



ANNUAL MEETING

JANUARY 29, 2012

Shepherd of the Hills Lutheran Church
401 Grizzly Peak Boulevard
Berkeley, CA 94708
(510) 524-8281

Staff

Pr. Kim Hassan
Carl Bear
Paul Heggseth

Pastor
Music Director
Parish Administrator

pastor@sothb.org
music@sothb.org
office@sothb.org

Committees

- ❖ Adult Education
- ❖ Building & Grounds
- ❖ Childhood Ministry
- ❖ Finance
- ❖ House
- ❖ Social Concerns
- ❖ Worship & Music
- ❖ Welcoming

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SHEPHERD OF THE HILLS LUTHERAN CHURCH

401 Grizzly Peak Blvd. Berkeley, CA 94706
(510) 524-8281 | www.sothb.org | office@sothb.org

Shepherd of the Hills is an open and affirming congregation of the ELCA.

Rev. Kim Hassan

Pastor

pastor@sothb.org

Carol Starr

Council President

president@sothb.org

Carl Bear

Music Director

music@sothb.org

Paul Heggeseth

Parish Administrator

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Welcome to long time Lutherans
Christians from every tradition
and people new to the faith.

Welcome to all who have no church home
want to follow Christ, have doubts
or do not believe.

Welcome to new visitors and old friends.

Welcome to people of every
age and size
color and culture
sexual orientation and marital status
ability and challenge.

Welcome to believers, questioners
and questioning believers.

This is a place where you are welcome to:
celebrate and sorrow
rejoice and recover.

This is a place where lives are made new.

Welcome on this day.

MEETING AGENDA

1. Pastor's Report
2. Council President's Report and Approval of 2011 Council Actions - Carol Starr
3. Treasurer's Report - Kim Traynor
 - a. Review 2011 Budget Year
 - b. 2012 Budget
4. Election of 2012 Council
5. Committee Reports
6. Other Business
7. Adjournment

PASTOR'S REPORT | PASTOR KIM HASSAN

Welcome on this day! In the past few months as I have lived out my call among you at Shepherd of the Hills, I have found you all so welcoming of me and of each other. I have enjoyed getting to know you and appreciate all that you do so serve one another and this community.

A few weeks after starting here, I was with Malik in the car. All morning as we were getting dressed, he knew that we were going to leave the house. He kept adamantly pronouncing, "I go to my church . . . I go to my church!" I informed him that it was his day to go to daycare but that he could go with church with me another time. To this he replied, "I go to my church!"

As we pulled out of driveway, I backed the car out and headed toward Malik's daycare. Immediately, he yelled, "Church is that way," as he points to the opposite direction of we were headed but exactly the right direction we needed to be going in order to go to church. Almost everyday, at some point of the day, Malik proclaims, "I go to my church." And every time it makes me smile to know that he feels so comfortable at church, knows some of you by name, understands and can participate in the flow of worship, learns in the Godly Play time, and runs like the other youth with sincere joy up to communion.

And it makes me wonder, what more can we do for one another and for the community around us that we are called to serve, to make you/them feel this welcome. More and more people in this country find the church judgmental and irrelevant. What would make them and you to feel comfortable and excited to say, "I go to my church!"

There are so many thank you's to all who have made these first months so wonderful. I want to take time to thank the call committee for their conversations, honesty and faith: Carol Starr, Laurie Holland, Sam Arriola, Paul Heggseth, and Johanna Reneke. Thank you also to the Council and all of their dedication, vision and passion for SOTH: President Carol Starr, Gary Anderson, Steve Holland, June Hopkirk, Ernesto Munoz-Lamartine, Sarah Olsen, Candy Simonen and Kim Traynor,

I have deep gratitude and appreciation for the Music Director, Carl Bear. He has great knowledge of liturgy, music and prayer and the flow of worship. With his insight, we have created meaningful worship for Reformation, All Saints, and my installation. Advent was well received by all ages. I will never forget the excitement of the youth as they almost tipped over the Baptismal bowl and Advent Wreath just so that they could insure their branch was properly soaked to help all of the congregation remember their Baptism.

Thank you to the Paul Heggseth for his ability to begin running as the Parish Administrator. Not only did he start with a new pastor but he started at one of the busiest times in the church year. Please continue to be patient as he converts our office to a more efficient and clean place. Thank you also to Matilda Andrade. I am so excited that we have young children again in our community and I thank Matilda being so kind and good for our families allowing all to worship as they are able.

As I think back in to just the few months I have been here I am thankful for: Confirmation, Godly Play Sunday School, Halloween and Advent Craft Fairs, Middle School Retreat, Christmas Pageant and Potluck, Weekly Worship, Communion Bread, Christmas Eve Services, Farewell for Olaf and Luana Baumann, Priscilla's Circle, Book Club, Reflections, Prayer Ministry, Handicraft Group, Quilt Group, PLTS Seminarian Dinner, GRIP tree, YEAH Dinners, Adult Ed/Social Concerns Joint Advent Presentations, and Leafs! Thank you to all who were behind the scenes to make all of these gatherings meaningful and so faithful!

In order to continue to be a place of Welcome, I suggest two areas of focus in the upcoming year. We will continue our Advent theme of Remembering our Baptism. In our baptism, we are forgiven and reborn, connected to Jesus' life, death and resurrection. Baptism gives us the gift of a new beginning every day. This theme will not only appear in worship but I hope they can be part of our Lenten discussion, Godly play, our prayers and our interactions with one another as we live as a welcoming community

Baptism also connects us to the "storied waters" of the whole body of Christ. We are not only called to live wet among each other but are called to live wet in the world as we share the message of Emmanuel, God with us. As we daily live our Welcome Statement in our interactions among family, friends, neighbors, co-workers and strangers, we bring the light of Christ. We are called to proclaim to them, "You are God's beloved. In you, God is well pleased." In response, I believe that people will want to be a part of our community at SOTH to learn how to daily live as baptized people in the world.

In the next year, I hope that you will dream big with me on how we can use the gifts we have to feed the longings of this community and those we meet that also need to feel the true welcome and light of Christ in their lives. Living in God's grace, we will have the courage and passion to live wet and to declare, "This is a place were lives are made new." Amen!

Blessings,
Pastor Kim Hassan

COUNCIL ELECTIONS

Five new council members will be elected to the Church Council.

Both Gary Andersen and Ernesto Munoz-Lamartine stand for reelection for a second 2-year term.

Three will be for a two year term and two will be for a one year term.

Candidates will be announced on Jan. 29, 2012.

Budget 2011 - Last year:6

1/1/2011 through 12/31/2011 Using Budget 2011

1/9/2012

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Category Description	1/1/2011 Actual	- Budget	12/31/2011 Difference
INCOME			
A. Operating			
1. Envelopes	120,790.60	123,000.00	-2,209.40
2. Plate	2,174.90	3,000.00	-825.10
3. Seasonal	2,772.00	3,000.00	-228.00
4. Designated			
a. Buildings			
Other A. Operating:4. Designated:a. Bu...	0.00	5,000.00	-5,000.00
TOTAL a. Buildings	0.00	5,000.00	-5,000.00
b. Other			
ii. Education	21.00	0.00	21.00
ix. In Kind	215.66	0.00	215.66
vii. Day Camp	2,861.39	0.00	2,861.39
Other A. Operating:4. Designated:b. Ot...	0.00	4,000.00	-4,000.00
TOTAL b. Other	3,098.05	4,000.00	-901.95
c. Thrivent	290.00	0.00	290.00
e. Fundraiser	0.00	2,000.00	-2,000.00
TOTAL 4. Designated	3,388.05	11,000.00	-7,611.95
5. Prin & Inter	233.71	0.00	233.71
6. Other	5,045.00	0.00	5,045.00
TOTAL A. Operating	134,404.26	140,000.00	-5,595.74
B. Building Use			
1. Weddings	0.00	150.00	-150.00
2. Other			
b. Tuesday Painters	180.00	0.00	180.00
d. Monkey Business	500.00	0.00	500.00
Other B. Building Use:2. Other	629.00	2,000.00	-1,371.00
TOTAL 2. Other	1,309.00	2,000.00	-691.00
TOTAL B. Building Use	1,309.00	2,150.00	-841.00
C. Benevolence			
3. Other			
a. Thankoffering	2,170.14	0.00	2,170.14
b. Heifer Project	4.00	0.00	4.00
Other C. Benevolence:3. Other	1,493.00	5,000.00	-3,507.00
TOTAL 3. Other	3,667.14	5,000.00	-1,332.86
TOTAL C. Benevolence	3,667.14	5,000.00	-1,332.86
D. Transient			
2. Coffee	-176.30	0.00	-176.30
TOTAL D. Transient	-176.30	0.00	-176.30
TOTAL INCOME	139,204.10	147,150.00	-7,945.90
EXPENSES			
A. Benevolence			
1. Synod	6,000.00	6,000.00	0.00
2. PLTS	1,000.00	1,000.00	0.00
3. Other			
a. LWR	1,450.00	0.00	-1,450.00
d. Heifer	570.00	0.00	-570.00
Other A. Benevolence:3. Other	2,215.00	5,000.00	2,785.00
TOTAL 3. Other	4,235.00	5,000.00	765.00

Budget 2011 - Last year:6

1/1/2011 through 12/31/2011 Using Budget 2011

1/9/2012

Page 2

Category Description	1/1/2011 Actual	- Budget	12/31/2011 Difference
TOTAL A. Benevolence	11,235.00	12,000.00	765.00
B. Pastor Pack.			
1. Compensation			
a. Salary	9,350.00	10,200.00	850.00
b. Housing	4,400.00	4,800.00	400.00
TOTAL 1. Compensation	13,750.00	15,000.00	1,250.00
2. Pension-Ben.	11,964.11	14,995.00	3,030.89
3. Continuing ed or Other	1,758.91	3,300.00	1,541.09
TOTAL B. Pastor Pack.	27,473.02	33,295.00	5,821.98
C. Employees			
1. Payroll Tax			
Federal	304.98	0.00	-304.98
Fica	1,823.04	2,257.00	433.96
Medicare	426.52	528.00	101.48
State	55.14	0.00	-55.14
TOTAL 1. Payroll Tax	2,609.68	2,785.00	175.32
2. Worker Comp	1,650.00	2,000.00	350.00
3. Music Dir.	11,945.90	11,500.00	-445.90
4. Administrative Asst	8,449.15	8,900.00	450.85
6. Supply Organ	525.00	700.00	175.00
7. Supply Pastor	600.00	1,600.00	1,000.00
8. Babysitter	320.00	1,000.00	680.00
8b. Youth Coordinator	1,333.34	1,333.34	0.00
9. Interim Pastor	37,350.00	33,300.00	-4,050.00
TOTAL C. Employees	64,783.07	63,118.34	-1,664.73
D. Operations			
1. Facility Management			
a. Build Maint			
i. Operations	5,176.69	3,000.00	-2,176.69
ii. Cap. Improv			
Other D. Operations:1. Facility Mana...	3,508.94	5,000.00	1,491.06
TOTAL ii. Cap. Improv	3,508.94	5,000.00	1,491.06
TOTAL a. Build Maint	8,685.63	8,000.00	-685.63
b. Gardener	3,600.00	3,600.00	0.00
c. Custodial Services	4,680.00	4,800.00	120.00
d. Property Ins	6,561.20	3,600.00	-2,961.20
e. Property Tax	1,341.43	1,000.00	-341.43
f. Telephone	1,096.43	1,300.00	203.57
g. Garbage	1,080.48	1,099.98	19.50
h. Utilities	4,709.50	5,500.00	790.50
i. House committee	6.62	300.00	293.38
TOTAL 1. Facility Management	31,761.29	29,199.98	-2,561.31
2. Administration			
a. Bank Charges & Other Fees	0.00	100.00	100.00
b. Copy Service	4,147.06	4,200.00	52.94
c. Office Sup.	875.39	1,500.00	624.61
d. Postage	470.46	600.00	129.54
TOTAL 2. Administration	5,492.91	6,400.00	907.09
TOTAL D. Operations	37,254.20	35,599.98	-1,654.22
E. Programs			
1. Advertising	321.66	800.00	478.34

Budget 2011 - Last year:6

1/1/2011 through 12/31/2011 Using Budget 2011

1/9/2012

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Category Description	1/1/2011 Actual	- Budget	12/31/2011 Difference
2. Conventions	655.15	600.00	-55.15
3. Education			
a. Adult	418.71	300.00	-118.71
b. Sunday School	-119.46	1,000.00	1,119.46
c. Day Camp	3,582.77	3,000.00	-582.77
TOTAL 3. Education	3,882.02	4,300.00	417.98
4. The Lutheran	304.85	400.00	95.15
5. Fellowship and Hosp	659.95	1,000.00	340.05
6. Social Ministry	244.17	100.00	-144.17
7. Worship			
a. Worship	1,246.94	2,000.00	753.06
b. Music	1,000.00	1,000.00	0.00
c. Altar Guild	197.07	300.00	102.93
TOTAL 7. Worship	2,444.01	3,300.00	855.99
8. Pastor's fund	237.58	500.00	262.42
9. Council	0.00	50.00	50.00
910. Fund Raisers			
Other E. Programs:910. Fund Raisers	0.00	100.00	100.00
TOTAL 910. Fund Raisers	0.00	100.00	100.00
TOTAL E. Programs	8,749.39	11,150.00	2,400.61
TOTAL EXPENSES	149,494.68	155,163.32	5,668.64
OVERALL TOTAL	-10,290.58	-8,013.32	-2,277.26

Balance Sheet - As of 12/31/2011:41

As of 12/31/2011

1/11/2012

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Account	12/31/2010 Balance	12/31/2011 Balance
ASSETS		
Cash and Bank Accounts		
1. Mechanic's Checking	8,153.86	5,629.57
2. Memorial Funds	1,267.93	1,268.72
3. Other Savings	10,466.74	2,475.44
5a. Emergency Fund CD #1	10,020.98	10,052.32
5b. Emergency Fund CD #2	10,020.98	10,052.32
5c. Emergency Fund CD #3	10,018.88	10,048.10
5d. Emergency Fund CD #4	10,000.00	10,045.93
5e. Emergency Fund CD #5	10,000.00	10,033.34
5f. Emergency Fund CD #6	10,000.00	10,031.27
5g. Emergency Fund CD #7	10,000.00	10,031.27
6. Thrivent Investments	191,648.72	184,824.73
7. Mission Investment	5,129.32	5,173.09
TOTAL Cash and Bank Accounts	286,727.41	269,666.10
TOTAL ASSETS	286,727.41	269,666.10
LIABILITIES & EQUITY		
LIABILITIES	0.00	0.00
EQUITY	286,727.41	269,666.10
TOTAL LIABILITIES & EQUITY	286,727.41	269,666.10

2012 PROPOSED BUDGET

Category Description	2010 Actual	2011 Budget (Amended)	2011 Actual	2012 Budget
INCOME				
A. Operating				
1. Envelopes	134,236.50	123,000.00	120,790.60	118,000.00
2. Plate	3,206.41	3,000.00	2,174.90	2,500.00
3. Seasonal	2,192.00	3,000.00	2,772.00	1,500.00
4. Designated				
a. Buildings	-	5,000.00		
b. Other	4,758.02	4,000.00	3,098.05	5,000.00
c. Thrivent	810.00	-	290.00	-
d. Anniversary/Fundraiser	4,232.00	2,000.00	-	2,000.00
Subtotal 4. Designated	9,800.02	11,000.00	3,388.05	7,000.00
5. Prin & Inter	129.14	-	233.71	-
6. Other			5,045.00	
TOTAL A. Operating	149,564.07	140,000.00	134,404.26	129,000.00
B. Building Use				
1. Weddings	200.00	150.00	-	150.00
2. Other	2,616.00	2,000.00	1,309.00	1,500.00
TOTAL B. Building Use	2,816.00	2,150.00	1,309.00	1,650.00
C. Benevolence				
1. Synod				
2. PLTS				
Subtotal 3. Other	4,717.74	5,000.00	3,667.14	5,000.00
TOTAL C. Benevolence	4,717.74	5,000.00	3,667.14	5,000.00
TOTAL INCOME	157,097.81	147,150.00	139,380.40	135,650.00
EXPENSES				
A. Benevolence				
1. Synod	6,500.00	6,000.00	6,000.00	2,400.00
2. PLTS	1,000.00	1,000.00	1,000.00	1,000.00
3. Other	4,719.00	5,000.00	4,235.00	5,000.00
TOTAL A. Benevolence	12,219.00	12,000.00	11,235.00	8,400.00
B. Pastor Pack.				
1a. Salary	52,910.39	10,200.00	9,350.00	40,800.00
1b. Housing Allowance		4,800.00	4,400.00	19,200.00
2. Pension-Ben.	8,838.94	14,995.00	11,964.11	25,180.47
3. Continuing ed or Other	1,025.00	3,300.00	1,758.91	2,000.00
TOTAL B. Pastor Pack.	62,774.33	33,295.00	27,473.02	87,180.47
C. Employees				
1. Payroll Tax				
Federal	(40.37)		304.98	
Fica	4,448.86	2,257.00	1,823.04	1,427.00
Medicare	1,040.47	528.00	426.52	334.00
State	(10.89)		55.14	
Subtotal 1. Payroll Tax	5,438.07	2,785.00	2,609.68	1,761.00
2. Worker Comp	2,197.00	2,000.00	1,650.00	2,000.00
3. Music Dir.	10,287.54	11,500.00	11,945.90	12,000.00
4. Parish Administrator	8,375.25	8,900.00	8,449.15	8,900.00

2012 PROPOSED BUDGET

Category Description	2010 Actual	2011 Budget (Amended)	2011 Actual	2012 Budget
6. Supply Organ	1,050.00	700.00	525.00	1,050.00
7. Supply Pastor	950.00	1,600.00	600.00	1,050.00
8. Babysitter	1,480.00	1,000.00	320.00	2,120.00
8b. Youth Coordinator	666.67	1,333.33	1,333.34	-
9. Interim Pastor	4,500.00	33,300.00	37,350.00	-
TOTAL C. Employees	34,944.53	63,118.33	64,783.07	28,881.00
D. Operations				
1. Facility Management				
a. Build Maint				
i. Operations	3,251.93	3,000.00	5,176.69	3,000.00
ii. Cap Improvements	4,560.72	5,000.00	3,508.94	5,000.00
Subtotal a. Building Maint.	7,812.65	8,000.00	8,685.63	8,000.00
b. Gardener	3,600.00	3,600.00	3,600.00	3,600.00
c. Custodial Services	4,680.00	4,800.00	4,680.00	4,800.00
d. Property Ins	3,549.00	3,600.00	6,561.20	5,300.00
e. Property Tax	904.24	1,000.00	1,341.43	1,200.00
f. Telephone	1,491.87	1,300.00	1,096.43	1,300.00
g. Garbage	1,315.81	1,100.00	1,080.48	1,100.00
h. Utilities	5,371.36	5,500.00	4,709.50	5,500.00
i. House committee	-	300.00	6.62	300.00
TOTAL 1. Facility Management	28,724.93	29,200.00	31,761.29	31,100.00
2. Administration				
a. Bank Charges & Other Fees	69.00	100.00	-	100.00
b. Copy Service	4,920.62	4,200.00	4,147.06	4,200.00
c. Office Sup.	1,983.10	1,500.00	875.39	1,500.00
d. Postage	581.33	600.00	470.46	600.00
TOTAL 2. Administration	7,554.05	6,400.00	5,492.91	6,400.00
TOTAL D. Operations	36,278.98	35,600.00	37,254.20	37,500.00
E. Programs				
1. Advertising	1,117.88	800.00	321.66	250.00
2. Conventions	305.00	600.00	655.15	600.00
3. Education				
a. Adult	450.00	300.00	418.71	300.00
b. Sunday School	124.97	1,000.00	(119.46)	800.00
c. Day Camp	3,920.61	3,000.00	3,582.77	4,000.00
Subtotal 3. Education	4,495.58	4,300.00	3,882.02	5,100.00
4. The Lutheran	349.80	400.00	304.85	450.00
5. Fellowship and Hosp	1,118.88	1,000.00	836.25	1,000.00
6. Social Ministry	50.60	100.00	244.17	200.00
7. Worship				
Worship	1,486.10	2,000.00	1,246.94	1,200.00
Music	1,003.67	1,000.00	1,000.00	1,000.00
Altar Guild	468.09	300.00	197.07	300.00
Special	83.20			
Subtotal 7. Worship	3,041.06	3,300.00	2,444.01	2,500.00
8. Pastor's fund	94.00	500.00	237.58	500.00
9. Council	-	50.00		50.00

2012 PROPOSED BUDGET

Category Description	2010 Actual	2011 Budget (Amended)	2011 Actual	2012 Budget
910. Fund Raisers	5,242.66	100.00		
TOTAL E. Programs	15,815.46	11,150.00	8,925.69	10,650.00
TOTAL EXPENSES	162,032.30	155,163.33	149,670.98	172,611.47
OVERALL TOTAL	(4,934.49)	(8,013.33)	(10,290.58)	(36,961.47)

2011 Other Operating Income (A.6) included a \$5,000 bequest from the estate of Janet Jacobsen.

Overview of Significant Changes to the Budget 2012:

INCOME

Designated-Buildings: Set at \$5,000 as a general reserve for repair costs

EXPENSES

Salaries: There is a modest raise for the Music Director again this year to make the compensation for this position more competitive.

Pastor Benefits: We will pay \$1,000/mo of the cost of health insurance for the pastor.

Pastor Continuing Ed or Other: We have required new pastor training

Operations: Building Maintenance: These costs have increased over the years and this line item now includes an annual maintenance contract of \$800 for the lift

This budget reflects an overall shortfall of about \$31,600 in operating funds and an additional \$5,000 for repairs/improvements to the building. The Council proposes that the church make withdrawals from its investments in order to fund these shortfalls.

COUNCIL PRESIDENT'S REPORT | CAROL STARR

This is my last Annual Report as Council President, as my term of office is now up! I have really enjoyed working with the members and Council of Shepherd of the Hills Lutheran Church, as we help bring God's Word and Message to our community and our world. This year has truly been a year of change. We were most fortunate to have Pr. Mary Rowe, a retired local pastor, previously a member of our congregation, agree to be our interim Advent pastor, after Pr. Katie and her family relocated to Chicago. And luckily for us, Pr. Mary decided that she liked us so much she felt God calling her to be our "permanent" interim, which also meant she committed herself to taking the Interim Training required of all interim pastors in our Synod. This was no small feat, as it required two weeks of her time, a week in February and a week in August, with much homework in between, all to be our 3/4 time interim pastor. Thanks be to God for her dedication! Our congregation really benefitted from Pr. Mary's vast experience and local knowledge.

We had quite a successful year, including a meaningful Lent, with Thursday Soup Suppers and Holden Vesper Services, our traditional Maundy Thursday Seder, and a glorious Easter Service. We celebrated Pentecost in the chapel at PLTS with our two Berkeley Lutheran churches as we confirmed 4 young people, including Anna Baumann from our church, with a pot luck picnic afterwards.

We collected over \$1,000 to send to help with the Japanese earthquake disaster. Brianna Heggseth chaired a committee (mostly of herself!) to revamp our website; our wonderful new website was put up in December. Steve Holland attended the East Bay MUD meeting about closing the reservoir next to our church; Jill Welling/Hamilton wrote a wonderful letter from us responding to their EIR and we are now on their list of people to keep informed of new information and progress as the reservoir is closed over the next two years. We started sending out our monthly newsletter electronically to those who wanted it electronically, to save money on paper, printing and postage.

Pr. Mary and Candy Simonen attended the Sierra Pacific Synod Annual Assembly in May in Burlingame. Once again, we hosted a successful Day Camp week the end of June, with help from the college age volunteers from Mt. Cross.

A monthly Prayer Ministry group was started in June, thanks to the efforts of Chris Tamales. We held a Summer pot luck luncheon following Services on July 17th. The downstairs storage area was cleaned up over the summer and we held a Fall Clean Up Day in September. The Council decided not to participate in the Solano Stroll this past year. Due to changes in the Seminary orientation schedule, our Seminarian Dinner was postponed to Dec. 9th. Over 40 participated, although not as many members as in past years, due, probably, to the busy holiday season.

Pr. Mary and President Carol spent time cleaning up the church records to make them accurate for the new pastor. Pr. Mary wrote an Acolyte Training Manual and offered training to several youth.

The big news of the year, however, was the work of finding a new pastor. Five members agreed to serve on the Call Committee -- Sam Arriola, Paul Heggseth, Laurie Holland, Johanna Reneke and Carol Starr. Carol and Laurie co-chaired the committee, and worked with Bishop Associate Nancy Fenuick Nelson on all Synod requirements. The Call Committee met for the first time on Feb. 1st and quickly outlined their plan of work. A Pew Survey was conducted in February, asking members to respond to several questions in the Site Ministry Profile, a 14 page statement of who we are and what we are looking for in a new pastor, that is used nationally by the ELCA as the basic finding tool to help in the Call Process. Susie Barnes compiled the results, which were very helpful in preparing the next phases of the Call Process. At the suggestion of the Synod, we held a history luncheon and discussion in March, which we called Oh The Places We've Been Pot Luck History Luncheon. Cindy Beck, a trained interim pastor, led the group of over 40 participants on a healthy discussion of our past history.

In early April, we held three cottage meetings at various times, to talk more about the Site Ministry Profile. Approximately 42 people attended these three meetings. It might be worth noting here, that at these meetings, in addition to talking about what we wanted in a new pastor, we also made agreements for what we would do to support and encourage our new pastor. We agreed to attend services and participate, to give financial support, to reach out to welcome our new pastor by inviting her to dinner, pray for her, be open to her new ideas and be willing to adapt our expectations. We agreed to be forgiving of any mistakes, give our new pastor our patience, give her an honest and good humor, and remain flexible!

After all this input, the Call Committee wrote essay responses to the 14 page Site Ministry Profile questions and then circulated this to the Council and congregation for their review. After discussing the draft with Bishop Associate Nancy Nelson, we finalized our Profile and submitted it to the Synod on June 7th, after final approval by the Council.

The Call Committee met with Bishop Associate Nancy Nelson on June 28th to receive 4 names of potential candidates for our pastor position. The Call Committee created questions, listened to DVD's with the candidate's sermons, attended other churches to hear the candidates preach, and held phone interviews in July and then in-person interviews with the top three candidates in August.

After much praying and discussion, the Call Committee agreed to put forward the name of Kimberly Hassan to be our new pastor and recommended her acceptance to the Council. The Council concurred and a Meet and Greet was held after church services on Sept. 18 and the Congregational Meeting was held on Sept. 25, at which we voted to offer Pr. Kim our Call and revised our 2011 budget. Pr. Kim was ordained on Oct. 8 at her home town church, St. Olaf Lutheran Church of Belmond, Iowa. By happy circumstance, Laurie and Steve Holland were able to attend and represent our church. Pr. Kim started with us on Oct. 10 and gave her first sermon at SOTH on Sunday, Oct. 16th. She was installed on Nov. 6th with a pot luck meal following the afternoon service. Five members hosted dinner parties to give Pr. Kim a social opportunity to get to know members better; 42 people attended these 5 special dinners. Since then, we have had a successful Christmas Season, with Advent Craft Fair, Christmas Pageant and two Christmas Eve services, attended by about 160 people!

Just as we were saying good bye to Pr. Mary (Oct. 9) and hello to Pr. Kim, we got the news that our Administrative Assistant, Cameron McKee, was resigning to accept another position, effective the end of October. Knowing that Paul Heggeseth was looking for a part time position, we decided to just interview him and he accepted the position and was able to have a brief training time with Cameron before Cameron left. It is to both Pr. Kim and Paul's credit that we have been able to keep up with all the work and services during such a busy season of the church year! Fortunately, they are both quick learners! We purchased new computers for both the office and the pastor. One decision they made was not to produce the annual directory in November, as is our custom, but rather to wait for the new year and the new Council, so the directory will now be published in February.

Several people resigned from the Council, including Gabriela Gerlach, Anna Kell, and Chris Larsen. Consequently, there are 5 new people to elect to the 2012 Council along with 2 to re-elect for a second term. We had one member die in the last year, Michael Drucquer. Two babies were born. Three of us attended the District C Fall Meeting at St. James in San Leandro on Oct. 16th.

In conclusion, I want to thank everyone for helping me to be an effective President for our church. Together we have done much good work, all with the help our our Lord and Savior! Thanks be to God for giving me this opportunity to help lead our congregation in this past year -- a year full of change, challenge and opportunities!

Carol Starr
Council President

MUSIC DIRECTOR'S REPORT | CARL BEAR

2011 was my first full year at SOTH and was a year of transitions. Despite these transitions, music ministry at SOTH continued to be strong and vibrant. The SOTH music program saw a number of highlights during 2011, while at the same time, several challenges remain for the upcoming year.

Congregational singing is the area of worship music that I am most passionate about. From my perspective, congregational singing at SOTH still has room for increased strength and vibrancy. But I also appreciate the openness and willingness of the congregation to sing a wide variety of songs and try new things. Some highlights of congregational song during 2011 include the Epiphany season emphasis on global songs, and the summer experimental worship with emphasis on developing congregational singing.

I am so thankful for the SOTH choir. They are an amazing group of people to work with. Over the past year, we have sung a diverse repertoire of music ranging from Gregorian chant, Renaissance motets, and a Baroque Passion setting, to gospel, Shaker songs, and global music. Unfortunately, over the past year we lost two of our regular choir members. But thankfully, two new members joined the choir this past year as well, so the total number of members is the same as last year. But in order to maintain its current vibrancy over the long run, we really need several more singers, particularly sopranos.

In the realm of instrumental music, SOTH acquired two new instruments this year: a djembe (African drum) and a singing bowl. In addition, the piano was tuned in preparation for Paul Heggeseth's recital. I am very grateful to the Heggeseths' continual willingness to play trumpet and violin for worship and I hope to continue to recruit other instrumentalists from among the congregation to play for worship.

The children's music program continues to be a challenge, particularly because of lack of rehearsal time. Before or after worship does not seem to work, and I am not able to work with the children during Sunday school since I have worship responsibilities. For the time being, the responsibility for scheduling and programming children's music rests with the children's committee, while I will help out with the musical aspects. Also, it is worth noting that children and youth are most welcome to sing in the choir and play instruments during worship.

The year 2012 holds much promise for continued development of SOTH's music ministry. Some of the things I plan to focus on include 1) Recruitment. There are currently musical gifts among the congregation that are not being fully utilized for corporate worship. I hope to encourage more people to participate more actively in worship music. 2) Music Selection. Unfortunately, over the past year, much of my music selection has been somewhat haphazard. In the coming year I hope to be more systematic about building up a core repertoire of congregational song, selecting choral music, and incorporating musicians in worship. 3) Music Library. When I began this job, SOTH's music library was in some disarray. Although I made a start with organizing the music library this past year, due to limitations of time, this is still an ongoing process. The eventual goal is to have everything in order so that I can make informed and systematic decisions about new resources to purchase with the music budget.

PARISH ADMINISTRATOR REPORT | PAUL HEGGESETH

I began serving as the Parish Administrator on October 17th, 2011. Pastor Kim's first Sunday as the pastor was Sunday, October 16th, 2011. Needless to say, things were a little chaotic at the beginning. With both the administrator and the pastor starting at the exact same time, it seemed the only answer I had to questions from both Pastor Kim and the congregation was, "I have no idea, but I'll try to figure it out." Luckily, I have now "figured out" the most common tasks that are required to keep the church running smoothly, and I'm becoming more efficient at how I'm able to do my job. Even still, I'm constantly learning and discovering new things (both good and bad) about the current state of the office. The church is used to a high standard of output from the Parish Administrator, which I am trying to maintain with my limited hours.

Even so, in the past three months, some important changes and improvements have been made:

- In October, new Apple computers were purchased for both the Office and the Pastor. I have successfully set up these computers, including installing and configuring needed software, introducing productivity improvements such as online document sharing through Dropbox, and account login information management using LastPass.
- The old PC the church has been relying on is still up and running, but most of the necessary documents have been transferred to the new office computer. I find myself occasionally needing to retrieve new information from it, so I intend to keep the machines running side-by-side for some time.
- At the initiative of my wife, Brianna, who worked hard for over 6 months, the church has a brand-new website at the same address: www.sothb.org. Brianna wrote the code by hand from scratch from the ground up, combining the good features of the old website with new ones from other successful church websites. Hopefully, the congregation and the public will find the information there clear and easy to find. With better-written HTML code, I will now be able to edit the website myself more easily.
- A powerful feature of the new website is that the main content of most pages are actually contained in online "Google Doc" word processing documents, where are dynamically embedded in the website. This means that in the future, committee chairs with access to these documents will be able to change the content of their group pages (such as the Quilting group or the Adult Education committee) in the same way you'd change a Microsoft Word document. This will hopefully make the website more useful to the congregation as it lives out its purpose as a dynamic organizational and informative tool, rather than an elaborate Yellow Pages entry.
- As part of the new website, we have also streamlined the process for volunteering for worship. There is now an online "Google Doc" which we are considering the "definitive" record of who is scheduled to serve in worship when. To go along with this, I have combined the old 3 different paper signup sheets into one, which is now located on the bulletin board outside the church office.
- A big project for the future will be the continued overhaul and repurposing of the print and electronic records. Due to a series of relatively short-termed administrators, there are many concurrent and inconsistent organizational systems which have since been abandoned. These need to be cleaned up, and a consistent, clear, long-term system of organization will need to be implemented.

Most of all, I'm very grateful for the ongoing support and patience of the congregation. Along those lines, thank you very much for the generous Christmas Bonus. I have been surprised by the level of support I've received from fellow staff and the congregation, both in time, support, and resources. As always, any concerns, suggestions, or ideas for the future may be sent to my email, office@sothb.org.

ADULT EDUCATION COMMITTEE AND SOCIAL CONCERNS COMMITTEE REPORT | JUNE HOPKIRK, SAM ARRIOLA AND ERNESTO MUNOZ-LAMARTINE

The Adult Education Committee sponsored a variety of activities during the 2011 year. Below is a list of these activities by month.

- January: A baby shower was planned and held on the 9th for Debbie and Chris Larsen. This was followed on the 16th by an earthquake preparedness seminar.
- February: On the 2nd, the YEAH dinner was prepared.
- March: On the 13th, the second YEAH dinner was prepared and delivered and on the 20th. Continuing our series on the Priesthood of All Believers, also on the 13th, Ernesto Munoz-Lamartine gave a presentation on Consumer Protection On the 20th a salad pot-luck luncheon was held for the congregation to discuss the history of the congregation. The discussion was led by Pastor Cindy Beck.
- April: The YEAH was again planned and held on the 10th. Cottage meetings were planned for and held on the 3rd, 5th and 9th to gather input from the congregation about our congregational needs.
- May: On the 15th the YEAH dinner was planned and prepared. Susan Carpenter gave a presentation on her trip to Nepal on the 22nd.
- June: On the 5th Sam Arriola facilitated a round-table discussion on Networking in our Church: how do we communicate?
- July: July brought the church picnic and barbecue on the 10th.
- August: Plans for a study on Revelations were canceled because Pr. Mary was leaving.
- October: A good-by potluck was held on the 9th for Pr. Mary and a wedding shower for Sarah and Caleb was held.
- November: November brought the installation of Pr. Kim, a farewell party for the Baumanns and the Advent Craft Event.
- December: Programs included synod youth visits with Rwanda youth, a YEAH dinner on the 4th and two programs around the theme of Helping Your Neighbor. On the 11th, Cathy Baca, Dee Hughes, Ernesto Munoz-Lamartine and Rene Kvidahl gave a presentation on Fair Trade which was followed on the 18th with a tasting planned by Dee Hughes and Cathy Baca.

Some of the Social Concerns specific activities in 2011 was participation in the Greater Richmond Interfaith Project (GRIP) Walk and meals for the YEAH (Youth, Engagement, Advocacy, and Housing) shelter. For the GRIP Walk, around \$400 was donated by the congregation, with 4 members participating in the walk. We again participated in a Christmas Giving Tree year, donating gifts of toys for the GRIP shelter. Thank Offerings this year went to Lutheran Disaster Relief for flooding in Minot, North Dakota and to the Lutheran Church in El Salvador (our sister Synod).

BUILDING AND GROUNDS COMMITTEE REPORT | GARY ANDERSEN

The Building and Grounds Committee serves to maintain the physical structure of the church sanctuary as well as to oversee the upkeep of the surrounding property. We encourage new membership to the committee for all who would have an interest in this area or who would like to serve, in some capacity, the church community. As the Chairperson of the committee and someone with absolutely no carpentry or mechanical skills, I would have to say that over the years I have enjoyed working with the other members and have learned many skills from watching the more experienced members. I look forward to continuing to be on this important committee and hope to see some additional new faces this year.

With a building that well into its middle age (in human years) we have to be prepared for both minor and major repairs every year, oftentimes with little warning. In 2011, we were fortunate in having no major catastrophes or unexpected emergencies. We have two furnaces for the sanctuary, both of which are old and have an uncertain future. We were worried when one of the furnaces quit this fall. Fortunately, Bob Flath was able to contact the appropriate furnace repair service to fix the problem and to perform additional preventative maintenance. There was concern over dead branches in the Monterey pines next to the church parking lot. In the end of December there was a major pruning and removal of dead branches to revitalize these trees. In 2011, we continued to have problems with our chairlift that has been crucial to increasing the accessibility of our church. With the unrelenting persistence of Gifford Dickel, not only have all of the repairs been made but also the underlying causes of the persistent failures appear to have been remedied. We have had many months of uninterrupted operation. We had a spring and fall cleanup that had impressive attendance by many members of the church. We thank you for your work in helping us to maintain an aesthetically pleasing space.

CHILDREN'S MINISTRY COMMITTEE REPORT | SUSIE BARNES, JOHANNA RENEKE

Children's Ministry continued its multifaceted activities in 2011. We offered programs for families and children of ages ranging from infancy to the teen years. The committee meets on the second Wednesday of the month at 7:30 pm at church and consists mainly of Pr. Kim, Susie Barnes (Sunday School Coordinator), Johanna Reneke (Special Events, Summer Day Camp, Youth Retreats and Nursery), Carl Bear (Family-friendly Worship and Music) and the Church Council liaison. All are welcome and encouraged to join this dynamic committee.

Now that we have some youngsters who are ready, our nursery is back up and running. We are fortunate to have Matilde Andrade to look after infants and toddlers during our worship services. Child care in the nursery is now available every Sunday on a drop in basis.

We currently have twenty children in our Sunday School program. Ages range from preschool through sixth grade. In 2011 we used our Godly Play resources to learn stories from the Bible. We also explored themes of community and stewardship. And we had fun creating artwork, decorating our classrooms and embellishing sugar cookies. All this was made possible by our supportive parents and wonderful teachers Jeanne Kreter-Killian, Sole Martinez, Susie Barnes and Anna Kell.

In Summer 2011, twenty-eight children attended the Mt. Cross camp, which again proved to be very popular. Our partnership with All Souls Episcopal continued, with Pastor Kristin, Pastor Mary and energetic volunteers from both congregations working together to support the Mt. Cross counselors and to provide our splendid after-care program. As in years past, Johanna Reneke led our efforts, with generous help from Cathy Baca, who organized the highlight of our after care sessions, Bible Time Cooking.

Mt. Cross also puts on several weekend retreats throughout the school year. This year SOTH had children attending two of these retreats. Like the day camp, the retreats are very lively, entertaining and enriching experiences. They provide a valuable addition to our own SOTH children's ministry.

Our confirmation program continued strong in 2011. Last spring Anna Baumann was confirmed. We now have five Shepherd of the Hills middle schoolers in the joint confirmation class on Wednesday afternoons. Led by Pastor Kim, Pastor Jeff of the University Lutheran Chapel and Pastor Sarah of Lutheran Church of the Cross, these weekly classes lead to confirmation after two years.

We are also happy to have so many of our children and youth volunteering at the church. Our youth frequently help in worship as acolytes, worship assistants, lectors and ushers. In addition to their regular participation as acolytes, Alex Arriola and Teresa Brown helped direct this year's Christmas Pageant. With the help of the new acolyte training manual prepared by Pastor Mary, we plan to have many more young people helping in worship.

Finally, SOTH is lucky to have many seasonal events to bring together the young and young at heart. These events include our annual pumpkin carving, advent crafts party, Pageant, Christmas potluck, Valentine's brunch, egg decorating, Seder and Easter egg hunt. A few of these events are coordinated by the Children's Ministry Committee, but we also want to express our appreciation for everyone's efforts to bring good times to our children and to the whole church community.

WORSHIP COMMITTEE REPORT | CANDY SIMONEN

We celebrated the usual round of seasons with our interim pastor Mary Rowe. In November we installed our new pastor Kim Hassan.

Highlights of SOTH Worship in 2011:

- Epiphany season: Christianity around the world, with a different focus country each each week; lots of global songs during worship.
- Transfiguration Sunday: Burying the "Alleluias" in preparation for Lent.
- Lenten midweek services: Holden Evening Prayer, in a more intimate and casual setting in the back of the church, with lots of space for silence.
- Palm/Passion Sunday: Meeting out by the parking lot followed by palm procession, led by the children, to the church, singing "Hosanna." In place of a sermon, the choir sang a setting of the St Matthew Passion.
- Good Friday: Lay leadership; all music was a cappella; chanting of the St John Passion; placing flower petals on the cross.
- Easter: Unburying of "Alleluias" - lots of bells for the children.
- Pentecost: Joint service of confirmation at PLTS with Bishop Mark Holmerud.
- Summer: Experimental worship (starting in the back then processing to pews, communion table on ground level, etc.); preaching from the semi-continuous Old Testament lectionary readings; emphasis on strengthening congregational singing.
- September 11: Special service with opportunity to list tragedies, light candles, and pray for the victims.
- November 6: Installation service for Pastor Kim.
- Advent: Beginning a year-long focus on baptism with a sprinkling rite done by the children.

Statistics:

There were 3 baptisms: Mary Annette Larsen, Carol Shum, and Eliana Sakilayan.

We had 4 students confirmed jointly with one from SOTH: Anna Baumann.

There were no weddings or funerals this year.

This year, member Michael Drucquer passed away (husband of Virginia Jensen).

Average attendance was 59. This compared with an average of 68 in 2010