

LITTLE HOME CHURCH BY THE WAYSIDE (LHC)
JANUAL MEETING
JANUARY 22, 2012

Moderator Ann McLaughlin called the Janual Meeting to order at 10:45 a.m. and Pastor Ron opened with a prayer. Thirty-eight members of the church were present.

Assembled members reviewed the minutes of the June 26, 2011, Janual Meeting and also the minutes of the Special Congregational Meeting, November 20, 2011. Greg Hege moved they be approved as presented, Wally Setlock seconded and the motion carried unanimously without discussion.

Pastor's Remarks: Pastor Ron began the meeting stating that our congregation should be celebrating the fact that our church is healthy, effective and faithful. It has been a pleasure for him to serve and work with the Council and the new programming. It's been a good year and he is looking forward to 2012. He stated that not only should we be celebrating our past but we should also be celebrating our future hopes.

Moderator's Remarks: Ann stated that the purpose of this meeting is to review and approve the budget for 2012. The past year, 2011, was extraordinary in the life of this church. We have a lot to celebrate today, including: the 10th anniversary of Ron and Maggie joining us; our terrific music programs (including the Friday night service on Good Friday with the Spektral Quartet: The Seven Last Words of Christ; the Easter Cantata, the Christmas Cantata, the fact we had 18 people in choir today, our choir music, and the bell choir, which added a new dimension for youth and adults); we have 66 pledges for 2012; we had a promise of a matching gift of \$15,000 toward our deficit AND we over-achieved that challenge grant by raising \$45,000; and finally, we achieved a near-balanced budget. In 2011, many new things happened and we have many old things to celebrate about ourselves and our faith. For 2012, we hope to continue to achieve blessings and grow our remarkable faith in God.

Moderator Elect's Remarks: Wally stated we look forward to some changes. With the participation of the congregation in events we have seen new faces, many in the last 6 months. Our need is to bring in new membership. We seem to get through financial problems because of the core of our membership and we need to continue to get new members to overcome our financial challenges. We should consider friends, family, and functions to bring new faces into the church to increase our members. The plan now is to do what we can to refresh this congregation, get the new pledges, and keep moving forward.

Treasurer's Report:

Report on 2011: Art explained that for some previous statements the budget was almost balanced for 2011. The 2010 deficit was a little over (\$15,563) with a projected deficit of (\$27,000). For 2011, we approved a (\$30,000) operating deficit and prepaid pledges were down significantly at (\$13,000). Then we received the \$15,000 challenge grant. We have collected \$43,000 and still have a commitment yet to collect. Without the match, we would have had an almost (\$50,000) deficit.

For 2012, the economy is still not stable. We are predicting a deficit for 2012 which includes no raises for the staff. Two years ago our expenses were \$277,355. Last year our expenses were \$278,244. For 2012, we have planned \$259,895 in expenses and with this reduction in expenditures we still have a deficit of (\$37,395). Our 2010 deficit was (\$15,563), 2011 was (\$5,755). The 2012 deficit is projected at (\$37,395). With no revenue from the Petersen house we have a (\$16,800) revenue loss, yet we still have property taxes, insurance, utilities, etc. totaling \$9,000 related to the Petersen home. The Dixon home has a positive cash flow of \$1,800. The core church operations without the homes are (\$32,995). Pledges are \$158,000, down from prior years. Revenue is projected at \$214,100 vs. last year of \$272,489. We have been accumulating deficits of (\$15,000) in 2010 and (\$5,000) 2011 totaling (\$20,000) and (\$37,000) projected for this year. The Petersen house is behind about \$5,000 in rent and Council has decided not to pursue a judgment. Nancy Alex asked about the management

company for the rental properties and Art said we are considering managing the properties ourselves. The Petersen house needs to be cleaned and it is much easier to sell if it is empty. We need to sell it as soon as possible. Anne Bouchard said 2 realtors recommended the house be empty in order to sell it and due to the budget situation let's try managing the properties ourselves.

Bank Line of Credit: A bank for a line of credit has been finally secured after contacting 6 different banks. The bank agrees we need to sell the house as banks do not want real estate as collateral. With the State Bank of Geneva, we now have a \$100,000 line of credit at 6% interest and we have budgeted \$635 for interest fees on a loan. We will try to sell the Petersen house as soon as possible to avoid using the line of credit. Art thanked Bob Schless for the introduction to people at the State Bank of Geneva.

Presentation of the 2012 Budget: Art stated that much of the 2012 budget is related to human resources with 4 employees on the payroll. Our budgeted expenses are reduced, as Ron no longer has to have health insurance coverage and we no longer have a Youth Coordinator Salary. Ron is funding the nursery on an as needed basis. The office manager salary has increased due to an increase in hours per week, but there are no raises. Human resources expenses are \$160,000 of the total expenses of \$260,000. The other budgeted expenses are mainly Facilities at \$50,000 and Outreach at \$25,000.

Art explained we have 16 funds with our main funds being: Operating Fund; Special Projects Fund, (\$2000 dedicated for new choir robes); Specified Fund which is for special functions; Paint Fund for repainting the church has \$7,686; and the Concert Fund, covering payments for the hand bells. We have \$84,000 in various other funds and ended the year with \$98,851. Art proposed to handle the (\$20,635) deficit by using the Specified and Memorial Funds. We hope to have at least \$175,000 coming in from the sale of the Petersen house so it is possible to carry over the deficit and let the council decide, especially if the house sells right away.

We have some miscellaneous receivables and we have no liabilities. The value of the properties is \$2,600,000. Our balance sheet is in great shape; lots of churches would be happy with this. The \$15,000 matching gift became \$45,000 for which we are grateful.

We have some new programs starting which are great. Art thanked Kathy Haben for the new book club. Jane Shelton stated we have no Youth Coordinator or nursery expense because we have no children. We need children coming through the door and we need more families with children. We need programming for children. Maybe when we get the house sold we should set aside dollars for a Youth Coordinator to get new programs to get new members. We need to offer some programs for children. Anne Bouchard said she would move to add a youth coordinator salary. Mary Jean Schless asked if we have investigated getting professional people from UCC to talk to us about the best methods to get more members. Art said that previously we had no prospects to do that, but now with the house going on the market that is something we can consider. Susannah Lesswing said we had a volunteer youth coordinator and we need to use the volunteers that we have in the church because we have that ability.

Art referred back to the 2012 budget. Gail Zwemke moved to accept the 2012 budget and Bob Schless seconded. After some discussion regarding reductions in the budget, future opportunities and possibilities to grow the church membership, a vote was taken. The budget was approved unanimously.

Old Business:

Ann McLaughlin expressed appreciation for Lori Prang working with the Church Windows software and for her help inputting the financial information. She mentioned that if anyone is in the market for a bank, please use the State Bank of Geneva which gave us a line of credit. Also, please consider prepaying your pledge, now or quarterly, to help with the cash flow.

Petersen House Update: Ann said the renters in the Petersen house are in the process of moving out, although later than planned. She will find out and let everyone know when we need to clean and get the house prepared for sale. Ashe Realty will be the realtor and we'll sign a contract when the house is ready. Jen Gatsch asked what will happen if the tenants are not leaving? Ann will make contact with the tenants as the 5-day notice was issued. She will talk with Peter Gatsch and make sure they are out by the end of the month. It was agreed to take legal action if this does not occur.

Strategic Plan: Bob Kaska said two years ago we had three goals:

- 1) Grow & Maintain Membership
- 2) Determine & Implement 'Best Use' of LHC Properties
- 3) Establish and Fund an Endowment

These goals are ending in June of 2012.

Endowment Fund: Endowment is moving slowly in tough economic times, though we have documentation in place and people committing to the endowment program. We are looking for people willing to make a significant long term commitment to the church.

Art Zwemke said we need another trustee (5th) because of our loss of John Berger. We have Dave Poole, Dave Sterner and Nancy Alex. Please think about it and let Art know. We need to try to create long-term financial stability for LHC by having people name the church in their will when estate planning. Possibly, we should have a luncheon to honor the people that have made this commitment.

Properties: The decision has been made to sell the properties and turn them into cash. The realities of the economic climate have helped us make this decision and be practical about the resources we have. Art added that due to the 2-year lease on the Dixon house, we should table the decision for now (on the Dixon house) until the Petersen property is sold. Also, we have pledged the Dixon house for the note. Christopher Thornton asked about changing the lot lines so the church has more property available for future use. That option is still being considered.

Membership: Bob is Evangelism Ministry chair and we are using the congregational strategy: who do we have we can bring to the church? Right now we have 19 hosts of congregational members with 28 prospective members that they are inviting into the LHC community. We are asking our members to bring people in and members are volunteering to do this. We are also stepping into the world of e-marketing and our newsletter is being produced internally. Currently a 20% opening rate is good and we are experiencing an 80% opening rate. We are also setting up an email database and we will be reminding prospective members about events. We are going to have classes now for new members when we have 3 households. We also want to have them participate in a service event, an educational event, and a social event and possibly have them host a Fellowship so they have other people they know from their pledge class. Hopefully in March, we will have 3 people in a winter class. Hosts need to be working to get their prospects involved.

Bob asked for ideas on the next strategic challenge for our Little Home Church. Anne B. said that when Petersen house sells, we had talked about earmarking money for consultants to help us grow membership. Bob said we still need the personal invitation to get people in the door, mainly with invites. Carol Berger said we had a great turnout with our Chili Cook-Off. Bob said Kathleen Kaska was helping with the email blasts and thanked her. He said the reality is that we are not a church with lots of children and we need families that want to join a small church instead of a mega-church. Carol B. said we should still try and get kids into the church because kids are our future. Mary Jean S. said UCC consultants were extremely helpful in the past. Nancy Alex said we have resources in our church now. We just had a successful fund raising drive with the \$15,000 grant. We can still do more than we are doing and we each just have to step up.

Jane Shelton said Emma Kaska did a fantastic job as Youth Coordinator and we thank her for volunteering.

New Business:

Driving Ministry: Nancy Alex would like to know if people within the church or church community would be able to help with transportation to the hospital, medical appointments, etc. and get our shut-ins to services. Nancy will formalize the process. Please contact her if you can help or need transportation services.

The new church directory is almost ready, and will be out soon. Kristen Thornton has been facilitating this large project.

Nancy Alex asked that we make the east side of the Guild House into several parking places which is now grass. This item was referred to Council.

Ron commented on our church's outreach efforts. Contributions to the agencies we fund have been impressive for the size of our church. He said we have also supplemented our outreach efforts by donating 45 dinners 3 times a year. This makes our church very, very special and we are looked upon that way.

Art moved to adjourn the meeting, which was seconded by Anne Bouchard, and the motion was unanimously approved. Ron closed the meeting at 12:10 p.m. with a prayer and a New Year's wish for 2012.

Respectfully Submitted,

Jan Marchese
Church Clerk