

SEMI-ANNUAL MEETING

BOOKLET

PREPARED FOR

**THE SEMI-ANNUAL
CONGREGATIONAL MEETING
OF
GRACE LUTHERAN CHURCH**

JANUARY 30, 2022



Evangelical Lutheran Church in America

God's work. Our hands.

GRACE LUTHERAN CHURCH
1408 Washington Street
Wenatchee, WA 98801-2555
Phone: (509) 663-2189
Email: office@glcwen.org
Website: www.glcwen.org



Grace Lutheran Semi-Annual Meeting
12:00 p.m. January 30, 2022
Held Online over Zoom

Mission Statement: To proclaim and celebrate the gospel of Jesus through word and sacraments so that a community of believers is created, trained, nurtured and sent into mission.

Members and Guests – Sign In

Call to Order – Chad Dulac

Establish Quorum – Chad Dulac

Opening Prayer– Pastor James

Adopt Agenda as Presented – Chad Dulac

Approval of 9/26/21 Semi- Annual Congregation Meeting Minutes – Chad Dulac

Approval of 12/12/21 Special Congregation Meeting Minutes- Chad Dulac

Pastor’s Update– Pastor James

Update of 2021 Financials –Gwen Sparks

Old Business

Grace Mission Statement Update- Chad Dulac

Grace Memorial Garden’s Position- Chad Dulac

New Business

2022 Budget – Gwen Sparks

Rescind (revoke) Fox approved motions (Dec 12)- Jean Speidel

Acknowledgement of outgoing leaders- Pastor James

Good of the Order – Chad Dulac

Closing Prayer – Intern Anna Ferro

Adjournment

Grace Lutheran Semi-Annual Meeting
September 26, 2021
Grace Front Grounds

Mission Statement: To proclaim and celebrate the gospel of Jesus through word and sacraments so that a community of believers is created, trained, nurtured and sent into mission

Members and Guests – Sign In.

Meeting was called to order by Chad Dulac, council president at 11:48 am

Establish Quorum –40 members present therefore a Quorum was established (30 needed)

Opening prayer was offered by Pastor James

Review and Accept Agenda –Bob Bartlett moved to accept the agenda as presented. Second by Jean Speidel. **M/S/P**

Review and approval of 1/27/21 Congregational Meeting Minutes Ed Simmons moved to approve the minutes as presented. Second by Dave Coe **M/S/P**.

Pastor's Update.

- Pastor announced the temporary position and hire of a Music program director for the holiday season. Sean Burns is a member of this community with background as a music minister.
- Pastor announced he will be supervising seminary intern Dane Breslin the remainder of the year. Dane's home base will be the greater community. He is an intern from Chelan Lutheran Church, who is relocating to better perform intern ministry in the Chelan County and Wenatchee Valley.
- In the last year Grace has established a new Welcoming Statement focused on inclusivity, equality and an abundance of love that all are welcome.
- The Fox Trust Visioning committee was established in 2019 and has continued working to prepare a presentation for the Congregation (tentatively January 2022) outlining projects the Fox Trust could be use for.
- Pastoral sabbatical has been rescheduled for next year (May thru July 2022) with the theme, Grace's Table. Intern leadership and Grace Services will continue as scheduled with assistance from a paid interim Pastor.
- Gratitude expressed for the reopening committee, the staff, leaders, council and all the people of the church for enduring the hardship of the Pandemic.

Welcome new Interns Anna Ferro and Dane Breslin. Pastor introduced Anna, and she thanked the congregation for welcoming her. Dane Breslin was also welcomed as a secondary intern (see Pastor's Update above)

2021 Financial Update – Gwen Sparks presented the Treasurer's report. (Attached).

Old Business – None

New Business

2022 Elections / Nominations- The following members were nominated by Council/ Lead Pastor and have accepted nomination to serve in the following roles starting Feb 1, 2022.

VP (2 year)– Dave Coe

Secretary (2 year)– Suellen Harris

Members At Large (2 year) – Position 1) John McQuaig; Position 2) Riva Morgan

Grace Memorial Garden - open

Member of the Endowment Team (3-year term) – Karen Zanol

Chad opened the floor for nominations. Linda Sinnett moved to approve election of members as presented. Beth Smallbeck seconded. **M/S/P**

2021 Endowment Team Update – the Endowment Team was inactive 2020. In 2021 the team distributed \$60,000 to 10 (ten) organizations, 9 (nine) of them being local entities (attached).

Grace Gift Use Policy Chad reviewed the policy in detail. The policy sets guidance to prayerfully use large monetary unrestricted gifts. (attached). Ed Simmons moved to approve the policy as presented. Earl Tilly seconded. **M/S/P**

Grace Mission Statement – Chad presented the Grace Mission Statement review process. Stating that a need was identified by Council that our current team structure and ministry structure and outreach aren't accurately reflected by the church's existing Mission Statement. That in the following months and into 2022, Council would be involving the Congregation to participate in reviewing the existing statement or possibly updating the statement to be more current.

Good of the Order

- Earl Tilly mentioned that the parking lot appears to be in need to resealing and restriping. **ACTION:** Chad to follow up with Rich Smallbeck, Facilities Manager.
- Earl Tilly and Sara O'Daffer complimented Pastor on his actions that supported the efforts to keep our community and schools healthy and safe.
- Dane Breslin, intern for focusing on the Greater Wenatchee area, addressed the congregation and gave his background. He is currently at Luther seminary. He also introduced Kirsten his wife and son.
- Beth Smallbeck updated the congregation on the ELCA Youth Gathering planned for next summer. The youth will not be attending the Gathering. Instead, Beth is planning a multi-generational trip to Louisiana to contribute to the rehabilitation of the areas impacted by the storm.
- There will be an ecumenical group Trunk or Treat at the Methodist Church on October 31. Donations accepted for trunks and candy
- Lynn Heminger expressed gratitude for Chad and his outstanding leadership of the council.

Celebrations and Affirmations:

- Chad recognized and thanked the current and future council members.

Adjournment with Prayer

Intern Anna offered closing prayer. Trina moved to adjourn; Mike Sweeny seconded. **M/S/C**

Meeting Adjourned at 12:50pm

Respectfully Submitted, Robin Brown, Council Secretary

CONGREGATIONAL MEETING

Treasurer's Report
September, 2021
Gwen Sparks, Treasurer

I am presenting the financial statement for the eight months ending August, 2021. Below are highlights.

2021 General Operating Expense by Ministry compares GLC approved 2021 budget to actual 2021 performance. Below table reflects: Total receipts are down but likewise expenses were less than anticipated. Net deficit income for the eight months is (\$38,851). I have also included 8/31/20 financial numbers for comparison.

GLC was able to participate in the SBA Payroll Protection Program. Total amount was \$56,244 with funds used to stabilize staffing compensation. Because GLC has not received forgiveness at this time from the Payment Protection Program the amount has been manually included below.

	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2021 Budget	Variance
Total Offerings, Misc	\$258,858	\$247,533	\$293,333	(\$45,801)
Operating Expenses	<u>(316,694)</u>	<u>(286,384)</u>	<u>(331,824)</u>	<u>45,440</u>
Net Margin (Deficit)	(\$57,836)	(\$38,851)	(\$38,491)	(\$361)
Anticipated Forgiven PPP Loan	72,300	\$56,244		
Net Margin	\$14,464	\$17,393		

Balance Statement - Comparisons between 12/31/2020 and 8/31/2021. Cash on hand including Treasurer's Reserve is \$84,215. We continue to fund operating losses of (\$38,851). The Payroll Protection loan once forgiven will fund \$56,244 of the operating losses.

	12/31/2020	8/31/2021
Cash/Dedicated Funds	\$3,329,479	\$3,362,498
Endowment Funds	<u>555,869</u>	<u>607,065</u>
Total Assets	\$3,885,349	\$3,969,563
Credit Card/Payroll Taxes	\$ 3,633	\$ 5,193
Payroll Protection Program	0	56,244
Dedicated Funds	3,177,782	3,216,846
Endowment Funds	<u>555,869</u>	<u>607,065</u>
Total Liabilities/Dedicated Funds	\$3,737,283	\$3,885,348
Net Equity / Treasurer Reserve	\$148,066	\$84,215

Internal Ministry Funds Report - Significant other activities include:

- **Social Concerns.** To date Social Concerns Team has funded \$60,407 towards various projects.
- **Memorial Accounts.** Fox Trust current balance is \$2,737,703. GLC has graciously accepted new memorial funds totaling \$4,784. To date Fox Trust funded \$70,000 towards the lighting project in sanctuary. Total cost of the lighting project is anticipated to be approximately \$80,000.
- **Special Projects.** There is \$26,674 left to be funded for the 2020 Special Projects - \$3,500 update nursery and \$23,000 purchase church van. 2021 Special Projects was \$25,000. Activity is: 1. \$1,596 for computer upgrades and \$2000 food pantry; 2. \$2,000 for youth room and playground upgrades of which \$1,023 has been funded; and 3. Available monies \$19,403.

Miscellaneous. Audit Committee has begun to review financial records. 2022 Operating budget procedures will begin soon.

God continues blesses GLC. GLC in turn has blessed others through our missions. Please feel free contact me with any suggestions/concerns.

Sending God's Blessings and Prayers.

Gwen Sparks, Treasurer 630-4239; gwen101@nwi.net

Statement from Endowment Team for 2021 Disbursements

Since the Endowment Fund was established in 2000, Grace Lutheran Church's Endowment Team has donated \$263,974 to God's work within our church, the North Central Washington community and around the world.

The Endowment Team is pleased to be able to make this report to the congregation this year after being inactive during 2020.

On short notice, the Endowment Team gathered several applications and made the decision to fund 10 of these requests, all but one being local.

Their shortened process due to COVID involved a detailed review and thoughtful allocation by the Endowment Team, bypassing congregational input which has been used in the past. In order to keep things equitable and even per request, the total distribution amount for 2021 was increased to \$60,000.

The Endowment Team would like to thank each of the applicants for taking the time to make a fund request. To honor & recognize each project, may God use our grants to further these very worthy & deserving causes.

Applicants, Programs and Disbursements were made as follows:

- YMCA Ment2B Program for children - \$12,000 (by Judy Conner)
- Families in Need- \$5,500 (by Kay Fisher)
- Packing Friendship (grant fund)- \$8,000 (by Jen Pearson -Gale)
- Quilts, sewing/ personal care/ school kits sent to Lutheran World Relief- \$1,500 (by Dee Ann Gregg)
- LLC Int. Univ. building project- \$12,000 (by John McQuaig)
- Brave Warrior Project- \$6,000 (by Erica Moshe)
- Alatheia Therapeutic Riding Center- \$1,500 (by Jan Romey)
- Ecumenical Inclusive Youth- \$8,000 (by Beth Smallbeck)
- Compassionate Friends- \$5,000 (by Carol Sunada)
- Reading with Rover- \$500 (by Tami Woolsey)

September 26, 2021

GIFT USE POLICY GRACE LUTHERAN CHURCH Wenatchee Washington

Purpose

Due to the ever changing ministry needs of Grace Lutheran Church (GLC), it is necessary to provide guidance to Staff and the revolving leadership of Council and committees for how best to prayerfully use large gifts.

This policy acts as a guide for Council to steward large unrestricted gifts, to consult with financial advisory groups, to establish new visioning committees when needed and to seek the voice of our Congregation to best utilize these gifts from God with intentional thought, transparency and joyful hearts.

This policy, and any subsequent revisions, as a continuing resolution of the GLC Constitution, is in effect (along with changes to this policy) once approved at a Congregation meeting in which such approval is part of the agenda. This policy's intent is to provide consistency and continuity for all decision-makers moving forward when it comes to best ways to steward large gifts received by GLC.

Definition of Gift (as identified in GLC Gift Policy)- For the purpose of this document 'Gifts' may be any of the following types of unrestricted assets: Cash, Publicly traded securities (Stocks, Bonds, Mutual funds), Non-publicly traded securities, Life insurance, Real property (Tangible personal property, e.g., Vehicles, Jewelry, Books, Art, Collections), and/or Other property.

Any real estate related gifts require Congregation approval for acceptance or sale per GLC Constitution Chapter 5, Section 03 items g and h (approved Jan 28, 2018).

Gift Use Process

When large sum gifts are received by GLC, Council shall follow the following steps:

- Assess the value of the unrestricted gift
- Communicate with the Congregation through various means, stating receipt of the gift, gift amount and an outline of what the Congregation can expect as the gift is considered.
- GLC Council meets with consultation from lead Pastor to confirm and/ or decide:
- Decision making authority
- Current needs of Grace, the Community, Synodical and Churchwide partnerships and (should the situation warrant) other needs throughout the World
- If the unrestricted gift requires financial guidance
- If a standing committee made up of congregants should be formed
- Presentation and approval of ideas
- Distribution of gifts.

Assess the Value of the Unrestricted Gift

Any gift **below** \$100,000 total value may be used, allocated and distributed with sole approval of the Council with consultation from lead Pastor.

Any received gift **over** \$100,000 total value will be brought before the Council at the next regularly scheduled Council meeting to pursue greater input from the Congregation (as stated below). The Congregation will be

informed as new information is learned and invited to participate in whatever Congregation-wide discernment process the Council will establish.

GLC Council Meets with Consultation from Lead Pastor

When brought before Council, a gift of over \$100,000 total value shall be assessed for use based on the following criteria:

Current needs of Grace, Community, Synod and World

1. Decide if this gift is urgently needed for immediate use to support a given project, mission or material condition of the church (examples include: paying down church debt, repairing a critical failing of the church property, supporting staff infrastructure that if not assisted would cause a detrimental deficit in the function and mission of GLC, etc.)
2. Decide if this gift is not urgently needed for cause, mission or material condition of the church where recommendation and vision from the Congregation can be garnered for internal improvements, community outreach and/ or greater ministry.

Decision Making Authority

1. In instances where urgent need is identified by Council, Council may present a recommendation for gift use directly to the Congregation for majority approval by 2/3 simple majority.
2. In instances where there is no urgent need identified, Council will assess the current financial stability of the church, whether existing monies are still being utilized based on past gifts received, and take into account the church's ongoing wishes, projects or prayerful giving endeavors.

Based on discussion with guidance from lead Pastor, Council may seek input from a Financial Advisory Group and/ or establish a Visioning Committee for gift use recommendations and assistance before presenting a final request(s) to the Congregation for majority approval.

Financial Advisory Group

The GLC Financial Advisory Group is an ad hoc group formed by the current Council Treasurer and is comprised of members from the Congregation with financial and/ or investment expertise. The Advisory Group shall provide Council initial investment recommendations, possible financial issues from the gift, and/ or existing opportunities that could be utilized for the mission of GLC through the gift.

In the event a Financial Advisory Group cannot be formed with church members, or upon recommendation of the Advisory Group, Council may hire a financial advisor to serve in that capacity (as deemed appropriate).

Establishment of Visioning Committee

Visioning Committees may be established, by direction of Council, for the purposes of spiritually reflecting on received gifts and provide a wide range of opinions, insights and recommendations for gift use to the Council once duration of the committee is concluded.

Visioning Committees shall contain no more than 12 members made up of active congregants and will include (1) volunteer as Committee Chairperson and lead Pastor as spiritual advisor.

Council shall provide Visioning Committee with the following:

- List of approved committee members (if there are more than 10 volunteers)
- Duration for how long Visioning Committee is anticipated to be standing to provide gift use recommendations for Council
- Guidance for expected results of the committee may include but are not limited to:
- Congregation survey results
- Community, Local, Synod area and global needs Internal use (upgrade projects, building improvements, hiring additional staff etc.)
- Percentage of gift use for internal and/ or external purposes

Upon successful completion of the committee, Committee Chairperson shall present all Visioning Committee ideas to Council at the next regularly scheduled Council meeting.

Presentation and Approval of Ideas

Following review of critical needs, recommendations from the Financial Advisory Group and/ or established Visioning Committee, Council shall provide the Congregation with an in depth and succinct presentation delineating exact details, amounts, entities or projects being requested for use of the undesignated gift.

Presentations and approval may only be conducted by the Congregation at a Special Meeting or Semi-Annual Congregation Meeting.

Distribution of Gifts

Once any or all discussed requests are approved by the Congregation, Council shall execute distribution of gifts as soon as is possible.

Gift Use Policy approved by GLC Council (09/26/2021)



(Chad Dulac, Council President)

Grace Lutheran Church
Minutes of Special Congregation Meeting – (Draft)
December 12, 2021
Grace Lutheran Church Sanctuary

Mission Statement: To proclaim and celebrate the gospel of Jesus through word and sacraments so that a community of believers is created, trained, nurtured and sent into mission

Members and Guests – Sign In.

Special meeting Call to Order- by Chad Dulac, Council President at 11:35 am with one hour time limit.

Establish Quorum –55 members present; therefore a quorum was established.

Opening prayer was offered by Pastor James Aalgaard

Review and Accept Agenda –This special meeting was called on behalf of the Fox Visioning Committee (FVC) in order to present the Congregation with research and proposed actions needed in conjunction with use of the Fox Trust Funds.

Parliamentarian- Russ Speidel

Presentation- John McQuaig was acting representative of the FVC (see attached imagery for renovation designs)

- Council established FVC in 2019 with a one-year charter to engage the Congregation about possible ways the Fox Trust could be used for church mission/ ministry; either in building, locally in the Wenatchee Valley, regionally (Synod) or globally via the ELCA. This charter was extended till January 2022 due to COVID setbacks.
- Reiterated a tithe gift of 10% (approximately \$250,000) was gifted, upon receipt of Fox monies, spread between Social Concerns (4%), Synod (3%) and ELCA global (3%).
- FVC consists of 12 members who have been meeting monthly.
- Survey was sent out and collected reflecting a base desire to first and foremost improve GLC building with items identified in the bullet below.
- John Martin, a retired architect from Olympia who has worked on church remodels in his community, offered pro-bono help to reimagine Grace’s building/ grounds with the three following purposes in mind:
 - Improve/ consolidate the first floor of Grace to improve usefulness of unused space and maximize function of offices and flow to include:
 - Bringing all classroom spaces upstairs
 - Remodeling all offices to utilize more of the space for classrooms and reduce oversized offices for better use.
 - Create two new family bathrooms with handicap access.
 - Increase size of Narthex
 - New prayer room off sanctuary
 - Expanded sacristy
 - Expanded fellowship hall
 - Renovated kitchen area
 - Creation of a new exterior plaza with vehicle access

- Creation of ‘College Cottages’ on building grounds at the north end of the property along the alley and utilizing part of our existing parking lot. The following information was presented regarding the cottages:
 - Cottages would be used for homeless Wenatchee Valley College students
 - A CHIP grant could be utilized to subsidize the cost of building
 - Buildings could be set up theoretically in a day
 - Buildings are intended for single member use, though other plans might be selected to accommodate single parents.
- Renovation of the downstairs/ basement area that could be used for homeless college students or possible ministry for homeless people in Wenatchee. These rooms included:
 - Dorm rooms (2-3 person occupancy each)
 - Gathering/ kitchen area for the dorms
 - Large multi-person bathrooms
 - Laundry rooms
 - Partitioned access/ door to limit access into Grace from below.
 - Handicap/ dual access points directly to basement so as not to need church stairwell.

Motions-

1. (by recommendation of Parliamentarian) Chad Dulac offered to extend the Special Meeting beyond the proposed one hour time limit to continue discussion and be able to present further motions. Mike Sweeny moved to extend the special meeting by 30 minutes; Erik Olson (younger) seconded. **M/S/C**
2. John McQuaig (on behalf of the FVC) moved to authorize no more than \$700,000 from the Fox Trust towards the construction of college cottages as presented. Dee-Ann Gregg seconded.
Discussion: Additional congregation discussion delved into management of the cottages, responsibilities of the church/ staff with regards to upkeep/ payment of having them permanently on the grounds. Validating they are only for college student use and not as homeless sheltering etc.
 - a. Carolyn Bentsen moved to amend the motion (Item 2 above) to include language that the FVC ensure management and logistics of the cottages are place, and FVC pursue investigating legal commitments of GLC prior to building the cottages. Ruth Westby seconded. Amendment was **M/S/C**.
 - b. John McQuaig’s motion (as seconded and amended) to authorize no more than \$700,000 from the Fox trust towards the construction of college cottage (as presented) once investigation of logistics, management and legal commitments of GLC are fully explored and understood. **M/S/C**.
3. John McQuaig (on behalf of the FVC) moved to authorize no more than \$60,000 from the Fox Trust towards pursuing design, engineering and construction consultation of main floor and basement floor level remodeling of GLC. Alan Smith seconded. **M/S/C**.
Discussion: It was clearly understood this stage is simply to explore more professional assessment, discussion with the city for feasibility of action, cost estimates for building expansion/ renovation as well as timelines needed to make any changes to GLC. Additional motions to allocate monies from the Fox Trust for actual construction would come at a later time as presented by the FVC.

Adjournment

Phil Gregg moved to adjourn; Riva Morgan seconded. **M/S/C**

Adjourned at 12:50

Respectfully Submitted, Chad Dulac
 (interim) Council Secretary

2022 Budget Proposal

	2021 Budget	12/31/2021 Actual	2020 Variance	Proposed 2022 Budget
Total Income (15-5000) ***	440,000	383,394	(56,606)	400,000
<u>Giving for Mission</u>				
Social Concerns : 16-6000	20,000	20,883	883	20,000
Synod : 16-9800	20,000	20,883	883	20,000
Total	40,000	41,766	1,766	40,000
<u>Intern Program</u>				
Intern Stipend	21,600	20,333	(1,267)	21,600
Intern Benefit Package	21,385	19,143	(2,242)	20,347
Intern Team: 16-9600	1,850	1,233	(617)	2,250
Total	44,835	40,709	(4,126)	43,892
<u>Program Ministries:</u>				
Arts: 16-8500	3,500	327	(3,173)	2,200
Caring Ministry: 16-6500	300	0	(300)	100
Education: 16-5500	2,825	945	(1,880)	2,000
Evangelism: 16-2000	750	289	(461)	400
Faith Enrichment /Stewardship:16-9000	2,000	542	(1,458)	1,000
Fellowship: 16-3000	3,000	439	(2,561)	2,000
Worship: 16-8000	2,500	2,015	(485)	1,000
Youth: 16-5000	8,000	3,947	(4,053)	6,500
Total	22,875	8,504	(14,371)	15,200
<u>Operations</u>				
Administrative: 16-9500	18,700	17,435	(1,265)	20,000
Building/Grounds: 16-1000	49,046	39,619	(9,427)	45,000
Total	67,746	57,054	(10,692)	65,000
<u>Staff</u>				
Compensation: 16-7000	321,280	308,918	(12,362)	324,387
Pastoral Support: 16-7500	1,000	625	(375)	775
Total	322,280	309,543	(12,737)	325,162
Total Spending	497,736	457,576	(40,160)	489,254
Total Income less Total Spending	(57,736)	(74,182)	(16,446)	(89,254)

2021 Year to date loss does not consider SBA PPP loan.

Proposed: Team Reductions; 4% COLA; 4.53% Pastor plus \$1500; 10% Tithing. Cantor.

Deficit: (\$89,254) to be funded from \$50,000 Employee Retention Credit and \$39,254 excess cash position.

As of 12/31/21 excess cash position is \$136,850 less two months operating expenses \$84,100 = \$52,750 available.

Treasurer's Report

January 30, 2022

Gwen Sparks, Treasurer

1. Communication and Transparency.

- Treasurer Talk - Financial update monthly through Newsletter. Budget Forums.
- Financial Advisory Group – Available to advise and consult as needed.
- Audit Committee – Audit Team completed audit in 2021. So noted recommendations will be address.

2. 2021 Financial Update and 2022 Budget.

	Jan-Dec 2020	Jan-Dec 2021	2021 Budget	2022 Budget
Total Offerings, Misc	\$439,059	\$383,394	\$440,000	\$400,000
Operating Expenses	<u>(460,222)</u>	<u>(457,577)</u>	<u>(497,736)</u>	<u>(489,254)</u>
Net Margin (Deficit)	(\$21,162)	(\$74,184)	(\$57,736)	(\$89,254)

- 12/31/21 Results. Offerings reported at \$383,394. This is the lowest level since 2013. Deficit is (\$74,184) for the year. 2021 approved budget did consider a deficit with anticipation from SBA PPP loan \$56,244. The loan was forgiven and helped reduce yearend loss to (\$17,940). Actual expenses were \$40,159 less than budget. This can be attributed to monies not spent in the following: Intern Program \$4,127, Program Ministries \$14,370, Operations \$10,692, and Compensation \$12,737.
- Proposed 2022 Budget.
 - o Staffing – Cost of Living Adjustment 4%. Pastor 4.53% ELCA guidelines. Cantor Position half time, 10 months.
 - o Reductions in Program Ministries from \$26,030 to \$15,200.
 - o Projected income – reduction from historical. 2021 was at a level comparable to 2013.
- Deficit (\$89,254) to be funded \$50,000 IRS Employee Retention Credits and \$39,254 excess cash.
- Action Plan for 2022.
 - o Emphasis on Stewardship/Evangelism in an attempt to increase offerings. Goal would be to increase to minimum \$425,000. Measureable goals quarterly. Review membership/roster and historical tithing trends.
 - o Emphasis on reviewing and analyzing expense categories in comparison to GLC needs and goals. Measurable goals quarterly.

3. 2021 Cash Position.

	1/1/21	12/31/21
Cash Surplus Position	\$103,566	\$63,629
Treasurer Reserve	44,500	41,500
Total	\$148,066	\$105,129
2021 Special Projects	(25,000)	31,721
Adjusted YE Cash	123,066	136,850

- 12/31/21 Cash Position. Cash position improves from 1/1/21 due to: forgiveness of SBA loan assisted in covering deficit and \$31,721 release of unused monies held for Special Projects.
- Operating Cash Best Practice Guidelines – Two Months Operating Expenses at yearend equates to \$81,542. Based on proposed budget, cash position \$136,850 less \$81,542 equates to excess cash position \$55,308.

4. Congregational Approval.

- The Grace Lutheran Church Council Proposes to the Congregation \$489,254 Operating Expense Budget for 2022.

5. Looking Forward.

- Continue to monitor budget to actual.
- Implement strategy to return tithing to historical levels.
- Provide fiscally responsible input for gifts to GLC.

January 20, 2022

Dear members of Grace,

The Church Council has invited me to submit a brief explanation of my reasons for proposing motions to rescind the actions taken at the December 12, 2021, special congregational meeting.

Those actions, as the enclosed Minutes state, were:

- (a) to authorize spending up to \$700,000 of Fox Trust funds for construction of twelve cottages on the north end of our Church property, to house Wenatchee Valley College students; and
- (b) to authorize spending up to \$60,000 to further study remodeling of our church building to consolidate all church functions on the main floor and to convert the basement to a dormitory for Wenatchee Valley College students.

At the Congregational meeting on January 30, I intend to move to rescind both actions. Here are my reasons:

1. The Fox Visioning Committee's decision-making process was irreversibly flawed by lack of congregational participation. The Committee was formed in early 2020, just before the COVID pandemic. We did not foresee COVID's impact. Because of COVID we have not been able to have normal attendance at worship services and we have not been able to have the in person informational forums we need to discuss important decisions. Process is critical to congregational decision making. Communication and inclusion are essential. In its two years of existence, the Committee has been unable to overcome the barriers created by COVID.
2. Specifically, the Committee did not find ways to effectively communicate with the congregation; their only communications were via two written surveys (in February and April 2021). Surveys do not allow for discussion. Surveys do not provide opportunity for people to hear each other and come to the same understanding of what the survey questions and answers mean. Further, the Committee did not share the results of the surveys with the congregation. There was no communication of what options the committee considered and their decision-making process. The "Expectations and Guidance" for the Committee states "we envision such discernment as a whole Congregation process...." This did not happen.
3. The Committee hardly communicated with the congregation prior to calling the Special Congregational Meeting on December 12, 2021. There were no reports to the congregation. There was not even mention of the Committee's work in any 2021 Newsletter before September. In Pastor James' letter in the September newsletter, he wrote that "the Fox Visioning Committee has been at work seeking input about possible building improvements, creative ministry possibilities, including potential community outreach projects."

Nothing in the October newsletter.

The November Council Corner reported "the council met with John McQuaig of the Fox Visioning committee and reviewed a building improvement proposal which will be shared with the congregation in January."

In the December/January newsletter this was changed to noting in the Council Corner: "Special Congregation Meeting scheduled for December 12, 2021 for presentation by Fox Trust Vision Group" and a separate item: "Council is calling a special congregation meeting for December 12....The purpose

of the meeting is to review recent property improvement ideas presented by the Fox Trust Visioning Team and to seek congregational approval for pursuing the construction of small cottages to provide housing opportunities for students of Wenatchee Valley College.” No mention of remodeling the church building. We hadn’t heard anything from the Fox Committee in months, and now we were being asked to vote on short notice. The motions were not included and we had no idea of the amount of money we were being asked to approve.

4. Furthermore, the proposed projects represent a totally new ministry for Grace Lutheran Church. We have never, to my knowledge, undertaken to provide student housing as part of our mission. For the Committee to ask the church to adopt a new cause and to permanently alter its property without thorough discussion is simply inexcusable.
5. On December 12, I was present at the congregational meeting. I voted with the other 50 people to approve those proposed actions. Why? Because we were unprepared, and asked to say “yes” as a matter of urgent need. It was unrealistic and unreasonable of the committee to expect the congregation to comprehend the projects and their ramifications for Grace Lutheran Church on the basis of one 45-minute presentation. The “urgent need”, it turned out, was to qualify for a government grant. We have since learned that Grace did not receive the grant. As a result, the necessity of that hasty meeting is moot. The congregational approval of December was obtained under conditions that no longer apply. Therefore, the actions should be rescinded.
6. There is no urgency to spend the Fox Trust monies. There is no reason why Grace cannot simply hold them until the pandemic is over and we can have a full and deliberate process which engages the entire congregation in determining a use we can solidly support. The Committee’s process may have been technically legal, but it was not right. The congregation should vote to overturn the actions taken on December 12, and the committee should be put on hold until the pandemic is over.

I hope that you will join me in voting to rescind the two actions that the congregation passed on December 12, 2021.

Thank you,

Jean Speidel

Home: 509-662-4173

Cell: 509-679-3633