

Ascension Lutheran Church
Regular Congregational Meeting
Sunday, June 30, 2019
Noon

Agenda

Call to Order

Mission Statement of Ascension Lutheran Church: *We are called to create opportunities for all people to become devoted followers of Christ.*

Motto: *Invite-Grow-Serve*

Opening Devotion

Approval of the Minutes of the Special Congregational Meeting on June 9, 2019

Election of Candidates for Leadership Roles

Proposed Budgets

Motion 1: To refinance our existing Thrivent Loan to 20 years at 4.625%
and opt for interest only payments for 18 months

Motion 2: To approve the 2019/2020 budgets as presented

Proposed Bylaw Change Discussion

Closing Prayer

Adjournment

**Ascension Lutheran Church
Special Congregational Meeting
Sunday, June 9, 2019**

Call To Order: The Congregational Meeting was called to order by Carol Bartell at 12:10 pm.

Mission Statement of Ascension Lutheran Church: *We are called to create opportunities for all people to become devoted followers of Christ.*

Motto: *Invite-Grow-Serve*

Opening Devotion

Pastor Tim read from Psalms 28:7 - 8 which counsels us that "The Lord is my strength and my shield; my heart trusts in him...The Lord is the strength of his people". He shared of video of Tyler Moore, who started out in the Early Childhood Center and was confirmed last May. His story reminds us of the powerful impact the ECC and ALS can have in bringing children to Jesus.

Approval of Minutes from January 27, 2019 Special Congregational Meeting

A motion was made (Karsten Lundring), seconded (Scott Squires) and passed unanimously to approve the minutes from the January 27 Special Congregational meeting.

Purpose of this Special Congregational Meeting - Pastor Tim

The meeting was called in order to vote on a resolution approving a \$4,770,000 loan from Thrivent for the ECC project. The church Council recommends approving this resolution. The loan amount goes beyond what was approved at the January 27th Congregational meeting. The cost of the project has not changed, that's not the reason for this vote. Church leadership is committed to limiting the borrowing to what was approved in January (\$3,000,000).

Project Update - Creighton Van Horn

Timeline for the ECC project:

- Plans submitted to City May 1, 2019
- Discussions with City Public Works and Planning departments going on now
- Grading permit expected mid-July 2019
- Groundbreaking celebration weekend July 25-27
- Grading August – September 2019
- Construction starts October 1, 2019
- Construction Completed August 1, 2020
- ECC opens August 24, 2020

Project Cost Estimate from Cong Meeting 1-16-19 was \$6,807,000
(included Sanctuary facelift and some debt reduction)

Current Cost estimates are still in this range.

City expenses coming in less

Construction estimates in a bit higher

Loan servicing costs are a bit higher

Final numbers will be in by end of June

Uses of Funds:

Sanctuary Costs	\$802K
Design & Permit Fees	\$315K
ECC Construction	\$4,850K

City Fees	\$450K
Debt Reduction	\$136K
Debt Service	\$104K
Project Management	\$85K
Construction Bond	\$65K
Total	\$6,807K

Sources of Funds:

MP 1.0 Pledges	\$3,340K
Leader's 4th Yr Pledge	\$402K
Challenge Grant	\$150K
Gap to Close	\$580K
Sale of Land	\$835K
School Borrowing	\$1,500K
Goal	\$6,807K

Ascension Leadership 4th Year Pledge – 30 people from Church Council, School Board, Capital Action Team and MPIT have added new pledges totaling \$402,000

320 people in Mission Possible pool. If we get the same percentage as leadership team our result will be \$1,313,200 raised, so \$1.1 Million is possible.

End of Pledge Challenge Grant of \$150,000 will help get over the final hurdle.

Mission Possible Team Update - Sherith Squires

The Capital Action Team formed after the initial Capital Campaign emphasis. Lauren Godfrey, a member of the team, is actively pursuing possible grants. The team will be reaching out to members who have not made pledges. They will also be contacting those who have made pledges asking about a possible fourth year pledge, being mindful of the fact that a three year pledge is already sacrificial for many. The team would like to avoid selling more land as it will be selling our future. Sherith urged those in attendance who would consider a fourth year pledge to contact Kaylee Searway.

Terms of the Thrivent Loan

\$4,770,00 represents the remaining cost of the project, less cash on hand. Thrivent has set this loan amount to ensure that the project is completed. This amount includes a short-term loan of \$2.1 million at 4.2% and a long-term loan of \$2.6 million at 5.3%. The rate on the long-term loan is locked in for 15 years. After that, the rate will be adjusted to current rates at that time. The short-term loan will be repaid in January 2021 from receipts of pledges in the first round of the Capital Campaign (\$1,335,000) and from the land sale (\$835,000).

Details of the terms:

- 1) The payments will be interest only until the completion of the project.
- 2) We are required to use 25% of the loan funds for each invoice even if we have the cash on hand. Because of this, we will be trying to pay or pre-pay as much as possible before the loan is funded.
- 3) We are not required to use all of the loan funds. So, besides the 25% of each invoice, we only need to use what we need, or what we don't have on hand.
- 4) Once the project is completed, we can pay down as much as we are able without pre-payment penalty. So, if we raise more than the \$1,100,000, we can reduce the long term loan of \$1,500,000.
- 5) We can also request an amortization adjustment once a year if we wish to reduce the monthly payment as we are able to pay down principal.

Motion

A motion was made (Pete Swavely), seconded (Jack Koenig) to approve a loan of up to \$4,770,000 from Thrivent Financial to meet potential short term and long term costs.

Questions/Discussion

Karsten Lundring What is the cash-on-hand balance for this project? Will that amount be spent first?
The option to re-amortize the loan annually is a really good deal.

Creighton - The balance of Capital Campaign funds is approximately \$800,000. The amount used for project costs depends upon when the loan goes through. Prior to that time, all payments will come from the Capital Campaign fund. After that, at least 25% of each invoice must draw on the loan. There will be city fees related to the grading permit and those fees will likely be paid from the Capital Campaign fund. Most invoices will start coming in the Fall. The construction timeline is 12 months, not a long time to be carrying the debt.

Ed Klodt He served two years as Council president during a "survival" time of paying down debt incurred in previous years. The pastors and staff suffered during this time. Are we wholly committed to making this work without incurring any new long-term debt?

Ron Cox He preached today at a church built in 1965, still in the original building. There is no vision at that church. Have contracts with vendors been signed?

Creighton - City fees are still being computed. Estimates from contractors and sub-contractors are being received. The general contractors will be responsible for ensuring that the sub-contractors carry performance bonds.

Kathleen Rudrud How will cost overruns be addressed? Will these amounts be paid equally between the church and the ECC?

Creighton - The goal is to exceed the fundraising goal making it easier to absorb unexpected expenses. In the Fall there will be a Paver Program where people will be invited to "buy a paver" with a donation. The current budget includes a \$200,000 contingency line item. Creighton was the church treasurer during the 2nd rebuild of the sanctuary and is well aware of the financial pitfalls of construction projects. The contractor builds 5- 7 schools a year, has a reputation for finishing on time and has never had a claim. There will be a guaranteed performance contract. We need the final city covenants to start getting bids and finalizing expenses.

Skip Nirenberg Based on previous experience at Ascension, he's concerned about going beyond the budget. He would've preferred that we engaged ELCA church builders for the project. Original plans called for expanding the front parking lot. Will there be enough parking when this project is completed?

Creighton - There will be a new parking lot on the east side of the ECC. We have 210 parking spaces now and will have 207 after construction is completed. The plans are in compliance with city parking requirements.

Jack Koenig What is our mission? This is an unbelievable opportunity to move forward and serve this community.

Ron Rudrud

What is the church budget for the 2019-2020 fiscal year? We are more than \$100,000 behind in budgeted giving. ALS is also in the red for the fiscal year. Is there a pro-forma for the new ECC?

Sherith - The ECC currently has a debt service expense of \$6,000 per month but this loan will be paid off before the new loan commences. There is a \$300,00 balance in reserves. The ECC has long supported ALS. The church doesn't have room in the budget for new debt.

Ron - Is ALS doing anything to reduce expenses?

Karen Jonas - The school is always looking at ways to reduce expenses. The ECC and ALS combined will have a \$54,000 surplus this year.

A motion was made (Pete Swavely) and seconded to conduct a voice vote in lieu of a written ballot.

Ascension's constitution states that 10 or more persons can override a motion for a voice vote and request a written ballot. The override carried and the motion for a voice vote did not carry.

Final written vote: Ayes 81 Nays 13

The motion to approve the Thrivent loan of \$4,770,000 carries.

Discussion:

Lauren Godfrey urged those in attendance to contact her if they have any contacts at charitable foundations.

Pastor Steve acknowledged the incredible amount of time that the people on MPIT and CAT have spent to move this project forward.

Closing Prayer - Given by Pastor Steve

Adjournment

A motion was made (Myra Chandler), seconded (Creighton Van Horn) and passed unanimously to adjourn the meeting.

Carol adjourned the meeting at 1:21 pm.

Respectfully submitted by Rachael Bowen

**Ballot - New Positions
June 30, 2019
Congregational Meeting**

Church Council		YES	NO
President Elect	Debra Papageorge	<input type="checkbox"/>	<input type="checkbox"/>
Secretary	Pete Swavely	<input type="checkbox"/>	<input type="checkbox"/>
Member at Large	Susie Shore	<input type="checkbox"/>	<input type="checkbox"/>

School Board		YES	NO
President	Marcel Harner	<input type="checkbox"/>	<input type="checkbox"/>
President Elect	++Open Position++		
Member at Large	Paul Hoffmeier	<input type="checkbox"/>	<input type="checkbox"/>
Member at Large	Will Wallace	<input type="checkbox"/>	<input type="checkbox"/>
Member at Large	Ricky Pfeiffer	<input type="checkbox"/>	<input type="checkbox"/>

Foundation		YES	NO
President	Mark Howe	<input type="checkbox"/>	<input type="checkbox"/>
President Elect	Doug Morrow	<input type="checkbox"/>	<input type="checkbox"/>
Member at Large	Nina Mattera	<input type="checkbox"/>	<input type="checkbox"/>
Member at Large	Sandra Howe	<input type="checkbox"/>	<input type="checkbox"/>

Nominating Committee		YES	NO
	Janet Gardner	<input type="checkbox"/>	<input type="checkbox"/>
	Jim Thompson	<input type="checkbox"/>	<input type="checkbox"/>

Standing Committee Chairs		YES	NO
Joy of Giving	Karsten Lundring	<input type="checkbox"/>	<input type="checkbox"/>
Property Management	Brian McDonald	<input type="checkbox"/>	<input type="checkbox"/>

Global Ministries Team ++Open Position++

Nominees with their Photo & Biography Church Council



**Debra
Papageorge
President Elect**

Debra is a native Californian (a real valley girl), born in Van Nuys, California. She was baptized at Emmanuel Lutheran in North Hollywood by Irving Wold and was confirmed at St Andrews in Van Nuys by Stanley Olson.

She received her BA in Economics at California State University, Northridge in 1983 and then attended classes at various seminaries throughout the years culminating with a Masters degree from Pacific Lutheran Theological Seminary, California Lutheran University in 2013 up in Berkeley, California. She retired in January, but was in the banking industry for the last 40 years in the area of Trust and Investment Management, most recently managing the Trust and Wealth Management group, Central Coast for Union Bank. Much of her career was spent with Morgan Stanley starting as a Stockbroker in the early 80's. She has 2 children also living in the area, her son Tom is in the banking industry with a degree in business from California Lutheran University and Krista lives in Thousand Oaks with a Masters in School Counseling from University of LaVerne. She has four grandchildren, two of them attended Ascension Pre-School and her granddaughter really enjoys Sr. Luther League at Ascension. She just found out her grandparents and great grandparents were part of the Lutheran Church of Sweden. There is a lot of Lutheran going on there!

Debra currently is on the Board of Regents at California Lutheran University and serves on the Investment Committee. She also chairs the program committee of the Channel City Club/ Foreign Affairs, in Santa Barbara. She was Treasurer of the Southwest Synod until accepting the job in Santa Barbara. She spends a lot of time in Hawaii and enjoys her home of 34 years in Westlake Village with her family near by. Her favorite memories include a trip to Israel with members of the Ascension community, to Israel lead by Pastor Larry and, a Lutheran Identity Tour with CLU to study reformation history in Germany, with Bishop Guy Irwin.

Pete has been a member of Ascension since 1973. He has his Bachelor & Masters from California Lutheran. He is a retired Educator and has served as a Sunday School teacher. Pete is a long time usher and communion assistant, has served on several church committees as well as two Call committees.



**Pete Swavely
Secretary**

Susie graduated from California Lutheran University with a BS in Mathematics in 1987 and from Purdue University with a MS in Applied Mathematics in 1989. She worked for Accenture, a multinational professional services company for 15 years. After her career with Accenture, she became the CEO of the Shore family and has done some part time work teaching and tutoring math, and working for a sports start-up company for a short time. She and her husband, David, met at CLU and were married in 1990. Susie has been going to Ascension since she was a freshman at CLU 1983. Her two children, Nicholas and Tatum, grew up at Ascension and were baptized and confirmed here.

Susie is currently a member of the Carillons. Throughout the years, she has served in multiple volunteer roles at Ascension including Sunday school teacher, VBS teacher, accompanist for the children's choir, and a church ambassador. Her other volunteer work includes board positions with Boys Team Charity and leadership positions with National Charity League. She looks forward to serving on the board and helping our congregation grow and transition during this exciting time.



**Susie Shore
Member at
Large**

School Board



Marcel Harner
President

Marcel Harner is currently a school psychologist working with high school students. His past professional experience also includes working with high school students with learning disabilities and serving as a school psychologist at both the elementary and middle school levels. It is a great passion of his to help young people overcome challenges and find their way. He serves as a volunteer Fifth/Sixth Grade Sunday School Teacher here at Ascension Church. He has also worked with preschoolers in Awana, Cubbies and Kidsquest.

Marcel enjoys spending time with his family, reading, hiking, listening to U2 and following the Dodgers. He loves to travel and see new places. He joined Pastor Steve on the Reformation Tour of Germany in 2017.

Marcel has a son and daughter who both attend Ascension Lutheran School. He has been glad to be contributing as a School Board Member and sitting on the Church Council as the School Board Rep. for the last several years and is looking forward to heading the School Board as President.



Will Wallace
Member at
Large

Will and his wife, Sara, have been members of Ascension Lutheran Church since 2011 and their sons, Hunter, Austin and Bodie are current students at Ascension Lutheran School. Will received his Master of Laws (LL.M) from the University of the Pacific and his Doctor of Jurisprudence (J.D.) from Mississippi College School of Law. He has volunteered as a camp counselor for the Ascension VBS program and has offered services to help on a variety of church and school functions over the past five years. Will has produced, written and directed approximately 30 films. He has served as the SAG-AFTRA National Conservatory chairman of cold reading and scene studies at AFI (American Film Institute) from 2009-2016. Additionally, he runs the Will Wallace Acting Company in Burbank, Ca with his wife Sara Wallace, where they coach numerous working actors in film and TV. Will is excited to join the School Board and contribute ideas that will further the school's mission.



Paul Hoffmeier
Member at
Large

Paul grew up in Honolulu, Hawaii where he developed his sunny disposition. He studied Communications at both Moorpark College and Texas Christian University. He has resided in the greater Conejo Valley since 1988. Paul and Blanca were married in 1995 and have 3 sons. Kai and Isaac attended Ascension Lutheran School K through 8 and are now in college. Kai is a sophomore at CSUN and Isaac is at Oxnard College. Their third child has spent 3 years at Ascension and starts Kindergarten in the fall.

Paul is certified to coach men's U19 soccer and has coached Basketball, Flag Football as well as Soccer for Ascension Lutheran School. He loves video editing and has volunteered putting together videos for the church as well as graduations, field days and other events for the school. The Hoffmeiers have been members of Ascension Lutheran Church since 2011. Paul is a Senior Producer at 2K Games. He has produced video games and other various forms of entertainment for the last 25 years. For the past 4 years, Paul has been an FAA certified drone Pilot occasionally flying for Blanca's Construction Inspection business but mostly just taking pictures of sunsets.

Foundation



Mark Howe
President

Mark and his wife Sandy have two daughters and live in Moorpark. They have been members of Ascension since 2004. He is a local Farmer' Insurance Agent.



Doug Morrow
President -Elect

Doug and Linda Morrow joined Ascension after moving to Thousand Oaks in 1988. Doug is employed as a mechanical engineer by Raytheon in El Segundo CA. Doug and Linda have two sons Kevin and Chris, who were both baptized and confirmed at Ascension. Both boys completed their Eagle Scout projects at Ascension.

As a member of the congregation, Doug serves as usher, communion assistant, attends the Thursday evening men's bible study and is on the board of trustees of the Ascension Lutheran church foundation. Doug and his boys have also made several trips to Mexico as chaperones when the youth went to build homes as a service project.



Nina Mattera
Member at
Large

Nina graduated from California State University Northridge with an Environmental Biology degree. She has been with The Boeing Company for 29 years and is currently as a project manager in Operations at the Satellite Division in El Segundo. Nina met her currently husband, Joe, at Boeing's at Canoga Park's facility known as Rocketdyne and has been married for 26 years. They first attended church in Northridge at Frist Lutheran. When they moved to Moorpark in 2002, they felt home at Ascension Lutheran Church and have been active members since 2003. All 3 boys, Jared - 25; Noah-18 and Nicholas-16, have grown in their faith and have been confirmed at Ascension.



Sandy Howe
Member at
Large

Sandra has been in the health care industry for 20+ years and is a health care consultant for Gorman Health Group. Her skills and expertise include operations, finance, sales, marketing, non-profit and strategic planning. She is a standards-focused leader proficient in directing and working in a matrix driven organization, leading virtual teams, restructuring, outsourcing and cost control with adept management of cultural and organizational diversity. She is on the Board of Directors and their Treasurer for Moorpark Civic Ballet, a theatrical avenue for young and professional dancers to be part of various ballet performances and the home of "The Nutcracker". Sandra was born in Guayaquil, Ecuador and moved to the states when she was three years old. She received a B.A. Liberal Arts from Arizona State University (GO SUN DEVILS!!).

Sandra came from Lutheran Church of Northridge where she served as their secretary and then led the Stewardship program. Now that she is at Ascension Lutheran Church she has been part of the Food Project Response Team, Lead Dinner Coordinator for the confirmation program and Prayer Team.

Sandra is married to Mark Howe and they have two beautiful daughters (Mia a sophomore at UC Davis and Kira a junior at Moorpark High School). In her spare time she enjoys playing golf with her husband, going to the beach, reading and spending time with her family and friends.

Nominating Committee



Janet Gardner

Poet and artist, Janet K. Gardner, is a graduate from California Lutheran University, where she later supervised for five years their event services, including sporting events, concerts, and symphonies. In Utah, she helped lead worship services at Bryce Canyon with A Christian Ministry in the National Parks, and later worked as a computer graphic artist for media production and publishing companies. Janet has conducted 4-years' worth of head lice checks as a health clerk for Weathersfield Elementary School and has driven floats in Disneyland's Electrical Parade. As an adventure traveler, Janet has hiked to the top of the Cologne Cathedral, fed kangaroos in Tasmania, and was once even trapped in a freight elevator at the Acropolis Museum in Athens. Her published works include numerous poems, Sunday school curriculum, and a children's Christmas performance presented creatively as a talent show. As a volunteer, Janet assists in the Ascension garden with Pastor Chamie, cooks monthly to feed the homeless with Brenda Heinrich, and helps host the Thursday morning "Coffee Talk" Bible Studies with Pastor Tim. Looking back on all she has done, Janet sees God's never-ending Love in everything and hopes to help others know His Love as well. With this passion driving her, Janet's current book-in-production, "Dandelion Tea in a Weedy World: Poems and Ink Reflecting God's Love," is the result of over a year of writing and rewriting, painting and re-painting. She considers it to be her greatest achievement glorifying God next to raising her son, John, and tolerating her husband, Robert.



Jim Thompson

James Thompson MS, DDS, MAGD earned the following degrees from the respective institutions: BA California Lutheran College; MS Univ. of Minnesota; DDS Northwestern. He has been married for 50 years to Gwen, and they have three children and seven grandchildren. They have been members of Ascension since 1979. He has served on Ascension Lutheran Foundation and Ascension Lutheran Joy of Giving Committee. He has been a member of Ascension Lutheran Chancel Choir. Jim has also served in the community as President Conejo Symphony Board of Directors; President of Camarillo Wings Association, which puts on the Camarillo Air Show, and as Chairman of California Lutheran Athletic Hall of Fame Committee. Professionally he is a retired Dentist.

Standing Committee Chair



Karsten Lundring
Joy of Giving

Karsten is retired from a 56 year career with Thrivent Financial as Managing Partner. He started his career, while a student at CLU, and that was the same time he and wife Kirsten started attending Ascension Lutheran. He has been an active member, singing in the choir, and attending the Tuesday, 6:30 AM Men's Bible Study group for many years. He has served on a number of committees over the years, and was on the founding board, which began the church's Foundation.

BUDGET WORKSHEET FYE20 (JULY 1, 2019 - JUNE 30, 2020)
 ASCENSION LUTHERAN CHURCH

General Ledger Account	Proposed FY 20 Budget	Current FY 19 Budget	Change from PY19 Budget	Actual 5/31/2019
000/410111 Envelope Offering	\$1,311,569	\$1,412,000	-\$100,431	\$1,161,163
000/410112 Envelope Offering - 100%	\$0	\$0	\$0	\$20,900
000/410121 Loose and Other Offering	\$22,000	\$26,000	-\$4,000	\$21,788
Net General Offering	\$1,333,569	\$1,438,000	-\$104,431	\$1,203,851
000/410221 Interest Income	\$8,000	\$8,000	\$0	\$9,381
000/410231 Other Revenue	\$6,000	\$6,000	\$0	\$7,542
000/410234 Facility Usage Fees	\$9,000	\$9,000	\$0	\$8,473
000/410236 Funds from Shine His Light				\$900
Other Revenue/Contributions	\$23,000	\$23,000	\$0	\$26,296
TOTAL OFFERINGS AND REVENUE	\$1,356,569	\$1,461,000	-\$104,431	\$1,230,147
Payroll	\$987,999	\$1,017,685	-\$29,686	\$922,387
Ministry	\$62,085	\$60,715	\$1,370	\$51,061
Total Office	\$75,922	\$53,050	\$22,872	\$55,498
Property Expense	\$109,495	\$111,130	-\$1,635	\$12,657
Benevolence	\$62,830	\$62,830	\$0	\$54,497
Total Operating Expense	\$1,298,331	\$1,305,410	-\$7,079	\$1,096,100
Net Operating Income (Income-Expenses)	\$58,238	\$155,590	-\$97,352	\$134,047
Total Interest Expense	\$58,238	\$58,177	\$61	\$53,187
Net Income (NOI - Interest)	\$0	\$97,413	-\$97,413	\$80,860
Total Principal Payments	\$0	\$97,413	-\$97,413	\$89,132
100/971117 Transfer from Property Reserve	\$0	\$0	\$0	\$0
100/971118 Transfer from Capital Campaign	\$0	\$0	\$0	\$0
Annual Cash Over (Short)	\$0	\$0		

June 20, 2019

Dear members and friends of Ascension Lutheran Church,

Greetings and best wishes! Another fiscal year is wrapping up at Ascension and we have many things to be excited about. Your leadership teams have been diligently working on a proposed budget for your review. I wanted to take the time to highlight our successes and challenges over the past year and provide some context for our budget proposal for the 2019-20 fiscal year.

I will have a brief presentation at the June 30, 2019 Congregational meeting covering our budget proposal, but this statement will also hopefully fill in that information if you are unable to attend. Our approved budgets for the 2016-17 and 2017-18 fiscal years have been identical at \$1,443,000. While offerings received over those two years have fallen slightly short of budget expectations, we have also been great stewards of our resources and have kept expenses below budget the past two years.

The approved budget for the 2018-19 fiscal year, which is quickly coming to an end, is \$1,438,000. Projected expenses through June 30, 2019 are expected to be about \$1,351,002. At first glance, the expense figure looks to be amazingly below expected budget, but I must remind everyone that this is truly because of the dedicated efforts of Kaylee Searway, Ted Bartell and some other select individuals. Ascension was able to obtain a one-time property tax rebate in the amount of \$80,825. Adding that figure back into our expense number gets us closer to the projected budget, but the efforts to obtain that rebate is truly a blessing for our congregation.

The blessings continued at Ascension, in our community, and abroad with the impact our offerings have had over the past year. Benevolence offerings through 5/31/2019 have been \$52,898, impacting areas like Mission Projects, Community Concerns, Harbor House, ELCA World Hunger, and Jubilee ministries. We will be close to spending our budgeted benevolence amount of \$62,830 at the end of June and I will provide a full report once all dollars have been audited.

However, we must also take the time to reflect and analyze our received offerings over this past year. Received offerings through the end of June project to be about \$1,308,851, which would only be 91.02% of our 2018-19 budget of \$1,438,000. The one-time property rebate softened this blow, but there is still a disparity between these two figures. Luckily, we had capital reserves available to cover our projected remaining deficit. Our current cash reserves stand at \$66,045.

It is through the analysis of the above-referenced information and the due diligence applied in the research of the existing general operating costs, that the Finance Committee and Church Council of Ascension Lutheran Church are proposing a budget for the 2019-2020 fiscal year of \$1,356,569. I have attached a Budget Summary and a mortgage refinance proposal that you will be asked to consider and approve for the upcoming fiscal year. Much time and preparation were put into this proposal from numerous leaders at Ascension and we wanted you to have the time to peruse this packet and pray for guidance before our meeting on June 30.

We've put together a budget without having to take steps to forcibly cut staffing or salaries. We want the ministries of Ascension Lutheran Church to be vibrant, growing, and a reflection of the many amazing people who make up our congregation. While offerings are not at budgeted levels for

the 2018-19 fiscal year, please remember that our congregation has had an overwhelming positive response to a capital campaign over this past year. Capital Campaign Pledges, including amounts where no pledge was made, total \$3,736,678 as of May 31, 2019. Total gifts received for the Capital Campaign total \$2,245,259. Those are amazing totals! While offerings for operations over the 2018-19 fiscal year project to be \$1,308,851, we can't help but think that this total was affected by a myriad of factors, including, but not limited to, attendance, seasonal giving declines, a streamlined Stewardship Campaign, and possibly some general offerings being directed to the Capital Campaign. We don't know for sure what lies ahead, but we can plan, be strategic, and take advantage of opportunities that present themselves.

An amazing opportunity that we have now will enable us to navigate cash flow deficiencies and increase our general reserves. It will also give the Joy of Giving Committee time and flexibility to put together a sustainable, focused stewardship campaign that will strengthen the long-term planning for the church. This opportunity is to re-finance our current mortgage from one with about 10 years remaining and a 4.375% interest rate, which costs Ascension \$12,816 per month. A reduction in this amount is paramount to providing the flexibility the church needs. We have received an offer from Thrivent Church Financing to re-finance to a 20 year mortgage, with a 10 year fixed interest rate of 4.625%. Our current mortgage will have a finance adjustment in 4 years and this will enable us to lock in a potentially lower rate now for 10 years and reduce monthly principal and interest expenses to \$8293 per month, or about \$4523 in needed cash flow flexibility. Additionally, Thrivent is granting us an interest-only option for up to 18 months, which will result in a short-term payment of \$4762 per month. This provides a net cash flow increase of \$8054 (\$12,816 - \$4762) during the term of our interest-only payments. Thrivent is also giving us the flexibility to increase our monthly payment once cash flows normalize without any additional cost. As soon as cash flows allow, we can increase our principal payments to get back closer to the existing 10 year pay-off, with the flexibility to not be forced to pay the bank \$12,816 every month. Church leadership acknowledges the impact of a re-finance and is determined to get back as close to our existing mortgage payoff schedule as possible, once the cash flows and financials allow us to do so.

We will be proposing a mortgage re-finance and 2019-20 fiscal year budget for your approval at our June 30 Congregational Meeting. Hopefully the information above provides insight and transparency into the process that went into this proposal. For some of you, the thought of a re-finance isn't ideal, but I challenge you to focus on the investment in the human capital, our programs, and the ministries that truly make Ascension an amazing place. Don't be focused on the mortgage change, but rather on the opportunity to navigate cash flow inconsistencies and maintain current staffing and ministries.

Thank you, in advance, for reviewing this information and your contemplation on the decision-making process that was diligently completed to make this proposal.

In His service,

Jeremy Hofer
Treasurer, Ascension Lutheran Church



**ASCENSION
LUTHERAN
CHURCH**

INVITE • GROW • SERVE

Budget Proposal: Mortgage Refinance

- **Currently 10 years remaining at 4.375%
= \$12,816/month P&I**

- **Refinance to 20 years at 4.625% =
\$8,293/month P&I
Annual Difference of (\$54,276)**

***Thrivent will also grant an interest-only
option for 18 months,
which drops payment to \$4,762/month
18 month difference of (\$144,972)**

Ascension Lutheran School
 FY20 Budgeted Financial Summary

	Consolidated		K8 School		ECC	
	FY20		FY20		FY20	
	Budget		Budget		Budget	
Revenue:						
Tuition and Fees	\$2,789,881		\$1,364,668		\$1,425,213	
Extended Care	\$170,195		\$60,206		\$109,990	
Summer Staycation	\$22,000		\$22,000			
Net Fundraising Receipts	\$79,000		\$78,500		\$500	
Other Income	\$908		\$18,500		(\$17,592)	
Total Revenue	\$3,061,984		\$1,543,874		\$1,518,111	
Expenditures:						
Salaries & Benefits	(\$2,617,686)		(\$1,466,309)		(\$1,151,377)	
School Expenses	(\$64,896)		(\$17,544)		(\$47,352)	
Office Expenses	(\$151,010)		(\$90,485)		(\$60,525)	
Property Service & Maintenance	(\$139,593)		(\$89,863)		(\$49,730)	
Capital Expenditures-PS Expansion	(\$40,000)		\$0		(\$40,000)	
Capital Expenditures-Other Property	\$0		\$0		\$0	
Lease (\$2,670/mo.)	(\$32,610)		\$0		(\$32,610)	
Debt Service	(\$72,000)		\$0		(\$72,000)	
Utilities	(\$63,908)		(\$33,778)		(\$30,130)	
Insurance	(\$13,190)		(\$9,980)		(\$3,210)	
Total Expenditures	(\$3,194,891)		(\$1,707,958)		(\$1,486,933)	
Operating Surplus (Deficit)	(\$132,907)		(\$164,084)		\$31,177	
PY Designated Funds Offset	\$0		\$0		\$0	
Reserve Offsets	\$170,300		\$170,300		\$0	
Prior Year Temp Restricted Gifts Off	\$17,300		\$17,300		\$0	
Total Offsets	\$187,600		\$187,600		\$0	
Adjusted Operating Surplus (Deficit)	\$54,693		\$23,516		\$31,177	

Notes:

Ascension Lutheran Church Foundation
Fiscal Year 6/30/2020 Budget

	FYE estimated 6/30/2019	FYE budget 6/30/2020
Support and Revenues		
Dividends, Interest, realized/unrealized Gain (Loss) on Investments	58,226	85,000
Contributions	27,080	10,000
Total Support and Revenues	85,306	95,000
Expenses		
Grants and Scholarships	(48,490)	(50,000)
Administrative Expenses	(8,226)	(13,226)
Total Expenses	(56,716)	(63,226)
Increase (Decrease) in Net Assets	28,590	31,774
Beginning Net Assets	1,080,263	1,108,853
Ending Net Assets	1,108,853	1,140,627

NOTES:

- FYE 2020 notes - Dividends, interest, gain/loss on investments based on prior 2 year average
- contributions to lower average years due to Mission Possible
 - grants & scholarships continue with solid averages to prior years
 - Admin expense is ALC admin support \$6000, portion audit \$2226, & \$5000 for possible marketing budget

ALCF 2020 budget updated 06 21 2019

- d) Oversee the preparation of the monthly financial reports for the Council and quarterly reports for the Congregation

6.05 Immediate Past President

The Immediate Past President (IPP) shall succeed to the IPP after serving as the President and President-Elect. The IPP shall:

- a) Act as the parliamentarian of the Congregation Council and Congregation at their meetings and advise on the correct parliamentary procedures
- b) Be chairman of the Nomination Committee
- c) Be responsible to work with the Church Administrator to review all insurance policies and to determine the amount and kind of insurance in force
- d) Be responsible for reviewing the Ascension Constitution and Bylaws and to recommend any required changes
- e) Be responsible for reviewing the acceptance of all gifts to the church
- f) Be responsible for reviewing the Policy and Procedure Manual and recommend any required changes.

6.06 Member-at-Large #1

Council Member-at-Large #1 shall serve for a two year term.

6.07 Member-at-Large #2

Council Member-at-Large #2 shall serve for a two year term.

6.08 School Board Representative

The Council Member School Board Representative shall be elected for a one year term.

- a) The School Board Representative shall be a member of the Ascension Lutheran Church School Board appointed to represent the School on the Congregation Council.

6.09 Foundation Representative

The Council Member Foundation Representative shall be elected for a one year term.

- a) The Foundation Representative shall be a member of the Ascension Lutheran Church Foundation appointed to represent the Foundation on the Congregation Council.

ARTICLE 7 – THE CONGREGATION COMMITTEES

7.01 Congregation Committees

- a) The following Congregation Committees shall be the Standing Committees of the Ascension Evangelical Lutheran Church.
 1. The Executive Committee
 2. The Community Concerns Committee
 3. The Evangelism Committee
 4. The Finance Committee
 5. The Joy-of-Giving Committee
 6. The Global Ministries Team
 7. The Nominating Committee
 8. The Property and Management Committee

- c. Employees and and/or immediate family members of employees of Ascension Lutheran School and Early Childhood Center are not eligible for nomination to the Ascension Lutheran School Board.
- d. The School Board may, at its own discretion, form special subcommittees from time to time to serve the ALC School's purpose and needs. Such special subcommittees may consist of members of the Congregation who are not members of the School Board. All special subcommittees, however, shall be chaired by a School Board member who has sole responsibility for the subcommittee's actions.

10.03. Organizational Structure

- a. The officers of the Ascension Lutheran School Board shall consist of the following members: President, President-Elect, Secretary, Treasurer and Immediate Past President (IPP). The President Elect and, for FY 2019/2020 only, the President, shall be elected by the Congregation at the Regularly Called Congregational Meeting. After the election for FY 2019/2020, the Congregation shall elect a President-Elect (for a three-year commitment of office) annually. The Secretary and Treasurer shall be elected at the first meeting of the Ascension Lutheran School Board.
- b. The President shall succeed to this position after serving as the President-Elect. The President shall preside over meetings of the School Board unless the President is unavailable or a vote of Board members present at the meeting decides otherwise. The President shall serve for one year before succeeding to the Immediate Past President.
- c. The President-Elect may preside in the absence of the President, unless the President-Elect is unavailable or a vote of School Board members present at the meeting decides otherwise. The President - Elect shall serve for one year before succeeding as the President.
- d. The Immediate Past President (IPP) shall succeed to the IPP after serving as the President and President-Elect. The IPP shall have the responsibility as advisor to the School Board and shall also be vested with the establishment, review and maintenance of the current policy and procedures of the School Board. The IPP may constitute a special sub-committee to assist with this. The IPP shall serve for one year.
- e. The Ascension Lutheran School Board shall designate a Secretary who shall issue notices for all meetings, shall keep the minutes and records, and sign with the Chairperson such instruments as require such signatures. The Secretary shall serve for two years.
- f. The Ascension Lutheran School Board shall designate a Treasurer who shall be responsible for and exercise oversight of all funds of the school in accordance with the decisions of the School Board. The Treasurer shall also serve as a member of the Ascension Lutheran Church Finance Committee. The Treasurer shall serve for two years.
- g. Board Members

The responsibility of the Ascension Lutheran School Board shall be set forth in the Ascension Lutheran School – School Board Handbook; or as amended, modified, and or updated from time to time by the Ascension Lutheran School Board. Each School Board member shall have insurance for the faithful performance of his or her duties in such sum and with such sureties as may be required by the Congregation Council. Each member at large shall serve for two years.

10.04. Nominations for Board Members

At the request of the Nominating Committee, the School Board may submit a list of potential nominees to fill vacancies on the School Board. Prior to the regularly called meeting of the Ascension Evangelical Lutheran Church, the School Board shall nominate a candidate to serve on the Nominating Committee and one (1) committee member to serve as a Congregational Council member-at-large. The School Board may submit names to the Nominating Committee for consideration.

10.05. Principal, Teachers, and Staff

- a. The candidate for position of Principal shall be submitted by the Ascension Lutheran School Board, for approval by the Congregation Council.
- b. The Teachers and Staff shall be selected by the Principal and the Ascension Lutheran School Board, and installed at a designated worship service.
- c. The duties of the Principal, Teachers, and Staff shall be as set forth in the Ascension Lutheran School – School Board Handbook; or as amended, modified, and or updated from time to time by the Ascension Lutheran School Board.

10.06. Financial Responsibilities and Reporting

- a. The Ascension Lutheran School Board shall prepare the annual budget of the school, including but not limited to faculty and staff salaries, student tuition, and fees. They shall submit the above to the Treasurer of the Congregation for submittal to the Congregation Council for approval and subsequent ratification by the Ascension Evangelical Lutheran Church Congregation at the Annual Congregational meeting.
- b. The Ascension Lutheran School Principal shall regularly report the current financial operations of the school to the Ascension Lutheran School Board, which shall in turn report same to the Congregation Council.
- c. The Ascension Lutheran School Principal and Ascension Lutheran School Board shall prepare an annual written report of the academic and financial operations of the school, which shall be submitted to the Congregation Council for the Annual Congregational report.
- d. The Ascension Lutheran School Board and the Congregation Council shall meet at least twice annually to discuss any necessary business.

10.07. Ownership

Ascension Evangelical Lutheran Church of Thousand Oaks, California, Inc., shall hold title to all real or personal property acquired by the Congregation for use by the Ascension Lutheran School.

10.08. Dissolution

- a. In the event of dissolution of Ascension Lutheran School, the assets and properties belonging thereto shall be assigned, turned over, and remain with Ascension Evangelical Lutheran Church of Thousand Oaks, California, Inc.
- b. In the event of the dissolution of Ascension Evangelical Lutheran Church, or the Congregation ceases to exist, the assets and properties of the Ascension Lutheran School shall be held and administered by an independent court approved or appointed Trustee as designated in the Ascension Evangelical Lutheran Church Constitution chapter 6.04.a. pending a determination of the successor entity to maintain and operate the assets.

Article 11 - THE ASCENSION LUTHERAN CHURCH FOUNDATION

11.01. Purpose

- a. There shall be a separate division of this corporation known as the Ascension Lutheran Church Foundation, hereinafter designated as "Foundation." The purpose of the Foundation shall be to receive gifts and endowments, and unless otherwise specifically designated by the donor thereof, hold the principal of such gifts in perpetuity, investing such gifts as defined by the Foundation written investment policies and to distribute a portion of the income there from, less proper expenses. Distributions shall be made in accordance with the Foundation's written policies and procedures. In compliance with the written instructions of the donor(s)-there shall be distributed at least such part of the previous year's income or past accumulation of income as is necessary to avoid unreasonable accumulations within the meaning of the Internal Revenue Code.
- b. It is intended that this organization shall be entitled to exemption from Federal Income Tax under the Internal Revenue Code, and the funds expended herein shall be limited to and shall include only those purposes which qualify under the provisions of the Internal Revenue Code as modified from time to time.

11.02. Foundation Board of Trustees

- a. The Ascension Lutheran Church Foundation Board of Trustees for the Ascension Lutheran Church Foundation, a division of Ascension Evangelical Lutheran Church of Thousand Oaks, California, Inc., hereinafter designated as the "Foundation Board," shall have the responsibility for the management and oversight of the property and affairs of the Foundation, and shall make recommendations to the Congregation Council.
- b. The Foundation Board structure shall be comprised of thirteen (13) voting members of Ascension Evangelical Lutheran Church, one of whom shall be the President of the Church Congregation Council, who shall have both voice and vote. The Congregation of the Ascension Evangelical Lutheran Church, in the manner provided in the bylaws, shall elect the remaining twelve (12) board members.
- c. Each Foundation Board member, with the exception of the President of the Church Congregation, shall be elected to a full term of three (3) years, or until their successor shall be chosen. Any vacancy occurring on the Foundation Board may be

filled by the majority vote of the Foundation Board members present at the meeting of said Board until the next meeting of the Congregation. Each Board member shall be eligible for two consecutive three (3) year terms. Thereafter, two (2) years must pass before said Board member is eligible for re-election to the Foundation Board.

- d. One (1) Foundation Board member shall be presented for nomination to the Congregation to serve concurrently on the Congregation Council for a term of one (1) year during his or her term on the Foundation Board. No other Foundation Board member, other than the aforesaid nominee and the President of the Church, shall hold concurrent terms of office on the Congregation Council and the Foundation Board.
- e. One (1) Pastor selected from the Pastors currently called and serving the Congregation shall be an *ex officio* member of the Foundation Board.

11.03. Organizational Structure

- a. The officers of the Foundation shall consist of the following members: President, President- Elect, Secretary, Treasurer, and Immediate Past President (IPP). The President- Elect (and the President in 2019/2020 only) shall be elected by the congregation at the Regularly Called Congregational Meeting. After the election for FY 2019/2020, the Congregation shall elect a President-Elect (for a three-year commitment of office) annually. The Secretary and Treasurer shall be elected at the first Annual Meeting of the Foundation, who shall each serve a one (1) year term or until their successors are selected.
- b. The President shall preside over meetings of the Foundation Board unless the President is unavailable or by a vote of Board members present at the meeting decide otherwise.
- c. The President-Elect shall preside in the absence of the President, unless the President Elect is unavailable or by a vote of Foundation Board members present at the meeting decide otherwise.
- d. The Foundation Secretary shall issue notices for all meetings, shall keep the minutes and records, and sign with the President such instruments as require such signatures.
- e. The Foundation Treasurer shall oversee the receipt of all money, title papers, and investment securities of the Foundation and disburse the same as shall be designated in writing by the Foundation Board. The Foundation Treasurer shall sign or countersign such instruments as require their signature. The Treasurer shall be a member of the Ascension Lutheran Church Finance Committee.
- f. The Immediate Past President (IPP) shall have the responsibility as advisor to the Foundation Board and shall also be vested with the establishment, review and maintenance of the current policy and procedures of the Foundation. The IPP may constitute a special subcommittee to assist with this.

11.04. Nominations for Board Members

Prior to the regularly called Meeting of the Ascension Evangelical Lutheran Church, the Foundation Board shall nominate a candidate to serve on the Nominating Committee and one (1) member to also serve on the Congregation Council. The Foundation Board may submit names to the Nominating Committee.

11.05. Principal Office

The principal office of the Foundation shall be located at the Ascension Evangelical Lutheran Church in the City of Thousand Oaks, Ventura County, California, and at such place therein as may be selected and designated from time to time by the Church Board of Directors.

a. Meetings and Elections

1. Meetings of the Foundation Board may be called at any time or place by the President or by three (3) Foundation Board members.
2. Seven (7) of the Foundation Board members shall constitute a quorum for the purpose of doing business at any meeting.
3. The Secretary and Treasurer of the Foundation shall be selected by ballot of the Foundation Board members.

11.06. Gifts

All gifts to the Foundation shall be received, held, administered, and disbursed as follows:

- a. All gifts given to the Foundation shall be acceptable to the Foundation Board at the sole discretion of the Board in accordance with the policy and procedures of the Foundation
- b. Any and all gifts given to the Foundation shall be liquidated (as necessary) into currency for investment in a timely manner
- c. Any gift given without a designation shall be distributed within the investments and assigned as per the policy and procedures of the Foundation

11.07. Investments and Disbursements

- a. All funds and property of the Foundation shall be invested or reinvested (as applicable) per the policies and procedures of the Foundation
- b. The money of the Foundation shall be deposited in the name of the Foundation in such bank or trust company as allowed by the policy and procedures of the Foundation. Any disbursement of these funds shall be with the written documentation signed by an officer of the Foundation Board other than the officer whose signature is affixed to the check.
- c. The Foundation Board shall authorize, out of the income or non restricted reserves of the Foundation, the payment of such expenses as may become necessary. No member of the Foundation Board shall receive any salary for their services.
- d. In the investment or reinvestment of the funds of this Foundation, the Foundation Board shall be governed by the rules prescribed by any one or more of the statutes of the State of California having to do with investments by fiduciaries, the prudent man rule, and retention of securities as to assets.
- e. The Foundation Board shall not create or allow any overdraft of undistributed income. It shall not disburse restricted reserves or the current income of designated funds. The Foundation Board shall not give principal funds nor pledge nor commit income funds to Ascension Evangelical Lutheran Church of Thousand Oaks, California, prior to the actual receipt thereof in cash. Profits realized from the sale or transfer of securities or other assets in the principal account shall remain as principal,