

Winter Congregational Meeting

First Congregational United Church of Christ



300 West 2nd Street Grand Marais, MN
Annual Report for 2019
Sunday, January 26, 2020

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First Congregational United Church of Christ - Grand Marais
Winter Congregational Meeting
Sunday, January 26, 2020

A G E N D A

- I. Call to order
- II. Opening prayer
- III. Reading of Mission Statement

First Congregational United Church of Christ is an open, inclusive church that exists to worship God and practice the gospel of Jesus Christ. We welcome all people of goodwill who seek to share the love of God and honor the diversity of creation in a spirit of tolerance and flexibility. As a Just Peace Church, we invite all who seek the reign of God to join us in reaching out in healing ministry, working for justice, witnessing for peace and striving to overcome all forms of oppression. We recognize two sacraments: Baptism and Communion.

- IV. Reading of Bylaws regarding congregational meeting – rules of process
- V. Review of agenda
- VI. Approval of June congregational meeting minutes
- VII. Financial report
- VIII. Approval of proposed 2020 budget – VOTE
- IX. Pastor report
- X. Moderator report
- XI. Approval of Bylaw change allowing hiring Designated Term Pastor – VOTE
- XII. Discovery team report
- XIII. Closing Prayer
- XIV. Adjourn

Summer Congregational Meeting
First Congregational UCC Church of Grand Marais
June 30, 2019
Meeting Minutes

- I. Call to Order. Nancy Starr (Moderator) called the meeting to order at 11:52AM. Nancy announced that Bob Carter is serving as Parliamentarian for the meeting. Nancy outlined the notice provisions for the meeting and described the materials that had been sent out including the proposed agenda, minutes of the previous Congregational meeting, list of Board nominees. Copies of the proposed revised 2019 budget (including 2019 personnel cost detail) were available in the narthex prior to the meeting. Nancy noted that no additional resolutions had been received. Chris O'Brien (Board Secretary/Treasurer) took minutes for the meeting. There were 32 attendees at the beginning of the meeting.
- II. Opening Prayer. Anne Swallow Gillis (Transitional Pastor) led the congregation in an opening prayer.
- III. Approval of March 3, 2019 Congregational Meeting Minutes. Nancy called for a motion to approve the minutes from the previous congregational meeting (March 3). Jenny Delfs moved to approve the minutes, Chris Silence seconded, there was no discussion and the motion was approved unanimously.
- IV. Revised 2019 Budget Presentation. Chris O'Brien presented the proposed revised 2019 budget. He recounted that when the budget was presented and approved at the March Congregational Meeting there was discussion and agreement that the budget would need to be revised and re-presented in the Summer Congregational Meeting due primarily to Pastor Beth Benson's resignation just prior to the March Congregational Meeting. A copy of the budget meeting materials (proposed revised budget and personnel cost detail) is attached to these minutes. Also attached is an adjusted revised budget that reflects a correction that came to light during the budget discussion regarding the estimated cost of HVAC repairs for the church basement (\$500 not \$5000). Chris described the changes that were included in the revised budget projection:
 1. Pledges and Offerings – Assume May YTD rate for the rest of the year
 2. Visiting Worship Leaders – Assume May YTD plus four additional Sundays at \$200
 3. Personnel expenses – Projection based on detailed cost estimate attached
 4. Professional Fees (accounting services) – Assume May YTD plus \$250/mo for rest of year
 5. Insurance. Assume the budgeted rate for the year
 6. Mileage expense – Add \$750 for remainder of year to support ministry travel expenses.
 7. Repairs. The budget as presented included an estimate of \$5000 for HVAC repair. Nancy Nosker said this was a misunderstanding and that the cost should be approximately \$500.
 8. For all other income and expense items in the budget projection assume pro-rated for the remainder of year based on actual income and expense for May YTD.

Chris described that the income YTD through May has been significantly lower than budget and that expenses have also been significantly lower than budget. The budget forecast for the year projects a net loss of \$45,910 (includes the adjustment/reduction of HVAC repair costs) which is close to the net loss of \$44,728 that was projected in the original budget presented in March.

Chris said that the Board had earlier in the week transferred \$20,000 from the UCC Funds Account (Endowment) to the church's checking account to maintain liquidity and reminded all that the congregation had voted to approve the transfer of up to \$40,000 if necessary in 2019 to make up for budget shortfalls.

After Chris had completed his presentation and after discussion was completed Nancy called for a motion to approve the revised budget projection. Jody Yuhasey moved to approve and Jenny Delfs seconded the motion. There was no further discussion and the motion was approved, with 27 votes in favor.

V. Update on the Interim Process (Transitional Pastor Anne Swallow Gillis)

Anne began her presentation by thanking departing Board members (Nancy Starr, Chris O'Brien, Sue Hennessey, Drew Heinonen, Anna Kneen) and thanking Jenny Delfs for staying on. Anne reminded the congregation that she is only on contract as Transitional Pastor for 5 months (through the end of September). She shared her nervousness and curiosity about the opportunity to lead this church in transition and said that this "trial period" of 5 months seemed appropriate. She noted that this is a unique situation compared to previous transition assignments because she has also been a member of this congregation. She asked that people give her feedback directly, not indirectly.

Anne described the challenge of managing her responsibilities in the part-time schedule that is all that the church can afford currently. She estimates that she is spending 25 hours per week currently and if she and the congregation decide to extend her engagement after the 5 month "trial period" she foresees that she would need a compensation package that included 75% time and pro-rated standard UCC benefits.

Anne then went on to describe the "discovery process" that she is planning for the church over the next several months. She described how in her own experience in other congregations this process has been an important step in helping to heal. Anne reminded all that the proposed discovery process was outlined in the June newsletter and will be re-published in the July newsletter. The goal of the process will be to structure meetings among a diverse group of church members and to focus on the following:

- Who is the church now?
- Where are we going?
- What does God call us to do next?
- When was the church at its best?
- What has the church done well?
- What are our shared beliefs? Start with the UCC statement of faith.
- What are the needs for the church in the community?

The outcome of these conversations can help to develop a clear "renewal story". This is a critical prerequisite to a search for a new long term pastor. The findings from the discovery process can also be used to review church governance documents and ensure they are aligned. Anne noted that the Board is too overloaded to manage this discovery process and so said that the church will be recruiting members to join "discovery teams" that will meet once per month. Anne said she hopes to form these teams in July and encouraged all to participate.

Anne then opened the floor to comments and discussion. Overall, initial comments were positive and described the proposed discovery as "do-able", "important", "something everyone should be involved with". There was discussion on whether the process would help to bring back "missing faces" and Anne described her ongoing outreach in parallel with the process of moving forward and encouraged attendance at worship on Sundays. There was a discussion about how the conflict within the church community has sidelined some members. Anne noted

that many people don't like conflict but some respectful conflict is essential to a strong and vibrant church community.

Jeff Kern raised a concern that the structure of Board meetings is too constrained with regard to participation by non-Board members in the discussion of agenda items during the meeting. Anne noted the need to balance inclusiveness with meeting efficiency. She said that members are free to join Board meetings but noted the risk that the Board's meeting agenda could be derailed if there are no time constraints on discussion.

Jeff made a motion to make Board meetings more welcoming and open to discussion by members, with a process to be determined. Ann Russ seconded the motion. In discussion it was suggested that advance notice of members' concerns would ensure these were included on the agenda to allow for sufficient time. Jerry Lilya offered a friendly amendment to drop "more" from the wording of the motion and Jeff Kern agreed. The amended motion is "Make Board meetings welcoming and open to discussion by members, with a process to be determined". The motion was passed with 22 votes in favor, 3 opposed and 3 abstentions.

VI. Election of Board of Directors. Nancy described the work of the Nominating Committee (Nancy, Chris Silence, Anne Swallow Gillis). The Committee spoke with lots of potential candidates and held 6 structured interviews (same questions for each candidate). Nancy then announced the list of candidates recommended by the Nominating Committee and asked them to stand:

1. Jenny Delfs
2. Chris Silence
3. Kevin LeVoir
4. Ann Russ
5. Lesaann Foris
6. Tom Yuhasey
7. Tom Kurschner

Nancy then asked whether there were any additional nominations from the floor. She repeated this twice and with no additional nominations offered Gwen Mattice moved to close the nominations and Helen Carter seconded. There was no discussion and the motion was approved unanimously. Nancy Strayer moved to approve the slate of candidates without a formal vote with paper ballots. Jody Yuhasey seconded the motion. During discussion there was some opposition raised to this "short cut". The motion did not pass, with 7 yes votes and 14 no votes.

The paper ballots were then distributed and collected after voting was completed. After counting the ballots Nancy announced that the proposed slate of candidates was approved.

VII. Closing Prayer. Anne Swallow Gillis led the congregation in a closing prayer.

VIII. Adjourn. Chris Silence moved and Nancy Nosker seconded a motion to adjourn. The motion passed unanimously and the meeting was adjourned at 1:30PM

10-Jan-20

**First Congregational Church UCC
Proposed 2020 Budget**

**2020 Budget
Proposal**

Income

Pledges and Offerings	\$ 80,000
Loose Plate Offerings	\$ 4,500
Parsonage Rental	\$ 15,108
Building Use	\$ 2,775
Other Cash Assets (Example Endowment)	\$ 35,763
Interest Income	\$ 2,000
General Fund Income	\$ 140,146

Income Applied to Budget Expenses

Hospitality Donations	\$ -
Sunday School Offerings	\$ -

Expenses

Mission & Per Capita

OCWM	\$ 4,000
Per Capita	\$ 975
Total	\$ 4,975

Pastor (at 3/4 Time)

Pastor Salary	\$ 31,200
Pastor Housing Allowance	\$ 15,600
Health and Dental Pastor	\$ 3,576
Health and Dental Spouse	\$ 2,892
Life and Disability	\$ 702
Social Security Offset	\$ 3,580
Pension Fund Contribution	\$ 6,552
Mileage (@\$0.58/Mile)	\$ 650
Continuing Education	\$ 150
Professional Fees	\$ 150
Total	\$ 65,052

Staff

Office Manger Wages and Taxes	\$ 9,200
Custodian Wages and Taxes	\$ 4,051
Total	\$ 13,251

Business

Advertising, Promotion, Website	\$ 685
Banking Charges and Checks	\$ 80
General Liability Insurance	\$ 3,690
Workers Compensation	\$ 927

Equipment Lease (Ricoh Copier)	\$	3,625
Postage and Delivery	\$	900
Accounting Expense	\$	2,250
Telephone and Internet	\$	1,200
Office Supplies	\$	1,500
Conferences and Meetings	\$	500
Teacher and Board Expense	\$	335
Total	\$	15,692

Worship

Musicians	\$	7,800
Visiting Pastor	\$	1,000
Piano & Organ Maintenance	\$	250
Music, Candles and Other	\$	150
Total	\$	9,200

Fellowship

Hospitality Expenses (Net)	\$	250
Total	\$	250

Education

Adult Education	\$	250
Youth Ministry	\$	100
Books and Teaching Material	\$	250
Local Out Reach	\$	500
Total	\$	1,100

Buildings & Grounds

Utilities, Fuel	\$	11,556
Loan Repayment	\$	7,850
Maintenance and Repairs	\$	1,150
Grounds, Plowing	\$	2,000
Garbage	\$	1,150
Misc. Expense	\$	680
Total	\$	24,386

Parsonage

Parsonage Utility Assessment	\$	1,230
Parsonage Insurance	\$	654
Real Estate Tax	\$	3,356
Maintenance and Repairs	\$	1,000
Total	\$	6,240

Total Expenses \$ 140,146

Income - Expenses \$ -

PROPOSED BYLAW CHANGE AND VOTE FOR WINTER CONGREGATIONAL MEETING

JANUARY 26, 2020

Our current 2017 approved Bylaws /Section I. Minister #4:

“In the event of vacancy for Minister, the Board of Directors shall determine the size of and appoint a Search Committee. This committee shall work with and consider only ministers who make application through the Conference Office.”

The UCC Minnesota Conference is advising us to consider hiring a designated term minister rather than go through a full search committee and call process as we have in past.

The Conference would help us write a “want ad” and find candidates for a “designated term minister” who would be hired for a defined period (typically 1-3 years) and perhaps for an expressed purpose -- but with the understanding that if this church and the minister were a “good fit”, the minister could then be formally called by a vote as our next settled minister. It would be a shorter process than a formal search and call. We are told this is the more common way in recent years for churches to find a settled minister.

The Board of Directors is in support of hiring designate term pastor rather than form a search committee

We propose the following change/update to the Bylaws :

Proposed changes /Section I. Minister #4:

“In the event of vacancy for Minister, the Board of Directors ~~shall determine the size of and appoint a Search Committee~~, *in consultation with the Congregation, shall either:*

- 1. *appoint a Search Committee to find a Settled Minister candidate. This minister would be called by congregational vote. (see Bylaw I.2.) An Interim Minister would be hired by the Board to serve during the time the Search Committee needed to complete their work.***
OR
- 2. *appoint a Hiring Committee to find a Designated Term Minister candidate. This minister would be hired by the Board of Directors. This minister could, by mutual agreement, be called by congregational vote at the end of that designated term and become Settled Minister.***
- 3. ~~This committee~~ *The Committee will* work with and consider only ministers who make application through the Conference Office.**

If the congregation approves the above bylaw, we would then ask for a vote of support from the congregation for the **Board of Directors to appoint a Hiring Committee to find a Designated Term Minister candidate. The Board would hire this candidate as a Designated Term Minister to serve this congregation for a designated term.**

If approved, we would then be interested in hearing from individuals interested in serving on the Hiring Committee.

TRANSITIONAL PASTOR'S REPORT TO THE CONGREGATION

The Rev. Anne Swallow Gillis

Following The Rev. Beth Benson's resignation as Pastor in early March, 2019, I was approached by the Moderator, Nancy Starr and Vice Moderator, Sue Hennesey, for suggestions regarding the need for new pastoral leadership. I had retired from fulltime parish ministry in June 2017, moved to Grand Marais with my husband Chris and had occupied a back pew since that time as a member of this congregation. Through ensuing conversations with the Board regarding the possibilities of an interim period following widespread conflict in this church, I sensed God calling me to consider serving in some form of pastoral leadership here. In mid-April, 2019 your Board of Directors hired me as your Transitional Pastor. I have found this work to be daunting at times, both emotionally and spiritually strenuous. My ministry with you so far has also felt engaging, joyful, creative and hopeful.

We are still in a process of reconciliation work and re-building the congregation's ministries, which is involving a number of "parallel processes" occurring at the same time. Many of us have been working hard to give people safe opportunities to explore what happened in the recent past, while also providing places for us to reconnect, stretch and grow as a vibrant congregation. A number of people have left the church since Pastor Beth's departure, for a variety of reasons. Some people participated in the reconciliation process in summer 2018, and some in the sharing groups that were held in the spring 2019, under Jenny Delfs' leadership. Some felt these opportunities were helpful. Others claimed that they barely scratched the surface of what went wrong. Some people describe being so hurt by both pastoral and lay leadership's actions that they would never come again. A few have said they will only return if some sort of public apology is made by current leadership. Some have left because of how they observed the pastor and lay leadership being treated by others in the church. Some long-time members have returned, some new people are intrigued and showing up, and some folks have simply stayed-the-course and continue to participate. Clearly, people have had a wide variety of experiences, perceptions and feelings about what has occurred here in recent years.

What I am noticing now is a slow, steady increase in people coming to Sunday worship, with vibrant music weaving through our time of prayer and scripture study together. I am grateful for our worship team of accompanists and choir leader, including Linda Noble, Chandler Litterest, Chris Gillis, Shelly Kinzli, Karina Roth and Ann Russ. I am encouraged by the participation in discussion and book groups, an increase in pledging to the financial support of the congregation's ministries, and encouraging involvement in the opportunities for exploration of our past, our current identity and hopes for the future led by the Discovery Team. The Pastoral Relations Committee meets with me monthly, to both support and challenge me as a clergy professional. The Board of Directors is working on wider communication about programs and finances with the congregation, regular staff performance reviews, creating a new Grievance Policy and encouraging respectful, direct and honest communication among us. I am grateful for the work of the Discovery Team in helping us continue to both explore our past as well as imagine a new future together. There is much to be thankful for around here.

As we continue learning from the past, re-building of relationships and re-vitalizing of programming such as outreach work and faith formation for all ages in this congregation, is critical. How do we more boldly live out our progressive values and faith perspective in this community? How might we be more welcoming of people of all ages, especially young families with children and teens? As I see it, here are the important questions ahead of us:

- ***Who are we as a congregation?*** *What have we learned from our history as a church? What are our current shared values and core beliefs?*
- ***Who is our neighbor now?*** *What are the current needs in the community and the wider world that we feel called to serve?*
- ***What is God calling this church to do, now and in the near future?***
- ***What kind of pastoral leadership do we need to help us do these ministries?***

It is a privilege to serve among you in this time, and I appreciate the openness and honesty with which many of you have approached me in these past nine months. I trust that God's spirit of healing and truth is guiding our ministries together and is birthing something new through all of us.

In ministry with you,

The Rev. Anne Swallow Gillis, Transitional Pastor
January, 2020

BOARD OF DIRECTORS 2019 ANNUAL REPORT

Submitted by Moderator Jenny Delfs

This has been a year of change, challenge, and possibility for First Congregational UCC Board of Directors.

The Board strives to provide the congregation with timely and predictable communication and information in many forms:

- Notices in the Thursday weekly church emails
- Full board minutes from the previous month out in the monthly Shining Light Newsletter
- Full financials/minutes available in the Church Office for review in binders on the shelves
- Announcements during worship
- Listening sessions
- Our email addresses are posted and available if anyone wants to share concerns or ask questions

Monthly Board meetings are routinely the 2nd Friday of the month from 8-10 AM in the lower level. All are welcome to submit items for the meeting agenda. The meetings are open to anyone interested in participating in the discussions. We want to encourage full congregational leadership and participation. Some Highlights for the past year:

1. Hiring Transitional Pastor Anne Swallow Gillis in April after Pastor Beth Benson's resignation in March.
2. Supporting Pastor Anne's leadership – worship, pastoral care, outreach discussions, Discovery Team, hiring and supervising church staff
3. Writing a communication agreement we use for our meetings
4. Encouraging church work groups/teams/committees - Stewardship, Finance, Food, Pastoral Relations, WOW, Building and Grounds.
5. Detailed discussions about finances
6. Review and revision of the parsonage rental agreement
7. Letter of support to Food Shelf
8. In progress work on a grievance policy

Some of Board's anticipated work for 2020:

1. Finding new pastor (current contract up end of June)
2. Finding 4 candidates for Board for vote at June meeting 2020 – 4 seats up for reelection
3. Collaboration with Discovery Team in their process of defining our church's identity and mission, healing wounds.
4. Continued fiscal responsibility/finance work
5. Ongoing work to revitalize committees and work groups.
6. Bylaw and policy writing and revision
7. ... and much more.

As the communication agreement we read at the beginning of our meetings says, we want to listen generously, speak respectfully, celebrate each others' gifts and perspectives, choose the good of the whole church and strive to be optimistic and hopeful.

We ask that you talk to us. Share your fears, hurts, hopes, needs, concerns, expectations and joys. We will do the same.

Board of directors at start of year:

Nancy Starr – on Board since 6/2015, Moderator 4/2017. Resigned 6/2019 with 1 yr left to term
Sue Hennessy – on Board since 6/2015, Vice Moderator 10/2018, resigned 6/2019 with 1 yr left
Chris Obrien – on Board since 6/2017, secretary and later treasurer, completed 2 yr term 6/2019
Helen Carter – on Board since 6/2017, resigned 2/2019
Joan Lilja – on Board since 6/2017, resigned 3/2019
Drew Heinonen – on Board 6/2018, resigned 4/2019
Empty seat – left by John Bottger resignation 9/2018

Appointed by Board of directors to fill empty seats March 2019:

Jenny Delfs
Anna Kneen
Chris Silence

New Board of Directors elected June 2019 meeting:

Jenny Delfs - Moderator – 2 year term
Chris Silence – Vice Moderator – 2 year term
Kevin LeVoir – Treasurer – 2 year term
Ann Russ – Secretary – finish 1 year of 2 yr term – up for reelection 6/2020
Tom Yuhasey – finish 1 year of 2 yr term – up for reelection 6/2020
Lesaan Foris – finish 1 year of 2 yr term – up for reelection 6/2020
Tom Kurschner – finish 1 year of 2 yr term- up for reelection 6/2020

Pastor Benson's resignation March 3 - just before the Winter Congregational meeting. Her last Sunday leading worship March 31st. Severance pay through end of May.

Pastor Anne's hire as transitional pastor April 1, 2019. Initially ½ time but increased to ¾ time with benefits Oct 2019. Contracted currently through June 2020.

Highlights from Board of Director minutes – month by month:

Jan: Transitioning to QuickBooks with volunteer accountant Bobbie Collins setting up new charter of church accounts and Licari still retained to do payroll. Discussions about selling parsonage pros and cons. Revenues less than expenses for 2019 budget plan. Membership form drafted.

Feb: Still transitioning from Licari to in house accounting. Vote to recommend draft 2019 budget for approval at March winter meeting. Decision to ask at March winter meeting for congregational ok to use Endowment funds to pay for anticipated budget shortfall. Plan too to present Board recommendation from Finance Working Group to sell parsonage. Finalized agenda for March Winter Congregational meeting.

March: Winter Congregational meeting 3/3: appointed 3 interim Board members. A church membership form was approved. The proposed 2019 budget was approved. Approved up to \$40,000 withdrawal from Investment Fund in 2019 if needed for budget short falls with addition that future church surpluses will be returned to the endowment up to the amount withdrawn. Recommended sale of parsonage resolution was tabled given new reality of current pastor resignation. Approved forming a Reconciliation Working Group.

BOD meeting 3/11: A process for more timely on-line approval of Board of Director minutes was approved with goal of getting them in newsletter for following month. Bobbie Collins withdrew offer of volunteer accounting services and made request for payment. The Board voted pay this bill in short term but to explore all options for this service long term. Office manager Jane Gellner resigned, and

Sue Hennessy stepped into that role. Treasurer Sue Weber resigned, and plans made to recruit. Nominating committee was formed to find candidates to replace 3 members going off Board in June. Pension payment clerical error corrected. Decisions made re Pastor Benson's departure date 3/31 and severance pay through end of May.

Extra BOD meeting 3/31: Reconciliation working group struggling to determine next steps after several listening groups. New approved membership form to be distributed. New hire Brooke Shannon as bookkeeper/payroll. Discussion about pulpit supply fee. Set date for annual meeting June 30. Elections to happen then. Discussion about hiring an interim pastor – Anne Swallow Gillis is interested and willing. Hired April 1st.

April: An updated stewardship letter to go in newsletter discussed. Continued struggles for Reconciliation Work Group re next steps. Discussion about listening groups past and present and what role they may play. Budget difficulties with offerings \$7000 less than expenses. Electronic approval of minutes clarified. Nominating committee needs slate 4-5 people for June elections as now 4 current Board members indicate intent to go off Board in June. Pastor Anne will interview and hire office manager (Melissa Wickwire). Pastor Anne has met with music team. Pastor Anne discussed possible paths during transition phase with Board that she has seen work with other congregations she has served.

May: No quorum. Discussed renewal of committees, teams and work groups. Finance, Stewardship and nomination committee active. Finances bleak – discussed will likely need to withdraw from Endowment. A draft Board of Directors Role policy made to use in recruiting new Board members and explaining role. Decision made to embed the Reconciliation Work Group work within the newly defined Discovery Team's work. Confirmed WOW as a church ministry and affirmed structure of this relationship (2 WOW members presented at this meeting). Pastor Anne's hours exceeding half time contract most weeks – Board agreed to pay for additional hours as needed at same rate.

June: \$ 20,000 of funds transferred from Endowment to cover expenses/budget deficit. A slate of 7 candidates for Board approved. No previously voted in Board members choosing to continue the Board. Summer congregational meeting agenda approved. Discussed historic Listener role. Approved to donate 12 little chairs to new preschool. Approved proposed Discovery Team process. Discussed questions from Maple Hill Cemetery Board.

June Annual meeting: slate of 7 Board members elected, congregation updated on the budget status. Introduction of Discovery Team process.

July: All new board – assigned seats (1- or 2-year terms), elected officers, changed over signatories on bank and endowment. Decision to turn line of credit for building work into a loan. Formation of pastoral relations committee discussed. Set up a "get to know" each other retreat

Retreat: Mostly a time get to know each other. Discussed and approved communication agreement. Set up process to approve minutes. Brainstormed ways to get committees going again – using recent Food Group reorganization meeting as a model.

August: The stewardship group "Be the Light" pledge drive plans presented. Pastoral Relations committee formed and meeting. Discovery Team formed. For first time this year, budget offerings July were greater than expenses. 2nd Sunday potlucks scheduled by Food Group. Volunteers are mowing. Moderator having conversations with families with kids re what hopes for faith formation. Discussions about being Just Peach Church held after church.

Sept: Discussed re renewal of Pastor Anne's contract Oct 2019 – June 2020 with increase time and benefits. Set up subgroup to finalize the contract. Construction line of credit was converted to a mortgage – payment \$625.25/month. Approved policy for employee (office manager) to accruing leave time. Reviewed consultant Dan Lambride's Oct 2018 reconciliation recommendations. Discussed a proposed letter of support to Food Shelf. Confirmed that we plan to do Thanksgiving dinner. Discussion about giving to larger church in response to MN Conference questions about our reduced OCWM giving.

Discussed parsonage rental property – set up subcommittee to interface with tenant, review lease and building. Update on outreach discussions re immigration

Oct: Approved Pastor Anne's new contract and scheduled her performance review. Approved a letter of support to Food Shelf. Update on Discovery Team's work. Made decision to work on a grievance policy to replace current wording in the bylaws. Scheduled cleaning days to prep for Thanksgiving.

Initial work on 2020 budget

Nov: Set agenda and date for winter meeting. Plans for pledge Sunday and History Sunday discussed. Plans for Thanksgiving in progress. Reviewed reports from Buildings and Grounds, Stewardship, Pastor and detailed finance discussion. Decision on increase rent for parsonage.

Dec: Discovery team members come to meeting to discuss complied joys and concerns from History Sunday. Parsonage tenant comes with questions about rent changes. There was a walk through the property. Set agenda for Winter meeting in Jan 26. Discussed bylaw change needed by vote at annual meeting to be able to hire designated term pastor. New office manager (Carol Morgen) is interviewed and hired by Pastor Ann.

Jan 15, 2020 J. Delfs

FINANCE COMMITTEE REPORT

Written by Kevin LaVoir, Treasurer

The Finance Committee (Kevin LeVoir, Peter Harris, Chris Silence) met throughout the fall of 2019 to review the financial system used by the church. The financial system developed in early 2019 was difficult to understand, and it was not always clear that one could tell how much was spent in a category because of the grouping of a number of expenses in that category. A new chart of accounts was developed for use in 2020. The new chart should make it easier to understand the finances of the church. The committee spent considerable time developing an accurate and complete 2020 budget for the church. A listening session for the congregation was held January 5, 2020, to discuss the proposed 2020 budget.

Net income (loss) after expenses for the year (January-December 2019) was (\$8,923.69), substantially lower than the projected budget deficit of (\$44,728.00). The trend of positive cash flow continues and we are meeting expenses. We used \$20,000 of the endowment this year (up to \$40,000 had been approved by the congregation). We do not anticipate using additional endowment monies in 2020. If this needed, a specific request would be brought to the congregation.

Memorial gifts received during 2019 included: \$525.00 in memory of Mary Alice Hansen and \$1710.00 in memory of Thelma Hedstrom. Both the Hansen and the Hedstrom families have indicated that they desired the full amount of these gifts to be deposited in the General Fund, in support of our church during this time of transition. We are grateful for their decision, as well as for the generosity of all who made gifts in Mary Alice's and Thelma's memory.

Giving beyond our church in 2019 included gifts to several wider United Church of Christ offerings:

Neighbors in Need	\$425.00
Christmas Fund	510.00
Strengthen the Church	480.00
One Great Hour of Sharing	50.00

REPORT ON BUILDING USE

Written by Anne Swallow Gillis

Our congregation has a long and proud history of welcoming various non-profit and other community groups to use our building. We are grateful for the donations that many of these groups provide for use of our space, which help us with building costs. The Board of Directors has asked that we include a list of these groups in this year's report:

- Worker's on Wheels – This outreach program of our church serves summer international workers, providing low-cost bikes rentals and repairs while they are employed in Cook County. We store over 100 bicycles and tools for repair.
- Food Shelf – We provide room for storage of food and program materials for this long-standing supplemental food program for those in need in our community.
- Various 12 step programs, including Alcoholics Anonymous, Co-Dependents Anonymous, Alanon, Women's AA, Over-Eaters Anonymous, Adult Children of Alcoholics.
- Seventh Day Adventist Church – weekly worship, education and fellowship.
- Centering Prayer Group.
- Zen Meditation Group.
- Dances of Universal Peace.
- Art Colony sponsored "Readers and Writers Festival" events.
- Violence Prevention Center Board retreats.
- Hosting of youth groups from various Minnesota Conference United Church of Christ congregations.
- Arrowhead Indivisible.
- LGBTQ+ support group.
- Grand Marais Pride lunch.
- Summer Explorers Program for kids.
- Jewish community Chanukah celebration and meal.

CREATING COMMUNITY AND FRIENDSHIP THROUGH FOOD

Written by Ann Russ

Shared meals (and other refreshments) continue to be an important element in our church life together. In 2019 we reorganized how we “do food” and created a shared leadership style with opportunities for everyone in the community/congregation to contribute as they are able. If you have questions, suggestions or would like to help, feel free to contact the point people listed.

Second Sunday Potlucks - All are invited to bring a dish to share and help with set up and/or clean up...or simply come to enjoy good food and conversation. (Ann Russ)

Memorial Services - Many volunteers helped with food/set up/clean up as we celebrated the lives of Mary Alice Hansen and Thelma Hedstrom. (Nancy Star: January-March, Ranna LeVoi: April, Bev Denyes: May-December)

After Worship Treats/Coffee - We welcome everyone to choose a Sunday to bring refreshments. Signup sheets are in the narthex. (Ranna LeVoi: January - Mid May, Helen Carter: Mid May - December.)

Thanksgiving Meal - Many people contributed food or helped with preparations, serving, and clean up, and 180 people were served a delicious meal. (Jenny Delfs and Mike Carlson)

Kitchen Cleaning - Every cupboard and drawer was emptied, cleaned, and organized with new labels added to the outside of cabinets. Many hands made light work.

A new “Hosting a Church Food Event” instruction sheet was written and posted in the kitchen.

Many thanks to everyone who contributed food, helped with preparations and clean up, or joined in the circle of friendship.

REPORT OF THE DISCOVERY TEAM

Written by Barb Bottger

During the summer of 2019, our Board of Directors voted to establish a Discovery Team that would help our Transitional Pastor guide us through some important tasks during the interim period. These tasks include reviewing our history as a congregation, identifying our core values and shared beliefs, exploring “who is our neighbor now” that we feel called to serve, and establishing a renewed sense of vision and mission as a church. The Team is to invite us into a discernment process of considering: “What is God calling this church to do and be now?”

Members of the Discovery Team are Jay Arrowsmith-DeCoux, Barb Bottger, Nancy Cihlar, Diane Fitzgerald, Carol Harris, Jeff Kerns, Gwen Mattice, Jerry Slomkowski, Pastor Anne Swallow Gillis (ex-officio).

The Discovery Team has been meeting regularly since mid-September, engaged in the tasks set and approved by the Board. In November we facilitated small groups for History Sunday, and in January we facilitated small groups for exploring Core Values. In order to accomplish these tasks, we have listened deeply to one another. In doing so, our landscapes of understanding what has happened over the past five years have been affirmed, widened, deepened, and changed. We are eternally grateful for being called to do this work.

The following is a summary of the post-it notes collected on History Sunday, November 9, 2019, when participants were invited to share one blessing and one challenge in their personal experience in this congregation. Discovery Team members worked long and hard to find patterns and trends in all the comments, and together came up with this summary list. Four members of the Team attended the December Board of Director’s meeting and shared these findings with that group:

BLESSINGS IN THE HISTORY OF OUR LIFE AS A CONGREGATION:

1. *Relationships – interpersonal and family feel.*
2. *Community focus.*
3. *Social justice focus.*
4. *Strong lay leadership.*
5. *Diversity – in theology/lifestyles/political.*
6. *Thoughtful culture.*
7. *Commitment to children and youth.*
8. *Accessible music.*

CHALLENGES IN THE HISTORY OF OUR LIFE AS A CONGREGATION:

1. *Lay leadership diminished – disempowered, support removed.*
2. *Lack of addressing, acknowledging and owning of hurtful behaviors.*
3. *Lack of information about church affairs.*
4. *Insurmountable problems with pastoral leadership – including deflection of responsibility, control centralized, system failure both at local and wider church levels.*

The Discovery Team notes the need for continued exploration of these numerous concerns, as well as some possible structural and policy changes to establish more healthy communication and better accountability among us. The Discovery Team will also be providing additional opportunities for those wishing to share more about their difficult or painful experiences with our church. Please contact one of them if you are interested in additional times to share your concerns.

WORKERS ON WHEELS (WOW) REPORT

Written by Dan Strayer

About a decade ago, Rick Schubert and Dan Strayer got together to discuss the possibility of our church sponsoring a bicycle summer loan program. Since that time, WOW (Workers on Wheels), is regularly recognized as a strong Cook County OUTREACH project. Businesses in our county look forward to supporting this program by recommending to their international workers the activity.....sometimes this means “totin” their international workers to our church for bike selection, possibly paying the \$40.00 deposit and continuing to “spread the word.”

Our church has provided storage and repair space, handled publicity, office support and whatever else is required. A visit downstairs to see our work and bike storage area will point up the growth of our Outreach. Last year, WOW loaned out 98 bikes, handled repair and checkout/in processes, which were manned by 8 volunteer UCC members.

We hope to continue to receive more “good-condition” bikes.....along with a more permanent storage and bike repair facility.....AND, anyone knowing of a free-of-charge storage facility, or wishes to donate \$\$\$ to the program, and wants to join the “work crew” can contact the church office. Keep WOW moving!

REPORT OF PASTORAL RELATIONS COMMITTEE

Written by Sandy Stover, Chair

The Pastoral Relations Committee has been formed and the First Congregational Policy/Procedures description includes the charge to “support a healthy relationship between the pastor and the congregants in order to enhance the effectiveness of the church’s ministry.” The Committee does not serve as a grievance forum as that will be developed through a Board policy. It will not be involved in pastoral evaluations, as that is also a Board function. What it will do is serve as a sounding board for the pastor, and assist in interpretation of the pastor’s “roles, functions, boundaries, opportunities, and needs”.

The Pastoral Relations Committee is a confidential forum and minutes will not be taken, but the Chair of the Committee will confirm with the Moderator that the monthly meeting has taken place. If there are issues that cannot be led to conclusion within the Committee, the Moderator will be consulted. The committee members can also act as support to church members when accessing the pastor, if needed.

Meetings are currently monthly, preferentially the first Sunday of the month. The Committee completed the fourth meeting in January, 2020.

Current members include Bob Carter, Jerry Lilja, Nancy Starr, and Sandy Stover. Sandy Stover is currently Chair of the committee. Questions about the committee may be directed to any committee member, the Moderator, or the Pastor.

WORSHIP LIFE

Written by Anne Swallow Gillis

We do not currently have a functioning “Worship Team” but many of you have stepped forward to help make our Sanctuary tidy, comfortable and beautiful through this last year. In my other churches, I have enjoyed working with lay members in exploring the role of worship in our lives and how we might deepen and enliven our worship life together. How might creating our worship time together be a more collaborative effort?

I am interested in convening a group of folks who would be interested in working on more than just Sanctuary décor! My hope is that we could meet periodically to:

- Evaluate our Order of Worship – what should worship do for and with us? Inspire? Comfort? Educate? Challenge? What does it mean to “worship God” as a progressive church? What might we change or add? Why?
- Explore the different themes for the liturgical seasons, including the flow of the Revised Common Lectionary passages we use each Sunday. How do these themes get expressed in our liturgy, our Sanctuary décor, our music?
- Discuss the role of both lay leadership and music in our service – how else might we involve lay leaders besides as readers? What is the role of personal testimony (such as our different lay-led Stewardship Messages last fall) in our worship together? What different kinds of music shall we add?
- Re-think sermons! The sermon takes up a large chunk of time in the service. I see it as an important time for us to dive into the scripture texts and hold these teachings up to the current problems/challenges of our world. Are there other themes the preacher should cover? How formal or casual should the sermon format be? In the past, lay leaders have occasionally preached. What does the sermon portion mean to folks?
- Design and create additional services for certain seasons and events. This last year, we added a Sunday candle-lighting on All Saints’ Day to remember those in our congregation who had died. We held a mid-week Service of Remembrance on Transgender Awareness Day. With volunteers from other congregations, I led an evening Blue Christmas Service for those who find the holiday to be a difficult season. What other special services might we create? How about an Epiphany Service around a bonfire out in our parking lot (brrrrr!), where we give thanks for the previous year, burn portions of our Christmas greens and share hopes for the new year?
- And finally.....what about the environment of our Sanctuary? How should it be decorated in order to enhance the themes and goals of each worship service?

How we might enliven and continue to strengthen this important part of our church life? As I say in each of our newsletters, Sunday morning is “the heart of our life together.” Speak with me if you are interested in being part of a new Worship Team!

ADULT DISCUSSION GROUPS AND OUTREACH ACTIVITIES

Written by Anne Swallow Gillis

Adult forums were held this last summer and fall on history and programs of the United Church of Christ, including a focus on the United Church of Christ (UCC) Statement of Faith. We reaffirmed our commitment (June 2016) to be an Open and Affirming Church, in support and welcome of the LGBTQ community. We reviewed the Just Peace movement of the UCC, our congregation's vote to become of Just Peace Church in 1987 and work that has been done as a congregation which affirms that "peace is not merely the absence of war but the presence of just social relations" (from a 2014 update on this initiative). Discussions regarding our future social justice interests continued for several Sundays, led by Jeff Kern and Pastor Anne. Interest was expressed in exploring immigration issues first.

Over several sessions in October, Jeff Kern facilitated a discussion on the book *Can We Solve the Migration Crisis* by Jacqueline Bhabha. This book provided a much-needed overview of the global reality around migration, broadening our understanding of distress migration, the plight of refugees and current US immigration law. Through November, Pastor Anne facilitated a discussion of immigration issues on our southwest border, as well as some of the Biblical perspectives on our relations with migrants and refugees. We used *The Line Becomes the River: Dispatches from the Border* by Francisco Cantu, a former agent for the United States Border Patrol from 2008 to 2012.

While we are far from the southern border, eight of us from the church were able to make a public witness before the Cook County Commissioner's as they considered the Executive Order regarding whether or not we would welcome resettlement of refugees in our county. Five of us spoke during the public comments period in support of this measure, affirming our Biblical values of inclusivity, compassion towards the stranger and radical hospitality, and were grateful for the Commissioner's positive vote in favor of welcoming refugees. Opportunities for social justice advocacy abound!

Our church has a strong history of social justice advocacy and outreach in the past, especially in our long-time work with both the community in Amatenango, Chiapas, Mexico, as well as Back Bay Mission in Biloxi, MS. In what ways might we re-engage these types of relationship building, support and encouragement with communities who are in need and also have much to teach us?

Pastor Anne plans to lead monthly book studies throughout her remaining time with us. Books include *Active Hope: How to Face the Mess We're in without Going Crazy* by Joanna Macy and Chris Johnstone, during January 2020, and Cynthia Bourgeault's *Wisdom Jesus* during February. What else might we read and study together?

FAITH FORMATION AND YOUTH 2019

Written by Jenny Delfs

Prior to Pastor Benson's resignation in March, there were Wednesday evening meetings for kids and families for faith formation. There were some planned activities for younger kids during worship. Youth group met monthly the first few months of the year for evening pizza and discussion led by Sue Hennessy.

Currently, there is a weekly time for children within our worship service followed by unstructured play supervised by volunteers and parents.

An opportunity for 2020 is to create a faith formation work group to look at possibilities for kids and youth.

BUILDING COMMITTEE REPORT

Written by Jeff Kern

Early in October 2019, we held a gathering to organize building and grounds. Turnout was low. Several volunteers are interested in working in the gardens and grounds, including lawnmowing and weeding. Tom Yuhasey volunteered to do some furniture cleaning with his carpet machine. Pete Harris has discussed snow removal options.

There remain important issues to address, but none require urgent attention.

Comprehensive Assessment:

I believe a comprehensive look at our 50-year-old building, its systems, energy use, general suitability to our needs including community use and accessibility is overdue and still needed. Changes require planning and money. Fortunately, things are working, but the list of concerns is long.

Parking lot:

There are several dips in the parking lot that collect water and freeze during the winter. These frozen pools are slippery and make snowplowing a bit more difficult. Several years ago, I got a quote from Thoreson's to repair the parking lot. They offered several options from filling the pits to resurfacing the entire lot.

Snow Removal:

Nick Sheehan has agreed to do snow removal in the parking lots. He declined the sidewalks but referred me to Saffron who does snow shoveling. She has agreed to take care of the sidewalk and entries.

Cleaning:

In preparation for Thanksgiving, multiple volunteers did a deep cleaning and organizing of the kitchen and media room. Tom Yuhasey cleaned the furniture in the fireside room with his steam machine. I have arranged for ServiceMaster in Two Harbors to clean carpet in the fellowship room downstairs on Feb 11 or 12.

Marie Fenstad has done weekly cleaning inside the church for many years. I believe her mother did it for years before Marie. I believe that is very satisfactory. I have been unsuccessful reaching Marie by phone to confirm any needs or requests from her end. Following up with that is still on my list.

Heat system:

We have a dual heat system. The old furnace was an oil boiler. Very old.... We added a pair of electric boilers in 2009 that use the same baseboard radiators and thermostats but are on a dual heat system. The oil boiler is still there since the dual system requires backup, but it has not been inspected nor cleaned since the electric boilers were installed. The oil boiler is never used, but it was required that we have a backup since the electric heat can be turned off when need arises from the supplier. We do have an outside oil tank buried to the north of the building and it contains a quantity of oil. It was determined several years ago to not be leaking, but it remains an ongoing liability.

Aging outdoor temperature sensor:

The electric boilers can regulate the temperature of the water in the system. The system doesn't need as much heat during the shoulder seasons, and so I generally turn the temperature down until cold

weather requires more heat. That function can be automated with an outdoor temperature sensor. The sensor was not installed when the system was installed. I have purchased the sensor part and spent a day attempting to drill a hole through the foundation into the furnace room for the sensor wire. I dug down two feet and managed to drill about 13 or 14 inches through the concrete block but was not able to penetrate the furnace room. I gave up and will continue to adjust the temperature manually for now. In the spring, I'll try again to drill the hole.

Other known issues and concerns include:

- Repair/replace linoleum in kitchen and dishwashing room causing sticky floors
- Clean plumbing drains (no urgent problems)
- Replace toilets update bathrooms downstairs (no urgent problems, could benefit from thoughtful assessment and innovation)
- Repair entry door air sealing
- Repair sidewalks and curbs (no urgent problems)
- Repair parking lot ponds
- Playground safety
- Air conditioner inspection
- Close chimney damper in winter (replace cap now)
- Prepare building manual (systems, maintenance, age and history of appliances)
- Windows are all original Andersen casement style. They're old and don't all work. They could benefit from scraping and paint. Screens were mostly in place. None seemed to be missing.
- Find more members and convene a maintenance committee

PARSONAGE

The parsonage appears to be in tolerably good shape. We did a walk-through a month or so ago. I purchased a second carbon monoxide alarm since our tenant is using a downstairs bedroom. There are a few minor repairs (mostly outdoors) that can wait until spring.