

Contents and Agenda
Annual Congregational Meeting of Grace Lutheran Church
May 7, 2019

8:30 a.m. fellowship - Meeting begins at 9:00 a.m. in Fellowship Hall
(please bring your reports to the meeting)

Agenda

I. Call to Order and Opening Prayer

II. Review of Annual Reports

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B. Reports

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C. Annual Reports of the Treasurer - Jane Sheckard

D. LHANDS financial report—Pastor Verkouw

III. Leadership Election - see Leadership Development Team Report on page

IV. New Business

IV. Closing Prayer

Grace Lutheran Church, Annual Congregational Meeting

May 6, 2018

Call to Order, Quorum

President Scheffey called the meeting to order at 9:15am and a quorum was established with 67 confirmed members in attendance. After a welcome and opening remarks, Pastor Verkouw offered an opening prayer.

Minutes of Previous Meetings: May 21, 2017 and November 19, 2017

Minutes of the two most recent congregational meetings were approved as presented on a motion by Carl Hartman and seconded by Karen Scheffey.

Review of Annual Reports

Following a call for questions or comments regarding the various annual reports presented to the congregation in advance of today's meeting, Robert Durand moved and Rosalyn Ward seconded to approve all such reports. The motion carried and the reports were accepted into the record as presented.

Annual Report of the Treasurer – Financial Reports

It was announced that the 2017 Annual Treasurer's Report will be mailed to members of the congregation since it had not been finalized and ready for mailing prior to today's meeting. It is, however, available today for review. As such, opportunity for questions and/or clarifications including the following:

Question was raised as to why we do not report to the congregation comparison data, and January through December for all finances in particular the General Fund report which indicates balances and not comparison activity. It was explained that this information is available upon request, though not typically shared in this meeting format. The report as presented will be voted on for approval today.

Rosalyn Ward moved and Audrey Harmon seconded to accept the 2017 Financial Report as presented. Motion carried.

Leadership Elections

Lou Garcia, the chair of the Leadership Development Team thanked candidates who are today nominated for key leadership roles. He reports, however, that we lack a leader nominee for the Board of Trustees and will continue to recruit for this position. The following nominees were presented to the congregation as approved by the LDT and council, all for one-year terms.

President: Tom Anderson

Board Chairs:

Board of Worship: Meghan Kelly

Board of Pastoral Care: Joyce Loiseau,

Board of Ministries: Brenda Hayasaka

At Large Members: Doug Halter, Kim Burke, Marilyn Hoffman, Robert Durand, Grace Gochenauer, Emma Ries, Mary Genzler

Leadership Development Team: Bruce Linton, Carol Main, Mike Wolf, Weis Heidel, Judy Resch

Duane Weiss moved and Ron Neumar seconded to elect the proposed slate of leaders. Following an opportunity for additional nominees and discussion, with none being heard the motion carried.

Pastor Verkouw thanked outgoing members of the leadership team including Lou Garcia, Faith Martin, Mindi Graver and Drew Scheffey for their service.

Renovations Update

Jan Mandros, leader of the renovations team shared an update. The project is being re-designed to lower costs to within our stipulated budget. The floor plan has only changed minimally. The revised design shared today will keep the existing stairwell to the balcony and place the elevator outside of the building. The original plan for a large, stone enclosure was cost prohibitive, so three new

presentations were provided by the architect for review. The design that has been selected will incorporate the stained-glass window on the shaft of the elevator, which will be backlit to show outside. Concerns about the historical implications of the design were briefly discussed, with an explanation of the regulations offered by Don Main, Jr. In addition, the proposal for a very small restroom on the James St. side of the narthex will be submitted for a variance from the state, as the size of the restroom does not allow for handicap accessibility. It is anticipated that the variance will be granted, as we will have other handicap accessible restrooms included in the renovation.

Estimated Costs were shared:

Site Work: \$62,838

Elevator: \$410,059

Lower Level Renovations: \$557,767

Fees / Engineering / Contingencies: \$246,935

Total: \$1,277,599

A proposal of alternate / additional elements is also being considered by Council and the finance team, and will be brought to the congregation for consideration in future months:

Lowering the Organ Well: \$55,000

Window Replacement: \$7,200

Audio/Visual Upgrades: \$159,600

Narthex Bathroom: \$10,000 (mentioned above)

Elevator Shaft in Metal: \$12,000

Overhead – Escalation: \$68,000

Total: \$1,589,399

It was reported that \$40,000 was approved by Council at its March 2018 meeting to invest in the next phase of planning for the project.

Question was raised as to how the congregation will be kept informed of which of the above options are approved or denied by the council and applicable leadership teams. Currently, the maximum budget approved by the finance team is 1.5 million. Conversation will continue at the committee and leadership levels, and formal proposals will be brought before the congregation with revisions to the above elements of the project in the coming months.

Thanks were offered from numerous attendees to Jan Mandros and Don Main, Jr. and all of those involved in the project. Question with regard to their meetings was asked: the team meets every 3 to 4 weeks, and plans to bring an update to the congregation in the fall. Timelines were also questioned: it is anticipated that we may be ready to start work late fall or early winter.

Following closing prayers and with thanks to all in attendance, the meeting was adjourned at 10:18am.

Respectfully Submitted,

Mindi Graver (on behalf of Kimberly Burke, Council Secretary)

Annual Congregational Meeting of Grace Lutheran Church – November 18, 2018

The meeting was called to order at 9:04 a.m. by President Tom Andersen. With 65 members in attendance, a quorum was established. Pastor Verkouw led us in prayer to open the meeting.

Presentation of the Annual Budget by Robert Durand of the Finance Team

Robert Durand began the presentation by comparing a summary of the 2019 budget (attached) to the 2018 budget. The 2019 budget has an anticipated variance of \$3,772 compared to (\$5,500) for 2018. Robert reviewed the minor changes in each of the following areas: Income, Board of Ministries, Board of Worship, Board of Trustees, Board of Congregational Care, and Staff Wage and Benefits. Pastor Verkouw thanked the congregation for the 1 ½ percent cost of living increase for our staff. He noted that overall, health care costs have decreased. David McConnell will continue to purchase his benefits through Penn State Berks Campus and we will reimburse him, resulting in additional savings. President Andersen thanked the Finance Team, especially Robert Durand, for working on the budget, and proposed a Motion to vote on the 2019 budget of \$546,967 as recommended by Council and the Finance Team. Keith Miller made the Motion and it was seconded by Lindsay Volker. A voice vote was taken and the Motion passed unanimously.

Presentation of the LHANDS Proposal by Pastor Verkouw of the LHANDS Board

President Andersen noted our commitment to help with low income housing across the street before calling Pastor Verkouw to report. LHANDS, a 503c3 corporation with a goal to acquire rental properties, currently owns 24, 18, 16, and 12 East James Street. About five years ago, 22 East James Street sold for \$152,000. It is for sale once again, for \$219,000. Grace Church, through Pastor V, negotiated an offer for \$184,000 which was verbally accepted. There was another offer for the full asking price, but it included contingencies. The owner is continuing to honor our oral agreement. Council and the Finance Team recommends using Unrestricted Reserve Funds for the \$184,000 purchase, plus \$3,600 in closing costs and up to \$4,000 for heating repairs. The first floor boiler will be repaired and the heat will be zoned so that each tenant will pay for their own heat. Closing is scheduled for Tuesday. Wes Heidel asked, will LHANDS repay Grace? Pastor Verkouw answered LHANDS will provide additional monthly income to Grace's reserve funds of at least \$1,000 per month for 184 months. In addition to a \$5,000 gift from LHANDS to Grace each year, LHANDS is currently paying back \$1,000 each month to Grace's reserve fund, for six years or \$72,000, from the rents received from Chet Zercher's house. There is currently a vacant apartment which when it is approved as lead free, will increase cash flow. President Andersen asked for a Motion to accept the Recommendation from Council and the Finance Team to purchase 22 East James Street. Barb Steinmetz made a Motion. Robert Durand seconded it. A voice vote was taken and the Motion passed unanimously.

Presentation of the Renovation Project and Financing by Jan Mandros chair of the Renovation Team

Jan Mandros reported that the Marotta/Main Architects drawings went out to bid and then the contractors requested an extra week. She reviewed the renovation floor plans. She noted that no small restroom in the narthex was possible because the City did not approve a variance to the requirement that new bathrooms must be a full-size handicapped-accessible. Duane Weiss noted the restroom entrances on the lower level are on the side furthest from the elevator and asked, is it because of the classroom and the children walking through the multi-purpose room? To have a door on both sides is not permitted. To have no door, like in an airport or school, is felt to be too risqué. There will be a single restroom next to the toddler room. Carol Main added that all three classrooms will be in the middle. Joyce Saeger asked, in case of fire, how many exits are there? There are two means of egress, far enough apart. Jan shared the finish board. The color scheme is blue and gray. Murray Foreman asked about the flooring in the larger area. It is luxury vinyl tile, a hard surface that looks like wood.

Jan continued with a review of the process to arrive at the final bids. This past spring, the renovation plans were reviewed in detail, to reduce the total cost. The construction estimates approved at the May congregational meeting were \$1,030,664 plus soft costs of \$240,416. We have received four bids, all much higher than estimated. The low bid is \$1,746,000. The actual cost of this bid is \$1,988,416, leaving a shortfall of \$488,416. Marotta/Main has quickly prepared estimates of additional cost savings. Their value engineering range is \$60,900 to \$129,900. The Finance Team and Council met Wednesday and recommended proceeding with the lower level construction and putting the elevator tower on hold. Therefore, Jan presented three Options for Discussion: Proceed with lower level only and start elevator tower at a later date; Determine if feasible to raise additional funds to proceed with project as planned; or Find creative financing options.

Pastor Verkouw understands there is concern about taking a larger loan, but to break the project into two parts will cost more. Should we move forward or pause to assess? Bishop Main asked what is the bank rate? It is 4.8% fixed for five years, then a float at plus 2%. President Andersen added that we would pay \$60,000 interest for the first year of the construction loan. A more traditional loan of 20 to 24 years would cost up to \$8,000 a month. Should we leap and do it now or is it better to be cautious financially and start another campaign? Rosalyn Ward reported on her conversation with Renee LiaBraaten, our consultant. Renee encourages us to go with the faith already put into the full project by those who have already pledged and given. We still need to finance with the first

capital campaign. In addition, we can consider a gift from our endowment as a gift of faith. And we should each make a real commitment to put the church in our estate planning. Barbara Andersen recommends taking Renee’s advice, as she knows us personally. Bishop Main asked, how long are the bids good for? Jan Mandros said 30 days, maybe 90 days. Bishop Main made a Motion to postpone action and concentrate on determining if it is feasible to raise additional funds or find creative financing options. Council, Renovation and Finance Teams should gather and analyze relevant information and creative ideas from all parties including architect, contractor, bank, and our campaign consultant to more thoroughly evaluate whether it is possible to continue the project as originally planned and report back to the congregation at another meeting. The Motion was seconded by Tom Busteed. President Andersen called for a vote and the Motion passed unanimously.

Pastor Verkouw added that the project will overcome our current barriers and make our facility easily accessible. He thanked everyone and hopes to keep the energy moving forward. He added that young adult members of “Dramability Works” will be helping today at 10:30 worship. President Andersen adjourned the meeting at 10:10 a.m.

Respectfully submitted, Kim Burke

Special Congregational Meeting of Grace Lutheran Church – February 10, 2019

The meeting was called to order at 9:04 a.m. by President Tom Andersen. With 63 members in attendance, a quorum was established. Pastor Verkouw opened the meeting with prayer.

Review of the Renovation and Financing

With Jan Mandros, chair of the Renovation Team, in Florida, Pastor Verkouw began the presentation with a slide of the basement floor plan and then the final rendering of the elevator addition.

Project Cost 2017-2018

Site Work	\$ 62,838
Elevator Addition	410,059
Lower Level Renovations	557,767
Total 2017 Estimate	\$1,030,664
Nov. 2018 Low Bid From CH&E	\$1,746,000
“Soft Costs”	+ 240,416
(Prof Fees, Contingency, Furn & Fixtures, etc.)	
Value Engineering Deduction	- 80,000
Total Project Cost	\$1,906,416

Previous Recommendation, Nov 18,2018:

- Proceed with lower level construction only and start elevator tower at a later date
- Increases overall costs of construction and interest
- Refinishes basement but with no kitchen and limited accessibility
- Breaks faith with those who have given towards both elevator and basement in Campaign
- Delays removal of these important barriers to growth and stability
- Congregation adopted Motion to table the Recommendation of the Council and explore all options in more depth.
- Interim Meetings

Dec 2 – Council Open Meeting and Discussion

Members of Finance, Renovations, Capital Campaign Teams and interested members

Reviewed information on loan terms, construction costs, and scheduling

Discussed concerns about financing full amount

Received feedback from those in attendance

Dec 12 – Renovation Team & CH&E Mgmt Team

Identified up to \$80,000 of potential savings – “Value Engineering

Foundation Work

Ceiling

Exterior Materials

Jan 9 – Council Open Meeting

Discussion with Finance, Renovations, Capital Campaign Teams and interested members

Reviewed new information on loan terms, construction costs and scheduling

Discussed concerns: Received feedback from those in attendance

Acted to take the previous Recommendation “off the table” and adopted the following Recommendation:

“To accept bid from CH&E of \$1,746,000 to begin work as soon as possible on the renovation of the basement and construction of the new entrance plus elevator as approved previously by the congregation, contingent upon approval of a loan with favorable terms, for the amount above plus additional soft costs of \$240,416 (less amounts already paid and/or raised)”

After the Recommendation was adopted further discussion resulted in the following action:

President Tom Andersen directed John Saeger to convene member of Finance Team for detailed review of loan terms and consequences

Jan 12 – Finance Team

Met to review the loan terms provided by the Mission Investment Fund, and the cash flow projects from the current and a future Capital Campaign, and recommended the following Resolution to Council:

To authorize a second campaign to raise funds for loan repayment, which shall be prepared in advance to secure pledges and income by the end of our current Capital Campaign. The specific duration, scope, and goals of this Campaign shall be developed by our Capital Campaign Team with the assistance of a campaign consultant, with an estimated campaign cost not to exceed \$20,000.

Council now Recommends:

To accept the bid from CH&E of \$1,746,000 to begin work as soon as possible on the renovation of the basement and construction of the new entrance plus elevator as approved previously by the congregation, contingent upon approval of a loan with favorable terms, for the amount above plus additional soft costs of \$240,416 (less amounts already paid and/or raised).

To authorize a second campaign to raise funds for loan repayment, which shall be prepared in advance to secure pledges and income by the end of our current Capital Campaign. The specific duration, scope, and goals of this Campaign shall be developed by our Capital Campaign Team with the assistance of a campaign consultant, with an estimated campaign cost not to exceed \$20,000.

President Andersen introduced John Saeger of the Finance Team who is standing in for chair, Rick Ashby, who is out of town. John explained that the bids were received in November, less than a week before the Congregational Meeting, and were \$500,000 more than anticipated. At that time, Finance believed we could not do the entire project and suggested splitting it. In the meantime there have been changes and they now believe it feasible to proceed. In November, they were not thinking of another Capital Campaign, which is essential to proceed. Also, they were not looking at MIF who has considerably better loan terms. The loan can be re-amortized once a year and any excess contributions can be used to lower the outstanding balance.

John explained that a second Capital Campaign usually receives 75% of the first campaign, or \$190,000. They reviewed month by

month costs and believe we would have sufficient cash without having to dip into operating funds. They looked at five years. If there is still an outstanding balance of \$500,000, the monthly mortgage payment would be \$3,300 or \$40,000 per year. If there is no Capital Campaign there would be three options:

roll the mortgage payment into the operating budget, but that would mean cutting ministries

add a line to envelopes for mortgage or debt reduction

sell church owned properties (LHANDS houses) which are being used as collateral

If we bring in \$250,000 now and also for the second Campaign, the loan would be paid off in less than six years. We will probably raise somewhere between the two numbers. The bad news is a second Capital Campaign is essential. The good news is that this is a generous congregation. The second Campaign must begin as soon as the first one ends.

President Andersen thanked John and the Finance Team. He added that with MIF, the interest that we pay goes to other churches. He explained that we will be voting in private on paper.

Pastor added that he had requests for a written ballot. Pastor presented the financing plan.

Renovation Project Financing Plan:

Total Costs \$1,906,416

Capital Campaign 2017-Present - 520,000

Construction Loan from MIF \$1,386,416

Carrying Costs for Loan – 2019-2020 + 50,000

Pledges Receivable thru 05/2020 - 240,000

Est. Loan Balance in May 2020 \$1,196,416

Carrying Cost: \$7,000/month or \$84,000/year

Loan Term, 25 years, 4.875% APR-fixed 5 yrs

Frequently Asked Questions:

Why is it important to take action now, rather than waiting to have another Capital Campaign?

Delay will increase the overall cost; It will never be cheaper to do the work than it is today; It will never be less important – only more!

We are at a critical moment in church life, and Grace's life – delay will hamper our outreach and allow old-fashioned barriers to remain

Delay, combined with trending decline only makes it harder to pay off the loan

Delaying the project crumbles the potential of the next Campaign

If we borrow so much money, won't we have to pay a lot of interest?

Mission Investment Fund

Very low overhead

Interest goes to churches and ministries

Annual re-amortization option lowers monthly payment as we raise money

Loan Summary

\$1.2M loan repayment begins in late 2019

Interest only during construction

4.875% for 5 years = monthly payment of \$7,000

Collateral – all real property owned by Grace

Campaign 2 must begin in April 2020 to address cash flow needs of \$7,000/mo. Several 3 year scenarios:

If additional \$300,000 raised = \$5,500/month

If \$570,000 = \$4,900/month (likely scenario)

If \$750,000 = \$3,800/month (stretch)

If we can sustain our current campaign giving (\$250K/yr) for six more years the balance will be paid off

How will this affect regular giving and our regular budget for ministry?

Best answer comes from looking at our current experience

2017 – Campaign did not affect regular giving noticeably. General fund surplus of \$3,220 while raising \$260,160

2018 – general fund deficit of approx. \$25,000 while raising \$182,728 for the Campaign

Income \$495,000, down from \$508,000

Property expense over budget by \$27,000

Future not known, but possibility of general fund budget adjustments cannot be ruled out

How can we predict that people will respond generously to a second Campaign?

Generosity – a known hallmark of Grace Church

Longenecker missionary funding

Window restoration funding

Youth gathering in Houston

Previous Campaign subscribed

Frugality – also a known hallmark of Grace Church

No long-term debt since 60's?

Lots of deferred maintenance

But...every generation does something big

Questions and Discussion

President Andersen opened the floor to questions and discussion. Dick Kline asked for an explanation of Capital Campaign. Pastor explained it is to raise money for a project, to raise awareness among the congregation. Dick asked, will there be another mailing and form to complete? Yes, there will be.

Donna Weidman asked, if it will be paid off in six years, is that from 2020 or from today? John Saeger answered that it begins at the end of construction, or spring of 2020, assuming we raise \$250,000. Donna asked if it would be possible to note on the voting ballot what people will continue to give? Rosalyn Ward, current Campaign chair, wondered if everyone feels comfortable now? Pastor said, an informal way does not promise results. We need to be clear in communicating the next Campaign. Rosalyn added we will ask people to give.

Greg Gable asked, is the interest rate fixed? John Saeger answered, it is fixed for the first five years, then variable. Pastor added the options are 5, 7 and 10 years, with five having the lowest interest rate to start.

Ron Allison, a member of the Finance Team, noted the biggest portion of the cost is \$1,300,000 for the elevator. Has anyone examined why the costs went up? Don Main Jr. answered, they looked at various options like putting the elevator in the existing stairway. The current option is the most economic. Mike Rowen noted, value engineering has lowered the cost. Pastor added that church projects move slowly, estimates were dated, and costs have inflated. Don Main Jr. added that following the recession, there has been an escalation in business as the economy is picking up. The current lack of labor and interested bidders is not typical.

Glenn Weidman said, build it and they will come. It will attract new people.

Amy Heidel noted that the choirs need to leave soon. Pastor asked, is there any other significant reason not to vote? Amy asked to call for the vote. President Andersen called for the written vote. The votes were tallied and the results to proceed with the renovation were Yes – 67, No – 6 and Abstain – 2.

Respectfully submitted,
Kim Burke

Parochial Report for 2018

Baptisms	11	Confirmations	3	Baptized Membership (12/31/17)	692
Marriages	2	Members by affirmation of faith	5	Confirmed Membership	650
Deaths / Funerals	9	Members received by transfer	2	Confirmed, Communing, Contr.	490
Removed by transfer	1	Average Worship Attendance	186	Total number of people actively participating in the life of the congregation, including children and non-members	490

Pastor’s Report to the Annual Meeting of Grace Lutheran Church, 2019

Dear Members of Grace,

I am sometimes accused of being too wordy and long-winded...perhaps this is a particularly pastoral pitfall. See what I mean? So I am going to try be very short-winded this year.

THANKS! To our great staff: Vicki, Angie, Kath, Denny, Murray (til retirement) and David. It’s a pleasure and privilege to work with them all.

THANKS! To our leaders, especially Dr. Tom Andersen, our president and all of our Board Chairs, Council Members, Team and Ministry leaders, and to all of you who offer your time, passion, gifts and energy to our ministry in the name of Jesus!

THANKS! To God for another year of ministry together, in which have sung and served, worked and worshiped, prayed and preached, learned and laundered, discerned and decided, birthed, baptized and buried, confirmed and communed, matched and married, studied and stitched, donated and dined, languished and laughed...well, you get the idea! Here are some highlights:

Celebrating Murray’s Retirement and David’s beginning



Supporting and Sending our Youth to the National Gathering



Praying for and Supporting the Longenecker's in Burkina Faso



Expanding LHANDS Ministry with another 2-unit house



Sending me on a Lutheran Disaster Response trip to Puerto Rico



Starting an ESL Class



In 2019 our ministry continues...the long-anticipated renovation and construction project has begun, building on the strong foundation of your gifts to our first capital campaign. What will the other highlights of 2019 be? And how will you be a part of them? I can't wait to find out! Thank you for the honor and privilege of serving as your pastor, and for adding this amazing year to our time together.

May God the Father's light shine upon us, the love of Christ warm our hearts, and the renewing breath of the Holy Spirit fill us with the energy of faith!
The Lord bless and keep you,

Pastor Stephen Verkouw

GRACE LUTHERAN CHURCH
LEADERSHIP DEVELOPMENT TEAM
ANNUAL REPORT 2018-2019

The Leadership Development Team (LDT) is responsible for identifying and preparing talented church leaders for serving on the various leadership Board positions for the Grace Church Council. The LDT is pleased to provide the following Church Council and LDT candidates to serve the congregation for 2019-2020. Voting approval for these candidates will be at the May 19, 2019 Congregational Meeting.

CANDIDATE	POSITION	YEAR ELIBILITY ENDS
Tom Anderson	Council President	2021
Meghan Kelly	Chair, Board of Worship	2021
OPEN	Chair, Board of Pastoral Care	2022
Brenda Hayasaka	Chair, Board of Ministries	2021
Open	Chair, Board of Trustees	-
Kim Burke	At-Large Council Member/ Council Secretary	2020
Robert Durand	At-Large Council Member	2020
Mary Genzler	At-Large Council Member	2021
Carl Hartman	At-Large Council Member	2022
Molly Rowen	At-Large Council Member	2022
LEADERSHIP DEVELOPMENT TEAM		
Amy Heidel		2022
Wes Heidel		2020
Bruce Linton		2021
Judy Resch		2021
Mike Wolf		2020

For a second consecutive year, the Board of Trustees Chair position has been left open. The committees and groups that operate under the Board of Trustees, including Finance, Property and Stewardship, function well independently in fulfilling their important duties to care for Grace's resources. Pastor Verkouw and Tom Anderson have volunteered to assist with the leadership responsibilities of the Board of Trustees as needed.

The LDT undertook an intensive search to identify a candidate to chair the Board of Pastoral Care, but we were unable to fill that position prior to the council meeting. The Board of Pastoral Care provides activities that help to bring all of us closer together such as welcoming visitors and new members to Grace, coordinating fellowship meals and picnics, the Advent Fair, the prayer chain, home communion teams, and our ministries to homebound members. We will continue to search for a leader for these ministries that care for our community of faith.

I want to thank the Leadership Development Team members who helped to identify and recruit candidates to serve on Council. Serving on the LDT this year were Carol Main, Bruce Linton, Judy Resch, Mike Wolf and Wes Heidel.

Respectfully submitted,
Wes Heidel, LDT Chair

Board of Pastoral and Congregational Care Yearly Report: May 19, 2019

Our board continues to have many moving parts, mostly operating independently, but all with the intention of supporting the people of our church. We have ten communion teams who try to share communion monthly with Grace's homebound individuals. We also have Grace "Visitors" who take cards and flowers to our homebound parishioners and people who make monthly visits. A huge thank you to everyone who keeps this mission of connecting people who cannot no longer attend Grace Church. This past year, Pastor Steve recognized those communion teams at each of the services, as well as blessed their communion kits. Many thanks to Pastor Steve for watching over us all and to Pastor Nancy for making sure that the Homebound list stays up to date. We also had a meal, cooked by Lou Loiseau, with the intention of bringing our communion teams together to revisit the communion process. Many thanks to Lou for a delicious meal.

Our "First Sunday of the month" socials of fellowship after church continued throughout the year with several covered dishes. Salad Sundays, and a pizza Sunday. We celebrated Quentin Miller's birthday and remembered the life of Danny Wise at one of the lunches. Many thanks to all of the Congregational Care Board team who made those days work well and fun for all! Many thanks to Dennis Maharg for making the supplies ever available for the socials and a huge thanks to Bruce Linton for washing countless dishes after our socials!

In addition to the "First Sunday only" socials, Carol Case heads up a loyal team of parishioners who bring a snack each Sunday for the folks who gather between the Sunday services. Many thanks to Carol and to everyone who keeps this opportunity for fellowship available!

Our "cookie ladies" consisting of Joanne McSparran, Drinda Cunningham and Rosalyn Ward continue to monitor our weekly sign-in guest book and as a result, bake or buy delicious cookies and travel all over the county, taking welcome bags to Grace visitors. Many thanks to our ladies for their searches of often far away or hard-to-find homes!

We held our summer picnic in June in the ever lovely Long Park. Those 35 parishioners who came had a great time and enjoyed hymns, great food, games, bingo and a cake walk.

Many thanks to Marianne Nolt, who ably chaired our Advent celebration. She organized people to make a delicious meal and crafts and teams to run those crafts. Many thanks for the group effort to mark the beginning of the Advent season.

Our Prayer Chain was faithfully run by Barbara Andersen, who in turn communicated to many Grace "pray-ers" about the needs of our parishioners and loved ones. Many thanks to Barbara for her ceaseless attention to a big responsibility. She has maintained this responsibility for over eight years! We now welcome Lisa Bisignani, who has graciously agreed to take over Barbara's position as chairperson!

Many thanks to Lisa and Lindsay Bisignani, who have been sharing their creative talents to decorate the bulletin boards and display cases that are found in the hallway above St. Peter's Chapel.

Many thanks to Audrey Harmon for organizing the Parish Nurses and to Grace's nurses for taking blood pressure readings each month. Many thanks to Audrey Harmon and Kim Burke for organizing volunteers to serve at Grace's Welcome Desk and to everyone who welcomed worshipers to Grace Church!

Many thanks to our ladies, who work at our funeral luncheons: Lorraine Long, Joanne McSparran, Dianne Sherr and Joyce Loiseau. Many thanks to Vicki Mumma and Angie Smith for ordering and organizing the foods.

Many thanks to Vicki Mumma, who is the glue that holds together the fabric of all our activities at Grace! She channels all of our questions and activities so that we accomplish so much!

I have been privileged to serve as chairperson of this board. I close with a passage from I Peter 4:10-11: "As each has received a gift, use to serve one another, as good stewards of God's varied grace: whoever speaks, as one who speaks oracles of God: whoever serves, as one who serves by the strength that God supplies-in order that in everything God may be glorified through Jesus Christ."

Joyce Loiseau, Congregational Care Board chairperson

Board of Ministries Annual Report 2018-19

Kathryn Verkouw, Program Director

Angela N. Smith, MDiv, MA, Assistant Program Director

Brenda Hayasaka, Chair

Christian Education

Sunday School (Ages 0-11)

- This year we have combined the Toddler and Preschool class with 3 devoted teachers: Susan Miller, Alana Koser, and Joan Marrow. Attendance ranged from 2-10 children. We also combined the K-2 classes and the Grades 3-5 classes. Due to low attendance, we have combined High School and Adult Sunday School Classes.
- We have established a new focus on Biblical literacy with children each elementary age child having a bible, highlighter and special bag to bring back and forth from home. During Lent, we had a “Read through Proverbs challenge” encouraging families to read, highlight and discuss the assigned Proverb verses for that day. In the 3-5 grade class, with Patti Hartman, they are being challenged to memorize the books of the Old Testament by June. If they succeed their photo will be in the newsletter proclaiming their accomplishment.
- Kathryn Verkouw and Lisa Gochnauer attended a workshop at the PRC on “Godly Play” (A Montessori-based Christian education program). We loved it and hope to begin using this program in the Fall of ‘19 for the K-2 Sunday School class. We will be preparing for this over the summer.

Confirmation (Grades 6-8)

- There are three Prospective Confirmands who are currently working on their projects.
- They are almost through the first unit of Re:Form, which covers Lutheran doctrine.
- Average attendance is between six and eight students.
- They are participating in Youth Sunday responsibilities.
- Our students have bonded over the past year!
- We have at least six students attending Confirmation Camp this summer.

Adult Sunday School

- Summer of ‘18 was a video study by Sister Joan Chittister, *The Ten Commandments: “Laws of the Heart”*, led by members of the congregation.
- Fall of ‘18 was *Parallel Lives of Jesus* by Edward Adams and *Being Part of the Family of God: Bible Study in Community*.
- Our High School Sunday School class led us through three classes for their “Let’s Talk” discussion. We discussed marriage equality, gun control, and immigration.
- In January Lee Barrett led a three week series on politics and religion .
- During Lent Faith Martin, Cindy LaMaster, and David McConnell led a study on *America’s Original Sin*.
- Pastor Verkouw is currently leading us through *Why Ask Why?*
- Over the summer Angela Smith, Kathryn Verkouw, Pastor Verkouw, and other volunteers will lead an intergenerational (high school-adult age) class on the documentary *Little Stones*.

Vacation Bible School

- In 2018 we used *An Illustrated Earth* from *Illustrated Children’s Ministry*. We had an average of 25 children each night. We were short on volunteers.
- For 2019 we will be using *Who Is My Neighbor?* from *ELCA World Hunger*. The dates for Vacation Bible School are June 16-20. We are in need of shepherds. Also, we are collecting supplies- watch Grace News and Facebook for more information

Small Groups

- We tried an online Lenten Small group for this year. It was not successful.
- The Thursday morning and Friday morning groups continue to be successful.

Youth Group

- Attendance for Youth Group events has been low. We have tried a variety of days/times to meet. In the fall we will be meeting once a month after the 10:30 service.
- Youth Gathering: Six youth, along with Pastor and Kathryn attended the Lutheran Youth Gathering in Houston, TX. from June 27-July 1. We had monthly meetings to prepare for the trip. Flocking was a successful fundraiser and helped us visit many of parishioners' homes. The spaghetti dinner and Isaac's gifts cards were also successful. We sponsored a Sunday Social in October to share our many experiences.
- We are currently selling Isaac's gift cards on Youth Sundays to prepare for the Youth Gathering in 2021, which will be in Minneapolis, MN.
- In December six high school youth attended the two-day Synod-sponsored Winterfest at Spooky Nook with the theme, Dear Hate.
- Since last year our kids have participated in a Fall Mixer, Fall Foliage Day at Kirchenwald, Souper Bowl Sunday, and an Escape Room.

Outdoor Intergenerational Events

Fall Foliage Day at Kirchenwald

Earth Day at Kirchenwald on April 27

R3 Initiative – Congregational Renewal (reFORM, reNEW, reVision)

Over the past year and a half our team has been preparing for participation in the Lower Susquehanna Synod's R3 program of congregational renewal. R3 is a two year program of concentrated, structured activity involving team training, planning and congregational involvement. We will examine how we do ministry, revision our future and embark on initiatives to revitalize and create excitement for mission within the congregation. Most of our program involvement comes from the Synod at little cost to the congregation, but it will involve a substantial commitment of volunteer time by members of our team and others and perhaps the cost of an outside program coach. We expect to formally enter the program in September 2019.

During this preliminary period we have decided to focus our efforts on inviting and welcoming visitors to worship with us. We are excited that a new spirit of welcoming seems to be taking hold within the congregation. Last summer we conducted a series of Sunday School classes to introduce the need for congregational renewal at Grace.

The team is also beginning to seek new ways for our members to grow in their own personal faith in God and as disciples of Jesus. A renewed congregation stems from renewed faith among its members.

Members of our team include Lynn and Ron Allison, Barbara Andersen, Kim Burke, Ray D'Agostino, Robert Durand, Jenny Fritsch, Joyce Loiseau, Joyce and John Saeger, Pastor and Kath Verkouw.

Some may ask why do we need to consider this R3 approach at Grace? The national shift away from church involvement and attendance in all denominations should be indication enough. As in all preceding eras, we need to adjust, adapt and grow with the times to honor our baptismal promise to love the Lord Our God through our actions and to Love Our Neighbors with the same love and respect we appreciate from others. Our faith is more than a belief. It expects actionable intent daily.

Robert Durand, Chair

Property Team Annual Report 2018

Highlights of the last year (5/18-4/19)

Krimmel Masonry completed restoration work on our front step entrance and main church sign. This was the result of two separate auto accidents where a car ran into the church building.

Calder Door engineered a repair to a hydraulic door closer in our daycare area. There are several more of these closers throughout the building.

New water softener was installed (5-18) by Martin's Water

Shrubbery organically treated for insect/mite disease control – annual contract with Moma Tree and Lawn.

Women's bathroom drain line clogged. E.N. Gochnauer used their power snake – not successful. Kline Sewer called to use their water jet cleaning system – not used. Kline did use their pump truck to suck out the line. Line was cleared but they found a "void" in the line. We will further investigate this void during renovation.

Chapel AC is being patch repaired until it is replaced in renovation.

New thermostat condenser and air handler system installed in second floor daycare room.

A pressure equalized valve was repaired in a second daycare classroom due to that AC not working as it should.

Elevator inspection conducted by Lancaster Elevator. James Street unit passed. However, there was a problem with the Ed. Building elevator controller. Repair included circuit board, power supply, call to tech support and labor.

Vector inspected fire alarm system and replaced two faulty smoke heads.

Clark Fire Protection inspected the kitchen fire suppression system. Three new fuse lines were installed. (standard procedure)

City Fire Inspection conducted. Two emergency light units were repaired.

New water meters were installed in the church and office.

Graham Fyr Fighter did our annual fire extinguisher inspection. Six units needed the six year testing.

Heating repairs: Church – repaired boiler circulator, replace the B.G. circulator pump for north side loop of Nave, replace two leaking radiator bleeder valves. Ed. Building – short circuit in sensor wire preventing boiler running properly.

Removed unwanted shelving, furniture, equipment from Auditorium, classrooms, etc. so asbestos abatement can take place.

Snow removal / ice treatment cost for past winter \$5,495.00. Slaymaker Group had contract.

Three clean up days were held in the last year.

Spring May 18, 2018 – 17 volunteers
Fall October 27, 2018 – 18 volunteers
Spring April 13, 2019 – 12 volunteers

Respectfully Submitted,

Dale Dombach

Growing in Grace - Capital Campaign

The Growing in Grace Capital Campaign shows the following results to date

173 pledged commitments

\$586,806 in receipts

\$171,255 anticipated receipts from pledges due within next 12 months.

Thank you and blessings to all who have given so generously to this campaign. Your faithful support has allowed us to move forward with our project.

A new campaign will begin in early 2020 to meet our financial commitment for the much needed and long awaited renovations to our beautiful church building. Watch for news about the next campaign.

If you have any questions about your current pledge commitment or any other questions about the campaign, please contact me at (717) 917-8801 or rosalyn.r.ward@gmail.com.

Rosalyn Ward
Campaign Chairman

Renovation Report

The congregation voted to proceed with the addition of the elevator and renovations to the lower level under the nave. This approval was with the agreement that a second capital campaign would start immediately after the first campaign ended.

After value engineering (substituting lower cost material without compromising the design) a construction contract with CH & E was signed for \$1,658,874. Construction began shortly thereafter.

The elevator cab is scheduled to be installed by September 1. After the installation the old existing cab will be removed, and work will ramp up in the lower level of the nave. The project is scheduled to be completed by December 1 2019.

The financing picture has been getting clearer as we proceed and estimates are replaced with facts. The Project Construction Budget (as per CH&E bid and cost reductions through value engineering) is \$1,658,874, against which we have already made payments of \$68,650. To that we add other expenses (remaining architects and engineering funds, construction loan Interest, insurance and closing costs) of \$85,000 and a contingency of \$118,000 for a total budget moving forward of \$1,793,224. Against that we have \$288,828 remaining in the campaign fund, and \$171,885 of pledges remaining to be paid, leaving a difference of \$1,332,511 (if all contingency funds must be used). Our loan up to \$1.4M from the Mission Investment Fund is already approved, but we are hopeful that when completed, the project will leave us with a debt between \$1.2 and \$1.3M, and if all goes well, perhaps a little less!

Our current capital campaign pledges will take us through the period of construction and the first few months of making payments on the loan. Planning for our second campaign is just getting underway, and you will be hearing more about that toward the end of summer and in the fall. Meanwhile, thank you for remaining current with your pledge payments, or if you chose not to make a pledge, please consider giving as you are able to the campaign this year. The more money we put in to the project up front, the less we have to borrow!

It is exciting to see the construction of the elevator tower finally beginning. It will be a busy but transforming summer here at Grace!

Jan Mandros and Pastor Verkouw

Educational Building Steering Committee Report to the congregation of Grace Lutheran Church May 2019

Committee's purpose & task:

To explore current and prospective uses of the present Grace Lutheran Church Education Building and to consider the feasibility of renovating it to serve them.

To investigate the replacement of the present building with a new one to serve anticipated Grace Lutheran Church and community needs in an up-to-date, cost efficient building.

The committee has been working since October of 2016. We considered the pros and cons of renovation. We obtained estimates of renovation costs. We interviewed leaders from the city concerning present and future area needs. We spoke with possible collaborative partners.

In September of 2018, our committee made the following proposal: *That the Educational Building Steering Committee develop a project for congregational review and approval, with a scope of demolition of the current Education Building and Church Office, to be replaced by a new structure with space for Grace-related activities including, but not limited to: offices, childcare, community space and housing for low to moderate income family units, and addressing parking needs. Outside partners will be sought for collaboration and financing of such a project.*

To receive congregational feedback concerning this proposal, our committee held an open informational forum on October 24, 2018. It was intended that a second forum would be held. This was postponed so that the congregation could take action on the proposal for the major renovations to the church structure.

The committee looks forward to continuing this important discussion within the congregation. The above proposal is an INITIAL PROGRAMMING CONCEPT. It is important that we have feedback from the members of the congregation indicating that there is a positive consensus for the committee to pursue the possibilities of the concept proposal.

If there is that consensus, then the committee can engage possible partners in developing a workable and affordable proposal for the congregation to consider.

The committee members are: Rich Allison, Ray D'Agostino, Dale Dombach, Jan Mandros, Duane Weiss, Rev. Donald Main, and Pastor Steve Verkouw.

Respectfully submitted,

Rev. Donald Main, chair

LHANDS Report

Our housing ministry (Lancaster Housing and Neighborhood Development Services or LHANDS) has experienced a year of growth as the congregation approved the purchase of 22 E James Street, a two-unit row home across from the parsonage. Both tenants were qualified to remain in the apartments as LHANDS tenants, and as part of the purchase negotiations, a new chimney liner was installed to repair the collapsing bricks in the chimney.

Another project begun this year is our collaboration with the Lead Coalition of the Partnership for Public Health. We received a generous \$30,000 grant to renovate our apartment at 16 E James St, provide furnishings, and help with transition costs and rent assistance for families whose children have lead poisoning. They will be able to live in this apartment, which has been certified lead-safe, until their homes or apartment have had renovations to remove the lead.

As a non-profit organization serving low-mod. income tenants, LHANDS finances are always close to break-even status. Help from grant paid a good portion of the rent for the vacant apartment. LHANDS continued to repay its loan from Grace with \$1,000 per month, and made an additional gift of \$5,000. Roof repairs earlier this year took our bank balance down again, but with this work completed we are on track to be saving for the next necessary repairs by summer. The full 2018 financial report is attached.

LHANDS Board members and officers are: Pat Oberholtzer, (President), Pastor Verkouw, (Vice President), Ron Allison (Treasurer). Our sincere thanks to Marjorie Worley, who does a fantastic job as our volunteer bookkeeper!

Board of Worship

The Worship Team meets approximately four times a year in order to address topics pertinent to worship here at Grace. Many thanks to Jenny Fritsch who continues to lead this committee. This year our primary topics of focus and action were as follows:

Murray Foreman shared his plan to retire at the end of spring 2018. We again thank Murray for his many years of service in leading our congregation and choirs in music. The Worship Team assisted in planning the celebration for Murray's retirement held in October.

In response to Murray's planned retirement a committee was formed in the summer of 2018 to search for a new Director of Music. Wes Heidel graciously chaired the Search Committee. John Saeger, Mike Bertrand, Cindy Reifsnyder, Meghan Kelly and Pastor Verkouw also served on that committee which met several times throughout the summer. Many thanks to the search committee for all of their work as well as the members of the Adult Choir who assisted in the final interview process. The committee was pleased to conclude the search with Dr. David McConnell as our Director of Music. David began in this role the second Sunday in November.

Dinner Church, a new worship effort, began meeting monthly in May a year ago. Over the year it has gotten a bit smaller - from 22 to 15 but has continued to be an appreciated spiritual experience. The meeting time has changed from the 3rd Friday of the month to the 1st Friday at 6PM. This will hopefully be easier to remember and participants can then proceed to enjoy Lancaster First Friday events afterward.

A Maundy Thursday Seder with communion and stripping of the altar was held during Holy Week. This worship was attended by 56 people and led by Ray D'Agostino and Pastor Verkouw. Ray Aument very generously made the meal. This differed slightly from last year as the service concluded in the Sanctuary and more of the choir participated.

The Fishbowl experience has continued to be an engaging time for our young worshipers. Each week we have at least 3 children and have set the record at 24! Our new volunteers are Jay Graver, Cheri Way and Amanda McComsey. It is a wonderful time spent in imagining the story, wondering, discussion and crafting.

Two weekends in the fall had special note. Over the weekend of October 20-21, 2018 we lifted up the ministries that have the goal of feeding those who are hungry for food. Later in the fall, on November 18, 2018, members of the Dramability group helped to lead our 10:30 AM worship service.

The Concert Committee organized four concerts this year: Lyra Russian Vocal Ensemble, Aspire Chamber Choir, Lancaster Chamber Singers and Peter Yardley-Jones, Organist. Thanks to this committee for their ongoing work with these concerts. This Committee is currently looking for new members. If you are interested in joining please contact Wes Heidel.

The freewill offering taken at our concert series provides funds for scholarships that enable students from the local elementary or middle schools to take private instrument lessons. One flute player from Reynolds is the recipient of a scholarship this year.

In fall 2015 the Worship Team brought an amendment of our marriage policy forward to Council for consideration. At the time this motion was tabled, however, at the recommendation of the Worship Team in the fall of 2018 it was again brought to Council for consideration at Council's April 2019 meeting.

Ways in which to celebrate the start of construction were discussed. Many thanks to those who were able to attend the groundbreaking ceremony in late March.

We are incredibly grateful for those who share their musical gifts here at Grace and we especially thank Murray, Kath and David for all that they do to enhance our worship throughout the year.

Liturgical decor, particularly decor for special Holy days, helps to further add to our worship services. Many thanks to all who help prepare our spaces for worship especially Murray Forman, Jenny Fritsch, Jay and Mindi Graver, and Carl and Patti Hartman who spearhead aspects of special decor during the church year.

My heartfelt thanks to those who served on the Worship Team this year: Jenny Fritsch (chair), Barbara Andersen, Murray Foreman, Meghan Kelly, Cindy LaMaster, Bruce Linton, David McConnell, Kathryn Verkouw and Pastor Verkouw.

Anyone interested is more than welcome to join this team! Please contact Jenny Fritsch to be added to our email list.

Respectfully Submitted,

Meghan Kelly, Chair - Board of Worship

April 30, 2019