



GRACE LUTHERAN CHURCH COUNCIL MEETING MINUTES

Tuesday, May 15, 2012

6:30 pm

Members Present: Carole Ryan, Vicki Braddock, Joyce Eggleston, Jill Nugent, Jon Timmons, Rachel Zippwald, Pastor Chris Tweitmann

Members Absent: Ken Beaulieu, Bob Eggink, Christine McGraw

Staff Present: Janie Andrich, Betty Wardle

Staff Absent: John Heideman

I. Call to Order

- a. Carole Ryan called the meeting to order at 6:40 pm

II. Opening Prayer

- a. Rachel Zippwald opened the meeting in prayer.

III. Prayer Requests and Affirmations

- a. Thank you from Jon Timmons for prayers for his grandmother
- b. Praise — a teacher in Fountain Valley raised \$300 for Good News Ministry
- c. Prayers for the 4 families holding funerals at Grace.
- d. Praise and thanks for all of the volunteers helping with these funerals.
- e. Thanks that all made it back safely from Israel.
- f. Prayers for LaVonne Dempsey who came home ill from Israel.
- g. Prayers for safe travel for Bob Eggink and Christine McGraw and their families.
- h. Thanks for the effort that many volunteers put in for Pastor Paul's funeral.
- i. Prayers for one of our missionaries separated from his family and possibly in prison.

IV. Secretary's Report

- a. Minutes of the April Council Meeting were approved via email.

V. Acceptance of Ministry Team Minutes

- a. Minutes were received from the Adult Spiritual Formation

VI. Business Administrator's Report

- a. John Heideman provided a written report (attached)

VII. Treasurer's Report

- a. Rachel Zippwald presented and explained the monthly offerings report for the current fiscal year.
 1. For the first month this year, the income was above the projected budget.
 2. Note that an appeal for additional contributions had been made to members of the congregation.
- b. Rachel Zippwald presented the April treasurer's report.

1. Year-to-date giving is down from our budgeted amount.
 2. We are behind last year's year-to-date income.
 3. Expenses are down and cutting is being done as necessary.
 4. School budget outlook has improved but we must still prepare for 3 payrolls in June.
- c. Rachel presented the March treasurer's report
1. The March treasurer's report looked like the April report — income and expenses are less than last year.
 2. We are carefully watching expenses.

Motion was presented to approve the March and April Treasurer's reports. Motion was approved.

VIII. School Report & Acceptance

- a. Janie Andrich presented a written report. (attached)
 1. Preschool enrollment trend is that more parents are moving to full time.
 2. Elementary enrollment is holding steady. Estimate 210-215 students next year.
 3. Enrichment Club registrations are up.

Motion was made to approve the School Report. Motion was approved.

IX. Pastor's Report

- a. Considering leading a trip to Israel in 3 years.
- b. Q&A on Sunday was well received. Good questions — time flew by.
- c. Current sermon series is Ruth. Pentecost sermon on 5/27, Ruth will finish on 6/3 and Confirmation will be 6/10
- d. There are 7-8 students at the school and 1 at church who will be confirmed.
- e. Alpha will be held again in both fall and winter.
- f. Pastor Chris will attend the NALC Convocation in August.
- g. Trying to arrange for John Bradosky to preach at Grace one Sunday.
- h. Pastor Chris will be on vacation June 24, July 1 & August 5.
- i. Miracle Ranch update — The Board of Directors resigned due to issues with the on-site director. Local churches have stopped their support and we will do likewise.

X. Old Business

- a. Photos are still being accepted for the new photo directory. We anticipate having the directory ready for distribution in June.
- b. Congregational Meeting
 1. Church and School budgets will be available in the church office lobby beginning Sunday, May 20.
 2. Rachel and John Heideman will handle the cottage meetings.

XI. New Business

- a. Funeral Ministry and Extended Care Ministry — We need to seek more people to become involved with these ministries. There are currently 3 pending funerals and we need to be prepared with coverage.

XII. Closed Session

- a. Closed Session entered in order to discuss confidential HR matters.

XIII. Reminder of Upcoming Events

- E-Recycling Event at the School - Saturday, May 19
- Pentecost — May 27
- Grace School Open House - May 24
- Confirmation and Annual Congregational Meeting — June 10
- High School Beach Camp — June 20-24
- Master's Institute Graduate Recognition will be coming up

XIV. Closing Prayer

- a. Janie Andrich closed the meeting in prayer

XV. Adjournment

- a. Meeting was adjourned at 9:30 pm

Next regular council meeting will be held Tuesday, July 17, 6:30 PM at Carole Ryan's home

Respectfully Submitted,
Carole Ryan
Council President

Treasurer's Report for Month ending April 2012

<i>Church Balance Sheet</i>	2012	2011
Church General Fund balance	\$110,531.06	\$ 125,347.05
Church Payroll Fund balance	\$ 371.49	\$ 398.41
Petty Cash	\$ 400.00	\$ 400.00
Restricted Fund balance	<u>\$ 79,802.47</u>	<u>\$ 45,253.69</u>
Campus Improvement balance included in restricted acct	\$ 28,600.77	\$ 28,600.77
Total in all church accounts	\$ 191,105.02	\$ 199,999.92

Real Estate loan balance	\$ 487,099.56	\$ 499,483.28
Foundation balance	\$ 62,850.84	\$ 45,505.34

<i>Church Income Statement</i>	YTD 2012	Budget 2012	YTD 2011	Budget 2011
Total Giving/Program Income	\$ 877,451.02	966,333.32	5,937,730.24	\$1,026,747.56
Total Expenses	\$ 843,538.20	922,039.88	5,901,431.60	\$1,014,798.87
Loan/Principal reduction*	\$ 6,928.31	\$ n/a	\$ n/a	\$ n/a
Total net gain/loss	\$ 33,912.82	\$ 44,293.44	\$ 36,298.64	\$ 11,948.69
**Adj gain after salary accrual	\$ 16,499.21			

*the principal reduction to the loan is included in the budget figures, but in order to follow generally accepted accounting principles, it cannot be expensed in the YTD Peachtree expense figures. Therefore, it will show up as a separate reduction to the Peachtree report. **Salary accruals of \$8,600 for the church and \$23,679.46 for the school are deducted due to reversals done in July 2011.

For the first time in ten months of this fiscal year, giving was above budget by \$9,419.06. The problem is that year to date income is less than projected so our gain of \$44,293.44 has dipped to \$16,499.21 — we are still behind by \$27,794.23. Last month John Heideman did some forecasting and expects that we will end up with a loss of (\$39,233.83) if we do nothing to cut back on expenses. The extra bump in giving will help erase that deficit. In addition, the action taken at the April Council meeting should be sufficient to end the fiscal year end for 6/30/12 with a small gain, even after paying three payrolls in June.

<i>School Balance Sheet</i>	2012	2011
School General Fund balance	\$ 148,651.43	\$ 111,522.40
Restricted Fund balance	5 0.00	\$ 351.65
PTF Fund balance	<u>\$ 17,179.92</u>	<u>\$ 38,541.51</u>
Total cash in all school accounts	\$ 165,831.35	\$ 150,415.56

Scrip Inventory	\$ 910.00	\$ 2,700.00
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<i>School Income Statement</i>	YTD 2012	Budget 2012	YTD 2011	Budget 2011
Total Revenue	\$ 2,129,141.81	\$2,175,864.72	\$2,395,569.29	5,248,540.34
Total Expenses	<u>\$ 2,046,095.22</u>	<u>\$2,186,043.09</u>	<u>\$2,419,089.85</u>	<u>5,241,688.86</u>
Total net gain/loss	\$ 83,047.59	\$ (10,278.37)	\$ (23,520.56)	\$ 68,521.48
**Adj gain after salary accrual	\$ 59,368.13			

Comments to School balance sheet and income statement

The cash position of the school continues to improve and is certainly better than last year. Deferred tuition (prepaid for the year) and deferred registration fees (deposits for next school year) viewed against cash in the bank now shows a positive figure. Total deferred tuition and registration fees are \$91,031.86 against cash in the bank of \$148,651.43, even after making the OVSD lease payment of \$54,899.50 in April. The school needs to continue to build cash to cover year end expenses because Jk-8 tuition ends in May 2012. The school is beating budget which expected a loss of \$10,278.37 at this same time. If the school continues with their administration furlough days and cost cutting measures, they should end at a breakeven. Overall donations to the school are year to date short by \$18,826.82. If no fundraiser occurs this year, this shortage in donations

cannot be offset. Preschool income year to date for Site 1 is over \$9,038.16 but short \$24,058.66 at Site 2. When last year's budget was approved, both sites were budgeted for equal income amounts, so it is unclear how the budget changed to have Site 1 expected income to be less than Site 2. The school is doing a great job at holding down the line in Administration expenses, Facilities expenses (although technology and computer expenses are higher than expected), and Salary Expense (the biggest savings is in payroll taxes). The water bill continues to run higher than budgeted. Expenses continue to be monitored closely. The school is to be commended for holding on to cash. The test will be how the year end happens, particularly with three payrolls in June.

Treasurer's Report for Month ending March 2012

<i>Church Balance Sheet</i>	2012	2011
Church General Fund balance	\$ 82,495.71	\$ 126,227.36
Church Payroll Fund balance	\$ 371.49	\$ 398.41
Petty Cash	\$ 400.00	\$ 400.00
Restricted Fund balance	<u>\$ 76,634.95</u>	<u>\$ 44,346.45</u>
Campus Improvement balance included in restricted acct	\$ 29,730.70	\$ 29,730.70
Total in all church accounts	\$ 158,163.24	\$ 201,102.92

Real Estate loan balance	\$ 488,130.14	\$ 498,685.41
Foundation balance	\$ 63,621.81	\$ 45,505.34

<i>Church Income Statement</i>	YTD 2012	Budget 2012	YTD 2011	Budget 2011
Total Giving/Program Income	\$ 766,229.36	\$ 856,376.14	\$ 834,450.40	\$ 927,773.30
Total Expenses	\$ 760,856.57	\$ 834,863.23	\$ 807,945.47	\$ 915,537.90
Loan/Principal reduction*	\$ 7,783.03	n/a	\$ n/a	\$ n/a
Total net gain/loss	\$ (2,410.24)	\$ 21,512.91	\$ 26,504.93	\$ 12,235.40
**Adj gain after salary accrual	\$ (11,010.24)			

*the principal reduction to the loan is included in the budget figures, but in order to follow generally accepted accounting principles, it cannot be expensed in the YTD Peachtree expense figures. Therefore, it will show up as a separate reduction to the Peachtree report. **Salary accruals of \$8,600 for the church and \$23,679.46 for the school are deducted due to reversals done in July 2011.

Giving was under budget by \$5,747.59 and we continue to not meet our giving budget. Since year to date income is less than projected so we have an overall loss (after adjustments) of (\$11,010.24) rather than a gain of \$21,512.91 so year to date we are behind \$32,523.15 — almost identical to the amount we were behind in February. The ministries continue to do a good job of holding down expenses (everything is under budget), but revenue is not what is expected, and we are going to have to make cuts before year end if we are going to break even. You can see that losses are covered by our ever-shrinking general fund bank account. We cannot continue on this path and are going to have to make some hard choices. We have cut ministries to the bare bones, and the only areas we have not touched are benevolence (missionaries) and staffing. We need to discuss cuts in these areas and will do so at the April Council meeting.

Foundation investments continue to be the bright spot on the balance sheet. The gain (or a loss if there was one) for investments are posted as adjustments to net worth on the balance sheet rather than gain or loss on investments on the profit and loss statement.

<i>School Balance Sheet</i>	2012	2011
School General Fund balance	\$ 191,052.24	\$ 93,631.36
Restricted Fund balance	0.00	\$ 351.65
PTF Fund balance	<u>\$ 18,388.66</u>	<u>\$ 22,857.22</u>
Total cash in all school accounts	\$ 209,440.90	\$ 116,840.23

Scrip Inventory	910.00	\$ 2,700.00
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(note: Scrip to be adjusted on 2012 balance sheet — still shows as \$2,700)

<i>School Income Statement</i>	YTD 2012	Budget 2012	YTD 2011	Budget 2011
Total Revenue	\$ 1,946,237.70	\$ 1,948,810.77	\$ 2,160,865.24	\$ 2,246,012.68
Total Expenses	<u>\$ 1,814,834.20</u>	<u>\$ 1,943,493.01</u>	<u>\$ 2,179,845.82</u>	<u>\$ 2,156,073.36</u>
Total net gain/loss	\$ 131,403.50	\$ 5,317.76	\$ (18,980.58)	\$ 89,939.32
**Adj gain after salary accrual	\$ 107,724.04			

Comments to School balance sheet and income statement

The cash position of the school is improving and is certainly better than last year. Deferred tuition (prepaid for the year) and deferred registration fees (deposits for next school year) viewed against cash in the bank now shows a positive figure. Total deferred tuition and registration fees are \$85,678.49 against cash in the bank of \$191,052.24. However, the next OVSD lease payment of \$54,899.50 is due 4/1/12 and this is the time the school needs to build cash to cover that expense. In addition, there is no Jk-8 tuition in June, yet there are three payrolls that month. John Heideman is projecting that the school will end up with a loss by 6/30/12 because of the 3 payrolls. Salary accrual reversals (July 2011) change a \$131,403.50 net income gain into a net income gain of \$107,724.04. The school is beating budget which expected a small gain of \$5,317.76 at this same time. If the school continues with their administration furlough days and cost cutting measures, they should end at a breakeven. Overall donations to the school are year to date short by \$15,568.46. If the school or preschool does a fundraiser, that could be offset. Preschool income year to date for Site 1 is \$21,884.44 more than expected but is short \$9,696.47 at Site 2. Both sites were originally budgeted for equal income amounts so it is not understood how Site 1 could have less expected budgeted income than Site 2. Year to date income shows Site 1 generating \$10,286.49 more in revenue than Site 2. The school is doing a great job at holding down the line in Administration expenses, Facilities expenses (although technology and computer expenses are \$6,593.30 higher than expected), and Salary Expense (the result of furlough days). Utility expense for water continues to run higher than expected (year to date is over budget by \$2,717.61). Expenses continue to be monitored closely. The school is to be commended for continuing their efforts to end the year with a gain rather than a loss.

Business Administrators Report

May 2012

John Heideman

Financial: (See Treasurers Report)

Church contributions have shown a slight upswing and have averaged \$17,884 per week during this fiscal year.

Approved budget cuts within the Benevolence areas have been implemented; mostly by paying out of Mission restricted funds.

Budget Schedule

- *May:* Final Council approval on budget / Cottage meetings.
- *June 10:* Congregational Meeting

Facilities:

- The exterior corner of the Sanctuary bricks have been replaced and painted to match the rest of the aged bricks.
- Work will begin shortly on repairs / re-coating of upstairs balcony decking. The total cost is \$4,500; which will include another 3 years of warranty. (Capital campaign)
- Carried-over items include: sacristy painting / repairs, and Cry Room. Minor repairs to Upper Rm. speaker, toilets, and assorted items have been completed. East parking lot cypress trees have been trimmed.
- Upper Room carpet continues to look bad, even just weeks after thorough cleanings. The dirt continues to re-surface, and will be cleaned as often as feasible.

Admin. / HR

- Our former Payroll Manager was assisting us in training Elsa on our Paychex program, but seemed to sour on helping out, and abruptly stopped. We have found that there is a great amount of detail work involved in this Payroll position, and so we have asked Paychex for some training. We have had two sessions, and they have gone very well. Meanwhile, Elsa is doing a great job in absorbing the information, and producing an accurate payroll each time.
- Budget cuts in staffing have been implemented within the church office, and maintenance.
- I continue working closely with school administration in all areas of human resources, facility planning and management, financial management, and legal compliance.
- I am preparing a new "employee evaluation process" for church employees, which will focus more directly on each workers actual job description. Part time church workers such as Organist, Choir Dir., Sound, College Age, etc. will not be asked to be formally evaluated. I assume this is being done casually within Worship, or Pastoral areas of ministry. The school is wrapping up their employee evaluation process.

Projects in "the parking lot", or "on the back burner".

- Organization Charts and Job Descriptions
- Policy and Procedures (Employee and Office)

Respectively submitted,

John Heideman, Business Administrator



GLS Superintendent's Report to Council
May 2012

OLS School Calendar

- **Friday, May 18 Talent Show**
- ✓ **Wednesday, May 23 PS Site I Open House**
- ✓ **Thursday, May 24 P5-8th Open House**

Edinger Preschool

Classroom rotas Site I Edinger Campus registration is a total of 109 individual students

Site I 5/17/2012

	Monday	Tuesday	Wednesday	Thursday	Friday	Totals
Part Time	23	32	32	31	21	139
Full Time	44	45	50	47	40	226
Total Day	67	77	82	76	61	365

Licensed for 162- Maximum capacity per day are 121 (Blue 12, Yellow 13, Green 12, Purple 24, Orange 24, Red 24, Rainboy. 12)

Classroom totals Site I Edinger Campus registration is a total of 107 individual students

\$11,575 per week

Site I 4/18/2012

	Monday	Tuesday	Wednesday	Thursday	Friday	Totals
Part Time	25	31	33	31	22	149
Full Time	44	46	48	45	38	188
Total Day	63	70	75	71	58	337

Licensed for 162 - Maximum capacity per day are 121 (Blue 12, Yellow 13, Green 12, Purple 24, Orange 24, Red 24, Rainbow 12)

McFadden Preschool

Classroom totals Site II McFadden Campus registration is a total of 104 individual students

Site H 5/17/2012

	Monday	Tuesday	Wednesday	Thursday	Friday	Totals
Part Time	26	25	30	28	17	152
Full Time	33	44	43	40	34	194
Total Day	59	69	73	68	51	320

Licensed for 120 - Maximum capacity per day is 120 (White 20, Ruby 20, Navy 20, Violet 30, Lime 3)

Classroom totals Site II McFadden Campus registration is a total of 106 individual students \$12,322 per week

Site II 4/18/2012

	Monday	Tuesday	Wednesday	Thursday	Friday	Totals
Part Time	26	24	31	28	18	127
Full Time	34	45	42	43	33	197
Total Day	60	69	73	71	51	324

J1C - 8th Grade Enrollment**05/10/2012**Classroom totals jk-8t^l McFadden Campus**Grade Students**

Jr. K	19
K	22
1st	25
2nd	22
3rd	16
4th	22
5th	17
6th	29
7th	20
8th	27
Totals	214

2/22/2012Classroom totals jk-8t^l McFadden Campus**Grade Students**

jr. K	19
K	22
1st	25
2nd	22
3rd	16
4th	22
5th	18
6th	29
7th	20
8th	22
Totals	215

Fall 2012-13 Re-Enrollment

Site 1 has 45 student registered for the 2012-13 school year and Site 11 has 40. Looking at enrollment from last year at this time current numbers are down. Last year at this time Site 1 had 67 and Site 11 had 71. Currently, 24 students eligible for an additional year of preschool have registered for Jr. K.

J K-8 shows a total of 196 to date; this is right on target for the number re-enrolled in May of last year. Acceptance letters have gone home to parents, and we are collecting money for the remaining registration fees. Ten families that have not enrolled have assured us that they are returning. The expected enrollment for 2012-2013 should be about 210 students.

Of the 34 students enrolled foil K- 1 student came from the Edinger campus, 24 from the McFadden campus and 8 are new to the school.

Grade Students

jr. K	34
K	18
1st	23
2nd	23
3rd	17
4th	15
5th	19
6th	9
7th	24
8th	14
Totals	196

Recreation Club Enrollment
May 2012

Full Time	15
Morning 5 days	2
Afternoon 1 hr.	8
Afternoon full time	13
Afternoon 3 days	13
Half Days	10
Staff/Scholarship	4
Occasional Care	43
Art Club JK-3 \$80.00	7
Art Club 3-8 \$80.00	4

Recreation Club Enrollment
April 2012

Full Time	15
Morning 5 days	2
Afternoon 1 hr.	8
Afternoon full time	12
Afternoon 3 days	12
Half Days	10
Occasional Care	38
Art Club	5
Science Club	13

Summer Camp 2012 JK-8**11 applications total tuition: \$13,325**

Technology Update

- Server Phase **I** conversion of basic server function was completed on March 10, 2012 as scheduled. The initial transition occurred unnoticed to all staff. The next phase will be the upgrade of the server software and Outlook (email) programs to a more current version.
- The Technology Integration Team is beginning to develop a researched based plan to further our technology integration in the classrooms. The jog-a-Thon raised monies to dedicate towards iPads for teacher use in classroom instruction. The team is looking at how best to support our faculty on this journey in technology to have a maximum effect on preparing our students for the 21A century.
- **eRate Funding Update:** As mentioned previously, the eRate grant application for the 2012-2013 school year was successfully completed and we are awaiting a status update on funding for next year.

Facility Update

- **Summer Projects:** Steve is planning our summer projects and maintenance and repair list; it should be complete by the end of May.
Eating Area Covers: The new canopies for the two shad structures have been ordered and should be arriving any day now. We were able to locate a company that has fireproof mesh that should allow for even better wind flow and lengthen the time between replacements of the tarps. Funds collected on VIP day paid for the purchase of the new canopies.
- **Open House/End-of-Year:** Steve is coordinating preparation for the up-coming Open House and End-of-Year celebrations that includes pressure washing, as needed throughout campus, spot-cleaning carpets and possible a few minor cosmetic repairs. Teachers will be receiving the Year-end Check-out Packets by May 18th.
- **E-Waste Fundraising Event: Scheduled for Saturday, May 19th, 9:00 am — 4:00 pm:** This is a no-cost event that will bring-in money for the school by serving as a collection point for electronic waste (no light bulbs, batteries, paint or other toxic waste). The Orange Coast Computing and Recycling is conducting the event for us and has marketed the event via banners, postcards and TV announcements. The usual turnout is between 300 and SOO families from the community! We will receive funds based on the total amount collected.

Facility Usage Request

- **Facility Rental Update:** The real estate agent representing Mariners Church informed us that another site they had considered previously has become available. The agent stated that the church should be making a final decision within a week or two. Meanwhile, another church (Egyptian Coptic Orthodox) has expressed interest in renting the facility. Once Mariners decides what they are doing we will either finalize with Mariners or pursue the other church. God really seems to be sending us life rafts.

Superintendents *Musings*

- **2012-2013 School budget/staffing:** I have created the preliminary spreadsheets needed in preparation for the new school budget and presented options to the Exec team for consideration. Council will be receiving this information at the May meeting. Once finalized, school enrollment forecasts will be used to determine staffing needs and staff will be informed.
- **Lease with OVSD:** I have called and emailed Dr. Loose to gain information on our 2012-2013 school lease.
- **Program Improvement:** I am currently investigating the possibility and feasibility of implementing programs to increase enrollment and better meet the needs of our community a homeschooling partnership, international student program and special education classrooms.
- **WASC Self-Study:** We will be going through a full self-study process this coming school year in preparation for our accreditation visit. I will be working with our leadership team this summer in planning and preparing for the self-study process that will begin in August and complete my _June of next year. The process helps create a clear vision of what we desire our students to know and be able to do and then to ensure that efficient and relevant systems are in place that predictably result in the fulfillment of those expectations for every child. The process enables us to improve student learning and school performance based on an analysis of our strengths and limitations. The process is a rigorous based on research-based standards that reflect the essential elements of a quality and effective schools, and requires us to demonstrate a capacity to provide continuous school improvement.
- **Pastor Paul Johnsen Dedication of Multipurpose Room:**