



January 8, 2021

Dear Friend in Grace- Happy new Year from your Church Council. As we approach our first regularly scheduled Congregation Meeting for the new year, we are still sadly unable to gather in person due to COVID restrictions. While this presents a hiccup in how we'd normally conduct our budget approval process for the year, we are still committed to providing transparency of our prepared proposal with as much time as possible given to our congregants to be involved and provide their inputs.

1. The January 2021 Congregation Meeting will be satisfied remotely in two steps:
  - a. **Step I-** Provide members of Grace with:
    - i. This letter of information regarding proceedings
    - ii. Draft 2021 budget as presented for consideration by Council
    - iii. Schedule of 2021 budget forums
    - iv. Reconciling in Christ (RIC) group letter presenting new Grace welcoming statement.
  - b. **Step II-** After all feedback and recommendations for 2021 budget and RIC statement have been given to Grace Church Council and RIC group, Council will meet Jan. 26<sup>th</sup> and approve a final budget for motion.

Revised budget and welcoming statement will be presented in a formal letter with 2020 Financial (12 month) year in review, Minutes from 2020 September Congregation mailings, Team and Committee report, letter from the Pastor and motion ballot.

2. Due to the time sensitive nature of first of the year payments from Grace, the timeliness to return signed ballots will be incredibly important and we implore everyone's participation within the voting timeframe (to be identified in the second letter).

### **2021 Budget Proposal**

Grace Church Council met twice in December to review 2020 spending and expense projections for 2021. This includes Cost of Living Allowance (COLA) for staff and Pastor, diminished staff, and team workloads due to ongoing COVID shut down of Grace as well as updated tithing considerations via Synod and Social Concerns teams. During a special council meeting December 8<sup>th</sup>, a proposed budget was decided and ratified for release to the congregation for discussion at our December 29<sup>th</sup> regular Council Meeting.

In this letter you'll find a review sheet provided by Gwen Sparks (Council Treasurer) that shows projections of 2021 income, budget item breakdowns and the proposed new budget amount (and anticipated deficit).

The next phase of budget review is to provide the congregation an opportunity to discuss Council's proposal via Budget forums facilitated by our Treasurer.

Budget forums and proposal feedback will be held via the following dates and methods:

1. Budget Forum #1 (via Zoom) Sunday Jan. 17<sup>th</sup>, 2021 @ 10:30am.
2. Budget Forum #2 (via Zoom) Sunday Jan. 24<sup>th</sup>, 2021 @ 10:30am.
3. Email correspondence with questions/ recommendations– [gwen101@nwi.net](mailto:gwen101@nwi.net)
4. Phone - Gwen Sparks (509) 630-4239.

#### **Zoom information-**

- Join Zoom Meeting: <https://us02web.zoom.us/j/81304421918>
- Please contact Pastor James [pastor@glcwen.org](mailto:pastor@glcwen.org) or the office [office@glcwen.org](mailto:office@glcwen.org) for the meeting password.

#### **RIC Welcoming Statement**

Attached is a letter and new welcoming statement from Beth Smallbeck, Paula Salter and Hilary Martinez for members to review and prayerfully consider.

Any feedback may be provided to the members listed below:

Beth Smallbeck- [youthandfamily@glcwen.org](mailto:youthandfamily@glcwen.org)

Hilary Martinez- [spurmar76@gmail.com](mailto:spurmar76@gmail.com)

Paula Salter- [bpsalter@mac.com](mailto:bpsalter@mac.com)

The welcoming statement will be presented for vote by the Congregation in our second letter following the last week of January.

I'd like to give a special thanks to members of the Church Council as well as our Staff and all team leaders and members of Grace who are supporting the church through these enduring difficult times. While not ideal to be kept apart, we are all still committed to doing God's work.

Together in Prayer

Sincerely,



Chad DuLac  
Council President

Sincerely,



James Aalgaard  
Pastor

## 2021 Budget Proposal Highlights

Attached is the document with the proposed budget in the right column. 2020 approved budget, actual 11/30/20 results, and related variance is at the left of 2021 proposed budget. 2020 results are for your reference and comparison in reviewing 2021 budget.

### 11/30/20 Financial Statement.

Actual Income reported for 2020 includes SBA PPP forgiven loan \$72,300. Total Receipts are \$435,321; total expenses \$422,659; net margin \$12,663. Offerings excluding PPP loan through 11/30 were \$362,888, expenses through 11/30 were \$422,659; net margin (\$59,637).

Below is information for the 2021 budget.

### 2021 Budget Considerations.

1. Income. 2021 projected income is based on \$400,000. 2021 offerings will exceed \$400,000 based on preliminary December activity. Pledges to date total \$266,885.
2. Offering Tithing. The last several years, Social Concerns and Synod givings have been 8% of monthly offerings. This broke out to 4% to Social Concerns and 4% to Synod. 2021 budget includes 10% givings of monthly offerings with 5% to Social Concerns and 5% to Synod.
3. Program Ministries. 2021 budgets for the Programs were based on presented Team budgets with Council discretionary adjustments based on COVID implications.
4. Compensation. 2021 budget includes:
  - a. 2% salary increase for all staff, except Youth Director. (2021 recommended COLA is 1.3%). Youth Director voluntarily declined salary increase for 2021 based on Council approved policy provision of any full-time staff member being able to receive health insurance to include their family (not just staff member).
  - b. Pastoral salary increase by 2.3% COLA with an additional annual \$1,500 for employee management responsibilities based on Synod guidance of Pastor with over 21 years. Budget increase equates to \$3,068.
  - a. Proposal includes 2021 position of 20-hour Music Ministry for six months.
5. Budget Deficit. 2021 budget deficit is (\$96,411) based on income of \$400,000 and expenses of (\$496,411). Consideration to propose deficit budget is:
  - a. Council recognizes the congregational impact of COVID continuing into 2021 and is recommending stability in staffing to support.
  - b. Proposed deficit (\$96,411) to be funded:
    - i. GLC was gifted a Memorial Fund exceeding \$200,000 in 2021. \$75,000 of this will be set aside in Treasurer Reserve to support large deficit proposal. Set aside is over and above the guideline of Treasurer Reserve at 1-month operating expense.
    - ii. Potential opportunity for eligibility and participation in 2021 SBA Payroll Protection Program.
6. Treasurer Reserve. 2020 Treasurer Reserve based on 1-month operating expenses was \$44,500. 2021 proposed Treasurer Reserve is \$41,350.

Dear Members of Grace,

For the past 3 ½ years the RIC (Reconciling In Christ) Team has been meeting and working through the process to help our church become a RIC Church. During that time, we have offered classes, invited speakers and have been available for conversations regarding what it means to be open and affirming to all. In October 2019 we prepared a survey for the congregation that included an example welcome statement. We were pleased to receive over 70 responses. These comments gave us valuable information as we started creating a welcome statement for our church.

The draft welcome statement has gone through many revisions this last year. In August 2020 we shared a draft version in the church newsletter asking for more input. We appreciate everyone who provided comments during a zoom coffee hour and through conversations with team members. Using all of these comments we arrived at the final version of the welcome statement. The team voted and approved the welcome statement. We feel confident that the final wording represents our church family. If you have any questions or comments please feel free to contact Beth, Hilary or Paula.

Blessings,  
The RIC Team

### **Grace Lutheran Church Welcome Statement:**

The stained-glass windows in our church display a beautiful collection of glass pieces, each one unique and important. The same is true for all of God's children. As people of Grace Lutheran Church, our diversity makes us stronger and more resilient.

We strive to welcome all. We want to be a church where all are safe, all are welcome. Believers, non-believers, doubters, seekers and questioners: You are welcome here. Old and young. Able or disabled. People of all sexual orientations and gender identities: You are welcome here. Rich and poor. Black, brown and white: You are welcome here. Jeans and a t-shirt or a suit and tie. Addiction and mental health concerns: You are welcome here.

You are welcomed and valued here, because we are all pieces of stained glass, broken and beautiful in our own way.

As a church, we resolve to open our hearts, our minds, and our doors. We seek to reconcile ourselves to one another and to God, the master artist.