



# Annual Meeting January 31, 2010

Shepherd of the Hills Lutheran Church  
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## Staff

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Cameron McKee     *Parish Administrator*     (office@sothb.org)

## Committees

◆ <b>Adult Education</b>	◆ <b>Social Concerns</b>
◆ <b>Building &amp; Grounds</b>	◆ <b>Worship &amp; Music</b>
◆ <b>Childhood Ministry</b>	◆ <b>Welcoming</b>
◆ <b>Finance</b>	◆ <b>50th Anniversary</b>
◆ <b>House</b>	

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## **Meeting Agenda**

### **1. Pastor's Report - Pastor Katie**

### **2. Council President's Report and Approval of 2009 Council Actions - Carol Starr**

### **3. Treasurer's Report**

#### **a. Review of 2009 budget year - Laurie Holland**

#### **b. 2010 Budget - Kim Traynor**

#### **c. Approval to use Investment Funds to pay for Building Repairs**

### **4. Election of 2010 Council**

### **5. 2010 Committee Reports**

### **6. Other Business**

#### **a. Jay Hines-Shah report on Synod Council and National Lutheran Issues**

### **7. Adjournment**

## Pastor's Report

Grace and peace to you all from Jesus Christ, our Lord!

In a challenging year Shepherd of the Hills has reason to be grateful to God and proud of our accomplishments.

2009 will be remembered as the year of the Great Recession. Like most churches and non-profit agencies, we have watched our investments take a financial hit and our giving go down. This year some of our members have experienced furloughs and wage cuts. Others, including my husband, have been laid off. Younger members have had difficulty finding jobs and older members have found their retirement savings plummet. Yet though all of this we have been able to worship. We have been able to give thanks.

Some might wonder how this is possible.

This year I have often found myself turning to the 4<sup>th</sup> chapter of St. Paul's letter to the Philippians. Though Paul is in prison and awaiting trial when he writes to this early church he finds reason to give thanks. "Rejoice in the Lord always; again I will say, Rejoice!" This is not some kind of a blind joy. Paul says later in the same letter that, "I know how to be abased and how to abound; in any and all circumstances I have learned the secret of facing plenty and hunger, abundance and want. I can do all things in Him who strengthens me." 4:12-13.

I find a great deal of encouragement in Paul's words. Whether in plenty or in want, Paul is not undone. If he is facing plenty or hungry, he can survive, because Christ is with him always, no matter what. While this might be a hungry time for us at Shepherd of the Hills, we know that Christ is always with us and will see us through.

We have seen this in ways large and small.

Financially we have been able to hold on. We have not had to spend our investments and we have watched them grow as the market returns to former levels. We rejoiced in receiving a \$20K grant to help cover a \$60K accessibility project – and then raised the final \$40K+ ourselves in this down year (WOW!). We wrote a budget that does not cut our ministry programs but encourages us to step up our giving. We believe that Christ will be with us and see us through.

This year we have not become discouraged and looked inward. We have continued to reach out and to encourage new people to join our ranks. In last year we added seven new adult members and five new children to our permanent roster. Six other adults and three other children joined us as associates. We again hosted the new seminarians for an annual dinner, peopled a booth at the Solano Stroll, gave generously to hunger, disaster, and community needs, and even started a new ministry making meals for the YEAH shelter.

*(Pastor's Report cont.)*

We have expanded our children's ministry opportunities starting a youth group and strengthening our core Sunday School program. We offered special events to our community hosting movie and dinner nights, restarting the book group, and even offering an Earthquake preparedness program open to all. While these efforts take time, money, and energy we know this truth – God strengthens us through our work and makes more than we dreamed possible.

As we look to next year I am excited about the new possibilities that the Spirit will bring. The finance committee is going to work on ordering our investments so that we can save appropriately to our anticipated needs and even start offering small min-grants. Worship committee is working on streamlining our volunteer process. This Lent, in partnership with Welcome ministries of San Francisco and their pastor, Rev. Megan Rohrer, we will be putting in the start of a garden. Adult Education is finding new momentum and energy. Children's ministry will take the bold step this year of adding a youth group to our other offerings. I am excited about celebrating 50 years of our building on September 19<sup>th</sup> with our Bishop and far flung friends. And these are only the projects we know about. I am excited to see what else the Spirit might bring.

Of course, to accomplish all this will take your time, your talent, and your dollars. We are a small congregation and we need everybody (and I mean EVERYBODY) to step up and do your part. Being present in worship and at events, volunteering to help with one or more projects, giving generously to the needs of the church, praying for our mission and ministry are all part of the process.

We dare to do this because we know that no matter what the economy of 2010 might look like God has a plan for Shepherd of the Hills. Like Paul we rejoice that Christ will accompany us every step of the way.

Thanks be to God.

Amen

## Council Elections

### ◆ Council Members standing for re-election:



**Carol Starr**



**Candy Simonen**

### ◆ First Term Elections



**Gary Andersen**



**Ernesto Munoz**

## Budget 2009 - Last year

1/1/2009 through 12/31/2009 Using Budget 2009

1/12/2010

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Category Description	1/1/2009 Actual	- Budget	12/31/2009 Difference
<b>INCOME</b>			
A. Operating			
1. Envelopes	135,039.00	145,000.00	-9,961.00
2. Plate	3,365.93	3,300.00	65.93
3. Seasonal	3,872.95	2,500.00	1,372.95
4. Designated			
b. Other			
ii. Education	304.00	0.00	304.00
vii. Day Camp	2,360.00	0.00	2,360.00
Other A. Operating:4. Designated:b. Ot...	0.00	3,000.00	-3,000.00
TOTAL b. Other	2,664.00	3,000.00	-336.00
c. Thrivent	0.00	1,500.00	-1,500.00
TOTAL 4. Designated	2,664.00	4,500.00	-1,836.00
5. Prin & Inter	182.36	200.00	-17.64
TOTAL A. Operating	145,124.24	155,500.00	-10,375.76
B. Building Use			
1. Weddings	150.00	500.00	-350.00
2. Other			
b. Tuesday Painters	358.00	0.00	358.00
d. Monkey Business	400.00	0.00	400.00
Other B. Building Use:2. Other	665.00	2,000.00	-1,335.00
TOTAL 2. Other	1,423.00	2,000.00	-577.00
TOTAL B. Building Use	1,573.00	2,500.00	-927.00
C. Benevolence			
3. Other			
a. Thankoffering	2,222.64	0.00	2,222.64
b. Heifer Project	504.79	0.00	504.79
Other C. Benevolence:3. Other	617.00	5,000.00	-4,383.00
TOTAL 3. Other	3,344.43	5,000.00	-1,655.57
TOTAL C. Benevolence	3,344.43	5,000.00	-1,655.57
<b>TOTAL INCOME</b>	<b>150,041.67</b>	<b>163,000.00</b>	<b>-12,958.33</b>
<b>EXPENSES</b>			
A. Benevolence			
1. Synod	7,200.00	7,200.00	0.00
2. PLTS	1,320.00	1,320.00	0.00
3. Other			
a. LWR	1,410.00	0.00	-1,410.00
d. Heifer	520.00	0.00	-520.00
e. Second Mile	800.00	0.00	-800.00
Other A. Benevolence:3. Other	1,517.50	5,000.00	3,482.50
TOTAL 3. Other	4,247.50	5,000.00	752.50
TOTAL A. Benevolence	12,767.50	13,520.00	752.50
B. Pastor Pack.			
1. Salary			
Other B. Pastor Pack.:1. Salary	61,360.00	61,360.00	0.00
TOTAL 1. Salary	61,360.00	61,360.00	0.00
2. Pension-Ben.	7,823.36	10,000.00	2,176.64
3. Continuing ed or Other	79.00	1,000.00	921.00
TOTAL B. Pastor Pack.	69,262.36	72,360.00	3,097.64

## Budget 2009 - Last year

1/1/2009 through 12/31/2009 Using Budget 2009

1/12/2010

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Category Description	1/1/2009 Actual	Budget	12/31/2009 Difference
<b>C. Employees</b>			
1. Payroll Tax			
Fica	5,200.31	5,268.00	67.69
Medicare	1,216.17	1,232.00	15.83
TOTAL 1. Payroll Tax	6,416.48	6,500.00	83.52
2. Worker Comp	2,262.00	1,600.00	-662.00
3. Music Dir.	10,650.00	10,500.00	-150.00
4. Administrative Asst	9,906.25	11,000.00	1,093.75
6. Supply Organ	1,050.00	1,050.00	0.00
7. Supply Pastor	250.00	2,600.00	2,350.00
8. Babysitter	2,040.00	2,100.00	60.00
TOTAL C. Employees	32,574.73	35,350.00	2,775.27
<b>D. Operations</b>			
1. Facility Management			
a. Build Maint			
i. Operations	2,686.23	2,000.00	-686.23
TOTAL a. Build Maint	2,686.23	2,000.00	-686.23
b. Gardener	3,600.00	3,600.00	0.00
c. Custodial Services	4,680.00	4,800.00	120.00
d. Property Ins	3,315.50	3,500.00	184.50
e. Property Tax	1,181.91	1,000.00	-181.91
f. Telephone	1,777.43	1,500.00	-277.43
g. Garbage	907.82	900.00	-7.82
h. Utilities	5,078.55	5,200.00	121.45
i. House committee	56.85	400.00	343.15
TOTAL 1. Facility Management	23,284.29	22,900.00	-384.29
2. Administration			
a. Check Charge	95.55	100.00	4.45
b. Copy Service	3,748.10	3,800.00	51.90
c. Office Sup.	1,572.53	1,500.00	-72.53
d. Postage	978.48	850.00	-128.48
TOTAL 2. Administration	6,394.66	6,250.00	-144.66
TOTAL D. Operations	29,678.95	29,150.00	-528.95
<b>E. Programs</b>			
1. Advertising	2,499.30	1,870.00	-629.30
2. Conventions	0.00	300.00	300.00
3. Education			
a. Adult	775.68	100.00	-675.68
b. Sunday School	1,567.54	1,900.00	332.46
c. Day Camp	1,992.39	2,600.00	607.61
TOTAL 3. Education	4,335.61	4,600.00	264.39
4. The Lutheran	490.92	500.00	9.08
5. Fellowship and Hosp	955.25	1,250.00	294.75
6. Social Ministry	0.00	100.00	100.00
7. Worship			
a. Worship	2,512.56	1,800.00	-712.56
b. Music	858.14	1,000.00	141.86
c. Altar Guild	367.63	500.00	132.37
TOTAL 7. Worship	3,738.33	3,300.00	-438.33
8. Pastor's fund	218.16	500.00	281.84
9. Council	34.62	100.00	65.38

Budget 2009 - Last year

1/1/2009 through 12/31/2009 Using Budget 2009

1/12/2010

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Category Description	1/1/2009 Actual	- Budget	12/31/2009 Difference
910. Fund Raisers	0.00	100.00	100.00
TOTAL E. Programs	12,272.19	12,620.00	347.81
<b>TOTAL EXPENSES</b>	<b>156,555.73</b>	<b>163,000.00</b>	<b>6,444.27</b>
<b>OVERALL TOTAL</b>	<b>-6,514.06</b>	<b>0.00</b>	<b>-6,514.06</b>

YEAR TO DATE NOTES:

OVERALL:

	Income	Expense
A.4.b.vii. <b>DAY CAMP</b>	\$ 2,360.00	\$ 2,258.90 **
** Excludes \$600 payment made in 2008		
A.4.b.ii. <b>EDUCATION</b>	\$ 304.00	\$ 453.17
Lutheran Bibles included in Educaton:Adult		
B.2. <b>BUILDING USE: OTHER</b>		
Private Parties	\$ 150.00	
Rotary	\$ 115.00	
Eastender Theatre Group	\$ 200.00	
Girl Scout Craft Fair	\$ 50.00	
Outside Groups	\$ 100.00	
Polling Place	\$ 50.00	
	<u>\$ 665.00</u>	
C. <b>BENEVOLENCE</b>		
Sierra Pacific Synod		\$ 7,200.00
Pacific Lutheran Theological Seminary		\$ 1,320.00
Second-Mile Giving		
Lutheran Social Services		\$ 300.00
Pacific Lutheran Theological Seminary		\$ 100.00
Mt. Cross Camp		\$ 100.00
Lutheran Office of Public Policy		\$ 100.00
SF Night Ministry		\$ 100.00
ELCA Disaster Relief		\$ 100.00
	Subtotal	<u>\$ 800.00</u>
Thankoffering		
Dorothy Day House	\$ 543.33	\$ 551.00
Lutheran World Relief	\$ 543.81	\$ 600.00
ELCA Disaster Relief	\$ 546.00	\$ 550.00
ELCA Community Water Systems	\$ 253.00	\$ 260.00
Rwanda School Project	\$ 336.50	\$ 336.50
	Subtotal	<u>\$ 2,222.64</u>
Heifer	\$ 504.79	\$ 520.00
Berkeley Human Society (Sunday School)	\$ 16.00	\$ 20.00
LWR Hands-on Project - School Kits	\$ 160.00	\$ 160.00
PLTS - Women's Scholarship Fund	\$ 441.00	\$ 450.00
	<b>BENEVOLENCE TOTAL</b>	<u><b>\$ 3,344.43</b></u>
		<u><b>\$ 12,767.50</b></u>

## Accessibility Project

Category Description	12/31/2009
<b>INFLOWS</b>	
A. Operating	
4. Designated	
a. Buildings	
ii. Accessibility	61,096.05
TOTAL a. Buildings	61,096.05
TOTAL 4. Designated	61,096.05
TOTAL A. Operating	61,096.05
<b>TOTAL INFLOWS</b>	<b>61,096.05</b>
<b>OUTFLOWS</b>	
D. Operations	
1. Facility Management	
a. Build Maint	
ii. Cap. Improv	
1. Access	61,222.08
TOTAL ii. Cap. Improv	61,222.08
TOTAL a. Build Maint	61,222.08
TOTAL 1. Facility Management	61,222.08
TOTAL D. Operations	61,222.08
<b>TOTAL OUTFLOWS</b>	<b>61,222.08</b>
<b>OVERALL TOTAL</b>	<b>-126.03</b>

**Balance Sheet - As of 12/31/2009**  
As of 12/31/2009

Account	12/31/2009 Balance	12/31/2008 Balance	12/31/2007 Balance	12/31/2006 Balance	12/31/2005 Balance	12/31/2004 Balance
<b>ASSETS</b>						
<b>Cash and Bank Accounts</b>						
1. Mechanic's Checking	10,929.41	18,386.24	18,045.80	12,832.51	3,533.93	
2. Memorial Funds	3,816.01	4,628.82	4,702.05	4,654.92	1,056.66	
3. Other Savings	100.12	100.40	3,711.85	15,603.28	4,092.84	
4. Thrivent Investments	238,687.04	252,836.14	285,139.54	180,117.06	245,749.03	
5. Mission Investment	0.00	0.00	0.00	5,000.00	5,066.71	
<b>TOTAL Cash and Bank Accounts</b>	<b>259,631.58</b>	<b>283,751.66</b>	<b>312,658.24</b>	<b>229,404.75</b>	<b>260,311.24</b>	
<b>TOTAL ASSETS</b>	<b>259,631.58</b>	<b>283,751.66</b>	<b>312,658.24</b>	<b>229,404.75</b>	<b>260,311.24</b>	
<b>LIABILITIES &amp; EQUITY</b>						
<b>LIABILITIES</b>						
	0.00	0.00	0.00	0.00	0.00	
<b>EQUITY</b>						
	259,631.58	283,751.66	312,658.24	229,404.75	260,311.24	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>259,631.58</b>	<b>283,751.66</b>	<b>312,658.24</b>	<b>229,404.75</b>	<b>260,311.24</b>	

**BALANCE SHEET NOTES:**

1. Mechanic's Checking and 3. Other Savings accounts hold current use funds. The Other Savings account is also used for designated funds which carry-forward between fiscal years.

Other Savings	
Worship	\$ 377.05
Misc. Savings/Intrans.	\$ 4,315.45
<b>TOTAL</b>	<b>\$ 4,692.50</b>

2. Memorial Funds: The Council authorized \$3,800 from this account be spent on the Accessibility Project. A balance of \$1,500 must be maintained in the fund as part of a bequest.

4. Thrivent Investments: This reflects current market conditions. The Finance Committee continues to re-evaluate its status based on congregational needs.

6. Mission Investment: Participation in the ELCA Mission Investment Fund was a requirement in applying for the Accessibility Grant. These funds are invested in low-interest loans to ELCA congregations and ministries. The current investment matures on 11/22/2011.

Category Description	<b>2010 PROPOSED BUDGET</b>			
	2008 Actual	2009 Budget	2009 Actual	2010 Budget
<b>INCOME</b>				
<b>A. Operating</b>				
1. Envelopes	142,163.70	145,000.00	135,039.00	136,000.00
2. Plate	4,093.97	3,300.00	3,365.93	3,000.00
3. Seasonal	3,084.00	2,500.00	3,872.95	3,000.00
4. Designated				
a. Buildings	18,992.00	30,000.00	60,946.00	25,000.00
b. Other	6,929.97	3,000.00	2,664.00	3,000.00
c. Thrivent	1,300.00	1,500.00	-	-
d. Anniversary				5,000.00
Subtotal 4. Designated	<u>27,221.97</u>	<u>34,500.00</u>	<u>63,610.00</u>	<u>28,000.00</u>
5. Prin & Inter	38.87	-	182.36	-
<b>TOTAL A. Operating</b>	<u>176,602.51</u>	<u>185,300.00</u>	<u>206,070.24</u>	<u>170,000.00</u>
<b>B. Building Use</b>				
1. Weddings	125.00	500.00	150.00	300.00
2. Other	<u>1,748.00</u>	<u>2,000.00</u>	<u>1,423.00</u>	<u>2,000.00</u>
<b>TOTAL B. Building Use</b>	<u>1,873.00</u>	<u>2,500.00</u>	<u>1,573.00</u>	<u>2,300.00</u>
<b>C. Benevolence</b>				
1. Synod				
2. PLTS				
Subtotal 3. Other	<u>3,759.55</u>	<u>5,000.00</u>	<u>3,344.43</u>	<u>5,000.00</u>
<b>TOTAL C. Benevolence</b>	<u>3,759.55</u>	<u>5,000.00</u>	<u>3,344.43</u>	<u>5,000.00</u>
<b>TOTAL INCOME</b>	<u>182,235.06</u>	<u>192,800.00</u>	<u>210,987.67</u>	<u>177,300.00</u>
<b>EXPENSES</b>				
<b>A. Benevolence</b>				
1. Synod	7,200.00	7,200.00	7,200.00	6,500.00
2. PLTS	1,320.00	1,320.00	1,320.00	1,000.00
3. Other	<u>4,645.00</u>	<u>5,000.00</u>	<u>4,247.50</u>	<u>5,000.00</u>
<b>TOTAL A. Benevolence</b>	<u>13,165.00</u>	<u>13,520.00</u>	<u>12,767.50</u>	<u>12,500.00</u>
<b>B. Pastor Pack.</b>				
1. Salary	<u>61,360.00</u>	<u>61,360.00</u>	<u>61,360.00</u>	<u>61,360.00</u>
2. Pension-Ben.	8,045.17	10,000.00	7,823.36	18,940.00
3. Continuing ed or Other	<u>790.36</u>	<u>1,000.00</u>	<u>79.00</u>	<u>1,000.00</u>
<b>TOTAL B. Pastor Pack.</b>	<u>70,195.53</u>	<u>72,360.00</u>	<u>69,262.36</u>	<u>81,300.00</u>
<b>C. Employees</b>				
1. Payroll Tax				
Federal				
Fica	5,097.42	5,268.00	5,200.31	5,078.00
Medicare	1,192.13	1,232.00	1,216.17	1,188.00
State				
Subtotal 1. Payroll Tax	<u>6,289.55</u>	<u>6,500.00</u>	<u>6,416.48</u>	<u>6,266.00</u>
2. Worker Comp	1,542.00	1,600.00	2,262.00	2,000.00
3. Music Dir.	7,453.13	10,500.00	10,650.00	11,000.00
4. Administrative Asst	11,234.40	11,000.00	9,906.25	8,500.00
6. Supply Organ	3,150.00	1,050.00	1,050.00	700.00
7. Supply Pastor	600.00	2,600.00	250.00	600.00
8. Babysitter	2,170.00	<u>2,100.00</u>	<u>2,040.00</u>	<u>1,050.00</u>

Category Description	<b>2010 PROPOSED BUDGET</b>			
	2008 Actual	2009 Budget	2009 Actual	2010 Budget
TOTAL C. Employees	32,439.08	35,350.00	32,574.73	30,116.00
D. Operations				
1. Facility Management				
a. Build Maint				
i. Operations	1,229.91	1,800.00	2,686.23	1,800.00
ii. Cap Improvements	10,971.61	30,000.00	61,222.00	25,000.00
Subtotal a. Building Maint.	12,201.52	31,800.00	63,908.23	26,800.00
b. Gardener	3,600.00	3,600.00	3,600.00	3,600.00
c. Custodial Services	4,590.00	4,800.00	4,680.00	4,800.00
d. Property Ins	3,243.25	3,500.00	3,315.50	3,500.00
e. Property Tax	891.06	1,000.00	1,181.91	1,200.00
f. Telephone	1,428.52	1,500.00	1,777.43	1,350.00
g. Garbage	873.96	900.00	907.82	900.00
h. Utilities	5,121.52	5,300.00	5,078.55	5,000.00
i. House committee	382.84	300.00	56.85	300.00
TOTAL 1. Facility Management	32,332.67	52,700.00	84,506.29	47,450.00
2. Administration				
a. Check Charge	145.24	100.00	95.55	100.00
b. Copy Service	2,564.14	3,800.00	3,748.10	3,800.00
c. Office Sup.	1,989.38	1,500.00	1,572.53	1,200.00
d. Postage	913.20	850.00	978.48	600.00
TOTAL 2. Administration	5,611.96	6,250.00	6,394.66	5,700.00
TOTAL D. Operations	37,944.63	58,950.00	90,900.95	53,150.00
E. Programs				
1. Advertising	3,177.96	1,870.00	2,499.30	500.00
2. Conventions	225.00	300.00	-	300.00
3. Education				
a. Adult	393.69	100.00	775.68	300.00
b. Sunday School	1,591.36	1,900.00	1,567.54	1,600.00
c. Day Camp	3,242.02	2,600.00	1,992.39	2,600.00
Subtotal 3. Education	5,227.07	4,600.00	4,335.61	4,500.00
4. The Lutheran	477.11	500.00	490.92	500.00
5. Fellowship and Hosp	963.22	1,250.00	955.25	1,000.00
6. Social Ministry	-	100.00	-	100.00
7. Worship				
Worship	1,338.44	1,800.00	2,512.56	1,800.00
Music	905.80	1,000.00	858.14	1,000.00
Altar Guild	425.99	500.00	367.63	300.00
Special	-	-	-	-
Subtotal 7. Worship	2,670.23	3,300.00	3,738.33	3,100.00
8. Pastor's fund	268.40	500.00	218.16	500.00
9. Council	-	100.00	34.62	50.00
910. Fund Raisers	1,063.86	100.00	-	5,000.00
TOTAL E. Programs	14,072.85	12,620.00	12,272.19	15,550.00
TOTAL EXPENSES	167,817.09	192,800.00	217,777.73	192,616.00
<b>OVERALL TOTAL</b>	<b>14,417.97</b>	<b>-</b>	<b>(6,790.06)</b>	<b>(15,316.00)</b>

**2010 PROPOSED BUDGET**

Category Description	2008 Actual	2009 Budget	2009 Actual	2010 Budget
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Overview of Significant Changes to the Budget:

**INCOME**

Designated-Buildings: Set at \$25,000 in anticipation of repair/replacement costs due to water damage to building.

**EXPENSES**

Salaries: There are no raises or cost of living increases due to the overall financial situation.

Pastor Benefits: This cost could increase by as much as \$10,500 due to health insurance benefits to be paid for the pastor.

Advertising: Decrease is due to discontinuing large yellow-page ad with SOTH logo. This was discontinued toward the end of 2009.

This budget reflects an overall shortfall of about \$15,000 in operating funds and an additional \$25,000 for repairs/improvements to the building. The Council proposes that the church make withdrawals from its investments in order to fund these shortfalls.



2010  
Shepherd of the Hills  
Committee Reports

## Welcoming Committee Report

The Welcoming Committee is responsible for outreach to our community. We have a reputation for being an open and friendly congregation. Being called to be a light of hope showing God's love for us and everyone, we do this in many ways. Most importantly we do it through worship services but also through programs among them Sunday School, Vacation Bible School, Adult Education, Advent Fair, Christmas Pageant, plus local and worldwide social service projects, neighborhood barbeques and picnics,. These help fill the needs and desires of our members as well as others in our community and the world. But we need to tell our story and make everyone who comes or is served to feel welcome. We do this by:

Sending cards inviting our neighborhood to special services at Christmas and Easter.

Sending notes to visitors who register, thanking them and inviting them to return.

Meeting our larger community and telling our story by manning a booth at the Solano stroll. This year at a wonderful new location it was a very successful endeavor.

Thank you everyone who participated.

Along with the choir, caroling at Christmas, this year on Solano Ave. We handed out cards with a schedule of special events, inviting them to come.

Announcing special interest events such as our Earthquake Preparedness presentation in local newspapers.

Posting programs on our Website – [www.sothb.org](http://www.sothb.org) - making them known to everyone.

Now, we all can help by making a special effort to talk to newcomers and make them feel welcome. In 2010 we will be celebrating 50 years in our present sanctuary and a few more years as a congregation. Dedicated to Christ, what an opportunity to shine our light and advance our mission!

The committee – Gust Hendrickson, Christopher Larsen, Deborah Larson, Sam Arriola, and Allison Hines – asks what else should we be doing? We welcome your ideas and would be very pleased to have you join the Committee.

Gust Hendrickson  
Welcoming Committee Council Liaison

## 50<sup>th</sup> Anniversary Committee

Members of the 50<sup>th</sup> Anniversary Committee have been hard at work in 2009 planning for our 50th year of worship in our church. Members include Gifford Dickel, Gust Hendrickson, Laurie Holland, Marsha Atkinson, Felicia Robertson, Carol Starr and Pastor Katie.

Plans include producing an historical brochure and creation of a photo and artifact display. We are hoping to have a special Sunday worship at the Seminary, as we worshipped there before we started worshipping in our current building for the first time on March 6, 1960. We have selected Sunday, Sept. 19, 2010 as the date for our anniversary worship service and luncheon event. We spent several months gathering names of former members and friends and sent out a Save The Date postcard to all to ask them to plan on joining us Sept. 19<sup>th</sup>. Tony Griffing-Morse designed a 50<sup>th</sup> logo, which we are using on our materials and we hope to produce a souvenir pin with this design. We are looking for help for a children's activity or project, possibly involving tie-dye tee-shirts, connecting back to our 60's roots. We expect to do a fund-raising event, perhaps a wine and chocolate tasting, to help us pay for these various activities.

Carol Starr — Committee Chair

### 2010 Annual Report: From your Parish Administrator

I would like to open with my thankfulness to each and every member of the congregation for welcoming me into my new position wholeheartedly. I also appreciate the immense patience with my mistakes as I have adjusted to the Lutheran Liturgy and your way of life in the parish. Having completed my third month of employment at Shepherd of the Hills, and with your suggestions, I am in the final stages of adjustment and will be a full force administrator for the 2010 year. In my first three months here we have:

- Returned our postage meter and moved to stamp usage to cut the cost of mailings.
- Begun negotiations on our copier contract to maximize our cost effectiveness of printing.

I have outlined my goals for improvements to the overall church organization as follows:

- Continue the 'New Filing' system put in place on the church computer by my predecessor Elenka Proulx.
- Establish a proofreading system in order to both ensure the quality of all publications and further involve congregational members interested in volunteering their time.
- Reorganize all office supplies into a coherent and easy to follow system that all necessary congregation members and staff can use.

If any member of the congregation has particular (or general) suggestions for my improvement and the improvement of the church publications please do not hesitate to email me at: [office@sothb.org](mailto:office@sothb.org) Above all my primary goal is to allow the church to achieve its highest potential with the best of my abilities.

In God's Grace,  
Cameron McKee

## Adult Education Committee Report

After an initial meeting earlier in the year our committee developed an Adult Education Questionnaire that could be filled out on the web or on paper. Results of the questionnaire were discussed in a follow-up meeting and used to guide us in coordinating Adult Education material and events.

During Lent after a shortened service, a number of chapters from a DVD video series titled - "How Lutherans Interpret the Bible" by Mark Alan Powell were taught. Our teaching parish student Olaf Baumann, introduced each video and led the discussions after each session. The full video series can still be viewed on the SOTHB website at <http://sc.sothb.org/ed.html> . There are 7 video sessions, each lasting around 25 minutes.

During the summer we organized three "Dinner and A Movie" Adult Ed nights. For June, we served pizza and played Rick Steves' Iran. In July it was the movie "Super Size Me" with burgers for dinner. The 3rd installment was chili and the movie "What Would Jesus Buy?". Luanna Baumann, our second teaching parish student led the talks and discussion after the movies.

Midweek evening Bible Study classes were also offered and temporarily suspended because of low attendance. There were also pre-worship lectionary-based studies given by Christopher Larsen before Advent. During Advent there were a series of classes offered after the shortened worship service while the children rehearsed for the Christmas pageant. Pastor Katie started off the series, with Emily Wineland and Andrew Kitzing each teaching a lesson.

The Adult Education Committee is looking for new ideas for speakers and for individuals who would be willing to act as their host. Please give your suggestions to Sam, June or Pastor Katie. Your help will be greatly appreciated in making our programs ones that would appeal to and meet the needs of both our congregation and our community. We also are looking for volunteers to join our committee. We will be having our first meeting for old and new committee members after church in early March. Look for an announcement in the Sunday bulletin and plan to attend.

Adult Education Committee,  
June Hopkirk, Chair

## **Annual Report: Music at Shepherd of the Hills**

The exciting news for the choir this year is the addition of five new singers. It has been a real treat for all of us to develop a new energy and a new sound. New music this year included works of well-known composers such as Monteverdi and Bach, as well as contemporary works from Elliot Z. Levine, Malcolm Archer, and Roger Ames. This year's Reformation Sunday featured chorales from one of Bach's Reformation Cantatas, Cantata No. 79: Gott der Herr ist Sonn und Schild (God is a Light and Shield).

The children's choir enjoyed learning the folk song "All God's Creatures Got a Place in the Choir," and led the congregation in singing the tune on St. Francis Day. This year's Christmas pageant, directed by the Eastenders Repertory Company, gave the children an opportunity to sing some Christmas favorites—"Good King Wenceslas" and "Away in a Manger."

The adult choir rehearses every Thursday night from 7:30 to 9:00 in the sanctuary. The choir generally sings every other Sunday, with rehearsals at 9:15am on those days. The children's choir rehearses after church on Sundays to prepare occasional anthems to share in services.

Some highlights of the organ repertoire this year were works by Bach, Brahms, Mendelssohn, Distler, Titelouze, and Froberger. Contemporary composers Robin Dinda, Calvin Hampton, and Paul Manz were also represented.

Several musicians within the congregation have shared their talents in worship this year. A kind thank you to Paul Heggeseth, Brianna Hirst, Karl Kelley, Gretchen Kell, and Elenka Proulx for their contributions to the liturgy.

Please feel free to share your input on the music program with me, either in person, or by telephone or e-mail.

Evangeline Wolfe  
Director of Music

(607) 351-8392  
evangeline.wolfe@gmail.com

## Childhood Ministry Committee

Children's Ministry is one of the central ministries of Shepherd of the Hills. With approximately 40 children from nursery through high school we have a lively and growing program.

Matilde Andrade continued in her third year as our nursery coordinator. We are grateful for Matilde's continued connection and attention to our youngest members. Due to financial limitations and the fact that the children who were in the nursery most frequently are aging out of the program, Matilde has agreed to go to a more part time status in the next year. Matilde will come to church each Sunday for a set fee but will be released (at reduced pay) if nursery aged children fail to arrive by 10:15AM.

Sunday School continued its usual patterns in late 2009. From January through Epiphany and through the Easter season we offered three separate classes, two of mixed age and one for the youngest students.

During Lent Pr. Katie led a five-week session with the children emphasizing the use of the Word. The children learned memory verses and eagerly dove into the Bible.

This summer we enjoyed our third year of Summer Day Camp in partnership with All Souls Episcopal and led by Mt. Cross Lutheran Camp. Over 20 children participated along with numerous volunteers from the church. Johanna Reneke coordinated.

The 2009-2010 Sunday School year began Sunday, August 30. Several different classes were offered for the youth of our church: a Pre-Reader class (approximate ages 4-6), Reader (app. ages 7-9), or Pre-Confirmation (app. ages 10-11).

The Pre-Reader class worked with traditional Godly Play stories and materials. This process invites to children to imagine themselves in the stories, as part of God's family, and to wonder about meaning and identity.

The Reader class opened the Bible together and read the stories to each other, and was then led in Godly Play reflections and engaged in reflective work.

The Pre-Confirmation class spent more of the service in church, gathering downstairs during the sermon to reflect upon the readings. These children will begin to experience liturgy in its literal sense – as the work of the people of God.

Godly Play work, which is reflective work with tactile materials, was integrated into the curriculum for each Sunday, and individual trays were provided so that children could continue to work on material from previous weeks if they so desired.

Thanks go to the Sunday School teachers: Jeanne Kreter-Killian, JoAnn Skinner, Chris Larsen, Johanna Reneke, Jay Hines-Shah, Janet Jacobsen, Jane Schwarzbart, Susie Barnes, and Anna Kell.

Our Sunday School Coordinator, Christopher Larsen, has found it necessary to resign this position after gaining full-time employment with Contra Costa Juvenile Probation.

Johanna Reneke lead the children's events of 2009 including the Easter Egg Dying Event, the Pumpkin Carving / Day of the Dead Event, and the Advent Craft Fair.

This year was the second year of our first joint confirmation program. Pr. Katie and the pastors and interns from our sister churches in Berkeley, Lutheran Church of the Cross and University Lutheran Chapel, led a group of 8 middle-schoolers. Five students were confirmed at our festive joint worship service at The Chapel of the Cross at Pacific Lutheran

*(Childhood Ministry cont)*

Theological Seminary on Pentecost Sunday. The two students confirmed were Elizabeth Kreter-Killian and Erik Andersen. After a semester break, confirmation classes have resumed this January with four students from Shepherd of the Hills. We anticipate one confirmation in the coming year.

With our first confirmations in some years, the Berkeley Lutheran Churches have started to explore starting a youth group for post-confirmation aged youth. Elenka Prolux from our church will help lead the group with other volunteers.

This year we applied for a grant to help oversee our children's ministry programs. Unfortunately, we did not receive it. This means that we will continue to need increasing volunteer support if we are to keep our programming vibrant. Please continue to keep our Children's Ministry Program in your prayers and continue to assist with your time, talent, and your financial gifts.

Deborah Larsen  
Committee Chair

### **The Social Concerns Committee Report 2010**

The Social Concerns Committee organizes outreach events to benefit the local and global community. The group met twice in Spring and in Fall. Members of the congregation had the chance to get involved in various projects.

#### Local Community

- The Thanks Offering went to Heifer, to the Dorothy Day House (provides breakfast for the homeless) and to clean water projects.
- The Handwork Group met monthly and worked on 46 scarves for homeless people through San Francisco Night Ministry and 12 baby caps, 12 baby blankets and 3 lap robes through the Global Health Ministries. The group provides the material and teaches to knit or to crochet.
- In 2009 SOTH supported again the homeless youth shelter YEAH (Youth Engagement, advocacy and Housing). This year several members of the church cooked in the church kitchen. This way, approximately 30 young people could be fed with a warm meal every second Sunday of the month.
- Thanks to the Giving Tree project during advent season we were able to donate many beautiful and meaningful gifts to the GRIP family shelter in Richmond.

#### Global Community

- In partnering with Lutheran World relief, 70 school bags were sent worldwide to students in need. The bags were mainly sewn by one member, but assembled with school supply by children during the summer camp. We donated money to cover the cost of handling and sending the kits.
- Inspired by the Advent Conspiracy video we encouraged the congregation to invest less money in buying endless, often unwanted gifts and making handcrafted meaningful presents instead. The money saved could be donated to clean water projects or to Heifer and to the Lutheran World Relief.

We hope to continue some of our projects in 2010 and find new ways to be engaged and make a difference in the world.

— Gabriela Gerlach (Committee Chair)

## Building and Grounds Report

Our church building is our single largest investment as a church. This year we will celebrate the 50<sup>th</sup> anniversary of our church building's completion. We are proud that our church is paid off (no mortgage) and in generally good condition. We are grateful to generations of Buildings and Grounds committees who have kept this place for us and we are proud of our work to continue to maintain this gift from God.

This year the big projects of building and ground were – getting the accessibility project installed, dealing with our record rain levels and consequent flooding, and working with our neighbor on tree removal.

The accessibility project is nearly totally complete. Handrails and new sidewalks were installed, the asphalt upstairs and down was improved, and a new edging was put in along the new sidewalk to prevent erosion of the soil above. The stairs were widened and strengthened and the chair lift was installed.

There have been a number of problems getting the chair lift to operate reliably. We are still working with the contractor to adjust the chair lift properly and will not formally accept the project as complete until the chair lift runs consistently.

This fall and winter the constant rain has revealed some leaks along the foundation, near the patio sandbox. Water spreads along the floor, especially in the storage room and the adjoining nursery area, soaking items stored on the floor and the rug in the nursery. Temporary drains have been set up to direct downspout water onto the patio area for now. Pastor Katie and other volunteers have shifted many items from the storage room floor, and have gotten rid of the water by vacuuming up the puddles with a newly purchased wet/dry vacuum, then mopping up the residue.

Several problems led to the inflow: First, the drain line to the street from the downspout has collapsed, permitting heavy flows from the downspout to back up and flood the sandbox area. This flooding permits water to seep under the walls into the building. This water from the downspout has been redirected with a temporary drain line. Second, another drain on the other side of the building, near the Sanctuary door, also feeds into the now-collapsed line to the street. During heavy rains, water backs up from the blocked drain line, causing additional flooding. Tom Simonen has cleared sand away from the area, so overflowing water now drains onto the patio, rather than collecting around the foundation.

The sandbox needs to be relocated, rotten mudsills and wall need to be replaced, and the entire area sealed. In addition, the decomposing door nearby needs replacement. The Council has approved repair funds, a contractor has been hired, work permits are in hand and a new door and permanent repairs will commence as soon as the weather is favorable. The estimated cost is about \$2300.

*(Building & Grounds cont.)*

A larger problem is the condition of drain lines around the building. Ideally, the old broken composition pipes would be dug up and replaced with lines that will last another fifty years or more.

For some time now we have been worried about the large Monterey pine overhanging the east side of the church roof. The pine is on a neighbor's property. Previously our neighbor trimmed the tree at our urging. This year we sent her a letter detailing our concerns and asking that the tree be removed. This winter the neighbor contacted us wanting to find a way to remove the tree and seeing if the church could help financially. While our finances are tight, we are exploring ways to partner with our neighbor, possibly removing the tree ourselves, having the neighbor pay for the project, and offering her a tax benefit. We will be exploring those options in the coming weeks.

We continue to work on general maintenance, replacing woodchips and sand in the play yards, fixing minor leaks, painting and replacing light bulbs and the like. Each year we hold a few workdays for the whole parish and look to all of you to help us keep our church building in good order. Thank you for your help and support.

Bob Flath  
Committee Chair

## **Worship Committee Report**

Worship is the heart of what we do at Shepherd of the Hills. When we gather together to praise and pray, to take part in the Sacraments and hear the Word, we come to the heart of what it means to be a Christian people.

This year, under the leadership of Pr. Katie, our Music Director, Evangeline Wolfe, and our Worship Committee we continued to design worship using a variety of liturgies in a format that is easy to follow.

We held our usual festivals and feasts. In Lent we had midweek services led by teaching parish student Luana Baumann centering on meditations on images of Christ with specially selected music. Special worship highlights included a re-designed Maundy Thursday Seder, and a reflective Good Friday led by teaching Parish Student Olaf Baumann utilizing abstract artwork created by the congregation. This year we again had two Christmas Eve Services, one geared toward families and a later, more contemplative service.

A big highpoint of our worship this year was the joint confirmation with Lutheran Church of the Cross and University Lutheran Chapel. A celebratory worship service was held in the Seminary Chapel.

The two confirmations from our church were Erik Anderson and Elizabeth Kreter-Killian.

During the summer of this year the worship committee worked to integrate children into our worship services. With the help of Candy Simmonen for the first time we recruited children ushers to work in partnership with adults. Children continue to acolyte and have new robes made by Frida Flath. Several children have begun to act as lectors as well.

We made a new set of Advent banners designed by Tony Morse and made by him with help from the Handwork Group and other members of the congregation.

Attendance at worship has held fairly steady with an average of 74 (down from 76 last year). Easter attendance was almost exactly the same as last year and Christmas was up considerably we think because of the Welcome Cards distributed in the neighborhood.

We had four baptisms (including 2 surprise baptisms at Easter), one funeral and one wedding.

This year we intend to streamline our worship volunteer system to ensure better Sunday morning coverage. We are grateful for the many volunteers who help make our worship lively and vibrant.

Candy Simonen  
Committee Chair

## House Committee Report - 2009

In my initial year of being the House Committee Chair, I relied a lot on mentoring from Susie Barnes, our previous House Committee Chair, Felicia Robertson, our previous Event's Coordinator, and Pr. Katie. In 2009, we continued to function as an "efficient crew of independent operators", an expression coined by Susie B. who has also continued her involvement by taking on the "Costco Warrior" responsibility. Two mainstays who continue to provide leadership and coordination for House Committee responsibilities are Frida Flath for "Meal Trains/Care & Concerns" and Dee Hughes for "Coffee Hour".

For clean-up coordination, we didn't have as many workdays as previous years. We had one in the Spring and one in the Fall. A great big thanks to all who came in during the week and on the Saturday Workday mornings to fulfill their self-assigned clean-up task.

Also, thanks to all who keep the church clean and orderly throughout the year. I believe two of these clean-up workdays are all that is necessary per year, with the caveat that we organize as-needed mini cleanup projects, when necessary. For example, the upcoming 50th Year Church Anniversary Celebration and Annual Christmas Pageant/Potluck.

In addition to SOTH (Shepherd of the Hills) Church events, the House Committee and the Parish Administrator are involved with coordinating rentals of our Fellowship Hall. Application forms for use of our church facilities can be found on the SOTH website. The Church events our House Committee was involved with this year were the Seder (April 12th), the Pentecost Confirmation Picnic (May 31st), the Seminarian Welcome Dinner (Sept. 3rd), and the Annual Christmas Potluck (Dec. 20). The common thread in all of these events is that they need some coordination for a "meal" to be created and served. Although these events are not quite back-to-back and happen over the course of a year, any single Event Coordinator will feel like they come one right after the other. This was my experience and based on this, I feel we need 4 event coordinators, one for each annual meal based event. We have a model for this already, Connie Tempelis previously organized the annual Seder for many years. Lets try this and find a "Connie" for each one of these events. To start, I will volunteer as the Pentecost Picnic Coordinator but I will withhold my final choice in case someone else wants to volunteer. If anyone is interested, please contact me to discuss or volunteer to be coordinator for any one of these 4 events.

Sam Arriola  
House Committee Chair.

**Shepherd of the Hills Lutheran Church  
Investment Balances and Proposed Fund Designations**

Investment Balances at 12/31/09

Thrivent	245,749
Mission Investments	5,078
Total	250,827

Proposed Fund Designations (see below for descriptions)

Capital Improvements	100,000	long-term investments for future capital improvements or repairs
Mission Mini-Grants	45,000	investment earnings will be used to fund grants
Emergency Fund	105,000	six months' operating expenses plus \$25,000 for building repairs; invested in safe, liquid investment vehicle
Total	250,000	

Some of the emergency fund potentially will be needed in the near term, so we recommend that these funds be invested in a short-term (90-day maturity or less), liquid investment vehicle. This total will be \$105,000. The remaining \$145,000 is to be invested for the longer term. We recommend investing these funds in a mix of equities to achieve some growth in the principal.

Capital Improvement Fund

The Capital Improvement Fund will be money set aside for the purposes of

1. Expanding the church building
2. Adding features to the building that improve its accessibility
3. Improving the grounds surrounding the church

These funds (interest and capital) will be utilized with the understanding that any project seeking to use them will include a capital campaign that raises funds from the congregation.

Mission Mini-Grants

The Mission Mini-Grant fund will be money set aside for the purposes of promoting congregation member participation in Christian activities beyond Shepherd of the Hills. Priority will be given to Lutheran (ELCA) activities. Examples include

1. Mission trips (examples: Work for natural disaster relief)
2. Educational Opportunities (examples: Mt. Cross tuition, aid to pay for seminary, short term classes at the GTU)
3. Prayer and worship retreats
4. Organizational Meetings (WELCA, Lutheran Youth Experiences, National Assembly etc)

Each year a part of the investment earnings on the fund will be dispersed in "mini-grants." A committee will be formed to oversee the applications for and issuing of these grants.

Rainy Day Fund

The Rainy Day Fund will be money set aside for the purpose of paying for ongoing operating expenses or emergency repairs during a time of need. These funds (interest and capital) will be made available by the decision of the majority of the church council when under \$5K is needed and by majority vote at a congregational meeting when the expenditure is over that amount.

## Council President's Report for Annual Meeting January 31, 2010

Another year has passed, brings us a full decade into the 21<sup>st</sup> Century, and I am continually amazed at how quickly time passes and how much we have done together as a Christian Community, worshipping our Lord and living out our mission of service. This past year has seen many changes in both our building and our congregation.

Your Church Council was blessed to welcome 4 new council members, including Deborah Larsen, June Hopkirk, Gabriela Gerlach and Kim Traynor. Re-elected to Council were Connie Templis, Sam Arriola, and Gust Hendrickson. The Council worked hard all year, with monthly meetings, and a half day retreat held on May 16 to help our focus on our mission and goals.

The biggest goal we achieved was the much-needed Accessibility Project. We were fortunate in receiving a grant from Mission Investment Endowment for \$20,000 for our project, which turned out to cost \$61,000. Bishop Mark Holmerud attended our service and helped with our Groundbreaking ceremony on February 22, 2009. We are very grateful that our congregation was able to raise the rest of the fund for this project, which included a new sidewalk, railings along the hillside, pavers making the sidewalk look professionally finished, and, of course, the chair lift to the Fellowship Hall and bathrooms, making our downstairs finally truly accessible for the first time. Although the chair lift ran into some mechanical and electrical problems during the installation over the summer and fall months, we were finally able to dedicate the working Chair Lift on January 10, 2010. We owe a debt of gratitude to Gifford Dickel, who spent countless hours at the church with the contractor and installers figuring out how to move the project forward.

Our Administrative Assistant resigned, twice this year! First, Chris Larsen, decided he needed a full time position and left us the end of March. We were fortunate to be able to hire Elenka Proulx, a member of our church, for this part time position in April. Then in October, Elenka was offered a full time position with her other half time job. We turned again to recruiting and were fortunate to be able to hire Cameron McKee, a sophomore at UC Berkeley. In both cases, the out-going administrative assistant gave us good notice about their upcoming departure and helped in the training and transition process. We are hopeful that we will have Cameron with us for a substantial period of time (until her graduates?!).

This year I attended the Synod Assembly, for the first time, when it convened in Fresno, May 28-30<sup>th</sup>. I found it to be a very inspiring and spiritually fulfilling experience. I learned a lot about the way our Synod works, I was able to spend quality time with our Pastor, benefitting from her knowledge and wisdom, and I came away having volunteered to be on the Synod's Leadership Discipling Team. This is a group of clergy and lay members who focus on projects that support our pastors. They meet 4-6 times a year and I am just beginning to get to know the members and become a helpful participant. I also attended the District Meeting held at PLTS on Oct. 11<sup>th</sup>.

Our church joined with the other two Lutheran churches in Berkeley to hold joint confirmation classes, with a joint Confirmation held on Pentecost, May 31 at PLTS. We were all proud to receive Elizabeth Kreter Killian and Eric Andersen into adult membership in our church!

We did lose two members in death this year. Sibly Ann Donn died on June 3<sup>rd</sup>. Nancy Lee Peterson died on July 3<sup>rd</sup>. We know they are both now with our Lord and find solace in the promise Jesus gives us that he will take us to him when we die.

As we look forward to 2010, we know we have both challenges and celebrations. This year marks our 50<sup>th</sup> anniversary of worshipping in our current building. We have a wonderful celebration planned for Sunday, September 19<sup>th</sup>, with a special worship service and catered luncheon to follow. Please mark the date and plan to attend. We have already gotten confirmation from our Bishop that he will join us for this momentous occasion.

Perhaps because our building is 50 years old, we should not be surprised to find that one of our challenges will be to fix the leakage and drainage problems downstairs. And another challenge is the economic one. Our 2010 budget is in the red, as pledges have not, to date, indicated we will receive the necessary money to support our current mission. Prayer and service will help us resolve together how we can continue to bring Jesus' promise and message to our community and to the world.

Thanks be to God for giving me this opportunity to serve you as your Council President. I am truly blessed and humbled to be the Council President of such a wonderful Christian Community. Together I know we will rise to our challenges and celebrate our successes in 2010!