

SAINT LUCAS UNITED CHURCH OF CHRIST
CHURCH COUNCIL MEETING MINUTES
July 25, 2023, 6:00 pm - Zoom Hybrid/Room 19

*(*This meeting was called to order at 6:01 pm by President, Marty Schmidt.)*

MEMBERS PRESENT: Phil Denton, Marsha Fey, Katy Forand, Kathy Herron, Donovan Larson, Jack Laudenslager, Marty Schmidt, Barbara Smith/Zoom, and Juanita Wagner/Zoom | Nine members. *(Members Absent - Violet Brooks, and Paul Simons)*

STAFF PRESENT: Rev. Dr. Carole Barner, and Rev. Vicki Hampton

VISITORS PRESENT: Dan Herron, and Carolyn Schwarz

ZOOM VISITORS PRESENT: Marsha Armentrout, Bill Brinkhorst & Joy Dressel, Ellen Littleton, and Kim Witbrodt | Five visitors.

OPENING PRAYER:

The meeting was opened with a prayer by Kathy Herron

GUEST COMMENTS: There were none.

CONSENT AGENDA:

- Council Meeting - June 26, 2023, Minutes
- Council Meeting (Executive Session) - June 26, 2023, Minutes
- Preschool Board Meeting - July 12, 2023, Minutes

Jack moved and Marsha seconded the July 25, 2023 Consent Agenda as submitted for approval. The motion was accepted unanimously by a show of hands.

STAFF REPORTS:

Pastor Vicki -

- There were no questions or comments in response to Pastor Vicki's written report. She reminded the Council of her upcoming vacation from August 27th - September 19th.

Pastor Carole -

- Pastor Carole advised there is a typo in her report. The true date of the next Sunday Funday is actually 8/13/23 and not 8/27/23.
- Also, Pastor Carole is now free to announce that she'll be leaving St. Lucas UCC on 10/15/23 to take over as Interim Sr. Minister for Kirkwood UCC due to the retirement of their senior minister, Betsy Happel.
- Donovan asked if Pastor Carole would remain in the Sexton house on campus. That answer is yes, as she has a rental agreement separate from her call agreement with St. Lucas UCC.
- There were no other questions or comments in response to Pastor Carole's written report.

FINANCIAL REPORT: Marty Schmidt shared Paul Simons written report in his absence.

- General Fund Cash was \$644,351 on June 30, 2023, versus \$622,765 as of June 30, 2022. These balances included Money Market funds of \$407,328 in 2023 and \$519,516 in 2022.
- Regular Offerings for the month of June were under budget by \$10,000 but year-to-date Regular Offerings are \$18,000 over June 2022.
 - Miscellaneous General Income for June reflects the receipt of \$58,063 from the estate of Shirley Pfister. Year-to-date, Miscellaneous General Income was over budget due to the Pfister bequest

and the ERC money, which was partly offset by the absence of money from the Shirley Beyersdorfer Fund.

- This fund fell below \$200,000 on December 31, 2022, and, therefore, can't pay any money to the General Fund in 2023.
- June General Fund Expenses, were over our anticipated budget by \$35,000.
 - This variance was primarily caused by the West Lot resurfacing, security system repairs, and the quarterly insurance package payment which was budgeted for July.
 - The security system repairs are expected to be covered by our insurance. Year-to-date, General Fund Expenses were over budget by \$64,000, which reflects the above-referenced expenses, as well as storm-related expenditures, ball field maintenance, and parsonage flood remediation.
 - These additional expenses were partly offset by the absence of Search Committee expenses.
- This all resulted in a June General Fund deficit of \$18,610 but a year-to-date excess of \$31,523, caused by the variations discussed above.
 - The Net Deficit for June was \$7,678, while the year-to-date excess was \$34,559, compared to a June budgeted deficit of \$2,451 and a year-to-date budgeted deficit of \$91,099.
 - These variations principally reflect the Shirley Pfister and ERC monies received, partly offset by storm-related expenses and various facility repairs discussed above.

Marty asked for questions or comments. There were none.

Physical Facilities Ministries -

Donovan presented the following information to the Council:

- Our lawn care contractor M.S. Lawncare, Inc. is providing good service as agreed to in their contract. The fields are being dragged every two weeks. This ministry discussed overseeding and aeration in the fall.
 - A meeting with Lindbergh Schools will take place this week to discuss their needs with regard to our fields.
- Kammerlen Electric will be installing our new sanctuary cameras in the upcoming weeks once their work with some local school districts is complete.
- Work on the security system of the church is expected to be completed today. A part will prevent the system from sending false alarms.
- Old World Roofing has inspected the roof. Five leaks were reported by church staff. Two primary problems are due to flashing around chimneys. There's also a flat spot above the office that has puddling which needs to be addressed. In addition, there is a leak on the roof of the preschool building.
 - All told Old World submitted an estimate of \$49K to Donovan for the repair of those problems.
 - It was the consensus of the Council that that amount seems too high. More bids should be secured as we don't want the leaks to get worse by waiting.
- The Cemetery Board is repairing fencing planks that blew down during recent storms. That fencing is used to block the view of the dirt pile behind the garage.
- Half of Evan Glovanovitz's Eagle Scout project has been completed. Three benches near the Denny Road sign are now installed.
 - Two more will be placed near the Little Free Pantry once this project is complete.
- Charlie recently pointed out and/or assisted the following to Donovan:
 - He used spray in the kitchen for an isolated ant situation,
 - He helped diagnose alarm issues with ABF,
 - He reported on recent annual inspections -elevator, kitchen hood, boiler, fire alarm & sprinkler system- with Donovan.

- Charlie will get bids for the installation of three new toilets in the preschool. The preschool has agreed to purchase them with their own money
- Bob Beck noted that a two-year-old tuck-pointing project had been sidelined under the former Building and Grounds team.
 - Bob also feels sealing the exterior stone work on the church needs to be considered.
- Donovan feels that sealing the large/eastern parking can be postponed for up to two years. This will reserve their budget dollars for more pressing repairs/maintenance.
- Carpet replacement was discussed at their last meeting:
 - Areas in the sanctuary, and the stairs leading to -plus the Welcome Center- are being reviewed.
 - Donovan peeled away one of the carpet tiles in the sanctuary. He took it home for cleaning and received a good result. This could be a cost-saving measure for now.
 - This team also discussed options by using the same laminate flooring as in the Social Hall. Marsha suggested calling Boardwalk Floors, Carol Stelmach's family business for advice/quotes.
- It appears a picnic bench was not stolen after all, but rather previous concerns were an inventory error.
- New door locks have recently been installed by Donovan in the parsonage.
 - New lights and switches in various areas are still on that property's to-do list.
- For budgetary purposes, this team has been purposefully prioritizing all known maintenance and repair work that will be needed in 2024.

OLD BUSINESS:

>Concession Sales - Donovan asked what type of volunteer power is needed to man this ministry. Katy and Marsha explained the process they used last sports season: 2-3 volunteers, a table, bottles of water and Gatorade, soft pretzels from Pretzel Boys in Sunset Hills, and sometimes donuts from Schnucks. It's been great P.R. for St. Lucas UCC. People are able to put a friendly face on the church. They wear their name badges for identification. No pressure to attend, yet if people ask about our service times, they gladly share info. They also put in a good word about the Sunday Funday events. Plus they have signage to identify themselves as St. Lucas UCC people. Over the course of 5-6 Saturdays their profit was \$1,000.

>Stewardship of Facilities - There was an earlier discussion about getting volunteers to open and close the building on Sundays to help defray costs. However, as the new maintenance person is able to help with tasks carried over from Friday plus be available for unexpected aid, the expense is not as costly as originally thought.

>Safety Plan - Donovan advised an Intruder Training presentation will be held for ushers interested in attending on August 3rd in the sanctuary. It will be given by the Sunset Hills Police Department.

>Open & Affirming Update - Pastor Vicki, Marty, and Barbara jointly advised the following people have committed to this team: Bill Brinkhorst, Maddie Finn, Karen Papin, Cynthia Rosfeld, and Barbara Smith. Marty advised he's waiting to hear back from Alyssa Blanke. Pastor Vicki shared she'd like to see another man on the team. Marsha Fey suggested perhaps Kirk Dalgaard as a good choice. All agreed. Marty will reach out to Kirk. Once the final team is in place they will be installed in a future church service.

>Accounting Software Update - Pastor Vicki advised as the Preschool had not yet been consulted about this system she feels we need their input before a final decision is made. More information will be forthcoming.

>Land Use Task Force - Per Marty, this group will be meeting with Cornerstone Funds on 7/27/23. They are a UCC organization that provides funding for projects on a national level. This was in response to a group that suggested the church do a "Land Use Study" on our property. Note - Marty stated unequivocally "We are NOT selling any property".

>Other Old Business - None

NEW BUSINESS:

>Review of Proposed Changes to the Constitution and Bylaws -

- Both Marsha and Kathy expressed their ardent concerns about the new term lengths for Council members in addition to the added duties of being assigned as leaders of ministries and boards. Discussion about this prospect continued at length.
 - Marty will revisit the wording and sees value in their opinions.
- Pastor Vicki expressed concern over the wording of dismissing a Pastor by a “simple majority” - see Page 4, Pt. 8, Section B. She feels the voting number needs to be a higher percentage. She referenced Brexit as an example and the low percentage that enacted such a momentous change. She feels it needs to be a number more than a simple majority. Marty asked for guidance on how a Pastor may feel under such circumstances. Pastor Vicki expressed in her opinion at minimum the vote should be a supermajority. Discussion continued with Marty understanding her to say that the quorum would not be increased but rather the majority necessary needs to be increased.
- Phil shared he’s uncomfortable with the Constitution’s current length of time to announce a congregational meeting for that (dismissa) purpose listed as two weeks. With more discussion, Phil suggested the change could read that the vote for the procedure of dismissal of a pastor needs a 30-day period to allow materials and references to be gathered beforehand.
- Marty asked how the Council feels about term limits for a ministry chair. His fear is ministries will stagnate with the same leadership over a lengthy period. He feels the leadership should be rotated regularly. Fresh ideas are a good thing. He sees value in routinely changing leadership at the top.
 - Donovan pointed out a leader could stay on the committee with the benefit of their knowledge and support for the new leader.
- Marsha pointed out that some people in the congregation currently feel the Council wants to “run” everything and they have too much power.
 - Kathy said that in the committees where she serves, she has experienced good leaders who have served for an extended period of time. Yet, like Marsha, she too feels that it may appear to some members of the congregation that the Council is running everything under this new proposed structure. It could work if we had a “wonderful” Council as we do now. But we have seen what can happen when Council members may not have the Church’s best interest in mind. She’d like to “spread the wealth” in leadership roles, as there are so many talented people within our congregation.
 - In addition, Kathy feels that our lay delegates need to report back to the congregation when they attend conferences. She doesn’t see that happening.
 - Marty’s intent with the four-year term limit is to cut down the possibility of someone staying in one leadership role for up to six years as currently written. After four years a required gap year is mandated. However, he is willing to rethink how to structure the heads of the committees.
- Katy added she’d like to see information about committees readily shared/posted. An available inventory of who is on what committee/board. What does that committee do? Who does what for that committee?
 - Donovan has the same concern. It should be less burdensome to find that type of information on our website... Vicki took note and will discuss it with Denee and Debbie.
- So Marty is hearing we are not for term limits for any chairperson?
 - Per Jack, no. Term limits are needed but perhaps in a different structure. He added one thing we haven’t addressed is we don’t have people beating down the doors to be on the Council, let alone volunteers for making coffee or serving as an usher.
- Pastor Vicki feels term limits need to be set for specific committees that may be best served with term limits. For example, AV and Caring Ministries would not fall into that category. Marty is open to receiving our thoughts on this issue and picking up this discussion next time.

- Pastor Vicki has concerns about how our Membership is addressed. There isn't anything about discipline in our current guidelines. If there had been we may not have had the situation we experienced earlier this year with one of the committees.
 - Marty asked for guidance on how it should be approached. The information he has supplied in the proposed structure was provided by the current membership committee and it's the practice they're currently following.
 - Pastor Vicki would also like to revisit the guidelines of Membership. She feels they are currently "fuzzy". We have 680 members on the books but probably 250 active members. In other bylaws, she has seen specific metrics to spell out what is expected of the members. Membership needs to reflect true commitment. Four years is "*an awfully long time*" to remove people from our books.
 - Donovan offered that perhaps "fuzzy" isn't bad. It could be rephrased as reasonable contributions to the church or reasonable participation in the activities of the church. Or perhaps contributions worthy of membership. In that case, the Council could review what is occurring. Is a conversation needed with someone? Spending time in the garden beds every week or trimming trees seasonally is also a means of giving and is valuable to the church. Phil agrees with metrics but also feels they should be aspirational.
 - Marty added there are ramifications of the differences in membership numbers. There is a marked contrast between 300 and 600 members when we are calling a pastor. Are we giving these applicants an accurate representation of what is happening here at St. Lucas UCC?
- Speaking of applicants, Donovan asked if we will have one minister or two ministers next year.
 - Good Question - that is why Marty has been in front of the congregation so often this year. It hinges upon how much responsibility the congregation is willing to take upon itself.
 - Donovan feels the congregation needs to know that if Vicki is gone by the end of the year, we will need to rely on one or maybe two Supply Ministers which is very different than the caliber of ministers we have had these past three years. We could be struggling come January. Vicki interjected we'll need to see what happens with the Search Committee.
 - Marty feels we will ultimately be spending time with only one minister since we won't be able to start a search for a second minister until the new Sr. Minister is settled and in place.
- Marty has spent time with our ministers asking them what is something our congregation expects from our ministers that other congregations don't. Preparing paraments, preparing for communion, (i.e. a worship committee), and overseeing confirmation are all examples of what can be done by lay people. So there are things out there that we'll need to find out if we're ready to take that load off our ministers. And if we can, do we still need two pastors?
- Additionally, Marty asked if the changes to the terms of the PET members -from one five-year term with at least a two-year break in between- if that is acceptable. Donovan commented the concept of having more managers than observers in this group is pretty important.
- In light of all the discussion that has occurred tonight regarding the Constitution and the Bylaws, nothing will go to the congregation until it is first finalized with this Council. Marty's intended goal was to have it ready for the annual meeting in November. He feels that is still a possibility but it will be dependent upon what can be accomplished in the upcoming weeks.

>Financial Policy for General Endowment Funds -

Marty advised that we as the Council have the responsibility to develop an investment policy and apply that policy to the General Endowment Funds which is comprised of the General Endowment Fund and the Beyersdorfer Endowment Fund. They are each a bit different in how monies are paid out and balances are maintained. However, the management of both are under the control of the Council.

Marty has researched the strategies of endowments. The 2016 investment policy for these endowments targets a payout of 6% each year. However, if we continue with these current endowment practices, we need to achieve a better than 6% return. Otherwise, these accounts will be depleted in the near future. To offset inflation and management fees he feels we need to target an 8-10% return rate so that we can get back to a 6% return. To do this would require an 80/20 mix (i.e. stocks to bonds) which is a *very* aggressive investment strategy. This cannot be done tonight. But we need to state that this should now be our goal if we plan to continue this type of strategy.

Pastor Vicki, as a former endowment fund administrator, stated the general way endowments are handled is to use a weighted five-year average. You pay out based on that average. You don't use percentages. She feels 80/20 is too "*volatile*" for an endowment. Phil also feels this would be much too aggressive. (Marty agreed.) Phil also commented that you're telling us our current trust managers are not doing a good job and we're not getting optimal investment advice. Marty then asked the Council how will we handle this in the future.

Marty advised the Council president is responsible for naming the caretakers of the General Endowment Fund. Jack as Treasurer is automatically assigned, Marty and Paul plus two members of the PET committee make up that team of five. This group of five has the responsibility to either manage it themselves or hire someone to manage it. Both Pastor Vicki and Phil strongly agree we do not want to do it ourselves. It's very time-consuming and detailed work. Yet, by securing a different manager we may be able to experience much better results.

At this time Marty asked for permission to start getting bids for a new investment manager for the General Endowment and Beyersdorfer funds. ("*Yes, absolutely!*") He will also advise our current manager that he is welcome to submit a new bid with the others we will be seeking.

Also, another challenge is that our endowment documents state you have to get a 6% payout rate. Pastor Vicki's response was the congregation has the authority to change that. Donovan cautioned we need to present it wisely.

Another issue these guidelines don't address is the trustees' responsibility to make sure our congregation understands what an endowment is and how they themselves can contribute. The trustees could be giving us articles and sending resources to assist the congregation with their giving. It appears they're only managing the money rather than looking for better ways to make those funds work now for the benefit of St. Lucas UCC.

In addition, if we are bringing this to the congregation in November, Marty feels strongly there needs to be a separate written report from each manager about these trust funds rather than blending it into the church's overall financial statement as done in the past. Requiring their representatives to be available for questions is not an unreasonable request. This is no different than any of our own committees/boards which are required to report to the Council and/or congregation when requested.

Marty will continue his work on this issue. But for the time being he's now indicated a change of subject to discuss the Perpetual Endowment Trust. This trust is an astonishingly 90/10 mix. Even though they were targeting aggressive growth from the PET, that type of mix no longer makes sense. And now that it's over \$3M if we're prudent with the management of this, it can prove to have a sufficient rate of return for the benefit of the church.

In light of Marty's recent letter to the PET requesting a report; (and their response,) he does not foresee any changes being made to the PET between now and our November meeting. However, there is one item that will effect the PET board. One of the five members will come off the board at the end of this year. This year's nominating committee will be diligent about getting the right candidate nominated to fill that open spot. It has to be someone who'll appreciate the need for the updated handling of our funds to allow for a different mix of opinions within the group.

It was noted the congregation has the power by vote, to change the clause regarding the percentage to be paid out each year. It states the amount to be paid out each year is to range by 20-80% each year. Yet there's no reason that

80% can't be changed to 100% of the income from our dividends and bonds with a set amount left to maintain the corpus against inflation.

Even though that's what's stated in the document, Vicki takes issue with what is written because it's bad financial policy to define which area of income/gains you're dealing with. It should be stated as total gains minus a factor for maintenance of the principal equals... when Phil interjected "*there was a bias here*" at the time this document was created to concentrate on growth. Phil has no problem with taking the highest gains you can legally take. But at the same time, you have to preserve the principal. When you retire you do the same. You take out what you're allowed to take and protect the rest. This conversation continued concerning capital gains. However, due to the late hour, Marty suggested the group continue thinking about how we can maximize our income and decrease our costs. In addition, we'll need to start this discussion with the congregation so they're aware of what is occurring with these endowments.

One final note, Marty is meeting with these trustees on Thursday night and he has specific questions for them regarding these practices. He will report his findings at our next meeting.

>Carole Barner Resignation -

- Pastor Vicki shared that Pastor Carole will be officially released from St. Lucas UCC on Sunday, October 15th in order to move to Kirkwood UCC.

>Other New Business - FYI, the following events are coming up on the calendar:

- Marsha shared Homecoming is scheduled for the afternoon of Sunday, September 10th. Serengeti Steve and a Blue Grass band will be on hand. It may take place in the Social Hall. Planning is not finalized.
- Kathy shared that the Gratitude Luncheon (aka Senior Luncheon) will be held on Wednesday, October 4th. Plans are in the works.
- Katy shared that the Unite for St. Lucas Day will take place on Sunday afternoon, October 15th. She requested any ideas for tasks that could be done that day would be appreciated.

At this time, Marty requested a motion to adjourn. Kathy made the motion and Jack seconded it. The motion was accepted unanimously by a show of hands and the meeting was adjourned.

In closing, *The Lord's Prayer* was recited.

(*The length of this meeting was 1 hour | 55 mins)

Respectfully submitted,
Barbara Smith,
Recording Secretary