

**Congregational Council**  
St. John's Lutheran Church  
January 16, 2024 | 7:00 p.m.

**Members:** Pr. Pam Fickenscher, Pr. Jonathan Davis, Kathy Shea, Dave Neuger, Marilyn Calcutt, Eric Sponheim, Trish Goodrich, Kristy Harms, Tamara Jackman, Dennis Rinehart, Jane Rizzo, Jerry Ugland, Steve Taggart, Dan Franklin

**Present:** Pr. Pam Fickenscher, Pr. Jonathan Davis, Kathy Shea, Dave Neuger, Trish Goodrich, Kristy Harms, Dennis Rinehart, Jane Rizzo, Jerry Ugland, Dan Franklin, Eric Sponheim, Tamara Jackman, Rob Quanbeck (for Adult Ministry)

**Not Present:** Steve Taggart

Meeting was called to order at 7:04pm.

1. Opening devotion and prayer led by Kathy Shea
2. Motion to approve the December 19, 2023 Minutes made by Dennis Rinehart. Seconded by Jane Rizzo. The motion passes unanimously.
3. Financial Report - Jane Rizzo
  - a. End of 2023
    - i. Ended with a surplus of \$57K
    - ii. Offering is \$13K more than we had budgeted
    - iii. Actual Personnel budget was less than budget (the changeover in youth ministry leadership was a contributing factor)
    - iv. Some of the Boards ended with less expenses than Budget (P&G: utilities and energy savings; not as much maintenance expense as we had thought)
    - v. Youth Ministry was also under budget; they made good use of designated funds
    - vi. Designated funds were a contributing factor for many boards being creative with their budgets
    - vii. We'll want to look at restricted reserves: currently about 8% and should be around 10% of budget
4. Kristy Harms moved to approve the December financial report. Dave Neuger seconded the motion. The motion passes unanimously.
5. Council Discussion regarding \$57,759 surplus
  - a. Restricted reserves are a little lower than ideal because we had to dip into reserves last year; we used \$20K to cover last year's deficit; we used about \$3K towards insurance deductible for roof; in total we used about \$23K
  - b. Jerry Ugland moved that we put \$20K of the surplus back into operating restricted reserves and \$3K of the surplus back into the insurance restricted reserves. Kristy Harms seconded the motion. Motion passes unanimously.
  - c. \$34K remaining to consider for discussion

- i. Rob Quanbeck: speaking for the personnel committee - we should consider the money we need to support sabbaticals. This is not an annual expense, but it can be a lot to absorb into any one year's budget when it does come up. Would it be a wise idea to build up that money that is available to support sabbaticals over time?
- ii. Sabbaticals don't have a line item in the budget; it's usually fallen under Church Council / Education (currently zero balance). Important to distinguish "Education" from "Sabbatical".
- iii. Dave Neuger: Is there a policy about how much cash we should have on hand at any given time? The Business Management Board made a recommendation for cash on hand a few months ago.
- iv. Would be a good idea to look at the 2024 budget to see where else there might be a need for the remaining surplus. Tabling discussion about the remainder of surplus for now.

6. 2024 Budget - Jane Rizzo (summary sheet attached)

- a. Process: Budget committee met twice; in the first meeting meeting, they discussed Board budgets received, heard from the personnel committee about their recommendations, and made high level estimates about income to come up with a draft budget. They met a second time in January, where Leah provided updated numbers for pledges, revisited areas, made further adjustments, and came up with a balanced budget
- b. Two biggest pieces: offering assumptions and personnel expense assumptions
- c. 2024 Offering recommendation: \$1,040,000. We had almost \$800K in pledges that came in from 208 different households. That is about the same number of givers that had pledged last year, but this year's pledges increased by almost 10%. Over the last three years, our actual giving versus pledges is about 130%. This is a 7.6% increase in the budget. These figures allowed the budget committee to feel comfortable with the proposed offering assumption.
- d. 2024 Personnel budget: recommendation from the personnel committee a 4% increase in salaries; this lined up with what the synod was recommending. There is a difference in the Benefits budget which makes a net total of 1% increase.
- e. Other items discussed: Benevolence & Social Concerns budget: the Board should have discretion on needs that come up throughout the year, so that larger sum is found under "discretionary benevolence" of \$35K. Jerry asks if we could break out which items in their budget under which they have control and those of which they do not have control.
- f. New this year: computer hardware replacement fund. This will allow us to replace 3-4 computers annually. BMB will come up with a schedule along with advice from Aldrich Technology.
- g. Historically we get the question about an increase in offering budget in the same year we have a capital campaign; history shows that both hold true
- h. Council recognizes the hard work of Jane Rizzo and the rest of the Budget Committee on the hard work that went into putting together the budget.
- i. Jerry Ugland moves that the Council approves the proposed budget for 2024 as presented. Dennis Rinehart seconds the motion. The motion passes unanimously.
- j. See Addendum A for additional information sent by Jane Rizzo after the conclusion of the Jan 16th Council meeting

7. Annual Meeting
  - a. Scheduled for **January 28, 2024; 12:30 p.m.**
  - b. The meeting will be available on Zoom as well; members participating online will be able to vote as well (consider this the last year of administering votes by Zoom, considering we have a bylaw that disallows proxy voting).
  
8. Council Updates & Action Items
  - a. Stewardship Board: On January 28th between services there will be the annual thank you coffee cake and reception hosted by the Stewardship Board
  - b. Property & Grounds: SES (Sustainable Energy Savings) report (Pr. Pam) (report found in the materials for this meeting)
    - i. P&G board went through the report to make recommendations which are found in the P&G board report. Here again is the summary of their recommendations:
    - ii. *We recommend implementing recommendations 1-10 as soon as possible. The cost of these recommendations is estimated to be \$43,000 with an estimated payback being 3.73 years. Recommendation #6 has a cost of \$2,000 and a payback of 21 years, but since it's such a small expense we think it would be necessary to complete at the same time. It would cost more to have a contractor come back at a later date to install the same items.*
    - iii. *We recommend completing #11, which is finishing replacing lighting with LED bulbs and or fixtures. The cost of that is \$7,400 with an estimated payback being 6.5 years. There is also a Xcel Energy rebate of approximately \$570 to help offset the cost of this project.*
    - iv. *We recommend not completing #12 at this time. Steve Harner and Tim Byers have recently completed this task and claim that the boilers are clean and running as desired.*
    - v. *We recommend putting on hold #13. This recommendation is the replacement of all 7 boilers with a new more efficient boiler. The current boilers run at about an 80% efficiency while a new boiler would run at 92% efficiency. Three of our current boilers were installed in 1994 and the other four installed in 2007. The cost of this project would be about \$100,000 with a payback of 30.5 years. We see this as being something that will need to be done at some point because of the age of the boilers, but not an urgent need at this point of time.*
    - vi. These cost considerations do not make a huge change in our capital appeal budget - these fall in line with what we were thinking in terms of overall cost
    - vii. \$3,500 for this assessment needs to be paid out of the 2024 budget. We could use the 2023 budget surplus, or it could come out of the P&G maintenance budget. Jane suggests that we take it out of the P&G Budget / Maintenance line, but will confirm with Steve Taggart.

9. Pastor's Report (included in the materials for the meeting)
  - a. Christmas - 5:00pm service was packed. Christmas Day Dinner fed 280 people.
  - b. Pr. Jonathan: Friday is Pam's 10-year anniversary here at St. John's
  - c. Budget Preview will be held this Sunday during Adult Education hour
  
10. Board Reports - Board Chairs (included in the materials for this meeting)
  - a. Nothing additional at this time
  
11. New Business
  - a. Sustainability Capital Campaign update - meeting tomorrow, January 17th

Future Dates:

Budget Preview for Congregation: **Sunday, January 21, 2024**

Annual Meeting: **January 28, 2024; 12:30 p.m.**

2024 Council Retreat: **Saturday, February 3, 2024**

2024 Boards Orientation Night: **Tuesday, February 13, 2024; 7 p.m.**

The meeting was adjourned at 8:31pm

Other Notes: none.

Respectfully submitted by Trish Goodrich

## Addendum A

Email sent by Jane Rizzo, to Council, 1/17/24:

Hi all -

Thanks for a good discussion and vote on the budget last night. As I was reviewing today, I noticed a few errors in the report. The errors were in the 2023 Budget column (in the foundation income line, and a few of the board budget lines). The report last night showed \$8k budgeted net income vs. the correct ~\$2k net income for FY23 budget (not a significant difference).

This does not impact the 2024 Budget we voted on... that remains balanced at \$1.17M. But we wanted to share an updated version to show the corrected percentage increase vs. 2023 (6% vs. the 5% we saw last night).

So sorry for the confusion! The attached is what we will share with the congregation for Sunday's meeting. Let me know if you have questions.

-J

2024 Budget Report attached