

St. Paul's Lutheran Church

Quarterly Report

July 28, 2019

Enclosed is the information to be presented to the July Voters Assembly including a copy of the Voters Meeting Agenda, the Minutes from the previous Voters Meeting in April, Pastor's Report and quarterly summaries, Financial Reports, Team Reports, and a proposal to replace the Sanctuary roof.

All confirmed members are invited to participate in our Voters Assembly where these reports and others will be presented and questions may be asked. Members who are twenty-one years of age and older are invited and encouraged to become part of the Voters Assembly.

The Voters Meeting will begin by 12:45 pm in the ARC following our 10:45 service and Fellowship Potluck meal. Anyone may attend our Voters Assembly meetings; our Constitution and ByLaws state that "the right of suffrage is confined to such members as have reached the age of twenty-one (21), signed this constitution, who are not under public discipline, and roll call of at least one of the last two scheduled regular business meetings showed presence unless excused." So that we follow this document our sign-in sheets will contain a check-off column that states your sign-in signature will be added to the signature list of our Constitution. Our Constitution and ByLaws may be found on our website under the links / voters info tab to the far right on the menu. Printed copies may also be found by the Church mailboxes.

AGENDA

VOTERS ASSEMBLY MEETING

July 28, 2019

CALL TO ORDER – Don Olson

OPENING PRAYER – Pastor Kretzschmar

REVIEW OF CURRENT & ADMISSION OF NEW VOTERS – Don Olson

REVIEW OF APRIL MEETING MINUTES

PASTOR'S REPORT – Pastor Kretzschmar

DCE REPORT - Felicia Salgado

FINANCIAL REPORTS – Susan Staudt

ELDER TEAM REPORT – John Covington

EDUCATION TEAM REPORT – Tammy Corlew

OUTREACH TEAM REPORT – Pedro Santaliz

TRUSTEE TEAM REPORT – Rich Maschke

FINANCE TEAM REPORT - Carol Morgan

OLD BUSINESS

NEW BUSINESS

1. Status of Boys & Girls Club afterschool & summer programs
2. Sanctuary Roof Replacement Proposal
3. Other

ANNOUNCEMENTS

ADJOURNMENT – The Lord's Prayer

Voters Meeting Minutes

April 28, 2019

The meeting was called to order by President, Don Olson. Pastor Kretzschmar led the opening prayer.

Pam Meadows presented the review of the January Voters minutes (see the April Voters packet).

Susan Staudt presented the Treasurer's Report (see the April Voters packet). The balance of funds on hand was \$221,348.01.

The Financial Plan was reviewed by Alison Gilchrist (see the April Voters packet).

Tammy Corlew presented the Preschool Report (see the April Voters packet). April 11-12 was the onsite Accreditation visit with the recommendation to re-accredit expected in September; final approval rests with NLSA. She also reported a donation was made for security cameras on the playground and in the gym. Upcoming activity dates and the opportunities for volunteers were listed.

Felicia Salgado presented the DCE Report with details about the Young Adults group meeting. Bible Study on Sunday mornings and fellowship events are planned. She reported on the High Schoolers trip to the National Youth Gathering in Minnesota and asked that members keep these youth in their prayers that God will work in their lives.

Charlotte Bradley reported the merger with the Huntsville-based North Alabama Boys & Girls Club organization.

John Covington presented the Elders report (see the April Voters packet) and detailed the Security Plan they are devising for the church. The Elders will make quarterly calls to their mini-flocks. He thanked the Elder Group and Vestry for their support of Operation Barnabas for National Guard groups, and he also reported on the Wall of Honor in-progress that will recognize military and first responder personnel.

Tammy Corlew presented the Education Team Report (see the April Voters packet) pointing out that the Confirmation oral Exam is May 3, the Rite of Confirmation is May 5, and the Prophets/Elder Easter breakfast plans.

Pedro Santaliz presented the Outreach Team Report (see the April Voters packet) and stated that the Team is focusing on Preschool and Boys & Girls Club ministries; volunteers are always needed. June 2 is the Samson Movie presentation and June 10-14 is VBS.

Rich Maschke pointed out the open and completed Trustee project list (see the April Voters packet) and thanked everyone who helped with projects.

Pastor presented his Pastor's Report (see the April Voters packet) and noted that Felicia will continue consideration and acceptance of our Call, with July 7 set for her installation and reception.

Under Old Business the opportunity to fence the open lot on the west side of the building was discussed and many good suggestions were made.

Under New Business the new Church360 database and its capabilities were discussed. Also, the hiring of the new Church Secretary was completed, and Susan Behrendt would begin in May. Sue Bosco will continue on a 10-hour a week basis as our Volunteer Coordinator until the end of the year.

The meeting was closed with the Lord's Prayer and adjourned.

In Christ,

Pamela Meadows
Congregation Secretary

St. Paul's Voters Meeting – July 2019

Rev. Dr. Aaron C. Kretzschmar

"But the fruit of the Spirit is love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control." Galatians 5:22-23

St. Paul's Lutheran Church Membership Information

601 Baptized Members

494 Confirmed Members

Membership Changes, April 1st – July 14th, 2019

Membership Gains: 11

Confirmations:

April 7th: Ean Nicholson;

May 5th: Kody Asher, Georgette Becerra, Sam Hellebrand, Olivia Mowen, Hala Parker, Ashlee Bauer, Sophia Smitherman, Jessica Staudt

June 2nd: Joseph Woodbury

July 5th: Margaret Covington

Baptisms: none

Transfers In: none

Membership Losses: 1

Transfers Out: May 19th: John Bergsing,

Releases: none

Member deaths (Transfers to the Church Triumphant): none

2019 Focus on Relationships within families, friendships, and marriages, with Jesus at the center

St. Paul's theme verse for 2019 is John 13:34-35, *"A new commandment I give to you, that you love one another: just as I have loved you, you also are to love one another. By this all people will know that you are my disciples, if you have love for one another."*

Installation of Felicia Salgado as St. Paul's official Commissioned *Director of Family Life* – Sunday, July 7th

St. Paul's Boys & Girls Club

Letter received Thursday, June 27th that they will close this Club

Met with BGC leadership on Tuesday, July 2nd in Huntsville to discuss

A zero net cost offer to BGC (the same financially either way for St. Paul's) was offered

BGC leadership let us know a week and a half later that they will close this Club

BGC leadership's final decision was announced to BGC families on July 14th

Please continue in prayer

Boys & Girls Club Sunday during *CrossLife* worship service – Sunday, July 14th

Special drum performance by BGC youth

BGC kids read Scripture lessons

BGC choir sang

Boys & Girls Club Closing Program – Wednesday, July 24th starting at 5:30 PM

7th & 8th Grade Confirmation – planning and preparing for class starting August 14th

New Member Course / Confirmation Class – Thursdays at 7:30 PM in Room 316

Sunday School Rally Day – August 11th

FaithLinks Kick Off – August 28th

Special Worship Series *Chosen: the purpose and call of God on every person's life*

August 11th – *Chosen: God chooses us*

August 18th – *Changed: we are changed by Him*

August 25th – *Complete: we are complete in God*

September 1st – *Called: He calls us*

Seekers and longtime believers alike wrestle with finding their true identities. We get swayed by how well or how badly things are going and get caught up in other people's opinion of us. The truth is, God's love for us is constant—even when we are at our worst, nothing changes the fact that we are chosen by Him. The apostle Peter wrote, "Once you had no identity as a people; now you are God's people." (1 Peter 2:9–10)

OVERCOMER Bible Study

Many people feel they are less than who God says they are. We get our identity from our careers, our political positions, our roles in the family, and a number of other lesser things. However, when we understand who God is, we more fully understand who we are. This Bible study uses clips from the Kendrick Brothers film *OVERCOMER* (releasing August 23) to examine how we determine our identity and how we can find our true identity in Christ. Join us starting August 11th on Sunday mornings during the Bible class hour in the Fellowship Room.

OVERCOMER Movie in Local Theaters – August 22nd through 28th

Life changes overnight for coach John Harrison when his high school basketball team's state championship dreams are crushed under the weight of unexpected news. When the largest manufacturing plant in town suddenly shuts down and hundreds of families begin moving away, John must come to grips with the challenges facing his family and his team. Urged by the school's principal to fill-in and coach a sport he doesn't know or like, John is frustrated and questioning his worth...until he crosses paths with a student struggling with her own journey. Filled with a powerful mix of faith, a twist of humor, and a ton of heart, the Kendrick Brothers return to theaters with *Overcomer*, their newest feature following *Facing the Giants*, *Fireproof*, *Courageous*, and *War Room*. This inspiring family film dares to leave you filled with hope and asks the question: what do you allow to define you?

St. Paul's Lutheran Church - Treasurer's Report

June 2019

7/19/2019 13:23

Total Funds In the Bank 12/31/18 to begin 2019	\$193,802.81
Income	417,250.68
Disbursements	-369,879.79
Balance on Hand 6/30/19	\$241,173.70

Thrivent Building Loan Balance **\$249,683.20** 47,370.89 total increase during 2019

Breakdown by Fund	Balance 12/31/2018	Balance 01/01/2019	Income during 2019	Disbursements during 2019	Balance 6/30/2019	Change YTD
"Checking Account"						
Budgeted Operating Expense Fund	27,459.43	0.00	242,883.91	-217,144.40	25,739.51	25,739.51
<i>Financial Plan funded by Firstfruits Giving 2018 Budget average was transferred to the Emergency Fund on 01/01/2018 details may be found in the 2019 Financial Plan Report</i>						
"Emergency Fund"	16,675.87	44,135.30	709.69	0.00	44,844.99	709.69
<i>funded by Budget Fund transfers, interest</i>						
"Savings Accounts"	70,489.72		534.29	16,149.36	86,370.57	16,579.45
Total Available Working Funds	114,625.02		<i>Operational trigger set at \$40,000</i>		156,955.07	4,844.88
Donor-Restricted Funds	79,177.79		25,174.72	-20,729.97	84,218.63	5,040.84
Total Funds	193,802.81		269,302.61	-221,725.01	241,173.70	47,370.89

St. Paul's Lutheran Church

Financial Plan through June 2019

2019 Year-to-Date Actual 2019 Financial Plan

Income

Firstfruits (Current) Giving for Budgeted Expenses **\$242,884** **\$480,000** **51%**

Expenses

Total Elder Expenses \$145,953 \$319,550 [✓] 46%

Total Education Expenses + -\$5,299 \$16,492 [✓] -32%

Total Parish Outreach Expenses ++ -\$451 \$2,154 [✓] -21%

Total Trustee Expenses \$52,652 \$93,804 56%

District Missions Tithe \$24,288 \$48,000 51%

Total Expenses **\$217,144** **\$480,000** **45%**

Financial Plan Activity for 2019 through June **\$25,740**

+ Preschool Ministry had MORE income than expenses by \$9,585	2018 Income	\$197,613	\$45,270 MORE 2019 Giving
++ Boys & Girls Club had MORE income than expenses by \$1,576	2018 Expenses	\$173,038	\$44,107 MORE 2019 Expenses

both accumulating deposits for summer & fall programs

Our Financial Plan Cumulative Giving and Expenses compared to our 2019 Goal is in the graph to the right.

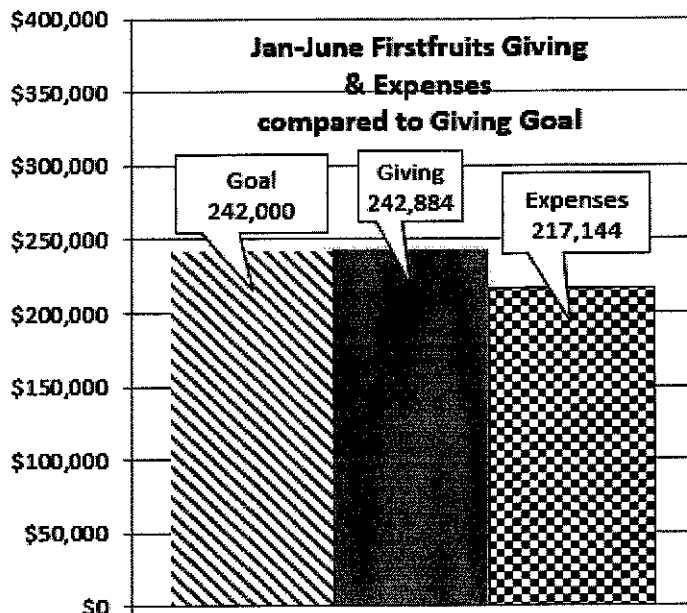
Our Financial Plan for 2019 projects \$480,000 for both our FirstFruits Giving and our ministry Projected Expenses which averages \$40,000/mo.

Our Giving through June of \$242,884 exceeds our Goal by \$884 - to God be the glory!

Our Expenses of \$217,144 are less than our Giving by \$25,740 in preparation for Felicia to begin full-time ministry on July 1 which will increase our expenses by \$3,300/month.

Reports on our progress will also be presented quarterly before worship services and in each monthly *Epistle* newsletter.

Details of the Treasurer's Report and the Financial Plan breakouts can be obtained through the Treasurer, Financial Secretary, or the Business Office at any time.



**St. Paul's Lutheran Church
Finance Team Report to Voters**

July 28, 2019

Savings Investments

We propose to transfer our current monies in the Lutheran Church Extension Fund (LCEF) to the Southern District Church Extension Fund (*as per the rates listed in the Sunday bulletin available to everyone*) leaving a working amount in our local checking account of \$65,000 at BBVA Compass and the LCEF.

Legacy Fund

We propose to establish a Legacy Fund to help ensure the perpetuation of St. Paul's Lutheran Church and its ministries to our community for generations to come. Currently our Memorial Fund receives gifts for special longer-term spending outside of the annual Financial Plan. We see the need to promote and support a Legacy Fund, set up with specific guidelines for management and disbursement with the intention of longer-term accumulation of principle, to encourage our members to support the Fund with intentional estate planning and gifts bequeathed for long-term security.

Preschool Funding Supplementation

We propose to establish a plan to encourage more financial support to the Preschool to ensure teacher and director pay and training is up to where it should be. Nancy Neuendorf, Preschool Director, will develop a plan for teacher pay schedules beyond the current starting wages at minimum wage of \$7.50/hour and a suggested timeline for implementation; the Team will review to present recommendations during the 2020 budgeting process and for encouraging additional support outside of Firstfruits Giving in the Financial Plan.

Jimmy Mueller
Nancy Neuendorf
Don Olson
Rhonda Reece
Susan Staudt
Carol Morgan

NEW BUSINESS

Status of Boys & Girls Club afterschool & summer programs

The Boys & Girls Club Organization has informed St. Paul's that they are no longer able to support the Club at our location and will leave at the end of the summer program.

St. Paul's responded with our desire for continued ministry partnership with the BGC and ways to assist in their remaining here; however, their decision is firm. They did agree to keep the Club open through August as parents seek other means of care for their children.

St. Paul's is exploring the feasibility of continuing after-school and summer care under our ministry umbrella.

Please keep these students and their families, Charlotte Bradley and her staff, and St. Paul's in your prayers during this time of transition.

**St. Paul's Lutheran Church
Sanctuary Roof Replacement**

CURRENT CONDITION

Asbestos roofing shingles on top of 2 ½ x 6 inch planking installed in 1968

No visible signs of leaks

Aesthetically not pleasing

Concerns

Following the April, 2018 storm, a substantial number of shingles have been noticed to be raised up and look in poor condition. Efforts with the insurance company to cover replacement at that time were not successful.

Given that asbestos shingles are prone to cracking, these raised up shingles may have created areas where the rain water can seep through the shingle.

Because of this we may have a condition where the planking under the shingles may be continually exposed to the weeping of rain water and causing them to rot.

The very high pitch roof that we have could conceal the problem by not allowing the rain water to pool up and leak through, not giving us a indication that we have a problem.

If that is the case we may not discover the problem until the plank has rotted considerably and needs replacement. Plank replacement is difficult and will cost will be substantial.

Replacement of roofing

In order to replace the roofing on the sanctuary, we would first need to remove the asbestos utilizing a licensed abatement contractor with all the required permits.

Then we must repair any areas that may have rotten wood by gouging out all the rotten wood down to sound wood.

If there are any areas that need to have the rotten wood removed, we would need to go back with plywood decking over the entire roof.

Once we are back to a sound flat roof deck, we would just reshingle like any other roof.

Costs

Remove and dispose of asbestos shingles	\$19,000
Contingency to deck entire roof with 5/8" plywood	\$10,000
Install 30-year shingles with felt underlayment	<u>\$22,950</u>
Total Cost	\$51,950

Alternate proposal

The current R-value of the 2½ inch planking on the sanctuary roof is somewhere between 1.77 and 3.5 depending on if it is oak or pine.

GAF Cornell makes a decking called ThermaCal that is utilized on cathedral ceilings like we have, and it has been recommended that we would go with the 1.5 inch thickness.

The R-value for the ventilated type would be 8.60.

This increases our R-value from approximately 2.4 to 11.0.

Our heating and cooling costs for the old part of the building is about \$10,000 per year.

Doing some roof area calculations it is estimated we could save as much as a thousand dollars each year by installing this ThermaCal.

The added cost would be \$22,711; however, we would not have to install the 5/8" plywood because the ThermaCal comes with 5/8" tongue and groove plywood as its top cover.

The total cost with ThermaCal deck and subtracting the

contingent 5/8" plywood decking is **\$64,661**

Energy savings pay back

If we assume that there is sufficient damage to the surface of the existing wood requiring us to place 5/8" plywood over the existing roof, then the net cost of the ThermaCal Decking would be around \$13,000 and the energy savings would pay for itself in 13 years.

If we assume that there is no damage to the existing roof and we are not required place another roof deck on top, then the net cost of the ThermaCal Decking would be around \$23,000 and the payback would be 23 years.

Recommended source of funds

Currently our mortgage with Thrivent is at 4.95% with 13.5 years left to pay, a balance of \$247,565, and a monthly payment of \$2,211 per month.

To cover the roof replacement we would need to borrow \$70,000.

This would bring our loan balance to \$317,565.

Refinancing this mortgage back to 15 years at a lower current rate of 4.55% gives us a monthly payment of \$2,438 per month, a net increase in monthly mortgage payments from \$2,211 of \$227 per month.