

**RICHLAND LUTHERAN CHURCH
CONGREGATION COUNCIL MEETING MINUTES
June 12, 2012**

Members Present: Ben Barr, Rob Barr, Dave Brandes, Scott Hardman, Dave Larkin, and Sandy Steele.

Members Absent/excused: Mot Hedges and Kathy Killand

Advisory Members Present: Pastor Steve Ernst

The Regular monthly meeting of the Richland Lutheran Church Congregation Council was held on Tuesday, June 12, 2012, at 7:00 p.m., Vice President Dave Brandes being in the chair and the secretary being present. The meeting was opened with a devotional reading by Dave Brandes followed by prayer by Pastor Ernst.

Lead Pastor's Report - Pastor Ernst presented the Lead Pastor's Report. New highlights include:

1. Average church attendance through May 2012 was 370 compared to 402 through the same period in 2011.
2. Staff - Jay Dixon has been hired to fill the new position of Property and Grounds Coordinator.
3. Worship – The Audio Visual Team progress has been on hold due to health issues. Difficulty has been encountered in finding fill-in musicians for the summer and staff has concluded that our musician fee schedule is less than standard rates in the Tri-Cities.
4. Outreach – Four members have left for a short-term mission trip to Russia with EEMN. A 2nd Harvest food distribution event has been scheduled for August 15th and planning has begun for the 2012 Block Party on September 8th.

Financial Officer's Report – Staff presented the financial report showing that income through May for 2012, was \$336,621 as compared to \$313,906 through the comparable period in 2011. Expenditures to-date totaled \$296,206. The net cashflow for the year to-date is a positive \$40,415. The budget for 2012 is based on an assumed income of \$780,000.

Consent Agenda

- **Council approved the minutes of the regular Council Meeting on May 8, 2012.**
- **Council approved the revised Constitution and Bylaws for Chapter 10 Officers and Chapter 11 Congregation Council.** [The approval is for recommending the approval of the revisions by the Congregation. See attachments for the revised Chapters.]
- **Council approved the receiving of Mike and Jenna Strassberg as confirmed members.**
- **Council approved the date for the Annual Congregation Meeting as October 28, 2012.**

Housing Allowance

- Council approved designating \$24,000 per year, or \$2,000 per month, of the approved salary for Corey J. Smith as Housing Allowance, effective as June 12, 2012.

Old Business

Bylaw Review:

- Council approved recommending to the Congregation the revised Chapter 7 membership of the Constitution and Bylaws. [See attached for the revised text.]
- Council approved the Executive Limitations Policy as revised. [See attached for revised text.]
- Council approved the Common Consent Agenda Policy as amended. [See attached for revised text.]

2010 Financial Audit Committee Report:

- Council approved proposed Council responses to the recommendations of the Financial Audit Committee for 2010. [See attached for recommendation responses.]

Property and Grounds Coordinator:

- Council ratified their E-mail approvals to extend an offer to Jay D. Dixon to fill the position of Property and Grounds Coordinator.

2012 Benevolence Budget:

- Council approved allocating \$1,000 each to Calling Churches in Southern California and Pierce, Idaho from the LCMC Support line item and \$2,000 from the Emerging Issues line item to Tucson Ministries.

New Business

Supplemental Musician Fees:

- Council approved the following revised fee schedule for Supplemental Musicians, effective July 1, 2012:

Organist/Pianist (sole keyboardist)

\$100 per service

assumes 5 hours @ rate of \$20/hr

\$150 per service

assumes 5 hours @ rate of \$20/hr plus incentive for Christmas Eve, Christmas Day, and Easter Sunday worship services.

Organist/Pianist (shared responsibility)

\$80 per service

assumes 4 hours @ rate of \$20/hr

\$120 per service

assumes 5 hours @ rate of \$20/hr plus incentive for Christmas Eve, Christmas Day, and Easter Sunday worship services.

Accompanist

\$60 per service

assumes 4 hours @ rate of \$15/hr

\$100 per special event

assumes 4 hours @ rate of \$15/hr per special event
(Cantata, Hymn Festival, Christmas, Easter, etc.)

Choir Director

\$50 per service

\$80 per service

assumes 4 hours @ rate of \$12.50/hr

assumes 4 hours @ rate of \$12.50/hr plus incentive
for Christmas Eve, Christmas Day, and Easter
Sunday worship services.

The meeting was closed with praying the Lord's Prayer and adjourned at 10:03 pm.

Dave Larkin,
Secretary

Chapter 10: OFFICERS

C10.01. The officers of this congregation shall be a president, vice-president, secretary, and finance officer.

- a. Duties of the officers shall be specified in the bylaws.
- b. The officers shall be voting members of the congregation.

C10.01.01 President

a. The President shall preside at all congregation meetings.

b. The President shall be the chairperson of the Congregation Council and shall preside at all its meetings, but shall vote only in the case of a tie.

c. The President shall monitor Congregation Council and congregation decisions to insure that they are consistent with the policy established in congregation's Constitution and Bylaws, as well as the Continuing Resolutions of the Congregation Council.

~~***d. The President shall serve as Council liaison to the Staff Relations Committee.***~~

e. The President shall serve as an ex-officio member on a Call Committee.

f. The President shall be elected at the annual congregation meeting for a two- year term and may not serve more than two terms consecutively.

g. Any voting member who has served previously on the Richland Lutheran Congregation Council and is not affected by term limits shall be eligible for this position.

C10.01.02 Vice President

a. The Vice President shall assume the duties of the President in case of his or her absence or inability to serve and shall assist the President in carrying out his or her duties.

b. The Vice President shall fulfill the unexpired term of the President should that position become vacant for any reason.

c. The Vice President shall serve as Council liaison to the Richland Lutheran Church Foundation and Good News Media Ministry.

d. The Vice President shall be elected at the annual congregation meeting for a two- year term and may not serve more than two terms consecutively.

e. Any voting member who has served previously on the Richland Lutheran Congregation Council and is not affected by term limits shall be eligible for this position.

C10.01.03 Secretary

a. The Secretary shall keep the minutes of the meetings of the congregation and the Congregation Council, making sure that a file of approved copies is maintained in the church office and the library.

b. The Secretary shall maintain a current set of all Council Continuing Resolutions making sure that a file of approved copies is posted on the web site and is maintained in the church office and/or the church library.

c. Two weeks before each congregation meeting, the Secretary shall obtain a current roster of voting members, as described in C7.02, to determine eligibility to vote and the necessary quorum to conduct business.

d. The Secretary shall be elected at the annual congregation meeting for a two- year term and may not serve more than two terms consecutively in this position.

e. Any voting member not affected by term limits shall be eligible for this position.

C10.01.04 Finance Officer

a. The Finance Officer oversees the church's financial practice and manages church investments.

b. The Finance Officer chairs the Finance Ministry Team.

c. The Finance Officer shall be elected at the annual congregation meeting for a two year term and may not serve more than two terms consecutively in this position.

d. Any voting member not affected by term limits shall be eligible for this position.

C10.02 The congregation shall elect its officers at a congregation meeting as specified in the bylaws.

C10.03 No officer shall hold more than one office at a time. Eligibility and term of office shall be specified in the bylaws.

C10.04 The membership of the Congregation Council shall consist of the number of members called for in the bylaws plus above named officers.

Chapter 11: CONGREGATION COUNCIL.

- 11.01 The voting membership of the Congregation Council shall consist of the officers of the congregation and other members of the Congregation elected at-large to the Congregation Council. Any voting member of the Congregation may be elected, subject only to the limitation on the length of continuous service permitted in that office. A member's place on the Congregation Council shall be declared vacant if the member a) ceases to be a voting member of this congregation or b) is absent from four successive regular meetings of the Congregation Council without cause. Consistent with the laws of the state in which this congregation is incorporated, the congregation may adopt procedures for the removal of a member of the Congregation Council in other circumstances.
- C11.01.01** *a. In addition to this congregation's officers, the Congregation Council shall have five at-large members.*
- b. At-large members of the Congregation Council shall be elected at the annual congregation meeting for a two-year term. Three of the at-large members shall be elected in even years and two shall be elected in odd years.*
- c. At-large members of the Congregation Council may not serve more than two terms consecutively in an at-large position.*
- d. No person shall serve more than six consecutive years on the Congregation Council in any combination of at-large and officer positions.*
- C11.02 Should a member's place on the Congregation Council be declared vacant, the Congregation Council shall elect a successor by majority vote until the next annual congregation meeting, as specified in the bylaws.
- C11.02.01** *Congregation Council members elected at the congregation meeting to fill a vacant position shall serve the remainder of the unexpired term.*
- C11.02.02** *Congregation Council members may serve two terms consecutively in addition to any partial term of less than one year.*
- C11.03 The Congregation Council shall have general oversight of the life and activities of this congregation, and in particular its worship life, to the end that everything is done in accordance with the Word of God.
- C11.03.01** *a. All Policies of Richland Lutheran Church not enacted at a congregation meeting shall require the approval of the Congregation Council in the form of a continuing resolution (see Chapter 17).*

b. The Congregation Council shall work with the Lead Pastor, ministry staff, and lay leaders to create an annual ministry plan and budget, which shall be presented to the congregation at the annual meeting in October.

c. The Congregation Council shall work with the Lead Pastor, ministry staff, and lay leaders to maintain an on-going process of long-range planning.

d. The Congregation Council shall conduct an annual review of the Lead Pastor, and shall be the final approval authority for all other staff evaluations.

e. When necessary, the Congregation Council shall initiate the call process to fill any vacant pastoral positions.

f. When staff vacancies occur, the Congregation Council shall provide for temporary assistance in the affected areas of ministry.

g. The Congregation Council shall appoint delegates to represent the congregation at functions of the denomination with which this congregation is affiliated.

h. The Congregation Council in accordance with C12.02 shall recommend members to be elected for the Nominating Committee at the annual meeting.

i. The Congregation Council shall elect the members of the Audit Committee in accordance with the provisions of C12.03 and all pertinent bylaws.

j. The Congregation Council shall approve the agenda for the annual meeting.

C11.04 The Congregation Council shall be responsible for the financial and property matters of this congregation.

C.11.04.01 *The President, or designee, shall have signature authority for real property transactions.*

C11.04.02 *Richland Lutheran Church accepts contributions that are designated by the donor for a specific purpose but such designations are not mandatory. If contributions, designated for a specific purpose, are not used for the designated purpose within five years, then such contributions, up to a value of 5% of the annual budget, may be used for any other purpose by approval of the Congregation Council. Designated funds above 5% in value of the annual budget may be used for other purposes only with the approval of the Congregation. Before using designated contributions for purposes other than those identified by the donor, a good faith effort will be made to obtain the original donor's approval for the new use or to return the contribution, if requested by the donor.*

- C11.04.03 The Congregation Council shall hire a bookkeeper to maintain the checkbook, maintain all church accounts, prepare checks for signatures, retain and safeguard blank checks and financial records.
- C11.04.04** The Congregation Council shall hire a financial secretary to record contributions to individual accounts and prepare quarterly contribution statements.
- C11.04.05** A Finance Committee of four congregation members plus the church Finance Officer shall be elected by the Congregation Council for a two-year term. Members shall be eligible for reelection. The Finance Committee shall assist the Finance Officer in carrying out the expectations of the Congregation Council as set forth in the continuing resolution.
- C11.05 The Congregation Council shall see that the provisions of this constitution, its bylaws, and the continuing resolutions are carried out.
- C.11.05.01** ***The Congregation Council shall conduct an annual review of the bylaws and continuing resolutions before the end of June.***
- C11.06 The Congregation Council shall provide for an annual review of the membership roster.
- C11.06.01** ***The Congregation Council shall review the membership roster at its December meeting.***
- C11.07 The Congregation Council shall be responsible for the employment of the salaried and hourly lay workers of this congregation.
- C.11.07.01** ***The daily supervision of the work of all salaried and hourly workers is delegated to the Lead Pastor. The Lead Pastor may delegate this authority to other professional church staff.***
- C.11.07.02** ***The Congregation Council retains the responsibility for hiring, discipline and termination of salaried and hourly non-Called staff.***
- C11.08 The Congregation Council shall submit an annual report on its activities.
- C11.10 The Congregation Council shall normally meet once a month. Special meetings may be called by the pastor or the president, and shall be called by the president at the request of at least one-half of its members. Notice of each special meeting shall be given to all members.
- C11.11 A quorum for the transaction of business shall consist of a majority of the voting members of the Congregation Council.
- C11.11.01** ***Decisions of the Congregation Council require a simple majority vote except as specified otherwise in the constitution or bylaws.***

C11.11.02

Decisions on emerging non-controversial issues may be made by the Congregation Council, without calling a special meeting, by electronic means such as E-mail, so long as no member objects. If a member objects to making a decision without debate then the matter must be decided at either a regular or special meeting of the Congregation Council.

Chapter 7: MEMBERSHIP

C7.01 Members of this congregation shall be those baptized persons on the roll of this congregation at the time this constitution is adopted and those who are admitted thereafter and who have declared and maintained their membership in accordance with the provisions of this constitution and its bylaws.

C7.02 Members shall be classified as follows:

a. Baptized members are those persons who have been received by the Sacrament of Holy Baptism in this congregation, or, having been previously baptized in the name of the Triune God, have been received by ~~certificate of transfer from another other Lutheran congregation, s or by affirmation of faith.~~

b. Confirmed members are baptized persons who have confirmed their faith in this congregation, those who have been received by adult baptism or by transfer as confirmed members from other Lutheran congregations, ~~or baptized persons received by affirmation of faith.~~

c. Voting members are confirmed members. Such confirmed members shall have communed in this congregation and shall have made a contribution of record to this congregation within two years preceding the posting of eligible voting members prior to congregational and special meetings.

d. Associate members are persons holding membership in other Christian congregations who wish to retain such membership but desire to participate in the life and mission of this congregation or persons who wish to ~~retain-formalize~~ a relationship with this congregation while being members of other congregations. They have all the privileges and duties of membership except voting rights and eligibility for elected offices or membership on the Congregation Council of this congregation.

C7.02.01 *1. Individuals baptized as children who choose not to confirm their faith by the age of 18 will be ~~removed from the list of baptized members placed on the congregation's responsibility list and will not be counted as baptized members.~~*

~~*2. Individuals placed on the congregation's responsibility list shall be encouraged regularly to resume participation in the life and ministry of the church.*~~

~~*3. A person who has been on the congregation's responsibility list for five years may be counted as inactive and may be removed from membership at the discretion of the Council.*~~

4. A baptized person who has been removed from membership but who later resumes participation in the life of the congregation may be restored to membership through public affirmation of faith.

- C7.02.02** *1. Confirmed members who absent themselves from worship for two years will be may, at the Congregation Council's discretion, be placed on the congregation's responsibility list and shall not be counted as removed from the list of confirmed members.*
- 2. Confirmed members who are unable to attend worship for any length of time due to poor health or infirmity, full-time non-resident students, and active military shall remain confirmed members in good standing.*
- 3. By vote of the Congregation Council, confirmed persons placed on the responsibility list or removed from membership who later resume participation in the life of the congregation may be restored as confirmed members with no further effort on their part.*
- C7.02.03** *1. To fairly determine who is eligible to vote according to the requirements of this Constitution, a confirmed member's attendance and offering must be recorded. The worship attendance slip and the offering envelopes are sufficient documentation. In the case of pastoral or ministry staff who do not fill out worship attendance slips, the bulletins recording their involvement in worship are sufficient documentation.*
- 2. Voting eligibility shall be determined two weeks before each congregation meeting. The church secretary shall provide the Congregation Council with a list of eligible voting members and the number required for a quorum. ~~(C9.01.01.c)~~. This list shall determine eligibility to vote at the annual meeting.*
- 3. Eligible voters may vote on all matters except as limited by federal and state law.*
- C7.02.04** *Aside from the limitations mentioned in this constitution, associate members and regular attendees may be approved to serve on committees, teach classes, and take on other ministry tasks. Their participation in such roles requires willingness to conform to the teachings, ethical standards, and practices of this congregation.*
- C7.03** All applications for confirmed membership shall be submitted to and shall require the approval of the Congregation Council. It shall be the privilege and duty of members of this congregation to:
- a. make regular use of means of grace, both Word and sacraments;
 - b. live a Christian life in accordance with the Word of God and the teachings of the Lutheran church;
 - c. support the work of this congregation, through contributions of their time, abilities, and financial support as biblical stewards.
- C7.04** Membership in this congregation shall be terminated by any of the following:

- a. death;
- b. resignation;
- c. transfer or release;
- d. disciplinary action by the Congregation Council; or
- e. removal from the roll due to inactivity as defined in the bylaws.

Such persons who have been removed from the roll of members shall remain persons for whom the Church has a continuing pastoral concern.

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Executive Limitations Policy

All Council authority delegated to the church staff is delegated through the Lead Pastor, so that all authority and accountability of staff – so far as the Council is concerned – is considered to be the authority and accountability of the Lead Pastor. As the Council's link to the staff, the Lead Pastor may neither cause nor allow any organizational practice that is imprudent, illegal, unethical, or contrary to the teachings of the Bible and the Lutheran Confessions.

I. With regard to the Congregation Council, the Lead Pastor may not permit the Council to be uninformed about issues that affect governance. Accordingly, he or she may not:

A. Neglect to submit monitoring data required by the Council in a timely, accurate, and understandable fashion;

B. Let the Council be unaware of relevant trends, anticipated negative publicity, and material changes, particularly changes in assumptions upon which any church policy has previously been established;

C. Fail to advise the Council if, in the opinion of the Lead Pastor, the Council is not in compliance with its own policies, particularly in the case of Council behavior which is detrimental to the working relationship between the Council and the Lead Pastor;

D. Fail to provide the Council with as many staff and external points of view regarding issues and options as needed for fully informed Council choices;

E. Fail to deal with the Council as a whole except when (a) fulfilling individual requests for information or (b) responding to members duly authorized by the Council;

F. Fail to report in a timely manner any actual or anticipated noncompliance with Council policy.

II. With regard to church staff, the Lead Pastor may not cause or allow conditions which are inhumane, unfair, or undignified. Accordingly, he or she may not:

A. Discriminate among employees on other than clearly job-related, individual performance or qualifications;

B. Fail to take reasonable steps to protect staff from unsafe or unhealthy conditions;

C. Withhold from staff a process for dealing with conflicts or grievances;

D. Fail to acquaint staff with this policy.

III. With regard to financial matters, the Lead Pastor may not cause or allow church assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, he or she may not:

A. Permit discretionary expenditures exceeding that which the congregation has allowed in the annual budget;

B. Commit the congregation to expenditures that cannot be met under the annual budget;

C. Unnecessarily expose the congregation, Council, or staff to claims of liability;

D. Receive, process, or disburse funds under controls which are insufficient to meet Council approved financial policy;

E. Fail to alert the Council to impending or potential financial issues which could substantially affect the ability to operate under the annual budget.

IV. With regard to spiritual oversight, the Lead Pastor may not cause or allow conditions which are contrary to the teachings of the Bible and the Lutheran Confessions. Accordingly, he or she may not:

- A. Promote or allow preaching or teaching that does not adhere to the Bible and the Lutheran Confessions without clearly labeling it as such;
- B. Promote or allow worship practices that are contrary to Lutheran theology;
- C. Allow the rites of non-Christian groups or secret societies to be performed on church premises;
- D. Fail to alert the Council if its own policies or conduct (or that of other staff or congregation leaders) is contrary to the teachings of the Lutheran *Confessions*.

“COMMON CONSENT AGENDA” POLICY

- I. A *Common Consent Agenda* is a list of one or more routine issues that may merit Council approval but may not necessarily require Council discussion.
- II. All items proposed for the *Common Consent Agenda* must be made known to Council members at least five days in advance.
 - A. The proposed items must be in writing.
 - B. The proposed items must be mailed or e-mailed to the Council members.² Putting the information in their church mailboxes is not sufficient notice. The only exception would be if an individual Council member specifically requested being informed in this way.
- III. Any Council member may delete an item from inclusion on the *Common Consent Agenda*.
 - A. Ordinarily, this would be done if the Council member believes that the item requires discussion before a vote is taken.
 - B. To delete an item from the monthly *Common Consent Agenda*, a Council member may remove an item from the *Common Consent Agenda* at any time prior to the vote on the *Common Consent Agenda*.
- IV. The Council, without discussion of the individual agenda items, will take a single vote for the passage of the *Common Consent Agenda*. A majority vote is required for passage.

RESPONSES TO 2010 FINANCIAL AUDIT REPORT RECOMMENDATIONS

The Congregation Council has reviewed the Financial Audit Report and Certificate of Financial Review for the Richland Lutheran Church finances for 2010 prepared by your committee. We wish to express our gratitude for your careful work and the care with which you have considered our church's financial practices. We requested that the church staff review the report and provide their recommended responses to your recommendations. These responses were then discussed with the Council at their March 2012, meeting and the following responses approved.

Section 2 Receipts and Handling of Contributions and Fees

Recommendation A – An annual cashier training opportunity is recommended in order to provide cashiers the opportunity to review and be refreshed on the process for recording offerings:

The Director of Administration and Resources Ministry agreed that no general "group" refresher training for cashiers occurred during 2010, but wishes to clarify that training was performed on a one-on-one basis as the need arose during the year. The staff believes that the current, as needed process one-on-one, is working well to train cashiers and that an annual "group" training is not necessary. The Council agrees that periodic refresher training for critical functions is valuable. However, given the current increased work load on the staff, the Council will not require annual refresher training for all cashiers so long as specific problems are not identified due to lack of training.

Section 2 Receipts and Handling of Contributions and Fees

Recommendation B –The recommendation to make posting titles more consistent between Shepherd's Staff and Quickbooks was taken under advisement. After consideration, it was determined the titles in Quickbooks simplified review and understanding for those involved in the process and Quickbook's titles would be retained:

The staff agreed with the modified recommendation to retain the Quickbook's titles. The Council concurs with this conclusion.

Section 2 Credit Card Contributions and Fees Recommendations

Recommendation – Expense review, approval and reporting require extensive involvement by the Director of Administration and resources Ministry. Therefore, it is recommended the additional duties involved in the revenue recording process be immediately transitioned away from the Director of Administration and Resources Ministry to another staff member. It is also recommended that the electronic receipts be posted to cashier form, similar to checks received other than through offerings.

The staff agrees with the recommendation and has taken steps to implement it. The Council agrees with the recommendation and the steps taken by staff.

Section 5 Bank and Investment Accounts/Stocks and Other Securities

Recommendation – The Council is advised to revisit the handbook and/or practice in order to make sure actions remain compliant. It is also prudent for the Council to develop guidelines that protect the authorized individuals) and provide direction for the decisions and transactions. An "investment policy statement" could outline what type of investments (bonds, stocks, mutual funds, etc) the congregation should own in the general fund and thus allow on-going compliance with the objectives and risk tolerance of the congregation.

The Council agrees with the recommendation and took action at their March 2012, meeting to task the Richland Lutheran Church Financial Officer with ensuring that investment decisions are in compliance with the Financial Handbook. Further the Finance Committee has been assigned responsibility to review the Finance Handbook to determine whether revisions are needed.