

**LITTLE HOME CHURCH BY THE WAYSIDE (LHC)**  
**JUNUAL MEETING**  
**JUNE 26, 2011**

Moderator Bob Kaska called the Junual Meeting to order at 10:45 a.m. and Pastor Ron opened with a prayer. Forty-two members of the church were present.

Assembled members reviewed the minutes of the June 27, 2010 Junual Meeting and also the minutes of the February 6, 2011 Februal Meeting; Suzanne Setlock moved they be approved as presented, Greg Hege seconded and the motion carried unanimously without discussion.

Pastor Ron began the meeting stating that we are a healthy church that is functioning well and faithful to our mission. Although our buildings are antiques, they are also functioning well. He thanked Bob and the Council for doing a great job this past year and also had a special thank you for Art as this is his 24<sup>th</sup> year as Treasurer.

**Outgoing Moderator's Report:** Bob remarked how quickly the year has passed and thanked the Council for their service. He also thanked Ron and Maggie for ten years, a decade of leadership and service. The Little Home Church is in a good place right now and we need to make some decisions to continue this status into the future.

1) Emma was our Youth Director which helped to engage and attract middle school and high school youth. It is important to have these programs and Emma will continue as a volunteer Youth Coordinator for the next year.

2) Bob will be continuing on the Council as the Evangelism Committee Chair and several new events this year will hopefully be continued as on-going programs, the Women's Advent Tea and the Seven Last Words of Christ on Good Friday. Both of these events were well-received and well-attended this year.

3) We are blessed with the wonderful tradition of music at our church and the hand-bells are here. These were purchased with proceeds from the Wayne Concert Series and we will continue to develop these types of events.

The Council has kept their focus on the Long Range Planning Strategic Goals throughout the year. They are:

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

Bob stated we now need to make thoughtful and prayerful decisions regarding the future of our church. We need to continue with proactive change which is the reason we are here after 140 years; and, controlling that change is the key: to be proactive rather than reactive. We have a fabulous product to offer the community.

The Council Slate for July 2011 through June 2012 was reviewed with a thank you to the new members. Motion to approve was made by Roger Kotecki, seconded by Wally Setlock, and passed unanimously with the addition of Nancy Schatzeder as Chair of Worship & Spiritual Growth and Art Zwemke as Treasurer. The new Church Council will be: Moderator, Ann McLaughlin; Moderator-Elect, Wally Setlock; Christian Ed Chair, Open; Congregational Life Chair, Open; Evangelism Chair, Bob Kaska; Facilities Chair, Peter Gatsch; Stewardship Chair, Suzanne Setlock; Worship & Spiritual Growth Chair, Nancy Schatzeder; and Members-At-Large Anne Bouchard and Carol Berger with Gianna Marchese as Youth Representative (non-voting); Church Clerk, Jan Marchese and Treasurer, Art Zwemke.

The Personnel Committee will be: Ann McLaughlin, Bob Kaska, Bob Schless, Kay Brynensen and Rob Reed. The Pastoral Relations Committee will again be: John Berger, Chair, Andrea Ferguson and Tom Atkins.

**Incoming Moderator's Report:** Ann McLaughlin thanked Bob for his all his hard work as Moderator and in the time honored tradition presented him the outgoing Moderator gift: a LHC woven blanket and an insulated dish cover for future events at LHC. Ann also thanked Bob for serving on the Long Range Planning Committee which has been very active. She then expressed her thanks to be elected Moderator and spoke of life's unexpected occurrences and how much our Little Home Church has helped. Ann explained we have important issues before us: liquidation of property and establishing an endowment fund. We need to look at the next decade from 140 years to 150 years and prayerfully consider decisions we are making today.

**Moderator Elect's Comments:** Wally Setlock thanked Bob for his leadership of the past year. He said he was thankful for this three year opportunity and commitment to work with the church and council, as well as to listen to the members of the congregation of this church.

**Long Range Planning Committee Report:** Suzanne Setlock reported as Chair, (the LRP Committee Chair is the Past Moderator.) She thanked the Membership Team lead by Bob Kaska with Ann McLaughlin, Kristen Thornton and Ron Purser. This committee implemented the Member Status Report and was responsible for getting the New Member Sundays scheduled on the Church Calendar. Suzanne thanked the Church Properties Team which consists of Anne Bouchard, lead, and Ric Alex with Dan Roach. They met with the village and attended meetings analyzing possible uses for our church properties. She also thanked the Endowment Committee with Art Zwemke as lead with Dave Poole, John Berger and Dave Sterner. She stated we have 2 trustees yet to add with 3 year commitments as trustees (with initial trustees having rotating terms) and 3 advisory positions include the Past Moderator, Pastor and Treasurer. There were nine LRP meetings in 2010-2011.

Bob Kaska will again lead the Membership Team and stated he will be serving as Evangelism Chair with the goal to broaden the membership base to share the good news of LHC.

Anne Bouchard spoke and explained how complicated the zoning is in our neighborhood and said they welcome any suggestions on what we can do. Many, many alternatives have already been discussed by the group, keeping in focus the strategic goals of the LRP Committee.

Art Zwemke discussed the issues reviewed by the Endowment Team. The current church by-laws already contain provisions for a long-term endowment program. The trustees will be responsible for over-seeing the three existing memorial funds, funding and disbursements after \$100,000 is reached. Disbursements will be greater than 5%, but less than 10%. Currently there are 5 families participating, with the goal being 15 families by June, 2012. Nancy Alex has accepted one of the open trustee slots.

**Treasurer's Report:** Art explained that we started the year with a planned (\$30,850) deficit. Prepaid pledges at the beginning of the year were \$18,000 less than those received last year. Due to the slow economy and the fact we need more members we are off to a slow start. The first four months were also behind plan in revenue and Easter didn't provide the usual increase. We are currently trending to a deficit of (\$45,000) rather than (\$30,850). We don't have an expenditure problem, we have a revenue problem. The bank has reviewed our financial statements to renew our line of credit which was \$50,000 with the Dixon property, (we never drew on these funds). With 3 years of planned deficits we were unable to renew our line of credit without a certificate of deposit for the same amount. LHC usually has an operating deficit over the summer months.

Art proposed that we need to secure a \$150,000 line of credit with the Peterson property as collateral. Proceeds after estimated fees and interest would be \$135,000. We need to reach outside the church, UCC, etc. to get professional consultant help for increasing membership. We would use the \$135,000 for operating deficits (working capital) and sell the Peterson home for no less than its original 1999 purchase price of \$330,000. With these proceeds, we would then pay off the \$150,000 line of credit which leaves us \$180,000 to replenish reserves which we no longer have: \$90,000 to maintain the church Renovation Fund and \$90,000 to the Perpetual Fund. This plan is outlined in the Proposed Resolution on page 19 of the 2011 Annual Report. This gives the LRP Church Properties Committee the task of deciding what to do with the Dixon home. Generous membership and community friends may help once this information is published. The target is to break-even by 2014. Personnel is our main expense, we have no other line items to cut. We need to have a revenue source. Expectations over the next 3 years are that we will be spending \$150,000. Originally both properties were purchased (we also owned the parsonage across the street at that time) because the opportunity was available, and money was available, to purchase adjacent properties. Various alternatives, parking lot, day care center, etc. have been considered over time. Roger asked if we could possibly go to the community for a loan, rather than a bank, to avoid the high fees involved.

Bob Schless moved to consider the proposed resolutions, Gail Z. seconded, discussion followed. Art stated that if we do nothing, we will have to use the unrestricted Memorial Fund and the Renovation Fund to cover the deficit. We need an aggressive membership campaign to increase pledges to cover operating expenses through the year 2014 to break even. We need approximately 200 member pledges by 2021 to cover operating expenses and have a projected \$70,000 surplus. Marilyn Poole commented that we have reduced our outreach contributions this year due to revenue shortfalls.

Bob Schless moved and Polly Heinrich seconded a motion to combine the 3 resolutions. Motion carried with one opposed. Gail Zwemke moved to approve the combined resolutions with the addition of “subject to terms and conditions of restricted funds”. Motion carried with 2 opposed. Dave Poole stated he was opposed to selling a property with a positive cash flow reported on the financial statements. Art stated the cash flow was only positive in the past 12 months, before it had been negative. Bob Kaska reminded the group that we are spending valuable council resources filling houses instead of filling pews and we need to remain focused on our strategic goals.

**Unfinished Business:** None

**New Business:** None

Roger Kotecki moved the meeting adjourn, Gail Zwemke seconded and the motion was unanimously approved. Ron closed the meeting at 12:29 p.m. with a prayer.

Respectfully Submitted,

Jan Marchese  
Church Clerk