

**MINUTES OF A MEETING OF THE  
COUNCIL OF  
CALVARY LUTHERAN CHURCH OF GOLDEN VALLEY**

**OCTOBER 27, 2020**

A meeting of the council (the “Council”) of Calvary Lutheran Church of Golden Valley (“Calvary”) was held on October 27, 2020, beginning at 6:00 p.m. Central Time. The meeting was held by video conference.

The following Council members, representing a quorum for purposes of transacting business of the Council and Calvary, were present:

Garnet Arroyo	Dave Kufahl	Lloyd Nelson
Laura Jensen	Cory Maass	Phil Reesnes
Anne Kaluza	Scott Madson	Jon Stepan
	Stuart McFarland	

The following members of the Calvary staff were also in attendance: Zach Thompson, Senior Pastor; Jason Beaver, Executive Director; Jerry Gates, Chief Financial Officer; and Candis Johnson, who will be assuming a key financial role upon the retirement of Mr. Gates.

Mr. Reesnes served as chair of the meeting and Mr. McFarland served as secretary. Mr. Reesnes called the meeting to order. All members of the Council and Calvary staff could simultaneously hear one another and participate with each other during the meeting.

**Financial Update**

Mr. Gates provided to the Council a financial report for fiscal year 2020, and discussed Calvary’s financials, including:

- Total church revenue was down nearly \$135,000 compared to 2019, which was primarily due to reduced program support revenue.
- Total expenses were down modestly at just over \$31,000 compared to last year, resulting in a relatively modest loss for church operations for the year of just over \$45,000, which is a great result compared to where Calvary could have ended given the impacts of COVID-19.
- Early Childhood Education had a very difficult year, with child care losing over \$140,000 and hourly childcare and pre-K also each having a modest loss for the year.
- Church-wide results ended with a loss of approximately \$116,000 compared to a surplus of nearly \$170,000 last year, resulting in a negative swing of almost \$285,000.
- Calvary has an outstanding PPP loan of approximately \$515,000 after returning some unused funds. Calvary submitted its forgiveness paperwork in August and we are expecting total forgiveness of the loan. This PPP loan is currently on the balance sheet as cash but operations continue to lose money through childcare and staff expenses. Thankfully the PPP funds helped save staff positions.

The Council and staff discussed these results and asked questions, which Mr. Gates answered. The Council also discussed Calvary's balance sheet and deferred maintenance planning and any required accruals for expected expenses and increased expenses from operating in the COVID-19 environment. The Council also confirmed the security of online giving.

## **2021 Budget**

Mr. Reesnes introduced the next topic for the meeting, which was to review and recommend to the congregation the 2021 annual budget of Calvary. Mr. Gates reviewed with the Council the proposed 2021 budget, including:

- Budget planning for 2021 assumed no major negative impact from COVID-19 with:
  - Slight increase in total revenues with the assumptions of a more normal Easter in 2021 and a small increase in general fund giving impacted by reduced in-person attendance.
  - Decrease in total expenses of approximately \$125,000.
  - Return to a more normalized child care revenue, supplemented by approximately \$118,000 of government funds that have been received for keeping childcare programs operating, which would project to a modest surplus for the year for child care and a surplus of approximately \$130,000 for early childhood education (from a loss of \$168,000 in 2020).
- The budgeted surplus of nearly \$430,000 for 2021 is not expected to be realized given the uncertainty of the coming year and the continued impacted of COVID-19 and potential reductions in giving. The staff will continue to monitor the budget closely and will consider adjustments in January after we are able to assess the December and year-to-date giving.

The Council discussed the 2021 budget and asked questions. The Council further discussed the potential adjustments and volatility that could be experienced. Following discussion and upon a motion duly made and seconded, the Council approved sending the 2021 budget to the congregation for approval.

## **Executive Director Update**

### *Staff Update*

Mr. Beaver updated the Council on the recent staffing developments:

- Great report on the new facility team member who has delivered quality work and has been very helpful for Matt Bromander.
- Children's ministry director candidates have been received from the company helping to source candidates and will begin conversations with the candidates soon.
- Developing a mentoring framework for staff where each full-time staff member will have a mentor outside of Calvary to walk along side them during their ministry.

- Considering a new position to support the online ministry as the extended experience in live streaming and reaching people through digital channels has exposed a gap in that area of support.

The Council discussed these staff developments.

### *Worship*

Mr. Beaver then reviewed recent worship attendance metrics with the Council:

- Indoor worship attendance is 25% of normal attendance. Outdoor worship is double or more of inside attendance (~250). With only indoor worship services last week, approximately 100 attended worship in-person. Calvary will try to continue to worship outside while weather permits.
- Online worship is around 1,300 each week (~66% of weekly worship attendance). Intend to continue to develop online presence and campus.
- Seeing growth in social media engagement. As an example, the Trunk or Treat event on Friday has 91 who have said they are coming, 500 who have said interested and 58 shared the event. Will continue to monitor this engagement and actual results.
- Grace Place is averaging mid-30s in number of children attending each week. The numbers are challenged with COVID-19.
- Spanish service continues to meet and average 20-30 in attendance per week. Luis is doing a great job leading that ministry.

The Council discussed these recent experiences with worship and services.

### **Senior Pastor Update**

Pastor Thompson discussed with the Council the challenge of needing to figure out how to bring people back to worship with grace and with the comfort and reassurance of being safe given our large facilities and ability to maintain distancing. We are created for community and worshipping together. Pastor Thompson provided benchmark data from across the country that there have not been outbreaks in churches and yet churches are averaging around 33% of pre-COVID-19 attendance. The Council discussed the worship experience, particularly with certain services having significantly reduced attendance and whether that will further impact attendance. Pastor Thompson intends to send a letter to the congregation.

Pastor Thompson discussed with the Council the continued work to restructure the Outreach and Hunger and Human Needs Committees. Pastor Thompson has spent time with both committees and discussed the desired plan for moving forward, which was well received, and is comprised of (1) a non-elected advisory task force comprised of Dawn Dresser, Greg Stephenson, Pastor Thompson, a Council representative and two congregation members, and (2) a mission team focused on engaging small groups and individuals in serving and coordinating service with particular organizations. Greg Stephenson is building the structure, which will take time to develop and to begin seeing increased participation.

Pastor Thompson then updated the Council on the upcoming worship series:

- Finishing the sermon series on Finding Your Way Back to God this week and then moving to The Church Just Wants Your Money based on the Treasure Principle. The Advent focus will be on the names of Jesus from Isaiah.
- Christmas Eve will be a combination of indoor and outdoor services with family service indoors at 11:00; then festive outdoor services with fires and the worship band at 1:00, 3:00 and 5:00. A traditional candlelight service will be held indoors at 7:00. Will also pretape indoor service for online streaming.
- Christmas Day will be traditional service with Pastor Skip.
- No worship services on December 27.
- All Saints Sunday in the chapel services this Sunday.
- With the impacts of COVID-19, will delay the immersion baptisms until the Spring. Would like to hold these baptisms twice per year.

Pastor Thompson also discussed with the Council the planned relaunch of a COVID-care call network, with volunteers making calls to a smaller number of people with the hope that will encourage more significant conversations.

The Council discussed and asked questions throughout the updates.

### **Annual Meeting of the Congregation**

Mr. Reesnes noted that the Annual Meeting of the Congregation will be held this Sunday at noon. Mr. Beaver discussed the logistics for checking in, voting and meeting in a socially-distanced manner. The Council discussed the desire for Constitutional changes to create more flexibility for meetings in future years. The meeting will have generally the same agenda as last year with the addition of the election of members for the Council and the Nominating Committee. No new business has been requested for the meeting, but Mr. Opheim would like to make a statement. The Council discussed the annual meeting and candidates being nominated.

At this time, Mr. Gates and Ms. Johnson left the meeting.

### **Executive Session**

[Confidential staffing conversation]

There being no further business for the Council, the Council closed the meeting at approximately 7:15 p.m. with Pastor Thompson leading the Council in prayer.

Submitted by Stuart McFarland, Secretary