

**Minutes of the Annual Informational Meeting with special order of business of the
Congregation of Grace Evangelical Lutheran Church of Westminster, Maryland held on
Sunday, May 6, 2012, 12:30p.m.**

Opening of Meeting

Charles Beckhardt, president of the council, called the meeting to order at 12:25p.m. Pastor Martha Clementson opened the meeting with a prayer. Charles Beckhardt declared a quorum was present.

New Business

Charles Beckhardt presented the following motion from the Congregational Council:

That the congregation authorize the Council to sell the properties at 18, 20, and 22 Carroll Street.

That up to \$50,000 of the resulting proceeds be reserved for a project to repair the sanctuary ceiling.

That the remaining proceeds be applied to principal reduction of our mortgage debt, prior to the refinancing of the note in November 2013.

Don Meyers presented a written analysis from the Finance Committee. We will be refinancing our note in November of 2013. Lenders want to see a positive cash flow. We have been in a deficit for several years in a row. Our investment base has decreased. We need to prove to lenders that we are serious about reducing our debt. Our mortgage is through BB&T. We are on a 5 year renewal basis. We can not predict what the rates will be in 5 years. We do have a lender who will set up a longer term loan but we need to show we are working to improve our financial position. The mission and ministries of this church will not change. No properties will be sold at a loss. The driving force is to manage and maintain our cash flow and improve our overall financial picture.

Randy Bachtel presented a report from the Property Committee. In August 2011 an intensive study was done to evaluate the sanctuary. The sanctuary ceiling was installed in 1923. Portions of it have fallen. Four contracting groups were approached to give estimates for the needed repairs to the ceiling and windows. The estimates in fall of 2011 ranged from \$100,000 to \$160,000.

Questions were taken from the congregation. Don Meyers reported that all 3 properties being considered for sale are in good shape. No repairs are needed. We have employed a property manager for several years to oversee the care of the properties. Charlie Beckhardt reported that there are lease agreements that will remain in place to ensure that the tenants are protected in the event of a sale. The income from these properties is modest. Over the last 4 years the income from all three properties combined was \$40,000. The properties will sell for more than their purchase price. There will be an appraisal analysis. A motion was passed to close debate on the written motion.

A reminder was given that voting members of the congregation are a confirmed member of the church who have communed and made a contribution of record in the last 2 years. A written vote was taken. Ballots were counted by Rich Schuster and Johanna Monka.

Ed Leister gave a presentation for Legacy Circle of Grace from the Stewardship Committee. Legacy Circle of Grace is a group of members of the congregation who have committed themselves to the future life of this congregation by including Grace Evangelical Lutheran Church in their will or estate plan. Letters of explanation will go out to the congregation this week. Interested parties would need to seek legal counsel. A booklet titled "If Something Should Happen" is available to all interested members of the congregation to help with managing financial affairs. Legacy Circle of Grace will have monthly presentations to share the history of our church. Through this program, your giving to Grace can extend beyond your life just as our ancestors have done for us.

Don Ludwig presented the treasurer's report. Our cash position at the end of 2011 was \$72,981.00. Our general giving was down \$4,900.00 from 2010, but we had the special giving tree offerings in 2010. Our major area of concern is the mortgage. Our debt reduction income was \$152,718 but our mortgage principal and interest payments totaled \$189,301. The erratic swings in the stock market have not helped us. We had an unrealized loss on investments of \$30,317. Our expenditures were below budget by \$62,474.00. Our committees have worked hard to carry on our ministries while spending below or within their budgets. In 2011, we had a deficit of \$129,279.00. Of this amount, \$30,317 was unrealized loss on investments, \$36,583 was the mortgage shortfall, and \$34,278 was for improvement/capital expenditures for the facility. Right now, our cash balance is in a favorable position. We are showing a net income of \$70,468, however, \$58,874 is unrealized investment gains. Don reminded the congregation that during the summer it is important to continue weekly giving.

Written reports were distributed from the pastors and the Property Committee. Pastor Kevin called attention to the fact that Karin Albaugh will join us in August as a vicar.

Charles Beckhardt presented the results of the vote on the motion for the sale of the Carroll Street properties. There were 55 votes for the sale and 11 votes against the sale. The motion carried.

The meeting was adjourned at 1:18p.m. with the saying of the Lord's Prayer.

Respectfully submitted,
Nancy Taylor, Secretary