

**RICHLAND LUTHERAN CHURCH
CONGREGATION COUNCIL MEETING MINUTES
May 14, 2013**

Members Present: Ben Barr, Rob Barr, Dave Brandes Scott Hardman, Mot Hedges, Kathy Killand, Dave Larkin, and Sandy Steele

Advisory Members Present: Pastor Ernst, Rich Olsen

Guests: Debbie Stankovich

The Regular monthly meeting of the Richland Lutheran Church Congregation Council was held on Tuesday, May 14, 2013, at 7:02 p.m., President Mot Hedges being in the chair and the secretary being present. The meeting was opened with prayer by Mot Hedges.

Lead Pastor's Report - Pastor Ernst presented the Lead Pastor's Report:

1. Attendance - The average weekly attendance at worship services through April, 2013 was 354 compared to 357 for the same period during 2012
2. Pastoral Acts during April included a Wedding for Kari Meier and Trevor Lindsay and a Memorial Service for Jon Sims.
3. Still seeking volunteers for leading the Block Party and help for the wedding coordinator position.
4. Revamping both the New Member's Team and the Confirmation program. At least two new small groups started as a result of the Renovaré Conference.
5. Search team reviewing applications for the vacant Director of Worship position.

Financial Officer's Report – Rich Olsen presented the financial report showing that income through April for 2013, was \$253,327 as compared to \$282,021 through the comparable period in 2012 and was below the expected budget assumption of income of \$263,200. Expenditures to-date totaled \$279,266, which is above the budgeted \$267,265. The net cash-flow for the year to-date is a negative \$25,939 (improved since April). The budget for 2013 is based on an assumed income of \$800,000.

Common Consent: Council approved the following common consent agenda items:

- **Approved the Regular Council Meeting Minutes for April 9, 2013.**
- **Approved a search committee composed of Eunice Weible, Paul Armatis, Sarah Hagensen, Ben Barr, Lisa Corning, Jim Honeyman, and Zemmie Iedema to assist the Executive Committee in selecting a candidate to recommend to the Council to fill the Director of Worship position.**
- **Approved the following temporary hiring positions through the end of August 2013:**
 - **Brenda Hoyt and Teresa Zorich to co-lead the Saturday, 5:00 pm worship services.**
 - **Alane Evers to play the organ at the Sunday, 8:30 am worship services.**
 - **Joe Potts to lead the Sunday, 11:00 am worship services.**

Old Business

Carpet – Installation of new carpeting is now underway. Debbie Stankavich explained that the funding of the carpeting came from giving by individual church members and \$7,500 set aside in the operating budget for Major Maintenance.

By-Law and Policies Reviews – Council members reported that the reviews of Chapters 7, 8, 9 & 10 were complete with proposed changes only to Chapters 7 and 8, and no comments on the Self Governance Policy. This completes the required annual review of the Bylaws and policies. The changes to Chapters 7 & 8 include changes to five Constitution clauses (requiring two votes by the Congregation) and three Bylaws (requiring a single vote by the Congregation). [The changes could not be copied and pasted but the attachment shows the Chapters in their final form with the sections to be changed marked in gray.]

Personnel Policy – A request by Debbie Stankovich for three changes to the Personnel Policy was referred to the Benefits Task Force for consideration. Sandy Steele and Rich Olsen to bring back to the Council.

New Business

Gift Acceptance Policy – The Gift Acceptance Policy drafted by the Finance Committee was reviewed. The key new requirement is that Council may not spend significant designated funds for any other purpose without donor approval or, if the donor can not be contacted, an order approved by the court and approval from the Secretary of State. Council must approve all new designated accounts prior to accepting funds into that account.

- **Council approved the proposed Gift Acceptance Policy [see attached]**

Candidates for Nominating Committee – Two vacancies currently exist on the Nominating Committee and need to be filled. A Special Congregational meeting will be required to approve the replacement members on the committee. Council is seeking one male and one female candidate and voted to ask the following possible candidates in the order shown:

Male – Ted Strunkel (1), Paul Armatis (2), and Todd Maier (3).

Female – Carole Siefken (1), Casey Vernon (2), and Val Silva (3).

Council/Staff Roles and Responsibilities – Council discussed the roles and responsibilities of the Council and Staff and how they are being implemented.

The meeting was closed with praying the Lord's Prayer and adjourned at 10:04 pm.

Dave Larkin,
Secretary

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 transfer from another congregation.
 - 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 Christian congregations.
 - 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 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 infants or children who choose not to confirm their faith by the age of 18 will be removed from the list of baptized members.**
 - 2. 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 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 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. 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.

Chapter 8: THE PASTOR

C8.01 At least a two-thirds majority ballot vote of congregational members present and voting at a meeting legally-called is necessary to call a pastor at this congregation.

C8.02 Only a member of the clergy certified by or eligible for certification of the denomination with which this congregation is affiliated may be called as a pastor of this congregation.

C8.03 Consistent with the faith and practice of the denomination with which this congregation is affiliated:

- a. Every ordained minister shall:
 - 1) preach the Word;
 - 2) administer the sacraments;
 - 3) conduct public worship;
 - 4) provide pastoral care
 - 5) strive to extend the Kingdom of God in the community, in the nation, and abroad;

- C8.04 The specific duties of the pastor, compensation, and other matters pertaining to the service of the pastor shall be included in a letter of call.
- C8.04.01 ***When issuing a call for a Lead Pastor, three key responsibilities shall be stated in the letter of call:***
- 1) The Lead Pastor shall provide spiritual leadership to the congregation, participating as an integral member of the Congregation Council in formulation of all policies and congregational initiatives, and actively encouraging implementation of the Council's goals and objectives as stated in its annual ministry plan.***
- 2) The Lead Pastor shall provide spiritual care for this congregation, serving as its primary preacher and theologian, overseeing pastoral care, and recommending policies, programs, plans, and staffing needed to promote the members' spiritual growth and well-being.***
- 3) The Lead Pastor shall supervise and minister to the pastoral and lay ministry staff, guiding them in carrying out their responsibilities, redirecting them in cases where he or she deems their conduct of ministry to be contrary to congregation policy or well-being, and providing annual performance appraisals to assist in their professional development.***
- C8.05 a. The call of a congregation, when accepted by a pastor, shall constitute a continuing mutual relationship and commitment, which, shall be terminated only following consultation with the Congregation Council and for the following reasons:
- 1) mutual agreement to terminate the call or the completion of a call for a specific term;
 - 2) resignation of the pastor;
 - 3) the physical or mental incapacity of the pastor;
 - 4) disqualification of the pastor through discipline on grounds of doctrine, morality, or continued neglect of duty;
 - 5) the dissolution of the congregation; or
- c. In case of alleged physical or mental incapacity, the Congregation Council shall investigate the allegations using the guidance established in C8.05.d below. The investigation shall include competent medical testimony.
- d. These bylaws and/or policies shall vest final decisions on termination of a pastor called by the congregation with the congregation. If the Congregational Council recommends termination of the call, a simple majority vote of the voting members present is required; if the Congregational Council makes no recommendation but the matter is referred to the congregation, a two-thirds majority vote of the voting members present and voting is required.
- C8.06 At a time of lead pastoral vacancy, an interim lead pastor shall be appointed by the Congregation Council.
- C8.07 During the period of service, an interim lead pastor shall have the rights and duties in the congregation of a regularly-called lead pastor and may delegate the same in part to a supply pastor with the consent of this congregation or Congregation Council. The interim lead pastor and any ordained pastor providing assistance shall refrain from exerting influence in the selection of a pastor.
- C8.08 The lead pastor of this congregation:

- a. shall become a member of this congregation upon receipt and acceptance of the letter of call.
- b. shall assure that accurate parochial records of all baptisms, confirmations, marriages, burials, communicants, members received, members dismissed, or members excluded from the congregation;
- c. shall submit a summary of such statistics annually to the denomination with which this congregation is affiliated, if required.

Richland Lutheran Church

GIFT ACCEPTANCE POLICY

The following policies have been adopted by the Congregation Council for the purpose of achieving the following goals:

- protecting the interests of Richland Lutheran Church and the people and entities who support its ministry
- ensuring all gifts to or for the use of Richland Lutheran Church ministries are structured to provide maximum benefit to all parties involved
- encouraging giving to Richland Lutheran Church without encumbering Richland Lutheran Church with gifts that cost more than benefit Richland Lutheran Church
- avoiding gifts with donor restrictions inconsistent with the goals of Richland Lutheran Church
- defining and standardizing terminology related to giving

I. GIFTS

A. Cash

1. Richland Lutheran Church will accept gifts in the form of cash and checks regardless of amount, unless:
 - (a) a question exists as to whether the donor has legal title to the asset; or
 - (b) a question exists as to the legal capacity of the donor to transfer funds; or
 - (c) a question exists as to expectation that the gift will cause RLC, in whole or in part, to benefit the donor or the donor's relatives.
2. Donors shall make all checks payable to Richland Lutheran Church. Checks made payable to an employee, director, agent, or volunteer for the credit of the Richland Lutheran Church will be returned to the maker of the check.

B. Publicly Traded Securities

Richland Lutheran Church shall accept publicly traded securities. The donor will be informed that Richland Lutheran Church will immediately sell such securities.

C. Closely Held Securities

1. Richland Lutheran Church's Congregation Council may only accept closely held securities upon written approval.
2. The Congregation Council will review offers for closely held securities using the following criteria:

- (a) there must be a readily available market for their disposition; and
- (b) accepting such securities may not create any potential liability to Richland Lutheran Church; and
- (c) the closely held entity engages in no activities that would be inconsistent with Richland Lutheran Church's vision, mission, values, and objectives.

D. Real Property

1. The Congregation Council must approve all gifts of real estate in advance of accepting the gift and in writing.
2. Richland Lutheran Church may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
3. Richland Lutheran Church cannot accept any gift of real estate until the Congregation Council determines that no environmental waste contaminates the property. Richland Lutheran Church may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
4. In general, residential real estate located within the state of Washington will be accepted, unless the Congregation Council shall determine for some reason that the property is not suitable for acceptance.
5. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Richland Lutheran Church, as well as payments, taxes, and insurance that may burden the Richland Lutheran Church's finances.

E. Tangible Personal Property

1. No personal property shall be accepted by Richland Lutheran Church unless there is reason to believe the property can be quickly sold.
2. No personal property shall be accepted that obligates the Richland Lutheran Church to retain it in perpetuity.
3. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Congregation Council
4. Notwithstanding the forgoing, if there is reason to believe personal property such as jewelry, artwork, and collections has a value of \$1,000 or more, it may only be accepted after receipt and review by the Congregation Council or those empowered to act on its behalf, after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property.

F. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by further action of the Congregation Council or persons duly acting on its behalf.

II. Deferred Gifts

Richland Lutheran Church shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

A. Bequests

1. Richland Lutheran Church shall encourage gifts through wills and living trusts.
2. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to Richland Lutheran Church shall be made in accordance with this Gift Acceptance Policy.
3. Richland Lutheran Church shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of Richland Lutheran Church to accept the gift.
4. When Richland Lutheran Church is the recipient of a gift from a will or trust, the Congregation Council shall review the restrictions upon the gift and determine if it is in the best interests of Richland Lutheran Church to accept the gift.
5. Richland Lutheran Church will not accept a gift that might result in conflict within Richland Lutheran Church or confusion as to the utilization of the gift or that might create an undue financial burden upon Richland Lutheran Church.
6. When Richland Lutheran Church receives an unrestricted estate gift, the Congregation Council, in consultation with Richland Lutheran Church's Lead Pastor shall determine its highest and best use at the time.
7. If Richland Lutheran Church has created an endowment fund over which it has exclusive control, and the unrestricted funds are not needed for the ordinary and everyday expenses of the Richland Lutheran Church, unrestricted gifts shall be as an addition to the Richland Lutheran Church's endowment fund.

B. Life Estate Gifts

1. Donors shall not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
2. Such gifts may be accepted by the Congregation Council when the asset involved appears to be a minor portion of the donor's wealth, and the Congregation council is

satisfied there has been full disclosure to the donor of the future ramifications of the transaction.

3. This policy is based upon the possibility the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property.

C. Gifts of Life Insurance

1. Richland Lutheran Church will encourage donors to name Richland Lutheran Church as a beneficiary of all or a portion of a person's life insurance policies.
2. Richland Lutheran Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made after researching relevant state laws to assure Richland Lutheran Church has an insurable interest under applicable state law.
3. No insurance products may be endorsed for use in funding gifts to Richland Lutheran Church. Under no circumstances shall lists of Richland Lutheran Church's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or Richland Lutheran Church. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject Richland Lutheran Church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

III. Designated Gifts Establishing Designated Accounts

A. Establishing Designated Accounts

1. The Congregation Council, with input from Richland Lutheran Church's Lead Pastor, will determine what designated accounts may be established.
2. Any donor to Richland Lutheran Church may request in writing to the Congregation Council the establishment of a designated account. Once an account is established, Richland Lutheran Church may accept funds into that account.
3. The Congregation Council will determine the length of time the account shall exist. When that time has passed, the Congregation Council will review the designation and may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

B. Disbursing Designated Funds

1. Designated funds may only be spent for the purpose for which they are designated.
2. If, at any time, Richland Lutheran Church accepts custody of designated accounts which have not been approved and established by the Congregation Council, and

Richland Lutheran Church does not intend to use the designated funds for the purpose designated, Richland Lutheran Church will use the following procedure:

- a. If the amount is insignificantⁱ, redirect the gifts to a project with a similar purpose.
- b. If the amount is insignificant and appropriate redirection is not possible, contact donor directly to discuss redirection or return of gift.
- c. If the amount is significantⁱⁱ, contact donor to get approval for redirection or offer a return of the gift
- d. If the amount is significant, and for whatever reason it is not possible to contact the donor, file an order with the court allowing the congregation to redirect the funds, seek approval from the Secretary of State, and take whatever other steps are outlined by state law at the time.

C. Notice to Donors

1. Richland Lutheran Church shall include in fund raising, solicitation materials and donor receipts the following statement:

“All donations are subject to the Gift Acceptance Policy. Richland Lutheran Church will treat the donor’s designations as suggestions unless the Congregation Council has approved of the designations before receiving the gift. Copies of the policy are available on the website and in the finance office.”

IV. Finder’s Fees and Commissions

No finder’s fee or commission shall be paid to anyone as consideration for directing a gift to the Richland Lutheran Church.

V. Terminology

Richland Lutheran Church defines commonly used terms as follows:

- a. **General Purpose and Nature:** The stated purpose of Richland Lutheran Church as recorded in the Constitution
- b. **Unrestricted:** A gift made for the purpose that is not more specific than the congregation’s general purpose and nature.
- c. **Restricted:** A gift made for a purpose more specific than the congregation’s general purpose and nature.
- d. **Permanently Restricted:** Gifts made to the congregation that must be invested in perpetuity to provide for an ongoing source of revenue for a specific purpose. Also known as endowment funds.

- e. **Temporarily Restricted:** Gifts made to the congregation with donor-imposed restrictions of purpose, time, or both. These gifts expire either by passage of time or as a result of actions taken by the congregation.
- f. **Designated:** Council-designated funds are those funds which the Congregation Council, rather than the donor, has been determined are to be retained and invested. The church council has the right to decide at anytime to expend the principal of these funds.
- g. **Preference:** A non-binding expression of preference of the donor, considered to be advisory in nature, allowing the congregation full discretion for use
- h. **Significant:** Single gifts \$1,000 and over
- i. **Insignificant:** Single gifts under \$1,000
- j. **Donor:** The individual, agent, or entity making the gift to the congregation
- k. **Closely Held Securities:** Shares owned by one individual owner or by a small group of controlling stockholders.
- l. **Publically Traded Securities:** Securities listed on any organized exchange and sold under a prospectus

ⁱ Refer to terminology in Section V

ⁱⁱ Refer to terminology in Section V