

St. Paul Evangelical Lutheran Church Transition Steering Committee

Report and Recommendations to Church Council

January 2012

Respectfully submitted by the members of the Transition Steering Committee:

Jeanne Blohm, Richard Grenzke, Paul Kvale, Tim Reisen, Laura Rooney, and Dave Upmeyer

Statement of Purpose

St. Paul Congregation will face many challenges in the next few years. Realizing that transitions are coming, the St. Paul Transition Steering Committee was created by the Church Council, approved by the congregation at the January 30, 2011 annual meeting, and commissioned by Council to do the following:

1. Evaluate the current and historical makeup of the congregation in terms of membership, attendance, demographics, and giving history.
2. Evaluate the current and historical makeup of our church staff and the programs they support, considering job descriptions, salary, benefits, and programs in place.
3. Evaluate facility usage now and in the future and the need for future major maintenance.
4. Evaluate the impact of the Vision of Growth in Ministry program.
5. Benchmark our congregation to other ELCA congregations in terms of programs, staffing, facilities, and budgets.
6. Recommend to the Church Council a 5 year plan to address:
 - a. The impact of the phasing out of the Vision of Growth in Ministry funding.
 - b. The impact of Pastor Harms's eventual retirement.
 - c. The makeup of our programs.
 - d. Staffing requirements to support the programs.
7. Create a projected budget that matches the committee recommendations.

Committee members were selected and started their deliberations June 2011. The committee has gathered statistical data and interviewed all full-time staff. Committee members have reviewed the church policy and procedures manual, staff manual, annual reports, and previous task force reports. The committee also developed a survey for members of St. Paul to assess the congregation's ideas and vision for the future of St. Paul. In addition, the committee hosted a series of open forums to hear directly from congregation members.

What follows is a summary of the information we have gathered and our recommendations for St. Paul.

Statistical Data
&
Analysis
Section I

Transition Steering Committee
St. Paul Evangelical Lutheran Church

St. Paul Today

Congregation

St Paul is a Christian community of 645 confirmed and 800 baptized members (As of June 2011--per St. Paul records). We average 159 people in worship on Sundays, with regular annual giving of \$620.00 per confirmed member. Our membership includes people of various ages and races, with most members residing in the Grosse Pointes, St. Clair Shores, Detroit, and Harper Woods.

Membership and attendance have declined in the last several years, while giving per member has remained stable and increased slightly. However, taking into consideration the rate of inflation, giving has decreased slightly in 2003 dollars. See tables 1 and 2 below.

Table

1

Evangelical Lutheran Church in America Congregation Trend Report									
ELCA Research and Evaluation									
Source: Congregational Annual Reports					Printed October 2011				
St Paul Lutheran Church Grosse Pointe Farms, Michigan									
From 2003 to 2010	2003	2004	2005	2006	2007	2008	2009	2010	%Chg
Baptized Membership	897	927	922	891	914	865	849	820	-8.60%
Confirmed Membership	732	745	750	723	735	679	673	657	-10.20%
Average Worship Attendance	275	275	275	275	207	225	200	159	-42.20%
Percent Attending Worship	30.70%	29.70%	29.80%	30.90%	22.60%	26.00%	23.60%	19.40%	-36.80%
Racial/Ethnic Composition - Congregations filing in 2009 and 2010 show Active Participants, which is NEW for 2009. All other numbers are Baptized Members									
African American/Black	5	6	10	12	12	12	13	12	
African National/African-Caribbean (New in 2010)									0
Asian/Pacific Islander	4	4	4	4	4	4	0	1	
Latino/Hispanic	0	0	0	0	0	0	0	0	
Amer Indian/Alaska Native	2	2	2	2	2	2	0	0	
Arab/Middle Eastern	0	0	0	0	0	0	4	0	
Multiethnic	0	0	0	0	0	0	0	0	
White	885	914	905	872	895	847	685	657	
Other	1	1	1	1	1	0	0	0	
Regular Giving Per Confirmed Member	575.98	626.85	596.82	624.38	606.59	621.22	662.08	619.92	7.60%
Regular Giving Per Confirmed Member in 2003 Dollars	575.98	610.6	562.19	569.84	538.28	530.91	567.82	523.01	-9.20%
Regular Giving by Members	421,617	467,000	447,618	451,425	445,845	421,806	445,579	407,287	-3.40%
Bolded Italicized data is suspect (repeated for several years)									

Source: ELCA Office of Research and Evaluation web site

Table 2

St. Paul Evangelical Lutheran Church	
Membership by Age	
Jul-11	
(Per Sandy Wallace)	
Ages	Membership
1 to 20	204
20's	119
30's	85
40's	82
50's	115
60's	97
70's	52
80's	60
90's	26
Over 100	4
Total	844

Source: St. Paul Records

Our committee placed the most significance on the weekly church attendance figures as a measure of the health and vibrancy of the congregation. Thus we are very concerned about the significant decrease in attendance, which is reported to a decrease of 42% since 2003. The average percentage of members attending worship service has dropped to below 20%.

Our congregation is not alone in experiencing declining membership and attendance. The committee examined data from other Lutheran churches in similar circumstances to St. Paul, the Southeast Michigan Synod and the national church (ELCA) and saw a similar pattern. Tables 3 and 4 compare St. Paul to similar churches locally and in the Synod, and to Synod and church wide averages for attendance and giving trends.

			2003	2007	2010	% Change (2003-2010)
St. Paul	GPF	Average Attendance	275	207	159	-42.2%
		Baptized Membership	897	914	820	-8.6%
		Per Cent Attending	30.7%	22.6%	19.4%	
St. James	GPF	Average Attendance	125	125	120	-4.0%
		Baptized Membership	475	480	373	-21.5%
		Per Cent Attending	26.3%	26.0%	32.2%	
First English	GPW	Average Attendance	357	197	197	-44.8%
		Baptized Membership	1187	968	968	-18.4%
		Per Cent Attending	30.1%	20.4%	20.4%	
Antioch	FH	Average Attendance	249	210	195	-21.7%
		Baptized Membership	771	600	596	-22.7%
		Per Cent Attending	32.3%	35.0%	32.7%	
Beautiful Savior	BH	Average Attendance	437	332	235	-46.2%
		Baptized Membership	1203	1131	1071	-11.0%
		Per Cent Attending	36.3%	29.4%	21.9%	
SE MI Synod Totals		Average Attendance	21,004	18,036	15,707	-25.2%
		Baptized Membership	66,220	59,637	52,419	-20.8%
		Per Cent Attending	31.7%	30.2%	30.0%	
NW Lower Synod Totals		Average Attendance	17,712	16,311	14,047	-20.7%
		Baptized Membership	54,676	51,337	45,534	-16.7%
		Per Cent Attending	32.4%	31.8%	30.8%	
All ELCA		Average Attendance	1,503,426	1,362,120	1,185,907	-21.1%
		Baptized Membership	4,984,925	4,709,956	4,272,688	-14.3%
		Per Cent Attending	30.2%	28.9%	27.8%	
Bolded Italicized data is suspect (repeated for several years)						

Source: ELCA Office of Research and Evaluation

		2003	2007	2010	% Change (2003-2010)
St. Paul	GPF	\$576	\$607	\$620	7.6%
				\$720	25.0% (1)
St. James	GPF	\$1,026	\$2,381	\$1,103	7.5%
First Engli:	GPW	\$399	\$579	\$579	45.1%
Antioch	FH	\$675	\$801	\$751	11.3%
Beautiful S	BH	\$570	\$971	\$850	49.1%
				(2009)	
SE MI Synod Totals		\$540	\$668	\$708	31.1%
NW Lower Synod Tot:		\$527	\$630	\$736	39.7%
All ELCA		\$468	\$553	\$562	20.1%

(1) Including Vision of Growth in Ministry

Source: ELCA Office of Research and Evaluation

Comparisons such as these are fraught with inconsistencies in how the data are kept and recorded, so we didn't place a lot of emphasis on them. However, even allowing for various inconsistencies, some of the trends are quite clear. The conclusions we reached from these comparisons were:

- Our rate of decline in weekly attendance is alarming. While some other similar congregations have similar rates of decline, our rate of decline is about double the average of both Michigan Synods and Church wide.
- Average church attendance as a percentage of baptized membership is the lowest of any compared church, and about 10% less than Synod and Church wide averages.
- Excluding Vision of Growth in Ministry giving, our annual giving per confirmed member has increased over the last eight years, but not at the rate of inflation. The percentage increase over this period is well below most compared churches, the Michigan Synod averages, and Church wide average. When Vision of Growth in Ministry is included, the percentage increase is 25%. This is still below the Synod averages.
- Including Vision of Growth in Ministry, our regular giving per confirmed member is comparable to the two Michigan Synods, and above the Church wide average.

While it provides some solace to know that we are not alone in our decline in attendance, we also note that some churches are thriving and rates of decline vary significantly. We therefore conclude that the current trends are reversible and we should endeavor to change our programs to better proclaim our mission and message of Jesus Christ. We also note that our overall rate of giving does not reflect the relative affluence of our congregation and community.

Staff

Currently, the full time staff of St. Paul includes the Senior Pastor, Associate Pastor, Minister of Faith Formation, organist/hand bell choir director, full time custodian, and office manager/church secretary. Part time staff includes the director of music/chancel choir director, youth choirs director, Minister of Administration, part time custodian, and nursery attendant.

Staff salaries and benefits currently comprise 73% of the annual St. Paul budget. In 2005 we devoted 64% of our budget to salaries and benefits; since then the percentage has gradually increased. According to the ELCA Office of Research and Evaluation (using data from the ELCA 2010 National Survey of Congregations), ELCA churches with similar size budgets to St. Paul devote an average of 51% of their budget to salaries and benefits. In addition, over 70% of the churches in our budget range employ only one full time ordained staff member.

Programs

St Paul supports a wide variety of programs for our members to benefit numerous community, national and international organizations. A partial list of our activities, tabulated by the Council position responsible, follows:

St. Paul Lutheran Church Council and Programs

Administration

Office Manager, Church Secretary, Wedding Coordinator
Website

Christian Education

Adult Bible study
Men's Breakfast Bible study group
Adult Forums
Listening for God
Faith and Ale
Youth Sunday School
Confirmation
Naomi Circle
Children's Christmas program
Milestone Ministry
Cradle Roll

Communications

Photography
Video
Archives
Display case

Evangelism

Lenten suppers
Coffee hour
New member contacts/reception/sponsors

Finance/Treasurer

Bookkeeping
Counting
Endowment Fund

Music

Chancel Choir
Sing and Ring
Angelic Choir
Bell Choir
Organist
Brass Group/Instrumentalists

Outreach Ministry

Funeral Luncheons
Food delivery
Lay Care
Pieces Be With You
Prayer Chain
Health Ministry
Befrienders
Prayer Group

PresidentProperty

Columbarium
Cleaning and Custodians
Yard Work

Social Action

Local Benevolence Financial and Volunteer
Support

Arts & Scraps
Habitat Grosse Pointe Partners
Gleaners
Crossroads East Food Pantry

Blood Drives
Fair Trade Coffee
Operation Shoebox

SecretaryStewardshipVice President

WELCA
WELCA Rummage Sale
Sociable Saints

Worship

Alter Guild
Communion Assistants
Acolytes and Cross Bearers
Lectors
Ushers
Greeters
Children's Sermons
Nursery

Youth and Family

Advent Workshop
Chi Rho
Luther League

Vision of Growth in Ministry

In 2005 our congregation committed to the Vision of Growth in Ministry Program; a five-year campaign with five goals to “provide us with a stronger and safer facility, a deeper faith development, an efficient administrative team, and a continued promise for the future.” For this campaign congregational members pledged monies over a five-year period specifically to support the following:

<u>Vision of Growth in Ministry: Campaign Elements</u>	<u>Five-Year Goal</u>
1. Fund Major Maintenance (non-routine maintenance and improvements)	\$50,000
2. Benevolence Commitment	15% of St. Paul's total budget
3. Minister of Faith Formation	\$225,000 Implement a holistic and intergenerational approach to family ministry by equipping adults and youth with leadership skills for St. Paul's ministry
4. Part-time Administrative Assistant	\$62,000 Assume payroll and accounts payable responsibilities, cover existing secretarial activities in the event of emergencies and assume various office-related activities currently handled by volunteers
5. Restore General Fund Reserves	\$34,000

The Transition Steering Committee evaluated the impact of the Vision of Growth in Ministry program. Following is an assessment of each campaign element:

1. Fund Major Maintenance (non-routine maintenance and improvements):

The \$50,000 fund for major maintenance over the five year time period was not realized. Approximately \$15,000 exists within the Major Maintenance fund.

2. Benevolence Commitment:

While St. Paul is a benevolent congregation, the goal of achieving 15% of total budget dollars was not achieved. However, over the past 3 years, St. Paul's benevolence percentage has ranged from 12.9% to 14.5%. Given the economic challenges our communities and members have endured, we are very proud of the generosity of our congregation.

3. Minister of Faith Formation:

A significant investment (financial, time and talent) was made by our congregation to further faith development over the last five years. The transition team, via interviews and congregational input, evaluated various areas including program development and success, resource allocation, volunteerism/congregational support, participation and leadership development. The transition team recognizes the dedicated effort of both staff and volunteers to commit to and implement faith development at St. Paul. Although there are recognized positive outcomes (Milestones and Confirmation), the primary goal of implementing the 4 Keys approach, achieving of higher attendance and fostering greater volunteer participation by both youth and adults in the congregation was not achieved.

4. Part-time Administrative Assistant:

The second largest financial commitment by the congregation within the Vision of Growth in Ministry was the hiring of a part-time administrative position to assume payroll and accounts payable responsibilities, cover existing secretarial activities in the event of emergencies and take on various office-related activities currently handled by volunteers. The committee conducted various interviews and reviewed the job description of the position. Our overall assessment is that the position has been a success, the investment by the congregation is warranted and slight adjustments need to be made to the job description to clarify staff role and responsibilities. The transition of financial responsibilities from Harry Thomalla to this position has been successful and seamless. St. Paul's financial reporting and budget management has been consistent year over year. In addition, the development of St. Paul's website is an added benefit from this position. The lack of a specific job description has led to some scope of work creep and confusion in responsibilities amongst staff. These challenges can be overcome by a clearer job description and shift in responsibilities more specific to the position.

5. Restore General Fund Reserves:

The goal of restoring General Fund Reserves by \$34,000 was not achieved. In fact, no funds were realized towards this goal primarily as a result of year over year shortfalls in general operating funds.

As part of our research the committee developed a survey for members of St. Paul to assess the congregation's ideas and vision for the future of our congregation. We also hosted three open forums in addition to an adult Sunday School session. We received 80 responses to the survey and were deeply appreciative of the thoughtful and helpful comments contained in the surveys and shared at the forums.

While it is not practical to include a complete compilation of the results, it is not surprising Worship, Christian Education, and Music were considered to be among our most important areas of ministry. Confirmation, Youth Sunday School, and Chancel Choir were rated among our most important programs. While a number of respondents thought our staffing levels were adequate, a clear majority thought we could reduce our staffing levels. An overwhelming number of people responding to the survey supported opening our church to outside groups. Suggestions for facility improvements were numerous and varied but focused on house-keeping, maintenance items and areas to be refurbished/updated.

Many of the suggestions we received are reflected in our recommendations and we thank everyone who participated by returning a survey or attending one of our forums.

Recommendations

Section II

Transition Steering Committee
St. Paul Evangelical Lutheran Church

Recommendations for Action by Church Council

Overview:

The Transition Steering Committee has prayerfully considered each aspect of our congregation's ministry. The directive given to us by church council and the congregation has been the starting point of our approach. The committee's discussions have been confidential by design to allow all members of the committee to be open in our deliberations.

We have used a two step process in making our recommendations. The first step was to create a vision of where our congregation's ministry will be in two to five years. This vision is based on trends within the greater church body, statistical data, staff interviews, and congregational input using the survey, open forums and individual contact. It is a vision that allows the opportunity for growth while accepting the reality of the transitions we face.

The second step was to use that vision as a guide to decide what actions should be taken over the next two to three years. Some of the action items are specific in their timing while others would occur in a step by step process requiring more flexibility as to when they would occur.

The Vision:

The transitions that we face create an opportunity for us to re-configure how we minister to each other and the greater community. We have based our recommendations on our current congregational makeup and the trends we observe both at St. Paul and elsewhere. We respectfully submit the following vision or goal for St. Paul Evangelical Lutheran Church:

Worshipping together as a community in Christ is the most important aspect of our ministry. Worship should be an enriching experience that sends us out into the world to be Christ's disciples with joy and energy. It is also the most meaningful opportunity for our visitors to experience our community in Christ. The 11:15 worship service has 25 to 50 participants each week. With a capacity of 350 or more, our sanctuary looks and is indeed empty for that service, which does not foster the same enriching experience available at the 9:00 service. Therefore, we recommend a single service format except for holidays and special service Sundays.

There are many advantages to this format. A full church has a positive effect on all those present. Intergenerational contact would occur naturally. From an evangelism aspect, our visitors would experience a worship service that shows what worship at St. Paul is all about regardless of when they came. It allows flexibility in when and to what extent we use non-worship time for Sunday School, Adult Education, congregational meetings and other faith formation activities. Should we experience the desired outcome of running out of space through growth, a second service can be added at the appropriate time.

We believe the time has come to implement an alternative or contemporary service format. We recommend that the Worship, Christian Education and Music committees form an action committee to evaluate, design and implement an alternative/contemporary service. We recommend that an alternative or contemporary service be added before a traditional second service. It could be available every other week initially as we settle on the proper format, day and time. This is an evangelism opportunity that has not yet been realized. We need an outreach mechanism to our youth and young adults and we suggest this as the first step.

Music is an integral part of the worship experience. Our music program is strong and varied in its approach. It is an avenue for growth by attracting new members through participation or worship service enrichment. It is our recommendation that the resources available to the music program be maintained and expanded when necessary. When a contemporary service is initiated, the music staff may require outside help. This should not be a deterrent as the Special Projects Fund can support the transition.

We further recommend that the music committee create and implement an approach to increasing participation in our youth music program. This is the one area in music that is not meeting its potential.

Our faith formation journey is an important aspect of the ministry we have at St. Paul. The Vision of Growth in Ministry campaign introduced the 4 Keys approach for faith formation and the addition of a full time staff member, the Minister of Faith Formation, to support that program. The program was to run for five years and be evaluated at the end of that time to determine whether or not we continue the program and to what extent.

The committee embraces the basic concepts behind faith formation, however the question posed to the committee is to what extent shall we continue and support this particular program. The desired outcome set forth included higher attendance and greater volunteer participation by both the youth and adults of our congregation. It is our observation and conclusion that those goals have not been met and that participation has declined. Therefore, we offer the following recommendations:

Every program at our church is inherently a faith formation activity to varying degrees. We recommend a less rigid or prescriptive approach to our faith formation journey wherein all council chairpersons will continue to hold up faith formation components in ongoing programs. A staff member should oversee and facilitate this activity by the council chairs in each area of ministry. The exact approach should be finalized after we have integrated our new pastoral staff members into the congregation as their specific skill sets will determine where this responsibility will lie.

We further recommend that the position of Minister of Faith Formation be phased out.

Although each of our programs should have a component of faith formation in its makeup, it is equally important that they represent the faith walk we as a congregation have committed to in Jesus's name. Bible study, prayer and community service are an important part of any congregation's faith walk. The increase in Bible study programs over the last few years has been a positive step in that direction. We recommend a

broadening of these programs to include non-members. Community wide communication of these opportunities should be done.

We participate in many areas of outreach to the community. The only one that is directly run by St. Paul is the annual rummage sale, and it should be continued. It is our belief that an ongoing outreach activity run by St. Paul would keep the service to community aspects of our ministry visible to all, including our youth and local community. It may also lead to a sense of identity for the entire congregation. This could be an additional annual project or an ongoing commitment to the community. Some examples would be the creation of a thrift shop, a food pantry or an annual food drive. This could be in partnership with a Detroit church, however research may indicate that there could be a need in Grosse Pointe that is not being met.

We further recommend that the current policy of designating a minimum of 13% of our Total Envelope Giving toward benevolence be maintained or increased to 15% when possible.

Integral to worship, faith formation and our faith walk is our pastoral staff. One of the transitions that we will face in the next five years is the retirement of Pastor Harms. The process of replacing our Senior Pastor gives us the opportunity to look at the entire scope of pastoral care we will require over the next five years. We believe that our current needs can best be provided by a single Pastor with the help of an Associate-In-Ministry (AIM) thus eliminating the position of Associate Pastor. This recommendation is based on our studies of like-sized congregations, lay ministry activities and the programs that are currently in place. With the elimination of the Minister of Faith Formation and the Associate Pastor position, the responsibility of our youth ministry will shift to the Pastor, AIM and volunteers.

The Call Committee formed to search for a new Pastor should keep in mind the necessary attributes for supporting an alternative/contemporary service and our faith formation journey. This also pertains to the Associate-In-Ministry position.

The church office is one of the first contacts potential new members have with our congregation. For that reason, it is important to establish a nurturing atmosphere both on the telephone and in person. The challenge is to complete the necessary weekly and monthly work while maintaining the appropriate atmosphere in the office. Additionally, there are situations that require confidentiality such as individual financial data and pastoral counseling requests.

Our recommendation is to move the financial functions of the church to a separate room, thus allowing for confidentiality in the handling of our financial data. A reconfiguration could then be made of the current office to allow for a segregated office space that would afford the Church Secretary some privacy when required.

The office staff is currently filled with one full time staff member and one part time staff member who is funded by the Vision of Growth in Ministry campaign. The addition of the part time Administrative Assistant position from the Vision of Growth in Ministry has been a success. It has allowed us to create a web page that is up to date and functional and to have our financial reporting and budgeting maintained in a consistent manner from year to year. It is a position that should be maintained by including the cost in the General Budget.

Upon reviewing the job descriptions and practical application of both positions, we recommend that a shift of responsibilities between the two positions occur over time. It is our recommendation that the part time position be configured so that it is entirely financial in nature. The web page, E-mail and general office related functions of the church should be shifted to the Church Secretary and these capabilities be included in the job description. The goal is to have a delineation of functions that would allow us to contract out the financial data activity if necessary without impacting the daily and weekly activities of the general office. This would add flexibility to how we could operate in the future.

Our church facility is being used by many different groups in addition to the congregation in general. We embrace this use of our facility as an outreach to the community. This outreach has the potential for adding new members through the exposure we receive and is a positive aspect of our congregation, but it does increase the amount of work necessary to care for our physical facilities. The maintenance of our facility is done primarily by our Sextons. We currently have one full-time and one part-time Sexton. We recommend that we keep that configuration in place as it affords us the luxury of having a knowledgeable backup available when the full-time Sexton is on vacation or off due to illness.

A continual point of discussion is the approach we take in setting up the charges we set for outside groups to use the facility. We recommend an annual or semi-annual review of these charges. As part of that process, an open discussion on the merits of charitable community outreach versus overhead cost recovery should occur.

We have a problem that is a good problem. The facility is used by so many groups at so many different times that it is difficult to keep it clean at the same time that we address maintenance requirements on a larger scale. The Sextons need more cleaning time available as room setups take productive hours away from general cleaning. We recommend that we contract with a lawn service to cut and maintain the lawn. This would add additional cleaning hours for the Sextons without impacting their overall hours. We recognize that the lawn service costs would add to our budget, however it could also be partially funded through a council created restricted fund specifically for lawn care services.

We also recommend that the congregation accept the responsibility of thoroughly cleaning the facility using a cleaning schedule covering an entire year. This would be a “deep cleaning” of each area of the facility doing one section per month or quarter. If certain areas of the sanctuary are deemed too dangerous to access, such as the light fixtures, then a cleaning company could be contracted for those areas.

In the area of facility improvements, we recommend a study be implemented to determine the scope and cost of changing the basement configuration to enable an alternative or contemporary service if it is determined that the service should take place in the basement area. This study should not commence until all the current work being done to repair the recent flooding damage has been completed. Based on the outcome of that study, a capital campaign should be initiated to fund the project. Major maintenance funding should continue to be budgeted beyond the Vision of Growth in Ministry funding so that problem items can be addressed each year.

Action Items and Suggested Schedule

The following Action Items and suggested schedule are the recommendations of the Transition Steering Committee. They should not be considered policy or the direction of St. Paul Ev. Lutheran Church until adopted by the Church Council and the Congregation.

1. Implement a single service format beginning after June of 2012. During the intervening time, the Worship, Music and Christian Education Committees should formulate the starting time for worship and Christian education and report their findings to church council for approval.
2. An outline consisting of Faith Formation Objectives should be constructed by the Christian Education Committee for use by Church Council Chairpersons during their activities review process. We recommend that this occur prior to the end of 2012.
3. The Minister of Faith Formation position should be phased out by the end of 2012. The Church Council should initiate this transition in accordance with the Letter of Call for this position immediately after the adoption of this recommendation.
4. A discussion concerning an ongoing outreach program run by St. Paul should commence in 2012 using the Outreach Ministry Task Force Report of 2008 as reference with action taking place in 2013 if possible.
5. If adopted by the Church Council, Pastor Collier should be formally notified of the Council's intention to phase out the position of Associate Pastor at some time prior to or during the call process for a new senior pastor. This transition should be in accordance with Pastor Collier's Letter of Call to St. Paul.
6. Move the financial functions of the church to the second floor office currently occupied by the Minister of Faith Formation. This would be done as soon as the room becomes available.
7. Re-configure the church office when the financial function has moved.
8. Transfer over site of the web site, social media and other related functions to the Church Secretary. Help in the acquisition of the necessary skills as required. This transition should occur in 2012.
9. The property chair should acquire quotes for seasonal lawn care to be contracted beginning in the spring of 2012. The budget should reflect this increase in maintenance costs once the decision to contract has been made. The Special Projects Fund could be used for the first year if the budget has already been set. Church council should review whether or not to create a restricted fund to help finance the lawn service costs. If so, part of the expense would be removed from the budget as funding becomes available.
10. The Property Chairperson should create a Deep Clean Sub-Committee to schedule and organize cleaning days beginning in the spring of 2012.
11. If the basement is a proposed location for the alternative worship service, a basement configuration committee should be formed in 2012 to address the scope and cost of updating the basement for this purpose.

Summary:

It is important to note that very few of our recommendations were driven by fiscal considerations. Rather, they were due in large part to a review of our present programs, staffing requirements for those programs and the possible addition of new programs. With this approach we feel that we have begun the process of defining what the ministry of St. Paul Evangelical Lutheran Church will be in the future without limiting the possibilities for growth.

We acknowledge that there is an added emphasis on volunteerism. When we reviewed how other congregations of similar and smaller size approached their ministries, it confirmed our belief that volunteerism is part of the discipleship Jesus preaches to his followers. In other words, it is not budget dependent as to who we want to become in our ministry.

One of the many challenging aspects of initiating change in any organization is to gain the acceptance of its members. It is important to note that with each change we create the opportunity for a positive outcome. Whether or not that is achieved is up to us as a congregation with the help and guidance of our Lord. An increase in our prayer ministry would be an integral part of this issue.

These recommendations reflect the directive that was given as our guide. There were other topics and findings we became aware of that were outside the scope of our mission. Those topics will be forwarded separately to the Executive Committee for their review and potential action.

The efforts of this congregation over the next five years will be crucial in its long-term viability in the community. It will be vital and thoroughly appropriate that we raise-up the mission of St. Paul in regular and fervent prayer as we embark on this challenging and exciting time in our history. May God continue to bless and guide our congregation as we perceive His will and move forward in faith.

Budget Recommendations

Section III

**Transition Steering Committee
St. Paul Evangelical Lutheran Church**

Budget Recommendations

The following proposed budgets incorporate the recommendations by the Transition Steering Committee. There are two proposed budgets. Both proposed budgets reflect the elimination of the Minister of Faith Formation position and the Associate Minister position. Major Maintenance is maintained at \$10,000 per year and Benevolence is maintained at 13% of Total Envelope Giving. Please note that with the loss of the Vision of Growth in Ministry revenue, the total dollar amount of Benevolence has decreased. It is for this reason that we recommend 15% as a possible solution.

Both budgets reflect the retirement of Pastor Harms with a newly called pastor shown for the entire year. The new pastor is shown on the basis of having 14 to 16 years of service in the ministry with the appropriate base salary, housing allowance, pension and benefits.

One budget shows the Associate in Ministry position being filled for the entire year, labeled "W/AIM". The new Associate in Ministry is shown on the basis of 9 to 10 years of service with a bachelor degree having been attained. The appropriate salary, pension and benefits are shown. One budget does not include the Associate in Ministry position being filled, labeled "WO/AIM". This is to illustrate the effect that a single pastor ministry would have on the budget.

One reason to show a single pastor ministry is to address the reserves of our General Fund which was a part of the Vision of Growth in Ministry funding. The single pastor approach, without an AIM would allow the reserves to be built up over time. All of the dollars shown are based on current dollars and current revenues for the purpose of clarity.

We have also included a budget that shows the elimination of the Vision of Growth in Ministry revenue but maintains all other aspects of the proposed 2012 budget. It is labeled "No Changes" and is for comparison purposes. It illustrates what the 2013 budget could look like if no significant action is taken.

St. Paul Evangelical Lutheran Church
Comparative Summary Statement of General Fund Activity
Transition Steering Committee Recommendations
December 31, 2011

	<u>Possible Future Budgets</u>			2012	2011	2010
	<u>W/AIM</u>	<u>WO/AIM</u>	<u>No changes</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
GENERAL FUND INCOME						
Envelope offering:						
Against pledge	\$ 302,140	\$ 302,140	\$ 302,140	\$ 302,140	\$ 326,277	\$ 328,690
No pledge	<u>109,000</u>	<u>109,000</u>	<u>109,000</u>	<u>109,000</u>	<u>68,455</u>	<u>64,663</u>
Total regular envelopes	411,140	411,140	411,140	411,140	394,732	393,353
Special envelopes	6,000	6,000	6,000	6,000	5,559	13,934
Vision in Ministry	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,100</u>	<u>58,657</u>	<u>65,484</u>
Total Envelope offering	417,140	417,140	417,140	485,240	458,948	472,771
Distribution from Endow. Fund	29,000	29,000	29,000	29,000	26,000	23,000
All other support	30,300	30,300	30,300	30,300	32,947	25,311
<i>neighborhood club</i>	<i>(3,500)</i>	<i>(3,500)</i>	<i>(3,500)</i>			
Total Income	<u>\$ 472,940</u>	<u>\$ 472,940</u>	<u>\$ 472,940</u>	<u>\$ 544,540</u>	<u>\$ 517,895</u>	<u>\$ 521,082</u>
GENERAL FUND EXPENSES						
Salaries & Fringe Benefits:						
Pastors Salary & Housing	\$ 66,600	\$ 66,600	\$ 152,000	\$ 152,000	\$ 151,896	151,896
<i>AIM</i>	36,000					
Admin. & Custodians	92,500	92,500	129,000	129,000	125,292	129,641
Music Salaries	35,000	35,000	35,000	35,000	34,575	34,828
Continuing Education	1,100	1,100	1,100	1,100	1,085	1,133
Pensions	10,200	6,600	20,500	20,500	20,357	20,357
Hospitalization & Disability	40,400	34,000	44,900	44,900	43,498	41,774
Payroll Taxes	<u>12,500</u>	<u>10,000</u>	<u>12,500</u>	<u>12,500</u>	<u>12,027</u>	<u>12,328</u>
Total Salaries & Benf.	294,300	245,800	395,000	395,000	388,729	391,957
% of General fund income	62.2%	52.0%	83.5%	72.5%	75.1%	75.2%
Utilities & Insurance	50,160	50,160	50,160	50,160	44,497	45,725
Office Expense	13,300	13,300	13,300	13,300	12,922	12,034
Maintenance	10,700	10,700	10,700	10,700	10,487	9,373
<i>lawn service</i>	3,000	3,000				
Major Maintenance	10,000	10,000	10,000	10,000	2,458	8,484
Benevolence	54,228	54,228	62,000	62,000	62,000	65,423
% of envelope offering	13.0%	13.0%	14.9%	12.8%	13.5%	13.8%
All Other Program	<u>22,020</u>	<u>22,020</u>	<u>22,020</u>	<u>22,020</u>	<u>18,100</u>	<u>20,647</u>
Total Expenses	457,708	409,208	563,180	563,180	539,193	553,644
Operating Income (Loss)	<u>\$ 15,232</u>	<u>\$ 63,732</u>	<u>\$ (90,240)</u>	<u>\$ (18,640)</u>	<u>\$ (21,298)</u>	<u>\$ (32,562)</u>