42		
64502 Adult Education-Bible Studies	150.30		
64551 Youth - LCI Activities	493.54		
Total 64000 Learning	721.26	4,450.00	16.2
65000 Congregational Events			
65600 Synod Assembly	300.00		
65603 Congregational Events	167.92		
Total 65000 Congregational Events	467.92	3,500.00	13.4
66000 Stewardship			
Total 66000 Stewardship	0.00	950.00	0.0
67000 Administration			
67700 Office Supplies & Equipment	2,553.86		
67703 Social Media & Advertising	180.00		
67704 Bookkeeper	230.00		
Total 67000 Administration	2,963.86	8,900.00	33.3
68000 Property General Maintenance			
68750 General Maintenance & Supplies	2,677.64		
68751 City Services	6,965.74		
68752 Telephone	994.64		
68753 Fire System	807.55		
68754 Utilities - PG&E	1,823.56		
68755 Utilities - Solar	3,200.00		
68756 Property Insurance	5,190.00		
68757 Cleaning Services	2,340.00		
20774 & 68772 Mortgage	18,031.92		
Total 68000 Property General Maintenance	42,031.05	83,100.00	50.6

	Actual	Budget	%
70000 Support Staff			
70701 Administrative Asst Pay	1,926.50		
70703 Youth Director Salary	8,196.67		
70706 Music Director Pay	10,026.50		
70710 Substitute Musician	127.61		
70711 Substitute Pastor	1,375.00		
70720 Workman's Comp	1,540.00		
70721 Payroll Taxes	6,200.92		
70722 Payroll Service Fees	1,143.58		
Total 70000 Support Staff	30,536.78	67,520.00	45.2
71000 Pastors Compensation Package			
71900 Defined Compensation			
71901 Net Salary	23,856.96		
71902 Elective Deductions	6,430.88		
Total 71900 Defined Compensation	30,287.84		
Benefits			
71903 Housing Allowance	29,600.00		
71904 Benefits- Retirement	4,347.71		
71905 Benefits- Health	18,600.00		
71906 Benefits- Disability	670.02		
71910 Benefits- Basic Group Life	312.66		
71911 Professional Reimbursements	70.16		
Total 71000 Pastors Compensation	83,888.39	140,430.52	59.7
Total Expenses from general funds	165,911.05		
Expenses charged to PPP funds	23,822		
Grand Total Expenses	189,733.05	337,930.52	56.1

Target after 8 months is 66.7% of budget spent, so we are well under that.



Council Motions

Sanctuary Renovation Funds

Communion Practices

MOTION: Funds donated for the Sanctuary Renovation shall be held in a separate account (at First Northern Bank) from all other LCI funds. These funds shall not be commingled with other LCI funds or used for anything other than the purpose for which they were given without the express written consent of each individual giver.

MOTION: Approve expansion of communion practices to include provision by Pastor Dan and Assisting Minister as outlined in the Motion Background.

Motion Background:

The current process of providing individual/consumable communion materials will continue unchanged, and Pastor Dan will lead their use as he has been doing these past few months. Afterwards, he will put gloves on and distribute communion wafers individually to those who prefer this distribution method. The Assisting Minister will pour wine/grape juice from a pitcher directly into the congregation member's cup (which they hopefully brought from home); then the member returns to their seat. Small disposable cups will be available at the Welcome table for those who would like to take communion directly from Pastor Dan and the Assisting Minister yet did not bring a cup with them.

MOTION: At this time, if LCI services are moved indoors due to wildfire smoke, excessive heat or other weather conditions, removing masks to take communion in any form potentially increases COVID-19 risk to congregants (especially to children) whether they are vaccinated or not. Therefore, if the service is moved indoors, communion will be cancelled.

When COVID-19 case rates are no longer at a dangerous level, this policy will not apply.

Financial Motions for Council Meeting 9-15-21

Over the past two years we as a Council have expended considerable time, effort, and emotion trying to come to grips with our budget realities. The topic of budget reductions has consumed some entire meetings and a major portion of many meetings, especially in 2020.

Getting not one but two PPP forgiven loans (nearly \$50K total) removed some of our budget urgency, but with the completed expenditure of those funds the possibility of dropping into budget deficit has returned.

As we move forward to vitally important discussions of the future of LCI it would behoove us to take steps now to deal with any future deficits in a rationale and predictable way that obviates the need for repeated time-consuming rehashing of limited and unpleasant options. Accordingly, the Ad Hoc Budget Committee (re)offers the following motions to the Council. The motions are worded in such a way they would only be implemented if our budget situation worsens.

Motion #1:

Reduce giving to the Synod by approx ½ to a flat \$9,500 for the remainder of 2021 and 2022 if our deficit at any time exceeds \$10,000.

Background: Our spending since the pandemic started has been largely reduced to essentials of paying for staff and property (see attached ledger for the most recent month's spending). Since there are no more "low-hanging fruit" to remove in our expenditures we would next look to reduce Synod giving. Note: a flat amount paid quarterly or semi-annually would be easier to administer than a percentage.

Motion #2:

Authorize stepwise reductions in pay for salaried staff (Pastor, Worship Director, Youth Director) according to these criteria:

Deficit of \$15K or more results in a 10% pay reduction until the budget deficit is eliminated.

Deficit of \$20K or more results in a 20% pay reduction until the budget deficit is eliminated.

Deficit of \$25K or more results in a 30% pay reduction until the budget deficit is eliminated.

Background: See above; all easy spending cuts have been made, and we cannot reduce further or eliminate spending on our property. 62% of the budget is personnel, and if the deficit grows beyond 15K this is where we would need to make reductions.

A salary reduction of 10% achieves 12K/yr savings to the operating budget (rounded to the nearest thousand).

A salary reduction of 20% achieves 25K/yr savings.

A salary reduction of 30% achieves 37K/yr savings.

Note: the Admin Assistant is not a salaried position but is paid hourly. Expenditures for this position can be achieved by reducing work assigned to her, which is what was done in 2020 and so far in 2021.

SRTF Update - 9/7/21

Ed Green

We have had slow progress this summer. The main reason is the ongoing high level of work facing the building industry. The pandemic has triggered a heavy increase in overall building activity and that coupled with disruptions in the supply chain for the industry has resulting in significant slow downs. The LCI building permit process has been caught in that squeeze specifically due to delays in finding and retaining electrical and structural engineering consultants needed by our architect to complete construction plans for submission to the city for permitting.

Statis Architectural Plan Status at this point.

- Barbara Fineberg indicates she has nearly completed the detailed drawings for the renovation pending electrical and structural engineering input.
- PCC Engineering has been retained to complete the electrical plan. Conrad Zeller is the engineer involved and Barbara Fineberg at McCandless is in regular contact. I am pushing both them in hopes we will get the electrical engineering completed soon.
- On the structural engineering side after many contacts we finally have secured services from PZse Structural Engineering from Roseville. Their turn around time is indicated as 25 days.
- At this point my best estimate for completion of the documents for submission to the city is early October.

HVAC

- Steve Slinkard has agreed to take leadership in dealing with our heating and cooling needs.

Next Steps

- Mike Miller—Check in and update
- Conrad Zeller—Follow up to stimulate progress on electrical engr.
- Follow up with PZse to keep structural engr progress moving.
- Barbara Fineberg Regular

Social Justice Committee
Minutes
8/26/21

Participants: Ellen Kolarik, Vern Holmes, Lee Grayson

- 1) **Permission to Feel- Part III p. 121-241** : Lee to lead final discussion on expressing and regulation emotion
Action: Deferred until next meeting given low census at this meeting
- 2) **Social Justice committee outreach-** Vern shared the plan for stewardship this year. With the spread of the Delta Variant, in home cottage meetings are no longer safe. Instead, the council is organizing a congregational event over zoom which will offer the same program on 2 alternative dates. The letter of invitation to join Social Justice can be circulated at that event and working with SJ will be one of multiple opportunities for which members can commit their "talents and time" when they complete their financial commitment form.
Action: Ellen will forward completed letter to Vern for inclusion in the Stewardship mailing
- 3) **Advocacy in Quarantine (LOPP):** Lee shared that occasionally advocacy requests made by LOPP director Regina Banks need to be pre-scheduled months in advance. For example, Regina requested that our pastor invite legislators for an adult forum type session during the assembly summer session in July. However, legislators book their schedules well in advance and so were not available in Jul yand our pastor typically takes that same month for his vacation. Lee believes, however, that she now better understands the legislative calendar. This should enable her to share with our group at least some of the anticipated requests in advance such that we can plan around them if we so choose.

Other individual advocacy options include subscribing to the ELCA advocacy program. This has a federal focus but it is very easy for participants to send email letters to representatives.

Action: Vern to create a blurb about the ELCA for circulation in the usual manner.

- 4) **Interfaith Housing Justice Davis (IHJD):** Ellen shared that the last meeting 8/24/21 identified 3 areas of focus.
 1. Revise the definition of a "First Time Home Buyer" to match that of the federal HUD definition. The goal is to limit some of the loopholes which has allowed programs geared toward First Time Home Buyers to be abused. A draft letter for the City Manager and the Council should be ready by our next meeting.
 2. Advocate for a tax related income stream dedicated to the Housing Trust Fund. Councilman Dan Carson (city subcommittee on affordable housing) will be joining the next session 9/21/21. He will be available for participants to ask questions about taxing options and other affordable housing concerns as well as learn why the City is focusing on the option of a Property Transfer Tax.
 3. Advocate for support of city-wide housing of the unsheltered since congregate housing (the Interfaith Rotating Winter Shelter or IRWS model) is no longer possible. Currently the City is engaged in this issue but is facing obstacles including a shortage of rental units and landlord disinterest in accepting rental vouchers. HEART has received grants from a multiplicity of sources to house and provide wrap around services for a proportion of the unsheltered. However, the program needs a working capital fund. Member organizations of

IHJD can advocate to their members to support this fund with either donations or loans.

Action: Ellen will request that HEART be substituted for IRWS as the November MMP at LCI and she will champion that ministry specifically requesting monetary donations for the HEART working capital fund.

5) **God's Work, Our Hands Sunday 9/12/21:** Currently we have 3 projects

- Homestead (Marilyn Moyle): Homestead is a residential permanent housing program for adults with mental health issues. Remove lumber debris from yard. First floor window washing on the outside. Light sanding and then painting outdoor handrails. Yard litter pickup.
- Belfry (Craig Lundgren): power washing of exterior, repair broken irrigation lines
Possible additional projects include improving signage
- Collection for 4th and Hope (Lee Grayson): list of supplies and signups already being collected in the Narthex

So far, there is lots of interest in donating items but only 2 signups for onsite work – both at the Belfry.

Action: Ellen will ensure that GWOH is announced this Sunday and will encourage signups. She will get back to Homestead and the Belfry early next week with updated counts so that they can scale their jobs appropriately

6) **How to be an AntiRacist** – Meetings in progress with Lee, Vern, Peter Hernes and Ellen regarding the scope of the project (one session as a teaser vs multiple sessions) and potential audience (Social Justice, LCI or the larger community).

Information Only

7) **Food for Fairness Summit:** The program scheduled in October focuses on equitable sustainable food systems. It is sponsored by Yolo County Food Bank and other food non-profits.

Action: Vern has committed to attend the program and will report back any findings.

8) **Social Justice Budget:** The planned gifts of \$100 to each of the 4 non-profit mission partners were sent or are in the process of being sent. Bobbi K (our liaison for the LWR quilting project) has been alerted to sent in her receipts for 2021 and has acknowledged that the LWR budget will be reduced to \$225 for 2022.

2022 Budget Proposal

Yolo Interfaith Alliance fr climate Justice (YIAJC) \$100

Yolo Interfaith Immigration Network (YIIN) \$100

California Interfaith Power and Light (CIPL) \$100

Lutheran Office of Public Policy (LOPP) \$100

Lutheran World Relief quilting project \$225

Unexpected Expenses \$100

Total \$725

Vern, Ellen and Lee all voted to support the budget proposal. In addition, Becky supported the proposal in an 8/18/21 email. So far, no one has dissented. 4 votes constitute a quorum, so the

proposed budget is accepted.

Action: Ellen to share accepted budget proposal with council.

- 9) **Monthly Ministry Partners:** Given that we are now meeting in person, we can now hope to return to our previous system of a monthly MMP temple talk. This should help raise awareness and increase giving. An email was sent by Ellen 8/21/21 inviting the MMP liaison's for August through December to book a date for a temple talk.

Action: Create a plan to solicit MMP champions at the next meeting (September). Start the process of selecting MMP's and organizing into a schedule October with hopes of finalizing the process in November.

Next meeting is scheduled on Zoom at 7pm 9/28/21

Respectfully submitted

Ellen Kolarik