



A world filled with God's
grace and love.

Jesus came to help us imagine and co-create
a better, more loving world.

**Incarnation Lutheran Church
Congregation Annual Meeting
February 9, 2025**

Agenda

1. Call to Order
2. Adoption of the Agenda
3. Opening Prayer
4. Review & Adoption of Minutes for the 2024 Congregational Meeting
5. Leadership Report: Message from Pastor Kai
 - i. Council Priorities in 2025
6. Treasurer's Report
 - i. 2024 Financial Review
7. 2025 Budget Proposals
 - i. Review & Adoption of 2025 Budget
 - ii. Review & Adoption of Building for Our Future Capital Projects
8. 2025 Capital Projects Timeline
9. Staff Recognition for Years of Service Milestones in 2025
10. New Business/Questions
11. Closing Prayer
12. Adjourn



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Adoption of Agenda

Motion to Adopt Today's Agenda

Adoption of Agenda

Please vote yes by signifying “Aye.”

Please vote no by signifying “No.”

Any Abstentions? (raise hand).

For those in Zoom, please vote by using the poll.



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Adoption of Minutes

**Motion to Adopt the Annual Congregation
Meeting Minutes from the Prior Year
February 18, 2024**

Adoption of Minutes

Please vote yes by signifying “Aye.”

Please vote no by signifying “No.”

Any Abstentions? (raise hand).

For those in Zoom, please vote by using the poll.

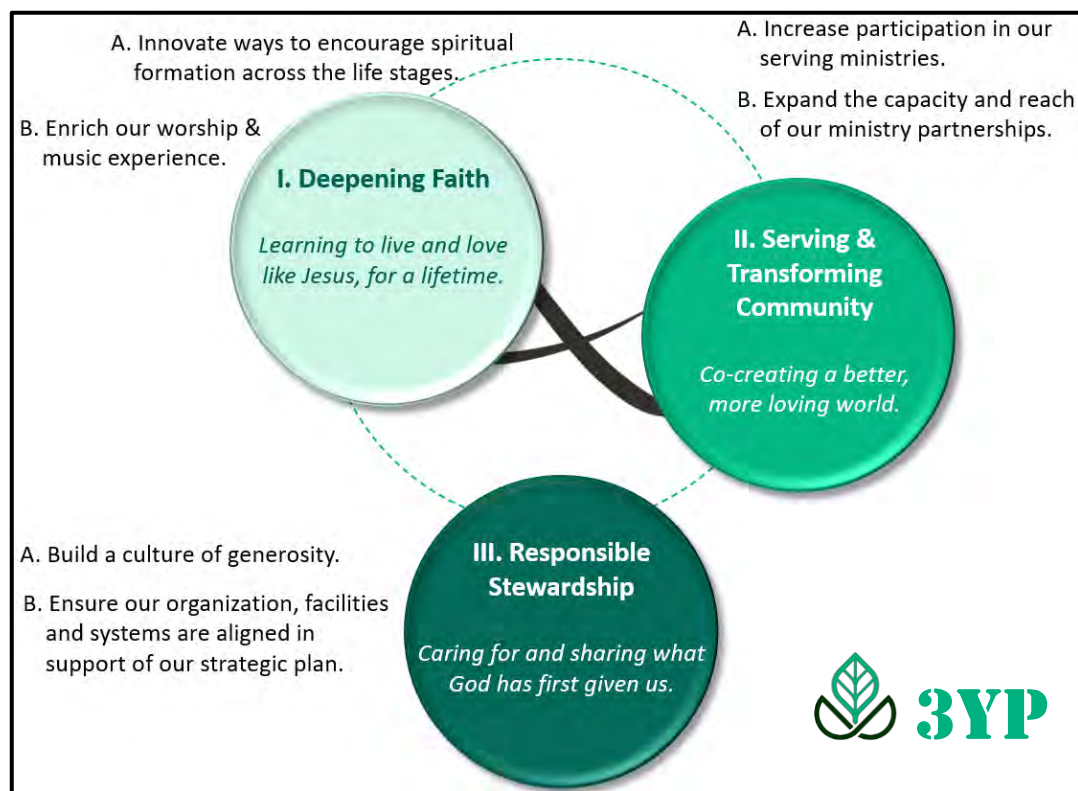
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Leadership Report



Video Message from Senior Pastor Kai Nilsen



2025 Council Priorities

Strategic Synergies

2025 Council Priorities:

1. Complete the Three-Year Plan (3YP) capital projects scheduled for 2025.
2. Support Ministry Leaders as they develop targeted goals aligned to the 3YP.
3. Continue engaging with congregation, staff, and committee members in discussion forums to share 3YP progress.
4. Develop a plan to expand the use of our facility within the community per the 3YP.

Three-Year Plan Pillars:



Deepening Faith

- Innovate ways to encourage spiritual formation across the life stages.
- Enrich our worship & music experience.

Serving and Transforming Community

- Increase participation in our serving ministries.
- Expand the capacity and reach of our ministry partnerships.

Responsible Stewardship

- Build a culture of generosity.
- Ensure our organization, facilities and systems are aligned in support of our strategic plan.

Communication Committee 2025 Goals:



- Host quarterly congregation discussion forums
- Provide Council accessibility and congregation interaction at every Sunday at the Welcome Kiosk
- Support Marina (ILC Communications Director) with Council and congregation feedback and suggestions at the monthly committee meetings.

Support Congregation connections & outreach:

- Interact with congregation members at the Sunday Welcome Kiosk.
- Proactively welcome new members with Council representation in New Member classes.

Proposed ILC Constitution Amendment

In collaboration with the Incarnation Finance Committee and the St. Paul Area Synod, we present the constitution language change highlighted below for your approval:

From Chapter 12 on responsibilities of the Congregation Council (current language for C.12.05.c):

C12.05: The Congregation Council shall be the board of trustees of this congregation, and as such, shall be responsible for the oversight of the maintenance, insurance, and protection of its property, and the management of its business and fiscal affairs. It shall have the powers and be subject to the obligations which pertain to such boards under the laws of the State of Minnesota, except as otherwise provided herein. Specifically, the Congregation Council:

- a. Has the authority to buy, sell, or encumber real property only if specifically authorized to do so by a meeting of this congregation;
- b. Shall finalize and recommend to this congregation for adoption an annual budget, regularly review that budget and progress toward its fulfillment, and report as needed to this congregation;
- c. **Shall incur obligations of no more than 10% in excess of the anticipated receipts unless authorized to do so by a meeting of this congregation.**

Proposed Bylaw revision (this replaces current wording):

Shall establish dollar limits for non-recurring expenses requiring Council approval; dollar limits for contract authorizations requiring Council approval; and solicitation of congregation approval for any debt financing (loans) incurred on behalf of Incarnation that exceeds 10% of the prior year's Total Revenues. The Congregation Council shall consult with the Incarnation Finance Committee to establish appropriate approval limits.

This would be replaced by the proposed language below to clearly define congregation voting requirements.

The intent is to improve the clarity of this language and to specifically outline the roles for both Council and the Finance Committee in guiding our financial practices.



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ILC Constitution Amendment

**Motion to Approve the Incarnation Constitution
Bylaw revision as recommended by the Finance
Committee and Congregation Council**



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ILC Constitution Amendment

Please vote yes by signifying “Aye.”

Please vote no by signifying “No.”

Any Abstentions? (raise hand).

For those in Zoom, please vote by using the poll.



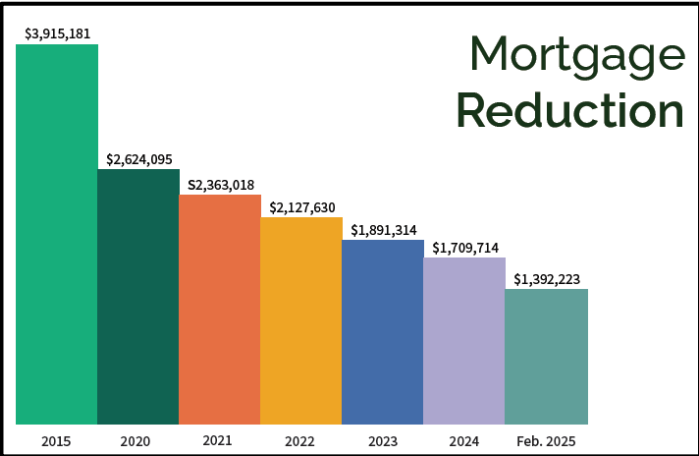
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2024 Statement of Financial Position

ASSETS		LIABILITIES	
<i>Current Assets</i>		<i>Current Liabilities:</i>	
Cash & Cash Equivalents	1,843,139	Accts Payable & Accrued Liabilities	6,795
Fidelity CD Fund and Brokerage Accts	516,018		
TOTAL CURRENT ASSETS	2,359,157		
<i>Long Term Assets:</i>		NET ASSETS	
Endowment	771,872	Unrestricted	17,641
ELCA Mission Fund- Cemetery	4,967	Temporarily Restricted	2,373,917
TOTAL LONG-TERM ASSETS	776,839	Permanently Restricted	737,642
		TOTAL NET ASSETS	3,129,200
TOTAL ASSETS	\$ 3,135,995	TOTAL LIABILITIES & NET ASSETS	\$ 3,135,995



Thank you for your generous financial support!

- ✓ Continued commitment to mortgage reduction
- ✓ Early BFOF giving supported 2024 capital projects
- ✓ Consistent ministry partner support
- ✓ Expansion of ministry programming will start in 2025, thanks to All of you!



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2024 Year-End Financials

2024 Plan

Spend

Ministry	\$ 190,542
Ministry Partners	\$ 137,400
Administrative	\$ 285,345
Facility	\$ 169,648

Salaries and Benefits \$1,724,753

TOTAL \$2,507,688

Income

Giving	\$2,514,075
Other	\$ 21,201

TOTAL \$2,535,276

2024 Actual

Spend

Ministry	\$ 179,897
Ministry Partners	\$ 137,400
Administrative	\$ 260,271
Facility	\$ 136,764

Salaries and Benefits \$1,536,138

TOTAL \$2,250,470

Income

Giving	\$2,224,797
Other	\$ 38,311

TOTAL \$2,263,108

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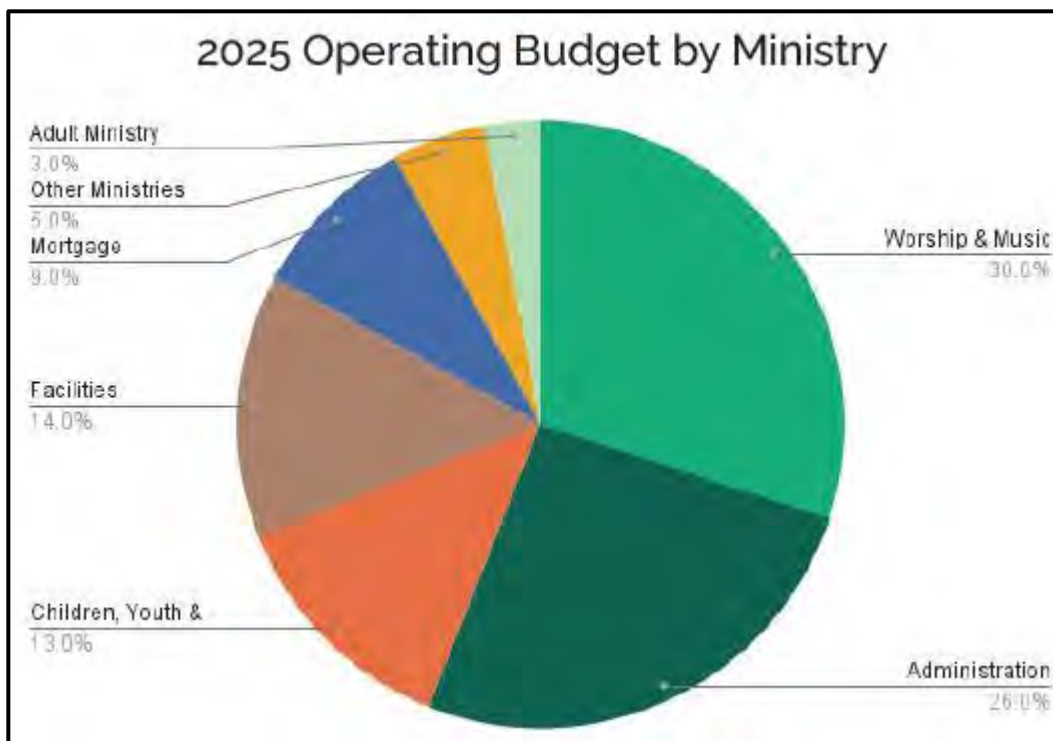
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2025 Budget Proposal

2025 PROPOSAL (Budget)	
REVENUE PLAN	
General Giving	2,177,540
Mortgage & Deferred Maintance Giving	321,000
BFOF Giving- Programming & Ministry Partners	134,166
Other Income	70,950
TOTAL	\$2,703,656
SPEND PLAN	
Ministry	210,183
Ministry Partners	137,400
Administration	261,727
Facilities	136,060
Mortgage & Deferred Maintenance	298,100
Salaries and Benefits	1,657,989
TOTAL	\$2,701,459

- To improve efficiency and clarity, the Operating and Mortgage budgets have been consolidated.
- Mortgage financials are separate budget line items; dedicated giving is very much appreciated.
- 2025 projections are based on current 2024 giving trends with a 6% aspirational increase.

2025 Budget Proposal: Ministry Partner Support



Ministry Partners:

- St. Paul Area Synod
- Tanzania Partnership
- LifeHaven
- Solid Ground
- ILC Preschool
- Lyngblomsten
- Habitat for Humanity
- Ralph Reeder Food Shelf
- Feed My Starving Children

With your generosity we've made a difference in the following ways:

- | | |
|-------------------------------------|----------------------------------|
| ✓ FMSC – over 600,000 meals packed | ✓ Solid Ground Winter Coat Drive |
| ✓ Ralph Reeder Food Shelf donations | ✓ LifeHaven Holiday Gifts |
| ✓ Red Cross Blood Donations | ✓ Preschool Fundraisers |

Building for Our Future Priorities

III. Responsible Stewardship

*Caring for and sharing what
God has first given us.*

Goals:

Build a culture of generosity

Ensure our organization, facilities and systems are aligned in support of our strategic plan

2024 Priorities:

- Roof Replacement: Roof evaluation and design work completed. Contractor bids on track for early 2025.
- HVAC Phase I (controller replacement): Request for proposals went out for bid (contractor selected and approved Jan 2025)
- Window replacement (23 windows): Completed in 2024 (some finishing work in early 2025)
- Other:
 - Facility camera installations – added cameras
 - Sanctuary skylight required repairs due to leak (completed/unplanned)
 - Fire suppression system repair (completed/unplanned)



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Building for Our Future Priorities

January 2025

Projects 2024	Cost	Projects 2025	Cost	Projects 2026	Cost
Office/ Education Windows	\$ 70,000	Roof	\$ 1,700,000	HVAC #2	\$ 72,000
Ministry Partners	\$ 42,000	HVAC Priority 1	\$ 310,000	Senior Ministry	\$ 40,000
Solar Panels	\$ 75,000	Solar Installation	\$ 291,000	Young Adult Ministry	\$ 80,000
		Sanctuary update	\$ 100,000	Ministry Partners	\$ 42,000
		Senior Ministry – (.5 yr)	\$ 20,000	Organ Repair	\$ 30,000
		Young Adult Ministry – (.5 yr)	\$ 40,000	Parking Area #1 & #2	\$ 100,000
		Handbells	\$ 16,000		
		Ministry Partners	\$ 42,000		
TOTAL	\$ 187,000		\$ 2,519,000		\$ 364,000
BFOF APPEAL TOTAL NEEDED					\$ 3,070,000

Fund	Pledged or Given with No Pledge	Given to date
Building Undesignated & Specific Roof Funds	\$ 2,631,263	\$ 1,236,387
Solar	\$ 246,940	\$ 196,290
Organ	\$ 11,500	\$ 10,000
Handbells	\$ 500	
Other		
Total	\$ 2,890,203	\$ 1,442,677



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Adoption of the 2025 Budget

A Motion to Adopt the Proposed 2025 Budget and Building for Our Future Priorities



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Adoption of the 2025 Budget

Please vote yes by signifying “Aye.”

Please vote no by signifying “No.”

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Facilities Project Timeline 2024-2025

Facilities Project	Timing	2024							2025							
		JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Roof Replacement: Flat roof design Schematic Design	2024-2025															
Roof Replacement: Design Development (INSPEC Consulting)	2024-2025															
Roof Replacement: Construction Documents/Bid Prep	2024-2025															
Roof Replacement: Bid Review & Contractor Selection	2024-2025															
Roof Replacement: Construction (Dates & Final Costs to be confirmed after contractor selection)	2024-2025	Scope of Work: Newer roof over Incarnation Hall removed from scope. Remaining service life estimated at 5-10 more years.														
Chancel Redesign Potential designs under review	TBD															
Windows: 23 windows (upgrade to aluminum; same as water intrusion replacements).	2024-2025															
HVAC (Phase I): Phase I new controller system; Phase II upgrades of HVAC units	2025															

Status:
Roof replacement timeline is on track; construction ETA - Spring 2025.

Status:
Design in progress;
Construction timing TBD.

Status:
Complete

Status:
Contractor selected (Trane)
Installation scheduling in progress

Facilities Project Timeline 2024-2025

Facilities Project	Timing	2025												2026		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
HVAC (Phase II): Various roof top units prioritized based on anticipated service life	2025-2026													Status: HVAC unit replacements TBD after roof replacement		
Solar Installation: North Oaks approval completed; Xcel preparations in-progress.	2025													Status: Xcel preparations underway, Construction ETA July 2025.		
Organ Repairs/Maintenance: Chancel construction must be completed first.	TBD															
ILC Church Parking: Improvements for Area #2 & #3	2026															
HVAC (Phase III): Various roof top units prioritized based on anticipated service life	Prior to 2029 service life expiration															
Ongoing Analysis: Assess non-capital projects (IT improvements, kitchen appliance upgrades, etc.)	TBD															

The **Building for our Future** campaign is funding roof construction, HVAC Phase II, HVAC Phase III, Organ repair, parking lot improvements, Sanctuary updates/chancel redesign, Solar facility projects, and resourcing towards expanding senior and young adult ministries and budgeted ministry partner support.



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Staff Milestone Anniversary Recognition

**Congratulations to our ILC Staff Team Members who are
celebrating milestone anniversaries this year!**



Nate Bergengren

Formation Leader for
Teens & Families

**5-Year Anniversary
June 2025**



Emily Turner

Media Arts Director

**5-Year Anniversary
July 2025**



Julie Durbin

Receptionist and
Worship Secretary

**25-Year Anniversary
August 2025**

We appreciate all that you do for our community!

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Thank you for participating today.

Next Congregation Update:

Please join us for the next Council Communication Forum
Sunday, May 18, 2025