

Congregation Assembly Minutes—June 4, 2023

1. Governance Board Secretary, Tina McGuffey opened the Congregational Assembly for voting at 9:30 am on Sunday June 4, 2023. Governance Board (GB) President, Erich Mammen, opened in-person Congregational Assembly at 3:39pm on Sunday, June 4, 2023.
2. Elder, Rene Stein led the opening devotion and prayer.
3. Attendance: 58 attended in person. Quorum required: 44 voting members present (20% of 217 voting members). Quorum achieved. In addition, 95 total members voted during the morning election.
4. Minutes from Jan 29,2023 Congregational Assembly were provided online. Cheryl Lee moved that minutes be approved. Ethel Rukenbrod seconded the motion, no further discussion. Motion carried by unanimous voice vote.
5. Pastor Peter presented his Pastoral Report, an update on our Ministry Action Plan—see separate PowerPoint presentation for details. Highlights:
 - We have a new School van and sold the old one.
 - Audio/Visual Booth and Confidence monitor installation is almost finished thanks to Ron Pieper, Dave McGuffey, Joe Hoolihan.
 - Significant progress on Financial Improvement Plan
 - Open Arms enrollment at 136 (117 in January!)
 - New 2023-24 Ministry Action Plan target areas:
 - a. Witness, Outreach and Communications
 - b. Community Building
 - c. Children's ministry-continued from last MAP
 - d. Spanish Outreach
 - e. Prayer

Questions were asked about the new target areas and Pastor's report:

- What is the status of tutoring program? Pastor Peter answered that John McVey and Tod Wegman had both contacted schools and it appears there is no interest in outside tutoring, since tutoring resources are now at the schools. Perhaps our model needs to change, and we need to provide tutors to the schools.
- What is maximum capacity of Open Arms: Answer: 200
- What is the status of the sign? Dead. Cost for fixing will be included in SMART Loan if congregation approves. Additionally, commercial AC units, temporarily placed in OA for the summer will also be included in SMART loan if money isn't raised.
- What is status of business manager position? Job description went out on Indeed, but no hits. Will revisit position description/responsibilities.

- Are we continuing our relationship with Oaklands School (something Pastor Josh had initiated) . Pastor answered, yes. Hannah Gillrup continues to have conversations and LWML had a fund/supply raiser for them.

6. Financial Report (See separate detailed power point) Expenses still exceed giving but are under budget. Cash on hand covers any shortfalls.

- **Cash on hand as of 31 May:** \$870,182 compared to 31 Dec: \$776,305
- **Mortgage Balance as of 31 May** \$1,531,341 compared to 31 Dec: : \$1,585,311 (108K pd against principal since Aug, 22.
- Church financial activity **FY '23: 9/1/22-4/30/22**

General Fund Giving:	\$ 590,491
Designated fund giving	\$ 144,961
Total Giving	\$ 735,452

General Fund Expenses	\$ 636,811
Designated fund expenses	\$ 182,649
Total Expenses	\$ 819,460
Net General Fund Activity	\$ -46,320

Designated Fund Activity: \$ -37,688 Note—The negative number does not mean an overall negative balance in DF it is just the difference between cash income and expenses this year. Since designated funds are not a part of the annual budget and funds carry over, there is still money in the DF.

- Open Arms financial activity **FY 23: 9/1/22-4/30/22**

Tuition/Contributions	\$ 927,924
Open Arms Expenses	\$ 985,489

Open Arms Balance \$ -57,565 FY23 Note—Cash on hand from grants etc covers this shortfall.

- **HVAC Replacement loan request.** Background: A contract has been signed with Fidelity Mechanical Services for \$377,625. First payment made in Dec for \$125,875. \$307K has already been raised but there is still a \$75K gap requiring major fundraising. LCEF has a 10-year, 150,000 Security, Maintenance, Academic,

Repairs, Technology (SMART) loan available for schools at a 0% interest rate for the first year. Governance Board provided a motion to apply for the loan. Pam Mann seconded the motion.

WHEREAS the outstanding cost for the new HVAC system is projected to be approximately \$75,000 after fundraising and the expenditure of designated funds;

AND whereas the OSLC by-laws require congregational approval for borrowing money from external sources;

BE IT RESOLVED that the congregation approves the Governance Board and OSLC financial team to apply for, receive, and execute a 10-year \$150,000 LCEF SMART (Security, Maintenance, Academic, Repairs, Technology) loan to be used first and foremost for outstanding costs related to the upgrade and installation of the new HVAC system, and the remaining funds used for other OSLC SMART needs at the discretion of the OSLC staff leadership and with notification of the Governance Board.

Discussion followed providing some further details about the loan terms, but exact terms were not available. Tina McGuffey indicated she would provide those and they are included below (after the fact).

“LCEF's SMART Loan is ideal for:

- S – Security upgrades and system enhancements, including energy efficiency projects
- M – Maintenance and other facility upgrades, including playground equipment
- A – Academic resources for classroom use
- R – Repairs for both the building and fleet (can also be used for vehicle purchases)
- T – Technology needs and equipment leases, purchases and upgrades

Benefits & Features

- Loan structured up to 10 years, depending on needs
- Up to \$150,000
- 0% interest for first 12 months
- Interest for second 12 months determined using LCEF's [Cost of Funds \(PDF\)](#), adjusted annually
- Interest for remaining term of loan determined using LCEF's [Cost of Funds \(PDF\)](#) plus up to 2.5%, adjusted annually
- Low closing fees and no prepayment penalties

The LCEF Cost of Funds, (COF) is currently 2.5% through the end of May. They are calculated monthly and it is determined by how much interest LCEF has to pay our Lutheran Investors. LCEF adjustable rate is currently 4.5%.”

Tina also stated that there was no penalty for early payment, so ideally this could be a bridge loan as we continue to fundraise to make up the shortfall.

A question was asked whether the sign could be included in insurance claim (instead of in loan) as it was fried during a power surge. Pastor answered that there were two separate events that caused damage to security system, door stops, and HVAC unit on church side for which insurance claims were submitted and paid. The sign damage was caused by a power surge but not tied to any specific event, so it was not claimed.

Another question was asked about the 2-year maintenance plan included in the HVAC purchase and installation and whether that would reduce the maintenance budget for two years. Pastor answered that that was correct, and we would have a savings in the property budget for two years.

Other comments were made about the motion's verbiage which was then amended to change \$125,000 in first line to \$75,000 and to correct spelling error of OLSC to OSLC in 2nd line from the bottom. (amendments in red). Amended Motion passed unanimously.

- **PNC Line of Credit motion.** The Governance Board submitted a motion to approve a Line of Credit for emergency use with PNC. The bylaws already authorize an external line of credit. This motion provides congregational acknowledgement of the terms of the line of credit should it have to be used.

There was a lengthy and valuable discussion about the impact to our credit rating for other loans we may wish to pursue (answer was unknown); whether our property was attached to the loan (no—it is an unsecured loan); whether we needed this LOC at all since we are securing an LCEF SMART loan and there may be other more competitive rates available. Finance Director, Larry Malinowski then provided the history of this LOC and explained that when we moved to a new enterprise small business banking relationship with PNC we were allowed to include a 100K small business line of credit for no fee the first year. As we thought the HVAC system was going to be installed in June and we knew we still had a shortfall, it seemed prudent to accept the offer. PNC legal office determined that although the OSLC bylaws permit the establishment of an external LOC, they wanted congregational acknowledgement and approval of the terms of the LOC. OSLC is not required to have an LOC with PNC. Larry asked that this be approved and it can be cancelled should a more competitive LOC rate be available.

A typo was corrected in the proposed motion “OLSC” to “OSLC”; an amendment to change the verbiage from “requires” to “offers” and “is” to “has been” in the second and third to last line (indicated in red) were approved. Amended motion reads:

WHEREAS the modernization of OSLC finances is necessary to streamline financial transactions, ensure security, and minimize the cost of business;

*AND WHEREAS the **OSLC** by-laws require congregational approval for borrowing money from an external line of credit;*

AND WHEREAS OSLC has transitioned its banking and financial services to PNC, which offers a small business line of credit through PNC;

BE IT RESOLVED that the OSLC financial team ~~is~~ has been authorized to open a PNC \$100,000 small business line of credit at a current 11.14% rate;

Amended Motion passed unanimously by voice vote.

- **Another Line of Credit motion.** Another motion was proposed by the Governance Board to approve the opening of a Line of Credit with LCEF. This motion was proposed because LCEF has a much more favorable interest rate (4.5% currently vs 11,14% with PNC). If the motion is approved and LCEF approves the LOC, then the PNC LOC will be cancelled.

WHEREAS the modernization of OSLC finances is necessary to streamline financial transactions, ensure security, and minimize the cost of business;

AND WHEREAS the OSLC by-laws require congregational approval for borrowing money from an external line of credit;

AND WHEREAS LCEF is currently offering the most competitive rates for an external line of credit;

BE IT RESOLVED that the OSLC financial team is authorized to open an LCEF \$100,000 external line of credit. (current rate 4.5%).

Motion passed unanimously by voice vote without further discussion.

7. Old Business.

- **Motion to approve the Columbarium proposal.** Joe Murchison, head of the Columbarium Team, reminded members that the purpose of the Columbarium is 1) to proclaim the great Christian belief in that “great cloud of witnesses”- persons living and dead-who are united for eternity through their shared faith in Jesus Christ and 2) offer pastoral care to church members at the time of a death by providing a comforting and economical option for the final resting place of the deceased person’s remains. Joe then provided some financial information in addition to what was provided to the congregation in a brochure. (See detailed Columbarium proposal.) Total overall cost is \$130,000 includes buying and installation of columbarium; landscaping; engraving names and dates on niches; annual maintenance over 25 years; and seed money for expansion. These costs would all be covered by the sale of 48 niches (\$2500 each). An engraved niche for \$2500 in the OSLC Columbarium would be a significant savings compared to costs at commercial columbariums. Motion followed and Tia Turner seconded:

WHEREAS the congregation is presented with a proposal for the establishment of a columbarium on OSLC property;

AND WHEREAS the OSLC by-laws require congregational approval for major building plans and initiatives;

BE IT RESOLVED that the congregation approves the execution of the proposed plan for the construction and maintenance of a columbarium in the proposed location on OSLC property; and that OSLC establish an official standing committee which will oversee the columbarium project and communicate with the congregation; and that the construction and maintenance will be funded solely by the sale of the niches; and by designated gifts; and that OSLC will establish a Non-Expiring Designated Fund for the storage and execution of funds for the columbarium project.

Discussion included several questions and comments

- i. Could zoning be approved before niches are sold? Answer: yes
- ii. Could those purchasing niches have a payment plan? Answer: No. intention is to fully fund niche at time of purchase. If later there is a change in plans, niche money could be refunded once niche is resold.
- iii. Can anyone buy a niche? No, eligibility is for OSLC members and their family.
- iv. Do we need special approval because this is next to Child Development Center? Director of OA, Becci Stewart and teacher Martha Steinbach both commented that it was not a problem and Joe noted that it is technically next to the church library.

Written ballots were provided to each member in attendance. Voting results: 46 Yes, 11 No, and 1 Abstention. Motion carries, Columbarium proposal is approved.

8. **New Business.**

- **Governance Board Election Results**

The Congregation voted to elect:

Roger Harrison to a third and final term

Tina McGuffey to a second term

Robin Miliner to a first term

Todd Wegman to a first term.

These members will join continuing board members Ron Kasemeyer and Paul Ogunboye who have one more year of their 2-year term remaining.

We give thanks to God for Zaka Kuawogai, Brenda Petito and Frances Sweet who were also wonderfully qualified but not elected at this time.

9. **Announcements**

- **Unity Sunday next week. One service indoors at 10am with potluck and fun activities outdoors after worship.**

10. **Adjournment and Prayer.** Pastor Peter closed our Assembly at 5:39pm with prayer and thanksgiving and we sang the doxology together.

Minutes prepared by Tina McGuffey, Governance Board Secretary.

DRAFT