

EMMANUEL

Annual Report 2018-2019

Chairperson's Report – Kaitlyn Pew

My Dear Emmanuel Family,

We have arrived again at another Annual Meeting. This meeting has served in years-past as a cornerstone event for our congregation. During this time we complete a number of important items, such as reviewing our budget, welcoming new members and leaders, and receiving official updates from our Pastor, Staff and Leadership Team. But much more than this, it is an opportunity, a milestone, where we can take a minute to reflect on what has happened this year and look forward to plans for the future. It is a yearly placeholder where we can pause and take stock of where we are, where we hope to be, and what church and ministry means to us.

As I take a moment to pause and reflect, my heart is full of thanks and gratitude for what we have here at Emmanuel. For the last 12 months, I've had the pleasure of serving on the Leadership Team as your Chairperson. At this time last year, we were saying goodbye to our Chairperson Aaron McConkey and Treasurer Patricia Kloster as they reached the end of their appointments after two terms (that's six years of service!) on Leadership Team. I can report wholeheartedly that I now have an appreciation for the hard work they willingly put forward for our church for so long. We welcomed in new members to LT, and for the last 12 months our focus has been on returning to the conversation that has been vital to Emmanuel: Who are we as a church, where do we plan to be in the future, and how will we serve Jesus together?

This conversation culminated in a recommendation that as a congregation we should stay here in Phinney Ridge and invest in our building physically (maintenance and upkeep), but also relationally, building stronger ties with our tenants and neighborhood. As a church, we held a series of meetings to engage as a community in this recommendation, ranging from the practical details of our financial health and budget to discussing our hopes, dreams, and vision for who we are as a church.

As a Leadership Team we feel confident that because of the stabilized budget and ministry opportunities we have here, this location will be a good place for us to set down roots once again and focus on the work that God has for us. I want to thank you so much for everyone who engaged in this process, who thought and prayed and wrestled with these topics. We are so honored that you would take the time and space to share your heart with this community.

In the reports following this letter, Bob, John, and Chris will delve into more of the details of the specific outcomes of those meetings and the plans that are in place for the 2019-2020 year. But before we dive into this...I'd like to share one final thought. There is one question for me that throughout the year keeps repeating in my mind. It's simple, but when reflected-on is challenging: Why do we do church? Church is a place that can be full of rest, encouragement, and spiritual growth. But if we are truly engaging here, it also has difficulties. Engaging in authentic relationships, humbly offering of our time, our hearts, and the work of our hands is not an easy thing. It can be messy, challenging, and demand that we give of ourselves generously.

There are many reasons that we come to church. But for me, the answer that sticks is also one that has shown up again and again in Bob's sermons, especially this spring. Simply put, it's this: Jesus loves you. And when you come to the root, his vision for us, it's this: Love God. Love the people around you. It's not easy, but it is direct, and in my mind is the only thing that really pushes us forward in a healthy direction as a church. As we complete the business items of the church in this meeting, as we look forward and make plans for the coming year, I would encourage all of us put on this mindset in what we do and say: ***I'm here because God loves me; I'm here to love God, love myself, and love those around me.***

So many of you have given your time, energy, and work as a part of this little church that we call home. I want to thank you and recognize that every one of you has chosen to be here and to do this thing together. Take a moment to reflect back on everything we've done together and shared together this year: births, deaths, weddings, new careers, graduations, times of sickness, injury and trouble. Some of us find ourselves in times of spiritual growth and joy. Some of us are wading through times of confusion and darkness and are downtrodden. But we do it together, and if we commit to leaning into the Holy Spirit and trying our best, I believe God will honor that with a community that is marked with a love that is generous, humble, and full of grace for one another.

Thank you for loving our God, thank you for loving each other, even when we don't get it right, even when it's not easy. Especially when it's not easy. Thank you for bringing who you are to the table, as each of us brings a unique perspective, specific gifts, and words and thoughts that only you can provide. In all these things, let's praise Jesus for his steadfast love that we have the privilege of sharing together.

In particular, I'd like to recognize a few groups of people. I'd like to thank the Leadership Team for all of their work and time that they devote diligently to help set vision for the church, to care for our ministries, and to partner with the Pastor and Staff to keep the ship moving:

- Marilynn Savage Moritz
- Chris Kyle (Treasurer)
- Amy Thomson
- Josh Ogazi-Norquist (Vice-Chair)
- Hayley Reed
- John Jarman (Administrator)
- Lynn Tungseth (Secretary)
- Bob Zurinsky (Pastor)

I'd like to thank our Pastor Bob Zurinsky and our staff for their stewardship of their specific areas. We have been so blessed by your professionalism, efficiency, and caring hearts.

- John Jarman (Church Administrator)
- Em Weissman (Ministry Teams Coordinator)
- Gabe Pollak (Facilities Manager)
- Jansen Leggett (Worship Director)

And most importantly, I'd like to thank all of *you* in our congregation who regularly devote your time to make church happen. I honestly cannot think of one person here that does not give in some way to our church. Whether it's via Sunday snacks/greeting/sound, congregational care, men's shelter service, worship team, tithing, leading small groups, or the many other ways we all give, thank you.

Note: If you have additional questions about this year's Annual Report or Annual Meeting beyond what is provided in the following document, please contact church chair Kaitlyn Pew at kaitlynpew@gmail.com.

Pastor's Report – Bob Zurinsky

Dear Emmanuel,

It's hard to believe we're already writing the annual report for this year. But taking this moment to look back on the past 12 months, it really is quite staggering to remember all this year has contained. For me personally, it's obviously been quite a significant journey...remember just last summer when I let you in on the little secret that I was flying to Liverpool for a surprise proposal? (I was super proud – and relieved – that you all kept my secret so diligently that week. That felt like a test of faith for me at the moment!) And then from that point, with all of your many hours of assistance, it was less than six months till we pulled off a truly 'Emmanuel' wedding together. I continue to be so grateful for the sacrifices and generosity displayed by nearly everyone in our church family in this season. Thank you. At this time last year I was celebrating the end of my four-year journey toward ordination in the Covenant denomination. This year I'm celebrating a new marriage and family. At this rate, what in the world might the next 12 months hold? But I'm just so glad to be doing it all alongside you – a community that has felt genuinely loving and supportive.

Aside from my own personal journey, it's also been a profound year for the church as an organization and as a body of believers. At our last Annual Meeting we proposed, among other things, that this year would be one of building up the body and learning how to reach out to others in more effective ways. That's a long-term goal by all means, but I've been encouraged by the numerous ways that I've seen you engage wholeheartedly in the mission. That mission will continue in the upcoming year, with some even greater clarity.

Since this time last year, we have a significant number of new friends who have found their home in this community, and this month we'll be celebrating a whole new batch of candidates being inducted into full membership. And let's not forget the amazing addition of our new worship director Jansen Leggett this past year (and the five months of intense recruiting and interviews that preceded him!). With the addition of Jansen, our little staff of five was finally complete. And what a staff they are...John, Em, Gabe, Jansen. We've been blessed with people of high quality and great faithfulness (and no turnover for years now, a significant marker).

We've also come a long way in discerning our vision as a community. For the 2018-2019 Leadership Team, long-term vision was a priority. The team identified early-on in this year's meetings that a key component of our strategic plan for the next season depended in large part on our decision about the physical location of the church. For many years, our LT members said, we have felt too much uncertainty about physical location, and this has often manifested as a hesitancy to commit fully to our ministry plans and relationships in our current location. The LT determined that in order to move forward with confidence, this was the year to come to some conclusions about possibilities that have been swirling in our church for the better part of a decade. Namely, we needed to either choose to stay and invest in Phinney Ridge and in our facility and neighbors, or we needed to pull the trigger on leaving. Several years ago, it appeared that leaving was the only viable option, based on the information that was available to us at the time. But after re-examining the way that our church (and finances) have changed in the last few years, your LT determined that the stronger position was to remain and invest in the place where Emmanuel has been planted for the past nine decades. Of course, at some point in the future, God may lead us elsewhere (and this current decision maintains the possibility of that), but for the time being, leadership has sensed the clear call of God's Spirit in the direction of rootedness and increased investment in the relationships we've already begun to form in this place – including among ourselves, with neighbors, and with other organizations who occupy this facility alongside us.

With that question answered, for this season, we can now move forward with greater conviction and energy. This will involve a renewed commitment to the goal we set for ourselves last year (reaching out and welcoming new community members, with a missional heart). It will also involve tangible new investments in this space and neighborhood. One such investment relates to our facility – we will devote a greater percentage of our overall budget to repairs, maintenance, and upgrades. While we were uncertain about staying or going, it seemed unwise to invest in the physical property beyond what was strictly required. This is no longer the case.

Another important investment in the neighborhood relates to the Zurinsky family living situation. Earlier this year, when it was clear that consensus was growing in the direction of remaining here, members of the Leadership and Finance Teams approached me to ask if Danni and I would consider moving into the church's parsonage (otherwise known as the "50th St House"). When I started four and a half years ago, it didn't feel right for me, as a single person, to occupy that house all by myself. And also, if I'm honest, I was well-aware of the discussions that were taking place about

possibly moving locations, and I wasn't too excited about planting myself in a home that might soon be sold (which is actually a pretty good metaphor for the state our church has been in!). So instead of living in the church-owned house, I opted for the alternative of receiving a housing stipend to live elsewhere. Currently that "elsewhere" is with my brother and Danni in Mountlake Terrace. But circumstances have now changed. The church seems set for greater investment in this neighborhood, and after discussing the possibility with leadership, Danni and I have agreed that moving into the 50th St House would open up new relationship and ministry possibilities in Phinney Ridge. There are admittedly some downsides for us, but more than anything else, we are excited to become a new hub for community and hospitality, for both church members and neighbors. Therefore, in the budget proposal for this upcoming year, we have structured it to reflect a gradual transition away from a housing allowance toward residency in the parsonage. This would take place late in the upcoming fiscal year, because our current tenants have a lease that runs through March.

Finally, in addition to these significant moves toward deeper rootedness in our neighborhood, our church vision for the upcoming year includes one final initiative of great importance to our community: a new plan to identify and empower the gifts of each member of our congregation for gospel ministry in various forms.

Over the past several months, we've been raising the idea that ministry and mission is the calling of *each and every follower of Christ*. It is normal and expected that in the early phases of a new church (or the rebirth of a church, in our case) many people look to the pastor or the staff as the leaders and initiators of most things. But it's also normal and expected that as a church grows and matures, as ours is, the work of ministry should become increasingly "owned" by the body of Christ itself. As I've been fond of saying recently, you don't get to pay someone else to be a disciple of Jesus on your behalf – we've each got to walk our own path of obedience, according to our own gifts and abilities, empowered and supported by the community around us.

I'd like to challenge each person in our body this year to think and pray about your unique contribution to modeling the kingdom in our church and in our world. And as a church, we're going to be building some opportunities and new leadership roles that you can step into as the Spirit and the discernment of the community leads. We're going to start with a re-vamped small group program that incorporates outreach and service projects, along with three new ministry teams initially, and build out from there. Those ministry teams are:

* **Congregational Care Team.** Under the direction of one member of the church, and supported by the pastor and staff, this team will be re-focused and re-energized this year with a defined ministry objective: to quickly mobilize help and tangibly serve members of the community who experience *one-time or short-term immediate needs* (experiences of sickness, grief, death, birth of a child, unemployment, etc).

* **Facilities and Landscaping.** Under the direction of one church member, and supported by the church facilities manager, individuals in our church community will be invited to sign-up to "own" one small piece of our facility or property, and it will be that person's responsibility to regularly maintain their assigned space. This is a new approach we're testing out this year... instead of the vague responsibility of "maintaining the property," each person will have one small, manageable, highly defined responsibility. For those who enjoy tangible and defined projects, I think this will be fun and rewarding (I know it will be for me when I personally sign up). For example:

- owning the planters outside the sanctuary doors
- owning the planted space outside the café doors
- owning the sanctuary kitchenette for monthly cleaning
- owning the task of cleaning the coffee bar once a month
- owning the task of cleaning the windows in the foyer and sanctuary once a month
- about 20 other options!

* **Mutual Ministry Team.** This is actually not a volunteer group that one signs up for, but rather an elected position according to our constitution. We'll be activating this constitutionally-mandated ministry team for the first time this year, and its focus will be on care and encouragement of pastor, staff, and staff families, as well as helping the pastor and staff become aware of emerging needs within the congregation. The goal of this group is to not only care for those entrusted with ministry leadership, but also to help us best serve and empower the congregation by providing additional sets of eyes and ears on-the-ground.

Many of these leadership and ministry team roles will be discussed and worked-out in the months to come, as volunteers step forward according to their passions and convictions. We do, however, have a few roles as a church that are elected positions and require the vote of the membership at Annual Meeting. In preparation for this year's Annual Meeting, the Nominating Committee has been hard at work to meet and discern their recommendations for these key positions. This year's nominating committee included: myself, Josh Ogazi-Norquist, Laura White, and Richard Burgi. Thank you for your diligent and prayerful work, team!

This Year's Nominations for Open Positions Are:

Kaitlyn Pew, Leadership Team 2019-2022 (second term)

Michael Frank, Leadership Team 2019-2022

Markus Bulthuis, Leadership Team 2019-2022

(Continuing in their unexpired terms on Leadership Team are:

Marilynn Savage Moritz, Hayley Reed, Amy Thomson, Lynn Tungseth, Chris Kyle.)

Aaron McConkey, Nominating Committee 2019-2021

Jeff Corson, Nominating Committee 2019-2021

(Nominating Committee also includes the Pastor and a member of LT, as yet unassigned.)

Michael Nealy, Mutual Ministry Team 2019-2021

Patricia Kloster, Mutual Ministry Team 2019-2021

(Mutual Ministry Team is chaired by the LT Vice-Chair, and includes another member of LT, as yet unassigned.)

At this Annual Meeting, we are also excited to welcome those completing their membership process at Emmanuel, which includes a membership class, an application, and a meeting with LT to share one's faith journey. (Questions or comments about the membership process should be directed to the church Chairperson prior to Annual Meeting.)

New members completing their process this month:

Lindsey Hanson

Rachel Johnson

Jansen Leggett

Shauna Leggett

Sonja Lund

Elliott Ohannes

Nellie Ohannes

Danni Zurinsky

There is much good work ahead of us this year, family! But I'm thrilled with the place we've arrived at so far in this experiment called Emmanuel, and I'm certain it only gets more fascinating from here. The Holy Spirit has been alive and present in our midst, and certainly will continue to be as we step into the next chapter of the story together.

Pastor Bob

Administrator's Report – John Yoshiki Jarman

Dear Emmanuel Family,

It is a privilege to have served as your Administrator for a fourth year. You, my Emmanuel Family members, have such abundant and unique gifts. I believe the big theme of this 2018-2019 year was 'resetting the foundation.' With a stabilized financial picture, staff, and Sunday morning service – our leadership prayerfully contemplated and will ever continue to discern how Emmanuel can be a more effective force for the progression of God's kingdom on earth. Our wonderful God has secured the ground beneath our feet and I am excited to see how our church mobilizes to commit and pour into our established ministries, like our Winter Men's Shelter, as well as band around new calls to ministry that God places on our collective heart.

I do my best not to lose sight of this bigger picture as I serve our church behind the scenes with tenant relations, vendor relations, and abundant communication with our church's staff and Leadership Team.

If you have not done so lately, please take a moment to thank your church staff in-person. Emily Weissman, Gabriel Pollak, Jansen Leggett, and Bob Zurinsky. Each one of them has dedicated a portion of their mind and spirit to our church. They care deeply that Emmanuel feels like a source of love and a spark of joy.

Over the last few years, we had been in a season of not knowing if we wanted to remain in the building or sell and use our resources in another way. There are great reasons to support either decision. I commend our leadership in taking time to challenge both options and not make any decisions in haste. One drawback to the intensive conversation was being in the liminal space of not knowing if we should put finances into fixing and retrofitting our building. With the intent to be good stewards of our current resource (the building), Gabriel, Chris, Jeff, and I (with the help of a 2015 professional inspection report), produced a three-tiered recommended repair plan that we hope to implement next year pending the approval of our 2019-2020 budget.

We are fortunate to have the following regular tenants, in addition to short-term or one-time groups:

- KapKa Cooperative School
- The Hallows Church
- The Ethiopian Evangelical Church of Seattle Ambassadors
- Barony of Madrone
- Sara Wetstone's Ballard Women's Basketball Team

Our tenants are the biggest reason why we are able to operate in this building. They are a blessing to us and in this coming year we plan to intentionally program to include our various tenants and hopefully be a blessing to them.

One of Emmanuel's biggest blessings is hosting the Union Gospel Mission's Phinney Ridge Winter Shelter. This last year was the 7th consecutive season of overnight housing for about 20 men during the cold months of November to April. Patricia Kloster served as our Shelter Coordinator. She oversaw the nightly meals for the shelter men, and organized numerous work projects to benefit the shelter community. I believe that this season was the most successfully scheduled meal service yet. Thank you Patricia for all of your dedication. I extend my gratitude and celebration to so many of you in our Emmanuel Family. Our congregation stepped up once again and committed to feeding our guests. It was a beautiful sight to see volunteers from our church and from our tenant organizations all on the same shelter service calendar. The Men's Shelter is something for all of us as a church to be very proud of, and I hope and pray that you step up to serve in this way again in this next year.

Finally, with a heavy heart, I would like to make it known to you that I will be ending my time as Administrator at the end of this calendar year. My reason for this is not based in any negative emotions. Next year, as early as January 1, 2020, Alyssa and I will embark to Spain for a year. It has been an honor to work for you. Between now and the end of this year, Pastor Bob and I will work together to make as seamless of a transition to a new Administrator as possible. This will include updating the job description, recruiting, hiring, and a month of overlap to onboard the next person who gets to have the privilege of being your Church Administrator. May you and I be instruments for our Lord Jesus Christ. May we be conduits that help connect our God's great love with those whom God places in our path. Thank you Emmanuel for being a place on my path.

John Yoshiki Jarman

Treasurer's Report – Chris Kyle

Once again we find ourselves at the end of another fiscal year marked by a healthy budget reflective of familiar ministries and exciting, new initiatives. Many thanks to all of you who participated in a myriad of ways that kept our church alive, thriving, and involved – both in and outside of our intimate community.

Looking back on this year, it's amazing to see the many stories told through each number and budget line item. Having had several previous years where scarcity was a driving factor for our figures, we're now finding ourselves in a period of surplus and growth, which is translating to fresh opportunities (but also further discipline) as we continue to address Emmanuel's many needs. Please see below for an overview of how this year has brought us to our current fiscal standing:

- Collective savings for the year remained relatively unmoved, as we ended the year with just over \$300k in liquid assets across our checking, savings, and Coghill scholarship accounts.
- Relative to the 2017-2018 fiscal year budget, we saw an increase of nearly \$20k in expenses. Primarily driven by the needed and welcomed staff addition of our own worship director, Jansen, as well as expected increased costs associated with additional tenants (e.g. – higher utilities, more wear & tear repairs), this was offset by increased rental and tithe income.
- We finally paid off the south-side fire sprinkler system! We've been steadily chipping-away at that project of nearly \$300k for several years, and it's now complete. That amounts to nearly \$50k additional rental income from KapKa each year going forward (they had previously been paying reduced rent to cover the sprinkler installation expense which they paid up-front on our behalf).
- Key takeaways for the year? We are financially healthy, our building repairs are fiscally manageable, and we now have the ability to focus less on our longevity and more on who we want to be as neighbors and resources within our community.

On a forward-looking basis, our budget has become significantly less strained, which is gifting us the opportunity to further invest in our ability to serve those around us. Relative to the previous fiscal year, our 2019-2020 budget has a few notable changes, which we wanted to call out below:

- Two years ago our recorded tithing income was \$70k. Last year we bumped up our goal to \$79k, but are likely going to close the books having received about \$83k. This is nearly a 20% increase year-over-year, consistently for several years, and a true testament to the growth and dedication we've seen amongst our congregation! This next year we are conservatively budgeting for \$85k. Please keep up the good work as we step forward together into this next chapter of ministry.
- As discussed at one of our all-church meetings two months ago, one of our primary foci in the coming years is to ensure our building undergoes all immediate and necessary repairs. This is not only for our own wellbeing and safety, but largely for the many tenants housed within our walls. Two years ago our facility maintenance budget was \$10k. Last year, in an act of faith, we increased that to \$25k for maintenance projects. This coming year, we have bumped that figure up to \$40k to ensure that we can swiftly address the most critical capital projects with expertise – we're now spending a full 400% of what we were spending to repair and improve the building just two years ago. This is one of the most immediate and tangible results of our decision to remain in this location and serve as stewards of what God has entrusted to us.
- We are accommodating a formal parsonage! This year's budget proposes that beginning in March 2020, the 50th St. House will transition from a rental property to a home for the Zurinskys. This is a beautiful opportunity to provide for our pastor in a way that utilizes that space for its original design, and allows us to take a tangible step toward our goal of re-committing ourselves to this neighborhood in a holistic way.
 - o Financially, this translates to Bob's housing stipend decreasing as we prorate the cost for the year, with a modest increase in his salary. In the 2020-2021 fiscal year the entire housing stipend will be removed for as long as Bob remains in the parsonage.
 - o As for the impact on the budget, it's quite minimal considering property tax on the building (\$5.5k/yr) will eventually be waived since the space is being used for a religious purpose, and all property management fees (\$3.3k/yr) will also be removed since there won't be outside tenants or a property management company involved. Further, the majority of lost rental income will be subsidized by the removal of Bob's housing stipend upon move-in.

- The stipends and salaries of other staff members have been increased in this year's budget by about 3%, to reflect average cost-of-living increases in our city. The new compensation figures will be:
 - Church Administrator: \$32,000 + health insurance
 - Ministry Teams Coordinator: \$9,500
 - Worship Director: \$23,200
 - Facilities Manager: \$500 stipend for supplies + free housing and utilities in apartment
- One item of note perhaps not familiar to most is that we historically have given a very small contribution towards the broader Covenant denomination – both nationally and regionally. The expectation is that churches within our denomination aim to give 5% of their total income for the year; although, this is primarily driven by ability, and it's understood that not every church has the means to do so. We have operated as a church unable to give as much as we'd prefer in the past, with last year amounting to \$3,800, or roughly just under 1%. This year we plan to increase that to \$6,600, or about 1.7% of our total budget. In future years we have every intention of increasing this amount until we reach the goal of 5%. As a member of a national denomination, it is up to all churches in the fellowship to contribute to the collective maintenance of the denomination and the furtherance of our national and global ministries. In addition to the many avenues of support that the Covenant offers our leadership and pastor, this also allows us the opportunity to help build up the global Covenant ministries of evangelism, church planting, cross-cultural leadership development, racial justice and reconciliation, and a host of other collective ministries that define our broader movement.
- We are fortunate enough to also create a new line item specifically for savings. We haven't explicitly aimed for or even had the ability to save any material amount in some past years, but this year we're budgeting for \$15k to be saved as we further build up our liquid reserves. As it stands, over 95% of our net worth is tied up in the building and properties, so having additional savings on-hand for any emergencies is prudent.

Finally, special thanks to each member of the 2018-2019 Emmanuel Finance Team:

Stephanie Bulthuis
Luke Clum
Sam Johnson
Chris Kyle (FT chair)
Bob Zurinsky

2019-2020 Proposed Budget: High Level Summary

Created by the Emmanuel Finance Team and approved by the Emmanuel Leadership Team, June 2019.

A complete line-by-line version of the proposed budget is available by contacting Treasurer Chris Kyle at chris.m.kyle@gmail.com.

	Approved 2018-2019	Proposed 2019-2020
INCOME		
50th St House Rental	\$29,700.00	\$22,000.00
Unrestricted Contributions/Tithe	\$79,000.00	\$85,000.00
Rental Income	\$287,890.00	\$293,050.00
Interest Income	\$670.00	\$200.00
Total Income	\$397,260.00	\$400,250.00
EXPENSES		
Pastoral Salary	\$56,000.00	\$63,200.00
Pastoral Housing	\$24,000.00	\$16,400.00
Staff Salaries	\$61,600.00	\$68,200.00
Total Benefits	\$30,000.00	\$28,150.00
TOTAL SALARIES/BENEFITS	\$171,600.00	\$175,950.00
TOTAL MINISTRY	\$20,100.00	\$26,650.00
TOTAL MINISTRY SUPPORT	\$47,750.00	\$47,850.00
TOTAL FACILITIES	\$108,745.50	\$134,800.00
TOTAL MISCELLANEOUS	\$48,500.00	\$0.00
TOTAL SAVINGS	\$0.00	\$15,000.00
TOTAL BUDGETED EXPENSES	\$396,695.50	\$400,250.00
TOTAL INCOME	\$397,260.00	\$400,250.00
Net Difference	\$564.50	\$0.00