

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

SEPTEMBER 22, 2020

A meeting of the council (the “Council”) of Calvary Lutheran Church of Golden Valley (“Calvary”) was held on September 22, 2020, beginning at 6:00 p.m. Central Time. The meeting was held outdoors at 7520 Golden Valley Road, Golden Valley, Minnesota 55427.

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

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

The following members of the Calvary staff were also in attendance: Zach Thompson, Senior Pastor; Jason Beaver, Executive Director; and Jerry Gates, Chief Financial Officer.

Ms. Hosfield served as chair of the meeting and Mr. McFarland served as secretary. Ms. Hosfield called the meeting to order.

Financial Update

Mr. Gates provided to the Council the monthly financial report as of August 2020 and for the year then ended, and discussed Calvary’s financials, including:

- Total general offerings were approximately \$100,000 under budget for the year, with total church revenues being down over \$220,000 due to the significantly reduced program support funds.
- While total church revenues were behind budget, total church expenses were well below budget resulting in Calvary’s church operations being ahead of budget by nearly \$50,000. Calvary’s church operating results still had a net loss before considering the early childhood facility fee.
- Early childhood education had a very difficult year with the forced closures and other challenges from COVID-19. Early childhood education had an overall loss of nearly \$170,000 for the year compared to a budgeted profit of approximately \$35,000.
- Calvary has submitted its application for forgiveness of the PPP loan. Bremer Bank has now sent the application to the Small Business Administration and we expect to receive forgiveness later this year, which will offset the losses for this year.

The Council discussed these results and the PPP loan forgiveness. Mr. Gates then updated the Council on the 2021 budgeting process, including the mid-year changes that may be required

depending on the COVID-19 impacts on operations, particularly with respect to early childhood education and youth activities. The Council and staff discussed further the results and the 2021 budget process. The Council will review the 2021 budget for approval at its October meeting. The Council also discussed deferred maintenance.

Executive Director Update

Staff Matters

Mr. Beaver updated the Council on various staffing matters:

- Recent staff restructuring has been completed and the restructured teams are now reporting and functioning together.
- Hired solid person on facilities team to be strong support for Matt Bromander.
- Reduced one of the full-time production team members to 20 hours, and will use one of the tech team members who was let go as a sub when needed.
- All 2020 reviews have been completed.
- Still searching for a children's ministry director and will be combining that position with another open role. The first couple candidates were not right for this leadership role and will be using a firm to help source candidates.
- Depending on the 2021 budget, would like to consider giving staff bonuses or gifts around Christmas. Likely will not be increasing salaries so would like to give some form of encouragement.

The Council discussed these updates, including fulfilling all of Calvary's responsibilities and mission with the reduced staff. The Council and staff discussed the feedback received and support being provided for the traditional service, including having a pastor preside over each traditional service. The Council also discussed the advancement and improvements of small groups and prayer.

Annual Congregational Meeting

Mr. Beaver confirmed with the Council that the annual congregational meeting will be held on Sunday, November 1 at noon. Members will be able to attend in-person and online, but for technical reasons voting will only be available in-person. Communications about the meeting and voting requirements will be clear and first distributed no later than October 1. Any new business for the meeting will need to be submitted to the Council at least 14 days before the meeting date, which will also be clearly communicated.

Other Updates

Mr. Beaver and Pastor Thompson provided several other updates:

- Early Childhood Education opened a kindergarten classroom within the second floor. This offering was an opportunity to offer a needed service and had 16 kids registered with commitment to attend all-day for the entire year.

- Continue to improve the security of the building, including moving certain areas within the building and installing security buttons.
- Intalling a fiberoptic line into the church in November, which will allow for a more stable internet and online experience. Calvary received a great deal and pricing is locked in for five years.
- Calvary was approached about whether we would have interest in acquiring a church in the West metro to become a campus of Calvary. That church is early in its thought process and it is too early for Calvary to commit to anything. The Council discussed the church, its mission and members and this potential opportunity.
- Continue to follow and enforce the required COVID-19 processes and restrictions.

The Council discussed these matters throughout the updates.

Senior Pastor Update

Pastor Thompson updated the Council on Calvary's mission and worship, including:

- Finishing the current Talking Points sermon series. Next series is Finding Your Way Back to God and will be coupled with a launch of small groups. Many expect that church memberships and attendance may not return to pre-COVID-19 levels, with 40% of previously active members not engaging since the COVID-19 outbreak. The 5-week series will focus on engaging with God and the church. November 1 will be the last Sunday in that series and plan to have that be a Baptism Sunday. November will be a stewardship series based on the Treasure Principle and then Advent.
- Estimate that Calvary is reaching double the number of people at around 1,600 depending on the online metrics, with online accounting for approximately 2/3 of weekly attendance.
- Pastor Jason is focusing on the discipleship path of worship, small groups, serving and giving. His current emphasis is on small groups with a goal of 100 groups. The Council discussed the discipleship path and that the Council would serve as a model and lead for small groups. Pastor Thompson noted that a coaching structure will be put in place for small group leaders. Growing your relationship with Jesus is for everyone.
- No current plans to bring back Thursday nights but will continue to consider alternatives.

Pastor Thompson then discussed the future of the Outreach and Hunger and Human Needs Committees with the Council. A framework is being established for a task force that would work with Dawn Dresser and Greg Stephenson, including to find point people who would work directly with missions that Calvary supports and help to connect small groups to serving opportunities.

Governance Matters

Approval of Minutes

Ms. Hosfield then discussed the Council meeting minutes for the April 13, 2020, April 28, 2020, May 26, 2020 and August 4, 2020 meetings of the Council. After discussion and upon a motion duly made and seconded, each of the minutes from these meetings was approved.

Actions Taken By and Communications with the Council

Mr. McFarland noted for the Council the numerous communications with the Council and approvals that had made in between meetings during the last several months with the restrictions and impacts of COVID-19. These actions and communications included:

- March 13, Pastor Thompson updated the Council on the decision that all public gatherings were being cancelled and we would have live streaming of services.
- March 18, Mr. Beaver updated the Council that Calvary's childcare operations were closed. Calvary would be paying staff through March 27 but all childcare staff would need to be laid off. Certain additional Calvary staff have also volunteered to reduce hours and Mr. Beaver is reviewing what a limited group of necessary staff might look like if needed to significantly reduce expenses. The past week's giving was very low.
- March 24, Mr. Beaver updated the Council on Calvary's financial picture. Calvary is facing a challenging situation but we do not need to panic. A letter would be sent to the congregation to remind them of the importance of giving for Calvary to fulfill its mission.
- March 26, Mr. Beaver provided a staffing and structure report from The Unstuck Group.
- April 2, Pastor Thompson updated the Council on the financial meeting with Mr. Beaver and Mr. Gates as well as his personnel discussions. Mr. Beaver also informed the Council that they were looking into the Paycheck Protection Program (PPP) with Bremer Bank.
- April 5, Mr. Beaver updated the Council on the process to apply for the forgivable loan through the PPP. Mr. Beaver provided the agreement that would be signed for applying for the loan and asked for the Council's approval. The Council approved applying for the PPP loan.
- Throughout April, Mr. Beaver and Pastor Thompson updated the Council on the staff restructuring.
- [Confidential Staffing conversation]
- June 29 and June 30, Pastor Thompson and Mr. Beaver updated the Council on the next phases of in-person gatherings, and on personnel developments and attendance metrics.
- During September, determined the details of the annual congregational meeting and continued to review attendance metrics.

Monthly Talking Points

Ms. Jensen then discussed with the Council the talking points from this meeting.

There being no further business for the Council, the Council closed the meeting at approximately 7:20 p.m. with the Lord's prayer.

Submitted by Stuart McFarland, Secretary