

Senior Pastor Annual Report FYE 2017

“And we know that in ALL THINGS God works for the good of those who love Him, who have been called according to His purposes” (Romans 8:28, NIV).

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Contents

Brothers and Sisters in Jesus: _____	1
Policy 3.5.1.1 – Effectiveness Report _____	2
Policy 3.5.1.2 – Operational Plan Report _____	3
Policy 3.5.1.3 – Disclosure of Conflicts Report _____	4
Policy 3.5.1.4 – Cash Donations, Benevolent Fund, Asset Protection and Security, and Staff Treatment Report _____	5
Policy 3.5.1.6 – Financial Reports _____	7
Policy 3.5.1.7 – New Operational Structures Report _____	8

“For I know the plans I have for you,” declares the Lord, “Plans to prosper you and not to harm you, plans to give you hope and a future.”

Jeremiah 29:11
(NIV)



Brothers and Sisters in Jesus:

Highlights

Thank you for your continued partnership in ministry. God has called us to a big task, working toward Kingdom expansion in the backdrop of completing a new building, wishing many staff members gracious farewells, and welcoming new staff members. Now, a nine-member volunteer team is leading our congregation through a time of relationship-building, vision-casting, and decision-making!

Financial Highlights

We have just completed our fiscal year. We had a net income of over \$116,000 above our total expenses. Our spending was *below* what we expected, notwithstanding the ministry programs and staffing transitions. We did not overspend our resources.

Operating Highlights

As we begin a new fiscal year, the congregation will be asked to prayerfully consider approving a budget that is conservatively based on the average actual income from 2016 and 2017 year-to-date. While there is a slight increase in local ministries spending, there is a roughly one-third reduction in labor cost. In a spirit of Christ-like love each staff member's rate of pay remains the same, but the position hours are reduced. This was done to protect staff interests while at the same time balance member interests to stay within the reasonable projected 2018 income and spending limits.

Looking Ahead

Our prayer is that by the end of this new fiscal year:

- God will give our church a clear sense of identity and purpose.
- God will enable us to come together as a family of faith.
- God will bless our use of His resources: facilities, finances, volunteers, and staff.
- God will make clear His will for the staff configuration and the next settled pastor.

In Jesus' Service,
Pastor Martin L. Schroeder

*“Annually, the senior pastor shall provide a written report on the state of the Congregation which will include the effectiveness of the Congregation in reaching each of the Desired Outcome Policies of St. John’s Lutheran Church, the financial condition of the church, and any **changes in demographics or economy** which might affect the church.” (Policy 3.5.1.1, Policy Manual, 11.)*

Policy 3.5.1.1 – Effectiveness Report

There have been significant changes in the economy. Total unemployment is at a 17-year low. Consumer confidence is at a 17-year high. Economic growth was up last quarter to 3.3%. The stock market broke record highs more than 86 times since election day last November. Yet, as a nation there is more tension and unrest, online and in the media, between competing ideologies. While there is consumer confidence there is still much angst. Such societal factors do seep into congregational life. Also, there has been a great deal of bad behavior revealed by our nation’s public figures mistreating their subordinates. All of which signals a lack of moral integrity in our land, and the need for vigilance. What an opportune time in history for people of faith. I believe, our congregation is effectively echoing the following desired outcomes in the Policy Manual: “These phrases – witness, mercy, and life together – illustrate how the church lives and works together to proclaim the gospel and to provide for our brothers and sister in Christ in our congregations, communities, and throughout the world...In our congregational ministry we expect the following:

1. **Witness:** The members of this congregation testify in word and deed that Jesus Christ is Lord and savior.
 2. **Mercy:** We meet the needs of persons hurting in body, mind, or spirit. Through a variety of settings, ministries, groups, education and outreach we will lovingly care for the spiritual, emotional, financial, physical, and social needs of those with our community.
 3. **Life Together:** Beginning in worship we joyfully participate in Christian community.”
- As of just over a week ago, I have been with you in our Lord’s ministry for six months. Much has transpired in these few months together and there is much to be thankful for. Martin Luther says we should use times of fear and doubt wisely as opportunity to “urge and pray for grace that [our] fear might be taken away and [we] be given joy and delight...”. Our congregation has been given perfect **opportunities** to embrace the *Desired Outcomes* so appropriately reviewed above. It is with great confidence and joy I can **affirm** that our members, Governing Board, and staff **are** faithfully and effectively engaged in Christian **Witness, Mercy, and Life Together**.

Reporting: **COMPLIANT**.

“Annually, the Senior Pastor shall provide in writing to the Governing Board the operational plan, Congregational strategies for funding, personnel policies and job descriptions, and a communications plan.” (Policy 3.5.1.2, Policy Manual, 11.)

See also responses in Policy 3.5.1.7



Policy 3.5 .1.2 – Operational Plan Report

Branch Name	Duration	Start	End	Completion	
SENIOR PASTOR'S ANNUAL REPORT as of 12/10/2017	280 days	6/5/2017	6/30/2018	63%	
Joining Phase (Months 1 - 5)	100 days	6/5/2017	10/20/2017	100%	✓
One-on-One Interviews / Congregational Systems Inventory (CSI)	45 days	6/5/2017	8/4/2017	100%	✓
Staff Professional Development	75 days	6/5/2017	9/15/2017	100%	✓
Form a Senior Leadership Team (SLT) / Staffing Reconfiguration / Misconduct Incident	75 days	6/5/2017	9/15/2017	100%	✓
All Staff Meetings (monthly)	70 days	6/12/2017	9/15/2017	100%	✓
1st Quarter Report	56 days	8/7/2017	10/23/2017	100%	★
Congregational Analysis Phase (possibly Months 6 - 12)	6 mths	10/23/2017	4/6/2018	1%	🕒
TTF Installation	0 days	10/22/2017	10/22/2017	100%	✓
TTF Training	40 days	10/23/2017	12/15/2017	100%	✓
Week 1 - Discuss 1st Quarter Report & Charter	1 day?	10/25/2017	10/25/2017	100%	✓
Week 2 - Adaptive Leadership & Research Question (Mission/Vision)	0 days	11/1/2017	11/1/2017	100%	✓
Week 3 - Mission / Vision & Research Question (Mission / Vision)	0 days	11/8/2017	11/8/2017	100%	✓
Week 4 - Outstanding Organizations & Church Governance	0 days	11/15/2017	11/15/2017	100%	✓
Week 5 - Cottage Meeting (CM) Roles and Responsibilities	0 days	11/22/2017	11/22/2017	100%	✓
Week 6 - Timeline	0 days	11/29/2017	11/29/2017	100%	✓
TTF COTTAGE MEETING SERIES (IIM Pastor works with Staff and Volunteers: Job & Ministry Descriptions / Evaluations)	75 days	1/1/2018	4/13/2018	0%	⚙️
JANUARY / FEBRUARY - MISSION AND VISION	32 days	1/1/2018	2/13/2018	0%	⚙️
FEBRUARY / MARCH - CHURCH GOVERNANCE	32 days	2/14/2018	3/29/2018	0%	⚙️
TTF Final Report and Recommendations (Development and Delivery)	21 days	3/30/2018	4/27/2018	0%	★
TTF Town Hall	0 days	5/6/2018	5/6/2018	0%	📅
Action Phase (possibly Months 13 - 15)	1 mth	5/13/2018	6/8/2018	0%	🕒
Voter's Meeting	0 days	5/13/2018	5/13/2018	0%	😞
Create an Accepted Implementation Plan (Senior Pastor & Governing Board)	10 days	5/14/2018	5/25/2018	0%	
Communicate and Create Ownership	5 days	5/28/2018	6/1/2018	0%	
Launch Project Improvement Teams	1 day	6/4/2018	6/4/2018	0%	
Analyze the implementation setting, that is, the climate for change.	1 day	6/4/2018	6/4/2018	0%	
Effectiveness of Change	1 day?	6/4/2018	6/4/2018	0%	
Impact effort matrix	1 day?	6/4/2018	6/4/2018	0%	
Force Field Analysis	1 day?	6/4/2018	6/4/2018	0%	
Decide how to organize the implementation effort.	3 days	6/4/2018	6/6/2018	0%	
Develop an implementation plan covering activities, responsibilities, deadlines, and so on, and have it accepted.	2 days	6/4/2018	6/5/2018	0%	
Communicate with and create ownership of changes by those affected by them and by those who will implement them.	5 days	6/4/2018	6/8/2018	0%	
Implement the ministry solution.	2 days	6/8/2018	6/11/2018	0%	
Leaving Phase (possibly Months 16 - 18)	4 wks	6/3/2018	6/29/2018	0%	⊕
Assess the Ministry Effects	5 days	6/12/2018	6/18/2018	0%	
Senior Pastor Departure	5 days	6/12/2018	6/18/2018	0%	
Congregational Vote	5 days	6/12/2018	6/18/2018	0%	
Ministry Safeguards	5 days	6/19/2018	6/25/2018	0%	
Senior Leadership Team (SLT) Succession Plan	5 days	6/19/2018	6/25/2018	0%	
Behavioral Covenants (3)	5 days	6/19/2018	6/25/2018	0%	
Shepherding Flocks Ministry (Board of Elders)	5 days	6/19/2018	6/25/2018	0%	
Assign Approved Recommendations to BOD or Staff	3 days	6/26/2018	6/28/2018	0%	
Report and Close (Exit Interview)	1 day	6/28/2018	6/28/2018	0%	

Reporting: **COMPLIANT.**

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“Annually, the Senior Pastor shall disclose to the Governing Board all potential conflicts of interest held by the Senior Pastor and staff and a plan to resolve those that are unacceptable.” (Policy 3.5.1.3, Policy Manual, 11.)

Policy 3.5.1.3 – Disclosure of Conflicts Report

Policy 4.8.1

“The Senior Pastor shall not allow the Governing Board to be uninformed of all of his potential conflicts of interests. This disclosure shall include membership on, a substantial financial interest in, or employment of the Senior Pastor or a relative of the Senior Pastor by any organization doing business with the Congregation.”

- I have disclosed to the congregation and Governing Board that Church Organizers and Church Organizers Foundation employ me. Church Organizers has joined in contracting with St. John's and the Michigan District in the Intentional Interim Ministry.

Reporting: COMPLIANT.

Policy 4.8.2

“The Senior Pastor shall not accept any gifts or favors totaling more than \$100 annually from any organization doing or seeking business with the Congregation without disclosure to the Governing Board.”

Reporting: COMPLIANT.

“Annually, the Senior Pastor shall disclose to the Governing Board his compliance with policies involving cash donations (including Benevolent Fund), asset protection and security, and treatment of staff.” (Policy 3.5.1.4, Policy Manual, 11.)



Policy 3.5.1.4 – Cash Donations, Benevolent Fund, Asset Protection and Security, and Staff Treatment Report

Policy 4.5 Funding

“In soliciting or obtaining donations the Senior Pastor shall not accept donations which would compromise the values of the Congregation; in cash or in kind where there is a difference between the donor’s intent and the intent of the Desired Outcome Policies; and fail to publish a preferred gift list that supports the Desired Outcome Policies.”

- It is my interpretation that all cash donations must be in line with the Desired Outcome Policies.

Reporting: COMPLIANT.

Policy 4.3.11 Benevolent Fund & Financial Guidelines

“The Senior Pastor shall not fail to develop procedures for the Benevolent Fund and Special Designated Gifts.”

- It is my interpretation of this policy the Senior Pastor has the discretion and responsibilities to oversee the proper management and disbursement of these funds. Steps are underway to accomplish the development of procedures prior to my departure.

Reporting: COMPLIANT.

Policy 4.6 Asset Protection, Security & Usage

In summary, Policy 4.6 requires the Senior Pastor to takes steps to insure adequate insurance and other necessary security measures are taken to protect the members, visitors, employees, building, and all properties of congregation.

- Steps are underway to accomplish the development of procedures prior to my departure.

Reporting: COMPLIANT.

Policy 4.7 Staff Relationships

In summary, Policy 4.7 requires the Senior Pastor shall enforce all employee laws and synodical policies and procedures in the treatment and care of our employees. Also, the Senior Pastor will provide clear expectations of each employee's duties and responsibilities, including annual reviews.

- Steps are underway to accomplish the development of procedures prior to my departure.

Reporting: COMPLIANT.

“The Senior Pastor will insure that written financial reports are provided to the Governing Board on a quarterly basis, organized and presented around the financial conditions policies.” (Policy 3.5.1.6, Policy Manual, 11.)

“The Lord has done great things for us, and we are filled with joy.” (Psalm 126:3)



Policy 3.5.1.6 – Financial Reports

Policy 4.3 Financial Guidelines

“With respect to operating the Congregation in a sound and prudent fiscal manner, the Senior Pastor shall not jeopardize the long-term financial strength of the Congregation.”

Reporting: COMPLIANT.

Statement of Financial Position (Balance Sheet)

- Liabilities – \$2,128,843.09
- Assets – \$2,128,843.09
- Equity – \$802,764.91

Statement of Comprehensive Income (Profits and Losses)

- Income – \$519,536.96
- Expenses – \$404,534.98
- Net Income – \$116,489.93

Financial Highlights

Description	Ownership or Amount
Church Extension Fund (CEF) Mortgage – 12mo Interest Only	Governing Board
Reduction in Force (RIF)	Senior Pastor
Church Extension Fund (CEF) Funds	Governing Board
Bulletin – Weekly Financials (Weekly & YTD)	Senior Pastor
Y-T-D Pledges	\$145,000.00
Total Pledged	\$678,068.00
Pledges to Date	\$602,966.00

“The Senior Pastor shall provide to the Governing Board any new operational structures as they are developed with an explanation of the responsibilities assigned.” (Policy 3.5.1.7, Policy Manual, 11.)



Policy 3.5.1.7 – New Operational Structures Report

Policy 4.2 Organizational Structure

“The Senior Pastor shall not establish a structure that has a negative or neutral impact on the Outcome Policies.”

Reporting: COMPLIANT.

New Staffing Structure

1. **Interim Associate Pastor** – In promoting the Desired Outcome Policies – Witness, Mercy, and Life Together, **Rev. Steven Massey** was hired on a part-time interim basis. His responsibilities include confirmation, visitation, and the new membership class.
2. **Interim Church Secretary** – A key consideration for this position is a ministry of presence in front office. **Stephanie Boettger** is creating a welcoming front office for visitors, members and staff alike. She also possesses a sharp learning curve and brings great wealth of resources to the position.
3. **Custodian** – **Mark Holden** faithfully provides incredible continuity of custodial services and general maintenance of the building and grounds.
4. **Interim Bookkeeper** – The interim bookkeeper position evolved out of the prior church secretary/business manager position. **Becky Dewitt** has kindly accepted this position and has my complete confidence given her character and professional experience.
5. **Interim Musician** – The congregation rejoices and celebrates with **Alice (Yunjeong) Kim** and her family at the birth of son and the new opportunities ahead. A new hire will be announced shortly.
6. **Annual Performance Evaluations** - As an immediate supervisor it will be my privilege to write performance evaluations for those I oversee.
7. **Job Descriptions** – As part of the annual performance evaluation, job descriptions for any new positions will be further defined in the new year.
8. **Organizational charts** – Three organizational charts will be designed to improve information-sharing, decision-making and accountability.



9. **Weekly Staff Meetings** – Staff meetings include administrative and pastoral staff members.
10. **Quarterly Team Huddles** – These meetings will begin in the new year on a quarterly basis. They will include all employees and key volunteer leaders.
11. **Budget Committee** – This committee is led by, and is accountable to, the senior pastor. They are chartered on an ad hoc basis, in the fall, to assist the staff in the budget proposal process. This year **Dan Harry** and **Marty Kolka** joined Becky Dewitt and myself. We met several times and used a zero-based budget approach.
12. **Transition Task Force (TTF)** – This committee is led by, and is accountable to, the senior pastor. They have been chartered **to lead** the church through a 5 to 6-month self-study **to clarify** the congregation's identity and purpose, and **to understand** which governance model is ideal for our congregation. Upon completion of their role and responsibilities this committee will be decommissioned. Pray for these volunteer leaders: **Todd Slater, Liz Webster, Sally Harry, Yvonne Flegler, Annette Kolka, Chad Lockwood, Kelly Thelen, Steve VanElls, and Scott DeWitt.**

Thank the Lord for blessing our families with wonderful Bible study and Sunday School teachers.



Sunday School
for all ages

New Ministry Team Structure

Each ministry now has a team captain who provides regular oversight in that area of ministry. The idea, here, is that the team captain's charter has a specific beginning and ending date to provide continuity in leadership and avoid any one person becoming overwhelmed. Entering this new fiscal God has blessed the staff with a tremendously talented group of captains. I am encouraged by their loving and assertive leadership.

1. Children's Ministry – **Tony Zimmerman**
2. Youth – **Michelle Manas**
3. Adult – **Yvonne Flegler**
4. Music – TBA
5. Elders – **John Triantaflos**
6. Ladies Guild – **Marilyn Miller**

Volunteers

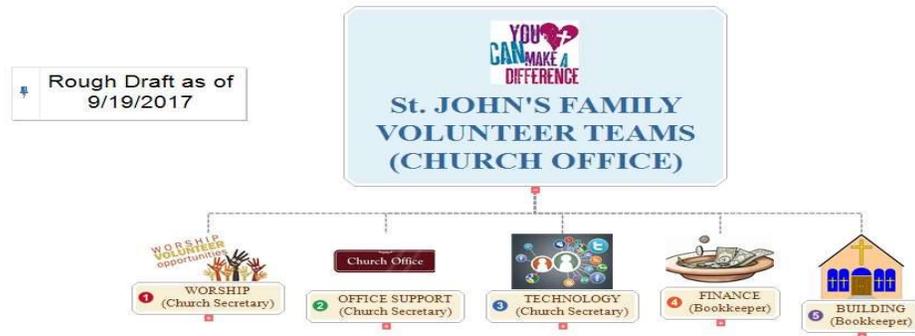
Volunteer service in God's house is extensive: I am sure I will miss many volunteer positions, so my sincerest apologies. Below is an attempt to lay out the volunteer list from which to develop an organizational chart. Another step in organizing our volunteers will be

Thank the Lord for our volunteer leaders!



to write formal job descriptions for each of these volunteer positions. It will be important to know the charter, the resources available, and who is responsible for oversight and resourcing.

- 1. WORSHIP
 - a) Acolytes
 - b) Alter Guild
 - c) Greeters
 - d) Readers
 - e) Ushers
- 2. OFFICE SUPPORT
 - a) Bulletin
 - b) Mailers
 - c) Membership Records
 - d) Receptionist
- 3. TECHNOLOGY
 - a) PowerPoint
- b) Social Media
- c) Website
- d) Digital Photographer/Video
- 4. FINANCE
 - a) Counters
 - b) Stewardship Committee
 - c) Budget Committee
- 5. BUILDING / GROUND MAINTENANCE
 - a) Furnishing Committee
 - b) Maintenance – Internal
 - c) Maintenance – External



Policy & Procedures Updates in 2018

- 1) Fundraising; 2) Building Use; 3) Communication/Social Media; 4) Security

Summary

The coming year looks promising. May we make the most of every opportunity to thank the Lord, sing His praises, and tell everyone what He has done!

MERRY CHRISTMAS AND A BLESSED NEW YEAR!