

Aldersgate United Methodist Church State of the Gate 2022 Annual Report

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Table of Contents

A Word from Pastor Paul - 2

Mission & Vision - 3

Statement of Inclusion. - 3

Church Leadership - 3

Life Groups Report- 4

Community Outreach Report - 4

Congregational Care Report - 5

Worship Report - 6

Financial Report - 7

Staffing Report - 11

Trustees Report - 12

Lay Delegate to the Annual Conference - 13

A Word from Pastor Paul: Since We Last Met

It is not hyperbole to say that since our last State of the Gate, everything has changed. The world has changed, and our community has changed. Six weeks after our last State of the Gate, the world shut down because of the COVID-19 Pandemic. We had big hopes to take our next steps in revitalization in 2020, but between COVID-19 shut down and the cultural destabilization after the murder of George Floyd, every church, organization, and company found themselves needing to reinvent themselves.

For Aldersgate UMC that meant a lot of things, including even selling our property and renting space. Late in 2020 we received an offer on our property for 2.9 million dollars. In a difficult time of discernment, we held a Church Conference wherein we voted to allow the Church Council and Board of Trustees to negotiate land sale deals. Those two teams subsequently voted to accept that offer. In February of 2021 the deal fell through, but we soon received another offer for 2.8 million dollars, which we accepted and closed on in July 2022.

In that time we navigated the social uprising after the murder of George Floyd, settling in to semi long term distanced worship and community, outdoor worship in the Summer, re-opening the sanctuary for worship in late Spring of 2021, and ultimately preparing to vacate our property and become renters at Spirit of Christ Lutheran Church, wherein we moved in June of 2022. Many of you worked tirelessly to make this transition happen. That work does not go unnoticed. In May of 2022, we held a ceremonial final service in our building, in which we gave thanks for it and decommissioned it. All the while we worked with a consultant from Vibrant Faith Ministries to clarify our vision, a document our leadership is committed to returning to and living out.

In August of 2022, the building at 3801 Wooddlale Ave, which served us well and which we loved dearly was demolished. As our leadership looked into 2023, it became clear that we could no longer afford, nor need, a full time pastor. This was a hard reality to face, but we are thankful that our leadership was clear eyed enough to see it and admit it. After a meeting with our new District Superintendent, the Rev. Cynthia Williams, both the Church Council and I came to the decision that it is time for Aldersgate to receive new pastoral leadership in July of 2023.

It has been a hard and emotional three years. But here we are. Some have moved on, some have remained. We grieve the loss of those who have chosen to find a new Christian Community, and desire to work for reconciliation. We grieve the loss of some ministries that we have been unable to sustain through these tumultuous years. We grieve the loss of a lot of what Aldersgate UMC has been through the decades and recent years. But here we are. As the classic Wesleyan hymn sings, "And are we yet alive?" Yes we are. And God is not finished with us. We are not who we once were, but we are still us. And so, as we gather today, we name and grieve what we've lost, but we also look forward, seeking to step into God's call as we are. It only takes a little bit of salt to bring life and flavor to the earth.

-Pastor Paul Baudhuin

Emerging Mission & Vision

We seek to be a Creator-centered, Jesus-Shaped, and Spirit-led community witnessing to Jesus Christ in the world, and to follow his teachings through acts of compassion, justice, worship, and devotion under the guidance of the Holy Spirit.

Statement of Inclusion & The UMC General Conference

We, Aldersgate United Methodist Church, believe that God loves, honors, and celebrates all people regardless of age, race, nation, gender identity, background, sexual orientation, abilities, or socio-economic position. We believe that God calls us to embody God's radical love by cultivating a space free from harassment, judgment, hate, or discrimination.

In August of 2018, we passed the above Inclusion Statement at a 96% margin. In these uncertain times in the history of the United Methodist Church, this statement and the values in it have freed us up to know and be who we are, to open our doors passionately to the LGBTQ+ community, and to be advocates for inclusion and equity within and beyond the scope of our church. Unfortunately COVID-19 has delayed the UMC General Conference from being able to meet and bring clarity to our denomination on these matters. The General Conference will convene in 2024 at which all signs are pointing to a new, "traditionalist" denomination being formed called The Global Methodist Church, and the United Methodist Church will remove its exclusive language from the Book of Discipline and be fully inclusive of the LGBTQ+ community. However, while the denomination is in flux, the Minnesota Annual Conference has committed to being a fully inclusive conference and has drafted and accepted at 80% margin an aspirational vision speaking to that inclusivity.

Church Leadership

Thank you to our Church Council for navigating us through these tumultuous years! Your love of and commitment to this community is evident, and we deeply appreciate all you have given.

2023 CHURCH COUNCIL (Through June 2023)

Pastor Paul Baudhuin (pbaudhuin@aldersgatemn.com, 612-718-9058)

Lay Leader Marjie Broderson (marjiebrodersen@gmail.com, 952-797-0007)

Trustees Katie Hinz (hinz.katie09@gmail.com, 952-807-1715)

Finance John Sams (samsjohn43@yahoo.com, 612-518-6972)

Staff & Parish Relations Amy Mahanna-McKinney (Amy.Mahannah@hennepin.us, 952-920-9525)

Community Outreach Linda Cremons (I.cremons@gmail.com, 952-564-0821)

Congregational Care Jan Nyberg (j-nybe@umn.edu, 952-649-0943)

Life Groups Marjie Broderson

Lay Member to the Annual Conference Gail Miller (googi001.gail@gmail.com, 952-926-6812) **Secretary** Linda Sams (Isams_mn1@comcast.net, 952-926-6812)

Life Groups Report

Our Life Groups area has been hard to reignite post-COVID. But thanks to some committed people, we've still got some groups running. Our Tuesday Testament group and the Mom's group are both up and running, and we are gathering our children in worship, when they are there. We have also continued to offer a Fall Study and Lenten Study, some of which have included "Acts: Catching Up with the Spirit", "Love Is the Way", and the Wesley Challenge/ Wesley Covenant Prayer Challenge. As Lent approaches year, we will be offering a study on the book Pastor Paul referenced in sermons in August 2022, "The Church Cracked Open".

One of the things that COVID-19 showed us was the importance of personal, consistent commitment to faith formation outside of church building walls. Because of this, in the Fall of 2021 we introduced two new resources: Devotions for Life and Faith at Home. These are both connected to the given week's scripture passage, and include tools to help understand the scripture, questions for reflection and discussion, activities for kids, and prayers. The Devotions for Life resource is meant for teens and adults and can be used for individual devotion or in small Life Groups. The Faith at Home resource is designed for parents and grandparents to do at home together.

Our Life Groups area continues to help adults find relational connection and small group discipleship. We work to offer a variety of ways to connect and grow. In 2023 we hope to find news ways to connect people and nurture their spirituality through a variety of means. If you have any questions regarding Adult Small Groups, contact Pastor Paul.

LIFE GROUPS TEAM: Margie Broderson, Serena Steffenhagen, Pastor Paul

Community Outreach Report

Thank you for your generosity and sacrificial spirit. We are making a difference in the community and the world. Keep up the good work! As we go forward, we're looking to engage new hands in our many outreach efforts, as well as other efforts about which people may be passionate and want to champion.

COMMUNITY OUTREACH IN 2022

The Outreach Committee sponsored monthly mission projects including:

- Simpson Housing
- Minnesota Food Share
- Small Sums
- Perspectives
- STEP

- SLP High School Bird Feeder Project
- UMCOR Making Hygiene Kits for Disaster Relief
- The Veteran's Resource Center

The Outreach Committee also coordinated volunteer opportunities during Lent at the Every Meal Warehouse and Feed My Starving Children. The Outreach Committee also coordinates with Westwood Lutheran Church to deliver weekend food for children at Aquila Elementary in partnership with Every Meal. Contact Linda Cremons or any member of the Community Outreach Team for 2023 Opportunities

COMMUNITY OUTREACH TEAM: Linda Cremons (chair), Bonnie Hendrickson, Sheri Manning, Gail Miller

Congregational Care Report

Our Congregational Care team continues to do amazing work. Check out this list of what they've done in the last year!

The Congregational Care Team, on behalf of the Aldersgate UMC membership, serves other members within our faith community. The Care Team strives to strengthen relationships, and to support members with care, compassion, and confidentiality.

Congregational Care Team ministry projects have included:

Sending cards and/or making phone calls to members during times of transition or need

Sending college age youth greeting cards and gift cards at Valentine's Day and Halloween

Sending Christmas and Easter cards to all members, staff and worship musicians

Prayer shawl ministry

Prayer email chain ministry

Packing and delivery of Bell Choir Christmas cookies to some homebound members

Hosting Welcome Back Sunday breakfast in September 2022

Supporting a van ministry bringing members to worship until June 2022, and coordinating or providing rides June 2022+

Helping to organize and support Care Shepherds who reached out to members weekly or monthly during the early months of the pandemic

Maintaining a medical equipment closet, in summer 2022 items were delivered to a local nonprofit organization that provides medical equipment locally and in Ecuador

Thank you to all Aldersgate members who help care and support, in so many ways, others in our Aldersgate family.

Our care team is committed to making sure that all are noticed, known, cared for, and loved. If you feel you have a need of some kind, don't hesitate to reach out. There's a lot happening in the world and at Aldersgate, but sometimes you just need an ear, a visit or prayer.

CONGREGATIONAL CARE TEAM: Jan Nyberg (chair), Deb Achor, Steph Lund, Lance Grevious, Kaye Grevious, Pat Manning, Marcia Soules

Worship Report

Worship continues to be a space for the whole gathered community. We continue to offer a vibrant experience filled with music that edifies the God of our souls, prayers for one another and the world around us, and Biblically rooted wondering and teaching. It is important to note and name that attendance has been declining over the last two years. How we measure worship attendance has radically changed since COVID. At present, we still have about half of our worshiping congregation online. In 2022 our average weekly attendance was 39 online and 37 in-person, with a total of about 76. Prior to COVID-19 lockdowns, we were averaging about 85 per week, so while we have a significant in-person decrease, overall we have not decreased by much. Additionally, in the midst of COVID-19, we saw online viewers to some degree from all six inhabited continents. All of which is to say that post COVID-19 lockdowns, there are two primary points of focus for us in regards to worship attendance:

- 1. We need to recognize that online worship is here to stay, and while it is a different kind of connection, there are great opportunities to reach new people through this method.
- 2. In-person worship is vital for spiritual formation and connection. We encourage those who are able to return to in-person worship on some sort of regular basis, and for those who can't, we must ask how we can help them connect with others in-person (for example, are there people who are not local that worship online together?)

March, 2020 is a date everyone remembers. At Aldersgate, Theatre of the Spirit held the first performance of Godspell on March 13 and then everyone was quarantined. Pastor Paul streamed the Sunday morning service, March 15, alone in the sanctuary.

Thankfully Aldersgate was already positioned to live-stream worship services. By the next Sunday, with masking and social distancing, there was a small and faithful group of staff and volunteers in place who provided a live-streamed worship service and continued to do so throughout quarantine.

On Sunday, August 23, 2020, we gathered for the first time as a congregation for an outdoor worship service.

By the fall of 2020 Christina Herold, Bell Director, had organized a way for small groups of bell ringers to rehearse and play for worship services while masked and socially distanced. These included duets, trios, Chapel Chimers, and Jubilee! These small groups provided special music on a regular basis through 2020, 2021 and 2022.

The Band was able to begin playing as a group (masked and distanced) again in the fall of 2020 and has continued to provide exceptional contemporary worship music.

Spring of 2021 in-person worship resumed, again with limited numbers, socially distanced and masked.

Pop-Up Choir, begun in the fall of 2018, suspended in 2020, resumed for Easter, 2021, and continued singing for Easter and Advent, 2022.

What has remained consistent over the last few years is our commitment to vibrant, authentic worship and Biblically rooted preaching through the Narrative Lectionary. We are about half way through our 2nd cycle of the Narrative Lectionary, and anticipate continuing it in the future, although, this will need to be decided with the new pastoral leadership we receive in July of 2023.

While it was hard to leave the sanctuary at 3801 Wooddale Ave, worshiping in the sanctuary at 5801 Minnetonka Blvd (Spirit of Christ Lutheran) has been surprisingly smooth. The space works well with its intimate layout and familiar a-frame roof. Worshiping at 9:00am instead of 10:00am has also worked well. Though not a morning person, Pastor Paul even likes it, citing that he can now get his post-preaching nap in before the Vikings game starts!

Overall, worship continues to be the glue that holds the community together, as it is the one time the whole community gathers. COVID-19 has changed this gathering worldwide, requiring a lot of adaptation, but a few things remain the same: God is with us, the Scriptures are alive, and no matter our size, we are still formed as a people in Christ-likeness through worship.

Finance Report

Finances are merely resources given to us by God to be used for the sake of equipping the people to be the Body of Christ for one another and the world. One of the tenants of church-world is "as worship goes, so go the finances." That is, when worship attendance is up, giving tends to increase. And when worship attendance is down, giving tends to decrease.

We've been saying since before COVID, but if there's one thing we've learned in a very real way since then, it's that a church's survival is not as dependent on its finances or its building but its people. It's the people that matter. And, we have some great people working to keep the Aldersgate stable financially.

2022 was a pivotal year in Aldersgate's history and finances played a central role. Key events of the year:

1) Building Sale

With a building sale imminent, a committee of individuals was formed to determine how and where the proceeds should be invested. The committee consisted of John Sams, Pat Manning, Sidney Wood, Alex Halverson, John Steffenhagen, Claire Geist, Kristian Lund. Advisors from Graystone / Morgan Stanley were recommended by Gail Miller and were called to present. The committee was impressed

by the presentation and recommended that the funds be invested with them which the council approved.

Opening balance invested was \$2,437,365 in July. At December 31, 2022 the balance was \$2,362,785. Income (interest, dividends, and long-term capital gain distributions) totaled \$53,558 which can be used for operations but has not been drawn. At December 31, 2022, the fund's net unrealized capital loss of \$74,580 (~-6.1% annualized). At the time of this report (1/23/23), the fund is back in the positive. The fund is invested as shown below:

BALANCE SHEET (^ includes accrued interest)

	Last Period	This Period
	(as of 11/30/22)	(as of 12/31/22)
Cash, BDP, MMFs	\$22,575.91	\$27,019.42
Stocks	912,043.58	875,470.76
ETFs & CEFs	320,824.82	302,673.20
Municipal Bonds ^	68,287.02	68,277.93
Corporate Fixed Income ^	150,839.26 *	146,254.16
Government Securities ^	160,146.32	159,942.79
Mutual Funds	785,154.64	783,346.73
Net Unsettled Purchases/Sales	(42.55)	(199.80)
Total Assets	\$2,419,829.00	\$2,362,785.19
Total Liabilities (outstanding balance)	_	_
TOTAL VALUE	\$2,419,829.00	\$2,362,785.19

In addition to the funds invested with Morgan Stanley, escrow funds received prior to the sale have been invested in Wespath. This fund was used to pay moving, closing and legal costs related to the sale. The balance will eventually be consolidated with the Morgan Stanley funds.

Building Sale - Escrow - Wespath	2022
Escrow Deposits:	150,000.00
Interest/Dividends	2,888.09
Fees	(1,219.49)
Moving/Selling/Legal Expenses	(40,326.67)
Unrealized Gain / Loss	(15,587.29)
Ending balance @ 12/31/22	95,754.64
	-15.56%

2) Foundation

In early 2022, the foundation elected to move control of the funds to the Church Council provided that the Council moved to not use the principal of those funds for operating purposes. The foundation still legally exists to facilitate any willed donations that may come in the future.

At the start of the year 2022, the foundation was invested in two pools at Wells Fargo and Wespath. In August of 2022, the Council voted to move the Wells Fargo funds to Morgan Stanley on the advice of the Investment Committee. In December of 2022, the Council elected to liquidate the Wespath funds to fund the distribution of 3 donations of \$75,000 each to the Capital Campaigns of STEP, Emma Norton, and Simpson Shelter. This liquidation has been requested in January 2023; however, the proceeds have not been distributed yet as of this writing. These gifts, totaling \$225,000, will liquidate the majority of the undesignated funds in the foundation.

					2022
Foundation	WF/MS	Wespath	Total		Income
Balance at 1/1/22	293,831	183,827	477,658	Wells Fargo (through 7/31)	4,844
Transfer of funds at 8/22/22	273,484			Morgan Stanley (Aug - Dec)	3,570
2022 Wells Fargo Net Loss	(20,347)			WF/MS	8,414
Withdrawls	-	(15,661)		Wespath	4,568
Ending Balance @ 12/31/22	269,228	140,585	409,813	Total Income	12,982
2022 Unrealized Net Loss	(24,603)	(27,581)	(67,845)		
Annual%	-8.4%	-15.0%	-14.2%		

2022 returns for the following indexes:

• Dow Jones (DJI) -8.74%

• S&P 500 (GSPC) -19.64%

Russel 3000 (RUA) -20.48%

NASDAQ (IXIC) -33.47%

Bonds -13.7% (worst in 97 years!)

3) 2022 Financial Results and 2023 Projection

2022 was a transition year with a net income (loss) of \$82,844. There were many revenues and expenses that were related to the building and or sale that will not be going forward. Below is a summary of 2023 results with 2023 projections. **There is a path to sustainability!** Sustainability depends on continued income from our building fund, continued pledge revenue and a move to half time pastor. The "PR Fund", which we've been using to fund deficits for the last few years, was fully depleted late in 2022, a few months after we projected it would.

		2023 Forecast		
	_	Expected		
	2022	Best Case	Case	Worst Case
Pledge and other revenues	123,277	120,000	102,000	90,000
Income from Building Fund		125,000	110,000	85,000
CARES act payroll tax refunds	29,181			
Funding for Moving Expenses	21,887			
Foundation Income	8,156	10,000	7,000	5,000
Moving Sale proceeds	20,767			
Rent Income	9,450			
Revenues	212,718	255,000	219,000	180,000
Utilities	23,500			
Maintenance	17,230			
Insurance	7,217	1,513	1,513	1,513
Moving, Sale and Legal	21,887			
Wooddale Related Exp	69,834	1,513	1,513	1,513
SOC Rent	22,400	38,400	38,400	38,400
Wages and Salaries	183,302	159,152	159,152	167,110
Office and Admin	10,903	10,358	10,903	11,448
Programming	9,122	8,666	9,122	9,579
"Go Forward" Expenses	225,728	216,576	217,578	226,537
Local Apportionments	-	29,638		
General Apportionments	-	7,235		
Total Expense	295,561	254,962	219,091	228,049
Net Operating Income	(82,844)	38	(91)	(48,049)

4) Additional Reserves

Aldersgate is blessed with additional reserves. Included in these reserves are two undesignated gifts totaling \$83,135. Other funds include:

• Bells: \$14,412

• Theater of the Spirit: \$10,514

• Outreach Committee: \$4,855

• Tech Fund \$4,021

• Special Ministries: \$3,478

• Scholarship Fund \$2,374

Staffing Report

Due to your generosity and those who have gone before us, we were able to weather these last few years with minimal staffing changes. We were able to maintain our pre-COVID staffing levels up until the present, with a couple changes that came by the choice of the employees.

- 1. After years of faithfully serving in our nursery, Jen Wood resigned, and with minimal young children in worship, we have chosen not to replace her. We are deeply grateful for her faithfulness and work over the last several years in this important area.
- 2. In January of 2020, we hired Kathy Anderson as our new Bookkeeper. In March of 2020, well, you know. Kathy's amazing work during these last 2+ years cannot be overstated. As we closed up our move, Kathy decided to move to St. Cloud and resigned in the Fall of 2022. Since then Yvonne Cherne has taken over and is learning the ropes.

Other than that, our staffing has remained relatively consistent, and we are grateful for that consistency and these great individual who help move us forward.

That said, we will see some big changes in 2023. Our Finance Team has done an incredible job monitoring the reserves that we've needed to tap to stay afloat, but those reserves have now dried up. We predicted they would by Spring of 2022, but we managed to stretch them out to Fall of 2022. And in the Fall of 2022, as already stated, the Council and Finance Team determined that we can no longer afford a full-time pastor. Additionally, Pastor Paul and the Council discerned that it is time for Aldersgate to receive a new pastor in July 2023. As the Council works with the District Superintendent on our profile, we will keep you informed as we have information, and as we can, about who our new pastor will be.

Pastor Paul wants to be clear that this change is merely about sensing that he has given Aldersgate all he has at this point, and he is feeling called to imagine a whole different kind of Christian Community. He will likely receive a half-time appointment somewhere in the Twin Cities area, but is also beginning to work on the beginning steps of this new Christian Community, as well as pursue other interests beyond pastoring a church.

2023 ALDERSGATE STAFF (THROUGH JUNE)

Pastor Paul Baudhuin (pbaudhuin@aldersgatemn.com)

Church Administrator & Worship Coordinator Serena Steffenhagen (aldersgate@aldersgatemn.com)

Bookkeeper Yvonne Cherne (finance@aldersgatemn.com)

Handbell Director Christina Herold (bells@aldersgatemn.com)

Pianist/Accompanist Kathy Webster (contact church office)

SPR (STAFF-PARISH RELATIONS) TEAM: Amy Mahannah (lead), Church Council (in 2023 we are exploring restructuring this. Stay tuned.)

Trustees Report (building/grounds and Contracts)

The Trustees have perhaps the wildest couple of years in Aldersgate's history. First of all, we want to express our deepest gratitude for all who served on this team through the move from our building to renting at Spirit of Christ Lutheran. The task to clear our building as much as we could, move our belongings, and get the deal closed was a mammoth one.

One of the misunderstandings of the Board of Trustees is that they merely oversee a church's building and grounds. This is not accurate. From a practical standpoint, the vast majority of the Board of Trustees' work does pertain to the building and grounds, but it is also a responsible for insurance, the church's physical belongings, contracts, and more. Because of all this, we do not need a full slate of nine members on the Trustees, but we do still need a Board of Trustees! The United Methodist Book of Discipline states "there shall be a board of trustees, consisting of not fewer than three nor more than nine persons..." (¶2525). All of that is to say, that all of the members of our Trustees resigned following the move, except for the Chair, Katie Hinz. We are looking for 2 other members to help her. The work is indeed minimal, but it is also essential!

BOARD OF TRUSTEES: Katie Hinz (chair)

LAY DELEGATE TO ANNUAL CONFERENCE REPORT (GAIL MILLER)

After two years of virtual meetings, the MN Annual Conference of the United Methodist Church was able to meet in person in May of 2022 in St. Cloud. The theme of the conference was Jesus: Healer. Much of the legislation and activities focused on ways that we as a Conference and denomination can bring healing to this world and our church.

Equity and Diversity: Legislation passed to increase the diversity of Conference employees, the Extended Cabinet and the Appointive Cabinet. A consultant will be hired to conduct an audit of hiring practices and staffing. The Cabinets will prioritize recruitment of more diverse candidates from within and beyond our Conference. The current half-time Racial Justice Organizer position will become a full-time position, with the title of Director of Racial Equity and Justice.

Disaffiliation: For those UMC congregations who wish to disaffiliate from the General UMC church over their objections to the potential changes in church polity regarding LGBTQ+, they <u>must do so by December 2023</u>. They may keep their property but they must pay unfunded pension obligations and apportionments. Policies and procedures were passed to ensure that this process can be accomplished with care and compassion. The congregations that asked to disaffiliate so far are: Crossroad – Lakeville & Inver Grove Heights; Redeeming Grace – Lake City; Hill Spring – New Prague.

Budget: The total budget for 2023 is \$16.7 million, with an apportioned budget of \$5.4 million and \$375,000 designated as uncollectible. This is a decrease of 2% from the 2022 budget. In addition to the apportioned funds, income for the total budget is derived from investment returns, pension reserve funds and donations.

Reconciliation & Healing: To formally begin the reconciliation process with LGBTQ+ Methodists, a storytelling space will be established prior to the 2026 Annual Conference. This will create a safe space for lay and clergy to share stories of their experiences with the discriminatory UMC policies. To speak and be heard is the first step in the reconciliation and healing process.

Other:

- Churches are again being asked to support Hamline University with a contribution of \$1 per member and Camping Ministries with \$2 per member.
- There were several actions taken around clergy pensions and benefits.

Thank you for the opportunity to represent you at this important part of our church's mission in the world.

-Gail Miller