

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

JANUARY 26, 2021

A meeting of the council (the “Council”) of Calvary Lutheran Church of Golden Valley (“Calvary”) was held on January 26, 2021, beginning at 6:00 p.m. Central Time. The meeting was held in the Gathering Space on the first floor of the Calvary building. The meeting was the first business meeting of the 2021-2022 Council.

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

Garnet Arroyo	Lloyd Nelson	Julie Russo
Laura Jensen	Rachel Recknagel	Jon Stepan
Todd Loncorich	Phil Reesnes	Gina VanderWerf
Stuart McFarland	Andy Roe	

The following members of the Calvary staff were also in attendance: Zach Thompson, Senior Pastor; Jason Beaver, Executive Director; and Candis Johnson, Finance Director.

The following activities transpired during the meeting:

1.0 Devotions and Opening Prayer

Led by: Zach Thompson

Biblical focus: Hebrews 12:1

Theme: Keeping your eye on the ball

2.0 Business Since Last Meeting

(vote today) The council unanimously approved the November (24 Nov 2020) council meeting minutes.

(previous online vote) As planned at the November meeting, the council approved bonuses for all staff with more than one-year of service at Calvary. Bonuses given as an encouragement and thank you during a very difficult year.

(previous online vote) The council delegated partial review of Executive-level compensation (social security allowance and retirement contribution) to the Council HR Task Force who reviewed and approved changes effective 1 Jan 2021.

3.0 Election of the Officers of the Congregation

(vote) The council unanimously voted to elect Lloyd Nelson as treasurer.

Other officer positions had been elected at the 16 January 2021 meeting as follows: Phil Reesnes as President, Stuart McFarland as Vice President, Laura Jensen as Secretary.

4.0 Mission, Hunger & Human Needs Task Force

Council initiated a discussion about new structure for mission, outreach, hunger & human needs.

Background: previous council voted in May 2020 to dissolve the old Mission & Outreach and Hunger & Human Needs Committees with the understanding that their function would be replaced with a new structure to be determined.

Zach today posted a proposal to Basecamp outlining such a task force. Please review and expect future discussion. Plan to elect a delegate from the council to the task force.

5.0 Financial Update

Candis Johnson provided to the Council the financial report for December 2020, and discussed Calvary's financials including as follows:

Background: with the world in the middle of the COVID-19 pandemic, including various safer-at-home precautions in Minnesota since March 2020, there are still many unknowns.

In general church operations, revenues (\$1.4M) are greater than expenses (\$960k), even though both are lower than last year. These reductions reflect less programming and fewer people/activities in the building.

The big story is early childhood education ("ECE"). COVID safety precautions require more space per child, more safety precautions, and effectively higher adult-to-child ratios. Combined, these factors shift ECE from a formerly profitable division to one that requires supplemental income. In the fiscal year Q1 (Oct-Dec) period, the extra income was provided by \$93.5k grant funding from the state of Minnesota.

It is expected that the ECE will continue to require supplemental income while COVID restrictions remain. Calvary plans to apply for additional Minnesota state grants, but conflicting reports caution that funds may not be available or awarded at similar levels. The Council discussed additional options, including PPP#2 (see below) or using general funds to support ECE if needed, but will continue to watch the situation for now.

6.0 Paycheck Protection Program round 2

In 2020, Calvary applied for and received a forgivable loan as part of the federal government sponsored Paycheck Protection Program ("PPP"). The funds are credited with saving staff positions and the ECE program at Calvary. As the pandemic continues, the federal government is sponsoring a second round of PPP. Current guidance for applying for PPP#2 is unclear, but the Council discussed if it would make sense to apply.

(vote) The Council voted unanimously to apply for the second round of PPP. It is expected that these funds will be used to support childcare operations.

7.0 Merger progress update

Calvary is in ongoing talks with Grace Evangelical Lutheran Church ("Grace") in Deephaven, Minnesota, about the possibility of merging congregations after Grace

approached Calvary with the idea. The current thought is that Grace would be a separate campus with both Deephaven and Golden Valley locations incorporated under the Calvary banner.

Grace recently had their congregational annual meeting where they voted unanimously to proceed with discussions to merge with Calvary Lutheran Church. Previously, both parties were keeping discussions confidential, but Calvary was named at Grace's congregational meeting. As we value transparency and good communication, the Council feels it is important to put out a formal communication to Calvary's congregation about these talks as soon as possible. There are already plans to publish a letter to the Calvary congregation in the next week. (Secretary's note: Pastor Zach sent this communication to the congregation via email on Thursday, January 28, 2021.)

Previously, Calvary and Grace have discussed hiring a consultant to facilitate the merger process. Grace voted to split the fee with Calvary to hire such a consultant. The Unstuck Group ("Unstuck") was the consultant both parties agreed on.

(vote) The Council voted unanimously to contract with Unstuck to help facilitate the next steps of investigating this merger.

There will be more discussion on this topic in the future. Before any merger would occur, the Council anticipates a vote will be held with the Calvary congregation to approve taking on this asset.

8.0 Closing prayer

Meeting closed with corporate prayer. Note to the council: Recall that an expectation of council members is to remember to pray and to stay in God's word daily. Phil recommends using the meeting agendas as a prop for prayers. Also, we are a small group and as such, please pray for each other. If anyone has a prayer need, please let us know.

The meeting was adjourned at approximately 7:35pm.

Upcoming events in the Calvary Calendar

- Next worship night is Friday, Feb 12. In person and online. Anticipate a lot of music and a little speaking.
- Lent starts February 17, 2021, on Wednesday nights. We'll be hearing from our ministry partners to hear what it is like to support the gospel in diverse places.

Minutes submitted by Laura M. Jensen, Secretary