

SYNOD COUNCIL MEMBERS

Present

The Rev. William Baum
The Rev. Dr. Stephen P. Bouman, Bishop
Ms. Rene Chapman
Mr. Alan Chen
Ms. Elizabeth Hoffmann
Mr. Paul Jensen, Treasurer
The Rev. Paul Johnsen
The Rev. James G. Krauser, Secretary
Mr. John Litke, Vice President
The Rev. Abraham Lu
The Rev. Barbara Lundblad
Mr. Kamy Moghbeli
Dcn. Gayle Ruege
Dcn. Carol Straub
Dcn. Edward Tatlian

Excused

The Rev. Christine Bohr
Ms. Elizabeth Hurst
Dcn. Paul Lumpkin
Ms. Joanne Means

Absent

Mr. Matthew Gieser
The Rev. Stephen Marsh

GUEST

The Rev. Carla Meier

STAFF

The Rev. Cherlyne Beck
The Rev. William Hurst
Ms. Joanne Strunck
The Rev. Robert Wollenburg

I. CALL TO ORDER

Mr. John Litke

The meeting was called to order at 5:10 pm.

II. DEVOTIONS

Deacon Carol Straub

III. ADOPTION OF AGENDA

The agenda was adopted with minor changes and the addition of Trexler Grants to New Business.

IV. MINUTES, 16 September 2003, consideration of

The minutes were adopted as printed.

V. MINUTES, 2003 Synod Assembly

**ACTION (SC03:11/1) RESOLVED that synod council postpone approval of
the minutes of the 2003 Synod Assembly until the January meeting.
ADOPTED**

VI. SPECIAL PRESENTATION – The Rev. Carla Meier, Hope Lutheran Church Scarsdale

Pr. Meier discussed the emerging ministry in Scarsdale, highlighting especially the reestablishment of a nursery school at that site, a senior ministry, and Hope House, an outreach to youth and young adults.
(Attachment A)

VII. REPORT OF THE BISHOP

A. Mission Support visits to congregations.

Bishop Bouman will visit those congregations with high support numbers this year to thank and encourage them. Pr. Wollenburg was asked to address the visitation process. He distributed visitation schedules and asked synod council to sign up for those congregations they would like to visit. A letter with challenge figures will be mailed to each congregation with a statement of intent. Synod Council will receive copies of the letters sent to their appointed congregations, so they will know what the challenge figures are. Pr. Wollenburg also asked that visitors get email address so we can build up our eletter database.

B. Commission for Evangelical Outreach – The Rev. Bill Hurst

Pr. Hurst gave a brief over view of the work of this commission. Their work has been organized around twelve task forces. He reviewed them, along with task force leaders. They will each built tables of 10-12 people to form a critical mass of leaders. He asked synod council members to become involved, saying this is not a side issue, but central to what our synod is all about.

- Total Ministry –The Rev. Dr. Rich Hill, Chair
- Expertise Teams – vacant
- Strategic Planning – vacant (The Rev. David Anglada, staff liaison)
- Mission Centers – The Rev. Paul Block
- Congregational Renewal – Deacon Gayle Ruege
- Training – Karla McKenzie
- Prayer Ministries – Eric Swenssen
- Resourcing – vacant (Ms. Connie Duever, staff liaison)
- Schools and Social Ministries – The Rev. Marva Jenkins
- Communication – The Rev. Sonja Tillberg
- Events and Gatherings – The Rev. Paul Milholland
- Relationships – vacant

C. Wider church issues

Migration/immigration (**Attachment B**). Bishop Bouman distributed his writing on migration and immigration and discussed why he believes we, as Lutherans, are posed to make a tremendous difference in this. He gave some snapshots on how our synod reflects migration and immigration on our territory. It is a vision worth fighting for. Incredible things are happening in our synod.

D. Congregation/pastoral issues

1. Atonement, Staten Island has requested permission to sell their parsonage. The Executive Committee made the following recommendation:

ACTION (SC03:11/2) RESOLVED that synod council take no action on the request of Atonement Lutheran Church to sell their parsonage, but to initiate consultation with the congregation and the conference.

ADOPTED

2. Consultation with Zion-St. Mark's, Manhattan; and St. John's, Bronx

ACTION (SC03:11/3) RESOLVED that synod council affirms beginning the consultation process at Zion-St. Mark's Lutheran Church in Manhattan and St. John's Lutheran Church in the Bronx.

ADOPTED

3. The Rev. Kris Baudler
Bishop Bouman reported that he, Pr. Cherlyne Beck, and Vice-president John Litke had a “Matthew 18” meeting with the Rev. Kris Baudler, St. Luke’s Bayshore around the issues discussed at the March 2003 Synod Council meeting (see Action SC03:3/6)
4. Redeemer Lutheran Church in Hicksville has taken a second vote to close.
5. St. Peter Lutheran Church in Bedford, Brooklyn has voted to close and will come under synodical administration. The plan is to have it become the home of Lutheran Social Services and maintain Word and Sacrament presence there.
6. MNYS-EKD (Evangelische Kirche in Deutschland) agreement

An agreement regarding vicars has been negotiated by Pr. Gary Mills between the ELCA and EKD (**Attachment C**). This is the first of three agreements, the other two regarding a pastor exchange and a pastor to start a German language ministry will be forthcoming.

E. Appointments

1. The Rev. Annemarie Noto to the Constitution Committee.

ACTION (SC03:11/4) RESOLVED that synod council consents to the appointment of the Rev. Annemarie Noto, PhD to the Constitution Committee.

ADOPTED

2. The Rev. William Bogholtz as Nominating Committee chair

ACTION (SC03:11/5) RESOLVED that synod council approve the appointment of the Rev. William Bogholtz as chair of the Nominating Committee.

ADOPTED

3. The Rev. Amandus Derr as Reference and Counsel chair

ACTION (SC03:11/6) RESOLVED that synod council approve the appointment of the Rev. Amandus Derr as chair of Reference and Counsel.

ADOPTED

4. Task force chairs to Commission for Evangelical Outreach (CEO)

Synod council was asked to approve 9 of the eventual 12 chairs of the Commission for Evangelical Outreach task forces:

ACTION (SC03:11/7) RESOLVED that synod council approve the following task force chairs to the Commission for Evangelical Outreach: the Rev. Dr. Rich Hill, Total Ministry; the Rev. Paul Block, Mission Centers; Deacon Gayle Ruege, Congregational Renewal; Ms. Karla McKenzie, Training; the Rev. Eric Swenssen, Prayer Ministries; the Rev. Marva Jenkins, Schools and Social Ministries; the Rev. Sonja Tillberg, Communication; the Rev. Paul Milholland, Events and Gatherings.

ADOPTED

F. Calls

1. RESOLVED that synod council call the Rev. Patti Welch to serve as Interim Minister for Education at the Cathedral School of the Cathedral Church of St. John the Divine, effective 10/1/03. (Issued under ELCA continuing resolution 7.44.b.1.43)
2. RESOLVED that synod council call the Rev. Doug Kempe to serve as Director of Pastoral Care at The Wartburg Adult Care Community in Mt. Vernon, effective 11/1/03. (Issued under ELCA continuing resolution 7.44.b.5.1)
3. RESOLVED that synod council call Dr. Carol Kessler, to serve as Vice-Pastor at Transfiguration Lutheran Church in the Bronx, effective December 14, 2003. (Issued under ELCA continuing resolution 7.44.A96.b.1.5)

**ACTION (SC03:11/8) That synod council approve all of the above calls.
ADOPTED**

VIII. REPORT OF THE TREASURER

Mr. Paul Jensen

- A. Financial Report – none was available. Paul expressed concern that council does not have the reports necessary to keep them abreast of our financial condition. Mr. Robert Parker, MNYS Business Manager, is working on this.
- B. Mission Support/Budget

Mr. Jensen referred to the graph emailed to council, showing our Mission Support comparison as of October 31. (**Attachment D**) He noted that in the current year we are 4.5% behind last year at the same time. He estimates that we will be about \$280,000 short of the budget projected income. Add to that the projected budget deficit of \$205,000 and we might expect a \$485,000 shortfall. This would mean a \$1,000,000 loss over the last three years. Expenses may run under budget. Hopefully at next meeting the Financial Management Committee will have a proposed revised budget for 2004. They also need to ready the 2005 budget before the Synod Assembly.

Mr. Jensen said that it is important to understand that there are activities outside the budget that we engage in that don't appear on the budget.

- C. Financial Management Committee recommendations

**ACTION (SC03:11/9) RESOLVED that any newly initiated permanently restricted (endowment) fund must have a minimum corpus of \$25,000 within one year of establishment. Should the minimum corpus fail to be achieved, the fund balance will revert to a temporarily restricted fund with a charter in consonance with the charter of the original fund.
ADOPTED**

**ACTION (SC03:11/10) RESOLVED that effective with the next fiscal year ending 1/31/2005 the Total Return Policy be amended so that reinvestment of total return minus spending be allocated according to each restricted fund's share of the total investment portfolio.
ADOPTED**

**ACTION (SC03:11/11) RESOLVED that the following funds be closed and that their negative balances be transferred to the general operating fund: Tanzania Companion Fund, Latino Diakonia, Mission Institute, Computer Technology, Lutheran Youth Organization, Diaconal Ministries and Crusader Fund.
ADOPTED**

D. Hope Lutheran Church, Scarsdale

ACTION (SC03:11/12) RESOLVED that synod council reaffirm the synod's commitment to continue funding for compensation of the pastor at current levels until August 2004 as part of our initial funding commitment.

ADOPTED

It was explained that the synod's initial commitment was for three years, but that this was not clearly stated in the original resolution.

Deacon Ed Tatlian requested to go on record as disapproving of council's consideration of this resolution while the pastor of Hope Lutheran, the Rev. Carla Meier, was present.

IX. EXECUTIVE SESSION: (SC03:11/13)

X. OLD BUSINESS

A. Review of administrative services charges.

Synod Council voted, at its January 2003 meeting, to impose administrative service charges on specific functions performed by the synod staff. It was further resolved that these charges be reviewed each year at the November synod council meeting.

ACTION (SC03:11/14) RESOLVED that the review of the administrative service charges be referred to the Financial Management Committee.

ADOPTED

B. Congregations under synodical administration:

- Hope Lutheran Church, Scarsdale
- Christ Lutheran Church, Yonkers
- Holy Trinity, Hollis
- Zion, Harlem – not yet under synodical administration

Other than the earlier discussion of Hope, Scarsdale, there was no discussion of congregations under synodical administration.

C. Congregation Constitutions

The Rev. Jim Krauser

No report

XI. NEW BUSINESS

A. Trexler Grants

Available funds: \$3,000.00

Three applications were received:

Diver, Betsy St. Peter's, Port Jervis	To continue course work at Drew University towards a Doctor of Ministry degree with a focus on Pastoral Counseling.	\$1,000.00
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Damrow, William To continue course work in Spiritual Formation at
St. Luke's the Center for Spiritual Development in Rye, NY.
New Rochelle \$1,000.00

Ingraham, Andreana To support a trip to Africa to increase skills for
Philadelphia ministry in cross-cultural situations.
Seminary \$1,000.00

ACTION (SC03:11/15) RESOLVED that Synod Council approve the Trexler grants listed above.

ADOPTED

Pr. Beck explained that a Trexler Grant must pertain to education for ministry. Applications for grants are due by April 1 and November 1 of each year. Applications are reviewed by Pr. Beck and Ms. Constance Duever.

B. Synod Assembly

1. Approval of Assembly Planning Committee charter

The Assembly Planning Committee membership shall consist of seven (7) persons appointed in accordance with synod bylaws. Every effort will be made to have at least one representative from each quadrant.

Responsibilities of the committee include:

1. Management and logistics for each Synod Assembly
2. Coordinating all necessary plans for each Synod Assembly
3. Preparation of budget estimates for each Synod Assembly and recommendation to Synod Council of appropriate registration fees.
4. Recommending a draft agenda to the Office of the Bishop.
5. Coordinating with other synod committees assigned specific duties for Synod Assemblies, such as Worship, Nominations, Elections, Reference and Counsel.
6. Coordinating with the Synod Secretary and the Office of the Bishop for preparation and transmission of all necessary documents and notices for each Synod Assembly.
7. Coordinating with the Business Manager of the Synod to manage the financial and legal tasks for a Synod Assembly. 2

1 Synod Bylaw S11.21.01. Size, Tenure and Appointment of Committees: Each Committee shall consist of five to twelve persons, appointed for three year terms by the bishop with the advice and consent of the Synod Council. Reappointments may be made for two additional terms. Chairpersons of committees shall be appointed by the bishop and serve at the pleasure of the bishop.

ACTION (SCO3:11/16) RESOLVED that Synod Council approve the Assembly Planning Committee Charter

ADOPTED

2. Approval of Synod Assembly Planning Committee

ACTION (SC03:11/17) RESOLVED that Synod Council approve the appointment of the following persons to the Synod Assembly Planning Committee: the Rev. Kipp Zimmermann, the Rev. Terri

**Luper, the Rev. Rosalind Brathwaite, the Rev. Jack Malfati,
Ms. Louise Litke, Ms. Margaret Schuffenhauer, Deacon Ed
Tatljan.**

ADOPTED

3. Approval of Assembly Site Selection Committee charter

The Assembly Site Selection Committee membership shall consist of five (5) persons. Two persons will be selected by the Bishop and Vice President in consultation from the membership of the Synod Council. Two persons will be selected by the Chair of the Assembly Planning Committee. The Business manager of the Synod shall serve as chair.

The term of each member shall be one year. Successive re-appointments are permitted.

Responsibilities of the committee include:

1. Select a date and site for each Synod Assembly.
2. Recommend such site to the Synod Council for approval no later 15 months before the recommended assembly date.

ACTION (SC03:11/18) RESOLVED that Synod Council approve the Assembly Site Selection Committee charter.

ADOPTED

C. Approval of 2004 Compensation Guidelines (**Attachment E**)

ACTION (SC03:11/19) RESOLVED that Synod Council approve the 2004 Compensation Guidelines.

ADOPTED

D. Council Retreat – June 5, 2004

All Synod Council terms will end with the election at the May 2004 Synod Assembly. Some current members may be re-elected. This retreat, from 9 am to 3 pm, will provide opportunity for education, training, group building, etc. Time will also be provided for business.

E. Motion from Metropolitan New York Synod Commission for Gay and Lesbian People

The following motion was presented to synod council regarding *the Journey Together Faithfully ELCA Studies on Sexuality: Part Two* document that has been distributed to all congregations in the ELCA

ACTION (SC03:11/20) RESOLVED that the synod council sponsor four events - one in each quadrant during January and February (pre-Lent) to study the *Journey Together Faithfully ELCA Studies on Sexuality: Part Two* document that has been distributed to all congregations in the ELCA. Each event will be for clergy and lay people, meet for 2 to 3 hours, and have the same content: a. Worship, b. Explanation of the ELCA process and the importance and value of response, c. Leadership training "Productive Discussion in a Spirit of Mutual Respect", d. Introduction to the resource itself - including working through Session One: Our Identity;

That the planning and facilitation of these events be a joint effort of the synod council and the Commission for Gay and Lesbian People.

That some synod council members will participate at each event, and that each council member will attend at least one of the four events;

That the Synod Council encourage pastors and lay leaders to attend the training in biblical interpretation that is the first Spring course at the Lutheran Theological Center in New York.

.ADOPTED

Comments:

- Bishop Bouman highlighted three efforts in educating people about the Sexuality Study
 - ❖ A six week course at General Theological Seminary, which the bishop will introduce and facilitate, but which will be planned and taught by a biblical scholar from Lutheran Theological Seminary at Philadelphia.
 - ❖ The Rev. Jim Childs, chair of the study, will address our synod assembly.
 - ❖ The Conference of Bishops will be doing the study at the Academy of Bishops in January
- The setting for these events must be in a way to invite all points of view.
- Materials must encourage dialogue on both sides
- It must be marketed in such a way that it will train pastors to do these dialogues in their own congregations.
- This study is very balanced, studiously neutral.

F. Discipline appeal process - Vice President Litke

Vice President Litke explained that an excommunicated member of one of our congregations has appealed his excommunication to the Synod Council. He distributed excerpts from the constitution explaining the process (**Attachment F**). At a future meeting we will meet in executive session, after receiving written documents, and make a determination from these written documents only. The petitioner and representatives of the congregation are not allowed to contact Synod Council members individually

XII. DEANS' REPORT The Rev. Terrence Weber, STS

XIII. YOUTH REPORT Ms. Elizabeth Hurst

Bishop Bouman reported on a youth summit recently held in the synod. More news will be forthcoming.

XIV. AUXILLIARY ORGANIZATIONS

A. Women of the ELCA Ms. Suzanne Canty

No report

B. Lutheran Men in Mission Mr. Charles Kalhorn

No report

C. Diaconal Council Deacon Ed Tatlian

Deacon Ed Tatlian reported that 9 new deacons will be set apart on January 24, 2004. Bishop Bouman thanked Deacon Tatlian for his ministry with the deacons and for serving as the first coordinator of the diaconal council. He has resigned this position, which is now held by Mr. Peter Slingerland.

XV. CLOSING PRAYER AND ADJOURNMENT

The meeting adjourned at 7:48 pm.

Respectfully submitted,

Joanne Strunck
Administrative Assistant to the Bishop

Attachment B

Some reflections on immigration, migration, and the future of the Metropolitan New York Synod:

The Metropolitan New York Synod supports thirty two ministries which are directly involved with immigrant groups. Most of the congregations of our synod live in communities whose neighbors include immigrant and economic migrant groups. Many of these persons are members of, or touched by the ministries of these parishes and our schools and social ministry organizations. Among our thirteen Spanish speaking ministries are five under development by deacons. Most are involved with undocumented people. Our ministries include eight Asian congregations, Arab, Swahili, Liberian congregations, traditional Nordic Lutheran groups (Swedish, Finnish, Estonian, Latvian, German, Swedish, Norwegian), ministry among Guyanese, Liberians, Tamil speakers, and plans for development in Russian. Our twelve primarily Black congregations reach out to many African and Caribbean immigrants and economic migrants. With Lutheran Immigration and Refugee Services we participate in “detention watch” with incarcerated asylum seekers, case management in Chinatown, and ministry to unaccompanied minors. Our staff includes Tony Aguilar, working with our Black ministries; David Anglada with our Latino ministries; Gary Mills with many of our international ministries; and Lily Wu with our Asian ministries. **The point: The Metropolitan New York Synod is already “on the ground” around these issues of immigration and migration.**

There is a gap between the reality on the ground (people coming here for freedom, to escape poverty) and the response of the United States. We are just at the beginning of a wave which is causing a sea change in the demographics of our country. Agencies working on behalf of refugees and migrants have tended to organize for short term fights in the policy arena. The times call for a longer-range strategy involving a deeper and more thoughtful discussion of migration issues, and for the active and sustained engagement of those broad parts of our constituencies who are favorable to these issues. We need to think of building for the next generation.

Frank Sharry, director of “Immigration Works” of Washington D.C. has said that on these issues Lutherans have a constituency “to die for.” Lutheran Immigration and Refugee Services has the best reputation for refugee resettlement in the country, a unique combination of congregations and professionals in the field. He said that when the Haitian and Central American asylum seekers began to arrive (coining the term “illegal aliens”) LIRS got out in front of the issue and raised and delivered to local groups a lot of financial support, built a network of “detention watch” and helped develop a public theology around these issues. Sharry believes that these things are cutting edge, place Lutherans in the forefront in the nation on these issues (like LDRNY has done for us since 9-11) and that it is still cutting edge. In many ways our parishes in their outreach to immigration groups is a part of that “resettlement” effort. Combine these local and national efforts with the international Lutheran community through Lutheran World Relief and the Lutheran World Federation and we have a potent potential to make a difference at every level on these issues.

The global debate about migration is begging for insight, faith, and bold ideas. In the past ten years 1/3 of the immigrants in the U.S. are undocumented. I saw first hand how migrants die in the Sonoran desert, how desperate people from Chiapas, Central America, Puebla gather at the border at Agua Prieto. Those that make the desperate journey are the ones who mow our lawns, seek construction work in Farmingville, Mt. Kisco, Spring Valley, Sunset Park Brooklyn, who wash our dishes and harvest our food. We need a conversation about making migration a positive rather than negative for the migrants, for the sending and receiving nations, migration that is safe, positive, legal, regulated, humane and ultimately unnecessary. It is a conversation that must bring together business, labor, the Latino, Asian, African, Eastern European communities and other immigrant and migrant communities. The Latinos are the hinge in all of this (the largest and fastest growing “minority” in our country). Sharry believes that the Roman Catholics are too “top down” and the evangelicals too far on the fringe. He believes that Lutherans could transform the North South relationships.

I believe that our synod could be a leader in this conversation. It is a spiritual conversation because we have a theology which asks about who “we” are and what “we are becoming” as well as who the immigrants, migrants and refugees are. What manner of community is emerging from the changed landscape post 9-11? A haven for every refugee, a job for every migrant, a home for every immigrant, these are deeply Biblical dreams. I believe that the Center for Public Theology could be at the heart of this, gathering the “dangling conversations” pushing new questions, but always bringing to the table those of us “on the ground” who are the immigrants and migrants of our ministries. We need to feel with the heart; think with the head; help with the hand. So far the level of thinking on these things has not been up to the opportunity. The tension between security and immigration policy has only hardened. Western Europe is imploding over this (with politicians like La Pen in France tapping into the public fear). This issue is local and global; ecumenical and interfaith; policy and practice. It is the “big conversation” in the next century. And Lutherans have a theology, constituency, institutions and relationships around the word and around the block which can serve as a leaven and a light. And I believe that there are people of generous heart and means who would support this conversation about the emerging generation in world community.

What if we started by producing a Bible study on the stories of Ruth, and of Joseph and his brothers, told from the point of view of new Lutherans who struggled to find their way to this place of freedom much like our grandparents?

Stephen P. Bouman
November 18, 2003

Attachment C

MNYS-EKD AGREEMENT REGARDING VICARS

November 3, 2003

Objective

To provide American contextual education experiences for ordained German pastors. (Because they have already been ordained, the MNYS Bishop will license them to administer sacraments.)

Responsibilities

The Metropolitan New York Synod (MNYS) and the Evangelische Kirche in Deutschland (EKD) have agreed as follows:

EKD will:	MNYS will:
<ul style="list-style-type: none">▪ Pay vicar's round-trip transportation costs between Germany and New York	<ul style="list-style-type: none">▪ Solicit congregations to participate in this program
<ul style="list-style-type: none">▪ Secure the visa for the vicar to work in the U.S.	<ul style="list-style-type: none">▪ Forward information to EKD as requested
The vicar's congregation in Germany will:	The MNYS congregation will:
<ul style="list-style-type: none">▪ Pay the vicar's salary (Eurodollars)▪ Pay for the vicar's health plan▪ Pay for the vicar's pension plan▪ Provide USD \$250/mo. for incidentals	<ul style="list-style-type: none">▪ Provide furnished housing for the vicar or the vicar and spouse▪ Provide an allowance for local transportation▪ Participate (pastor and vicar) in cluster meetings with MNYS interns▪ Form a congregational vicar committee▪ Maintain regular contact with the MNYS office

Terms and Conditions

The term of these "vicarages" will be one to three years (one year renewable twice), and it is expected that most of them will be two years.

The MNYS congregation will submit (with the approval of its church council or annual meeting) a written request to MNYS for an EKD vicar. The MNYS pastor will commit to supervising the vicar during the term of the vicarage. As part of this process, the congregation will provide information as MNYS requests.

EKD will select the vicar.

If it is necessary to terminate the vicarage, the MNYS office will be involved and will make the final determination with the congregation. Should termination be necessary, the EKD will be responsible for the vicar's return transportation to Germany.

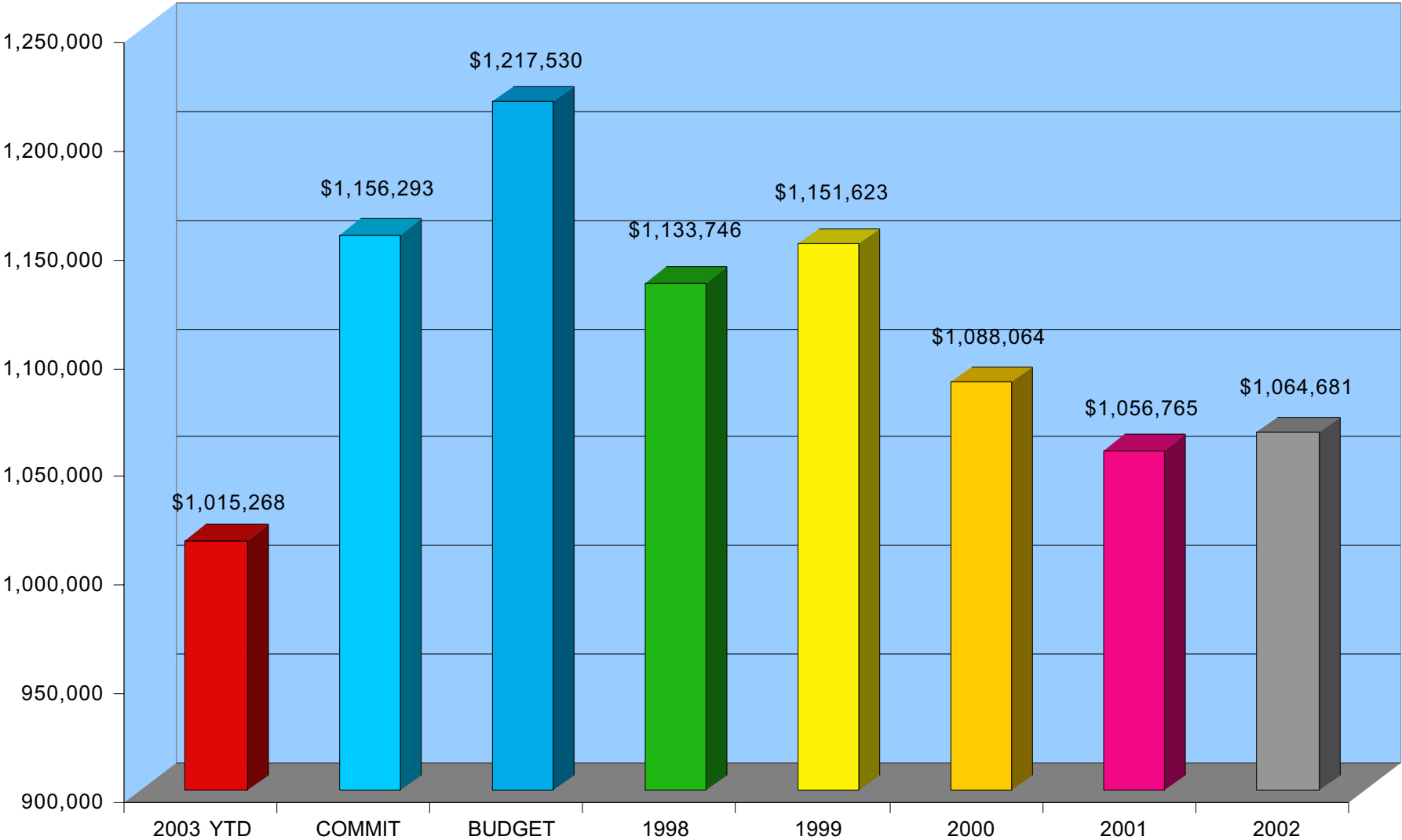
Contact People

EKD—The Rev. Dr. Peter Weigand, Evangelische Kirche in Deutschland, Herrenhäuser Strasse 12, D-30419 Hannover, Germany, phone: +49(0)5 11-27 96-2 30, peter.weigand@ekd.de

MNYS—The Rev. Dr. Gary Mills, Metropolitan New York Synod/ELCA, 475 Riverside Drive, New York, NY 10115, (1) 212 665-0732, ext. 231, gmills475@aol.com

Attachment D

Mission Support Comparison as of October 31



Attachment E

METROPOLITAN NEW YORK SYNOD

Evangelical Lutheran Church in America



Pastors Compensation Guidelines 2004

2004 Pastors Compensation Guidelines

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INTRODUCTION

The 2004 *PASTORS COMPENSATION GUIDELINES* provide explanations and present aids for determining the various parts of the pastor's compensation in a progressive manner. Significant aspects of the 2004 *PASTORS COMPENSATION GUIDELINES* are:

- Minimum entry level **Base Salary** has been increased to \$30,570.
- Minimum salary as it relates to years of service is shown in Appendix I, page 14. Keep in mind that these are minimums and are not to be used as ceilings.
- Congregations who have called couples in ministry serving two different congregations/agencies will have health benefits allocated to both employers rather than the entire amount billed to the employer paying the higher salary.
- Congregations are strongly urged to also consider providing merit increases to their pastors. (See line 6, page 3.)
- A **Housing Equity Allowance** should be provided to pastors living in a parsonage in order that they may eventually be able to purchase their own home. (See line 10, page 4.)

Pastoral ministry is the single highest program expense in many congregations. Effective pastoral ministry should be adequately compensated, as should the ministry of all paid church workers. Congregations are encouraged to examine their giving and develop stewardship programs that enable adequate compensation, rather than merely set their sights at minimum compensation for their paid staff. Synod staff is prepared to respond to calls from congregations for assistance to improve congregational stewardship and/or discuss alternative ministry possibilities.

If you have any questions about these guidelines, please contact Robert Parker at 212-665-0732, x 242 or rparker@mnys.org.

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MUTUAL MINISTRY CONCEPT

Our Lutheran understanding of the Church sees ministry as being shared by all the baptized people of God. At no time can we assume that only pastors and associates in ministry are responsible for Christian ministry. Out of this theological awareness emerges the rationale behind a congregational Staff Support, Pastor-Parish Relations, Mutual Ministry or Personnel Committee.

The ministry of any pastor, associate in ministry, and congregation is strengthened when a small group of people exist who act out of mutual concern for their pastor, associate in ministry, and congregation. This mutual ministry becomes specific by providing for:

- Open communication concerning the attitudes and conditions within the congregation;
- Early warnings of misunderstanding within the congregation;
- A “listening post” for the pastor, associate in ministry, and the congregation;
- Appraisal of ministry of the pastor, associate in ministry and the congregation;
- A sounding board for the pastor and associate in ministry in times of personal, family or professional stress;
- Identification of continuing education that would assist the ministry of the pastor and associate in ministry and the goals of the congregation;
- Concerns for the spiritual, emotional, and physical needs of the pastor, associate in ministry and their families.

Through listening, interpreting, advising, conferring, evaluating, recommending, affirming, and forgiving, the ministry of the pastor and associate in ministry is strengthened as well as that of the congregation.

Considering these benefits and drawing upon the experiences of many synods and congregations, every congregation is urged to consider establishing a Mutual Ministry Committee, as proposed in the ELCA Model Constitution for Congregations. It is suggested that the Committee be made up of six (6) members to be appointed jointly by the Congregation Council and the pastor and/or associate in ministry. The terms of office should be two (2) years, with three (3) members to be appointed each successive year.

PART I CALCULATING COMPENSATION

DETERMINING THE BASE SALARY

Base Salary is that portion of the compensation provided to sustain the pastor who is called to carry out the Lord's work through the congregation or organization. Base Salary does not include housing or professional expenses.

1	Enter present Base Salary	1	\$ _____
2	The Synod Council recommends a Cost of Living Adjustment (COLA) of 3.0%. Multiply line 1 by 1.03 and enter the result. This is the new Base Salary increased by the COLA.	2	\$ _____
3	The minimum Base Salary recommended for 2004 is \$30,570, plus an amount for the pastor's years of service since ordination. Determine the number of years your pastor has been ordained. Enter the number of years here: _____. Consult Appendix I to determine the recommended minimum Base Salary based on years of service. Enter the amount from Appendix I.	3	\$ _____
4	Enter the greater of line 2 or line 3.....	4	\$ _____
5	If your congregation provides a Base Salary that is equal to or greater than the recommended synod minimum for your pastor's years of service (line 3) proceed to line 6. If the Base Salary is less than the recommended minimum, enter the difference here \$ _____. Your congregation is encouraged to increase to or beyond the synod minimum, or as close to the minimum as possible. Place the amount of the increase decided on here \$ _____. Add this amount to the amount on line 2 and enter the result.	5	\$ _____
6	An important factor in determining your pastor's Base Salary is merit increase . This is a Base Salary adjustment made in response to the quality of service your pastor has given. The Synod Council recommends consultation with your Mutual Ministry Committee with respect to an appropriate merit increase. Enter the amount of merit increase.	6	\$ _____
7	Add lines 4 or 5 and 6. This is your pastor's Base Salary for 2004 . Enter this amount on line 13, page 6 and line 32, page 22.	7	\$ _____

PART II DETERMINING THE PARSONAGE OR HOUSING ALLOWANCE

Use either Section A or B Below

If your congregation provides a **parsonage** for your pastor and their family, complete section A only. If your congregation provides the pastor with a **Housing Allowance**, complete Section B only.

SECTION A: PARSONAGE AND ALLOWANCES

8	A congregation providing a church owned or rented parsonage should cover the full cost of utilities, e.g. electricity, fuel, rubbish removal, water/sewer, basic telephone service. Are utilities covered in full?.....	8	YES <input type="checkbox"/> NO <input type="checkbox"/>
9	Congregations are encouraged to designate a Household Expenses and Furnishings Allowance from the Pastor's Base Salary as a tax benefit. The pastor may use this allowance for purchasing and repairing furnishings and other household expenses. See Appendix II for further information. Is a Household Expenses and Furnishings Allowance to be designated?.....	9	YES <input type="checkbox"/> NO <input type="checkbox"/>

Housing Equity Allowance

10	<p>A Housing Equity Allowance is used by congregations to deal with the situation where a pastor has spent his/her career in congregations with parsonages and has essentially been prevented from building up the kind of equity over the years that are normal for pastors who are able to own their own home. Because parsonages are generally provided more for the economic benefit and convenience of the congregation than for that of the pastor, the equity allowance is an appropriate response to the situation by the congregation. This is best accomplished by providing the allowance in the form of a tax-sheltered annuity. This limits the tax burden on the pastor and ensures that the funds are not available until retirement. Contact the Board of Pensions for more information. The housing allowance (or the value of living in a church-owned parsonage) is always excluded from federal income. This means the congregation treasurer excludes this value from Box 1 of the W-2. The treasurer can however put this amount in Box 14 of the W-2, which is merely an information box. It is recommended that congregations provide a Housing Equity Allowance of at least \$2,500 per year in monthly installments and review the amount periodically. Enter the amount for Housing Equity Allowance.....</p> <p>Enter this amount on line 33, page 22.</p>	10	\$ _____
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SECTION B: HOUSING ALLOWANCE

<p>11</p>	<p>If your congregation provides a Housing Allowance for your pastor and family, this amount should be sufficient to provide adequate housing as well as care for the related expenses of upkeep and utilities, e.g. electricity, fuel, rubbish removal, water/sewer, and basic telephone service. Your pastor may exclude the housing allowance from taxable income, to the extent that the housing allowance is actually expended for housing. The pastor should provide the council with a written estimate of housing expenses expected for the calendar year. Expenses which qualify to be used for a housing allowance include rent, property insurance, down payments on purchase, principal and interest payments on mortgages, taxes, utilities, maintenance, furnishings and appliances, landscaping, repairs and remodeling, etc. See Appendix II for a resolution to be used in designating a housing allowance. Thorough consultation with the pastor is required regarding the total housing costs and the amount of housing allowance needed to sufficiently cover the costs of housing within the community in which your congregation is located. A minimum of \$12,000 annually is recommended. Enter the amount designated for Housing Allowance here..... Enter this amount (if more than zero) on line 14, page 6 and line 33, Page 22.</p>	<p>11</p>	<p>\$ _____</p>
<p>12</p>	<p>After the Housing Allowance has been established (by formal action of the congregation council the pastor may wish to have an additional amount from Base Salary designated toward Housing Allowance in accordance with IRS provisions. Consult with the pastor and determine the redesignated amount for Housing Allowance, if any. Enter the amount redesignated for Housing Allowance. Record this amount on line 41, page 22.</p>	<p>12</p>	<p>\$ _____</p>

PART III DETERMINING THE SUPPLEMENTAL BENEFITS

An important part of compensation that you pay your pastor comes in the form of **Supplemental Benefits**. These benefits include:

- **Social Security Contribution**
- **ELCA Pension, Medical & Dental and Other Benefits Program**
- **Group Term Life Insurance**
- **Continuing Education**
- **Vacation**

Your congregation should consider each of these supplemental Benefits carefully. Each is discussed below with instructions for computing the amounts.

SOCIAL SECURITY CONTRIBUTION

In 2004 pastors are required to pay 15.3% Social Security self-employment tax. Since 1990 half of this self-employment tax is deductible. The local Social Security Office should be consulted for recent changes.

It is recommended that congregations assume at least 50% of the Social Security tax that the pastor must pay by paying at least 7.65% of salary subject to Social Security. Calculate the taxable salary on which Social Security will be paid in 2004 by totaling the amounts of **Base Salary** and housing.

13	Enter Base Salary from line 7.....	13	\$ _____
14	Enter either 30% of Base Salary if you provide a parsonage OR the amount from line 11 if you provide a Housing Allowance	14	\$ _____
15	Add lines 13 and 14.....	15	\$ _____
16	Multiply line 15 by .0765 and enter. (Some congregations may choose to pay more than 50% of the pastor's Social Security Tax. Discuss with your pastor the amount of Social Security Contribution you will offer as a benefit.) This is your Social Security Contribution Enter this amount on line 34, page 22.	16	\$ _____

ELCA PENSION AND OTHER BENEFIT PLANS

Please read carefully the materials provided by the ELCA Board of Pensions for full details. www.elcabop.org.

DEFINED COMPENSATION

“Defined Compensation” (line 20) includes actual gross taxable cash compensation (including Social Security Contribution) plus the amount of any salary reduction contribution made to a tax sheltered annuity plan by the employer on the member’s behalf, plus the amount of the pastor’s cash housing allowance or an additional 30% of base salary if housing is furnished by the congregation/organization. It also includes furnishings and utility allowances paid directly to the pastor.

CALCULATING ANNUAL DEFINED COMPENSATION

17	Enter the Annual Defined Compensation for Pension and Other Benefits by adding lines 7, 10 (only if paid directly to pastor), and 16.....	17	\$ _____
18	Enter the amount from Housing Allowance line 11 OR 30% of line 17 if parsonage or other housing is provided.....	18	\$ _____
19	Enter Household Furnishings and/or utilities allowance (only if parsonage is provided and the allowance is paid directly to the pastor).....	19	\$ _____
20	Total Annual Defined Compensation (Add lines 17, 18, and 19). .	20	\$ _____

PENSION

The required contribution by congregations/organizations for the Pension Program is 10% of “Defined Compensation” but may be as high as 12% for some persons from predecessor church bodies. The Board of Pensions provides for the following:

If participating in a predecessor church plan on Dec. 31, 1987, use one of these percentages, based on age on Dec. 31, 1987:

- 55 or older: 12%
- 45 –54 11%
- Under 45 10%

The Synod Council recommends the payment of 12% for all pastors.

MEDICAL AND DENTAL BENEFITS

The congregation/organization is responsible for paying a set percentage of the employee’s “Defined Compensation” (line 20) in order to provide medical and dental coverage to the Member. Coverage is also available for the member’s spouse (including a separated spouse) and eligible children. The employer is responsible for remitting the contributions for coverage for spouses and children who are covered under the Plan. The 2004 percentages and minimum and maximum annual contributions are as follows:

MEDICAL AND DENTAL PLAN	Contribution Rate (as a % of defined compensation)	Annual Minimum	Annual Maximum
Member only	12.2%	\$4,752	\$7,068
Member and spouse	21.4	7,536	11,298
Member and children	21.4	7,536	11,238
Member, spouse and children	30.5	10,752	16,140
Coverage waived	0.0		

The minimum and maximum amounts are subject to annual CPI adjustments. Further, in the case of persons who are employed concurrently by two or more employers, the minimum and maximum contributions apply to the combined compensation.

The Synod Council recommends the payment of the premium for the pastor’s family.

Health coverage for a plan member may be waived if the spouse’s employer provides coverage. A 2% waiver charge is no longer required.

In the case of couples in ministry serving two different congregations/agencies, health benefits contribution will be allocated to both employers rather than the entire amount being billed to the employer paying the higher salary.

If coverage for the pastor is waived because he/she is covered by her/his spouses insurance, provision should be made to maintain benefit expenditure levels. This enables the congregation to maintain a benefits expenditure level that would not create a financial burden on the congregation in the event that the next pastor is not covered by his or her spouse. The savings that the congregation would realize could be redirected to the pastor’s pension account or to increasing the housing equity allowance.

OTHER BENEFITS AND CHARGES

There are other benefits and charges for which set percentages of defined compensation (line 20) must also be paid to the Board of Pensions:

Disability and Survivor Benefits	2.5%
Administration and retiree support	1.4%

CALCULATING PENSION AND OTHER BENEFITS CONTRIBUTIONS

21	Determine what percentage your congregation will pay as part of your pastor’s compensation and enter the percentage here. (Example: <i>In the case of a member, spouse and children the percentage would be 12% + 30.5% + 2.5% +1.4% = 46.4%.</i>)	21	_____%
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CALCULATING ANNUAL CONTRIBUTION AMOUNTS

22	Multiply line 20 by line 21. This is the annual contribution for Pension and other Benefits adjusted by minimum/maximum for Medical and Dental Plan Enter on line 35, page 22.	22	\$ _____
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PERIODIC HEALTH EXAMINATION

Periodic health examinations are encouraged. These are provided for under the Managed Care Program of the Board of Pensions. Check to ensure that your congregation provides coverage for periodic health examinations.

GROUP TERM LIFE INSURANCE

A Group Term Life Insurance program with coverage of \$50,000 per person is available for all active pastors on the roster of the Metropolitan New York Synod. No health examination required. The cost of the premium is to be shared equally by the pastor and the congregation/organization.

- **Coverage:** Term Life Insurance \$50,000
- **Age Cut Off:** 70 (must enter before 65)
- **Eligibility:** All active pastors on the roster of the Metropolitan New York Synod. If in present call longer than 6-months applicant is subject to a doctor’s health verification reporting any pre-existing conditions.
- **Enrollment:** Remit payment with a completed enrollment form available from the Synod office.
- **Cost:** December 2003 to November 2004: \$560.00 (subject to change)

Once the Synod Office receives the new premium amounts they will be shared with congregations. The premium cost shared 50% by the congregation/organization and 50% by the pastor. The Synod Council expects that some form of life insurance be provided for your pastor. Your congregation is not required to participate in this plan. You may be able to provide comparable insurance coverage with another carrier at lower premiums if your pastor is eligible.

23	Enter the amount of the congregation’s portion for Group Term Life Insurance Enter on line 36, page 19	23	\$ _____
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CONTINUING EDUCATION – PACE

Your pastor is encouraged to enroll in courses of continuing education in order to deepen faith, update skills and thereby strengthen ministry. Such activities improve ministry and are not vacations.

PACE (Pastors and Associates in Ministry Aid for Continuing Education) is a program of the ELCA that encourages congregation and pastor to set aside time and money to make Continuing Education possible. The Synod Council has set the minimum contributions to the PACE program at \$1,000 - \$700 by the congregation and \$300 by the pastor.

Two weeks study leave per year is also included. A depository should be established in which the funds for continuing education may be deposited quarterly for use by your pastor. These funds may accumulate over several years and provide resources for graduate or sabbatical work. Additional education grants are available from Growth in Excellence in Ministry (GEM), funded by Lutheran Brotherhood.

24	Enter the congregation’s annual contribution for Continuing Education..... Enter on line 37, page 22.	24	\$ _____
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VACATION/DAYS OFF

Four weeks of vacation time per year is considered the minimum. The congregation should consider granting additional vacation time based on length of service in the ministry. The length of vacation time, including the number of Sundays off, and when the vacation time is to be taken are all matters that need to be discussed openly with your pastor and is an important part of compensation.

Furthermore, a minimum of one day off each week is a necessity. Two days off would promote health and well being for the pastor, family and congregation.

The pastor and the congregation council should approve a written agreement regarding vacation time and days off. Such agreement should be reviewed at least biannually.

MATERNITY/PARENTING LEAVE

A specific Maternity/Parenting Leave plan should be carefully drawn up in open consultation with your pastor. Maternity leave should include up to six weeks full salary, housing and benefits. The numbers of weeks leave before and after the birth or adoption of a child should be negotiated and specified in advance. Parenting leave should include up to two weeks full salary, housing and benefits. Any other specific conditions should be clearly defined in a written agreement.

SABBATICAL LEAVES

It is recommended that congregations consider a sabbatical leave for their pastor. See Appendix V for Guidelines for Sabbatical Leaves.

PART IV PROFESSIONAL EXPENSES

It is recommended that congregations adopt the principle that all professional expenses incurred by the pastor and other employees will be reimbursed in full. The most frequent expenses are:

- **Automobile Expenses**
- **Book/Periodical Expenses**

AUTOMOBILE/TRANSPORTATION EXPENSES

It is very important that congregations reimburse pastors as fully as possible for travel expenses. It is recommended that this be discussed with the pastor so that adequate compensation will be provided. Costs for fuel, repairs, depreciation, insurance, tolls, parking, subway, bus and cab fares, etc. should be included. Keep in mind that reimbursements are taxable income unless they are made under an accountable plan as defined by the IRS and documented under IRS regulations. For more information, please consult IRS publication 463.

- A fixed monthly allowance is the least desirable arrangement because it generally has no relationship to actual costs and probably would result in an extra tax liability for the pastor.
- The congregation could provide the pastor with a car. The pastor would then reimburse the congregation for personal use of the car. (IRS regulations require that a contemporary mileage log be maintained.)
- The congregation/organization could reimburse the pastor for business use if the pastor owns a car. This could be cents per mile reimbursement. Under this arrangement a fair cents per mile amount is agreed upon to provide as full a reimbursement as possible. The pastor reports business miles driven and is reimbursed at the agreed upon rate. The IRS figure for 2003 is 36 cents per mile (2004 rate will be here when available: www.irs.gov/newsroom/content/0,,id=104345,00.html). This figure is lower than the cost of operating a car in most areas of this Synod. The American Automobile Association and the DOT have studies showing the operating costs of various cars.
- The congregation could also reimburse actual Automobile/Transportation Expenses. Using this method the pastor saves all receipts for the costs listed above and is reimbursed at the agreed rate for the percentage of business use. A contemporary log of mileage driven must be kept.

25	Enter the Automobile/Transportation Expenses anticipated to be reimbursed..... Enter on line 38, page 22.	25	\$ _____
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BOOK/ PERIODICAL EXPENSE

The congregation may choose to provide an allowance for the purchase of or subscription to books and periodicals, enabling the pastor to keep abreast of developments in the ministerial profession.

26	Enter the annual amount of the Book/Periodical Expenses to be provided..... Enter on line 39, page 22.	26	\$ _____
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OTHER PROFESSIONAL EXPENSES

There may be Other Professional Expenses in your unique parish situation. This matter should be discussed thoroughly with your pastor.

27	Enter the annual amount of the anticipated cost for Other Professional Expenses Enter on line 40, on page 22.	27	\$ _____
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PART V TAX ADVANTAGEOUS REDISTRIBUTION

Base Salary may be redistributed to enable the pastor to take maximum income tax advantage under the IRS code. The information that follows may assist you in this endeavor. However, the IRS code is complex and qualified professional assistance should be sought.

Determine the amounts you wish to designate under any or all of the items below:

TAX SHELTERED ANNUITY

Contributions made on behalf of the pastor to an approved **Tax Sheltered Annuity (TSA)**, also referred to as a **Tax Deferred Annuity (TDA)**, are not taxable in the year made, but are taxable in the year they are withdrawn, e.g. in retirement. Pension contributions paid directly by the employer are already credited to **TSA/TDA**. Additional contributions up to the amount permissible by the IRS code may be placed in the ELCA Board of Pensions Optional Pension Plan and/ or other depositories. Write or call the ELCA Board of Pensions for details on **TSA/TDA**, especially in regards to:

- The exact amount of additional **TSA/TDA** for which your pastor is eligible, and
- The tax benefit received by retired clergy with respect to withdrawals from the ELCA **TSA/TDA** which are designated and used for housing allowance.

These contributions may be made in addition to Individual Retirement Account (IRA) deferrals.

28	Enter the annual amount designated for TSA/TDA..... Enter on line 41, on page 22.	28	\$ _____
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HOUSING ALLOWANCE

See Part II, Section B for information on redistributing Base Salary as Housing Allowance in order to decrease the pastor's taxes.

HOUSEHOLD EXPENSES AND FURNISHINGS ALLOWANCE

(Applicable only to pastors whose congregations provide parsonages. This is already included in Housing Allowance for pastors who own or rent their own home.) Your Pastor may exclude the household expenses and furnishings allowance from taxable income to the extent that it is actually used for that purpose. The pastor should provide the council with a written estimate of household expenses anticipated for the calendar year. Expenses which qualify to be used for household expenses and furnishings allowance include property insurance, utilities, furnishings and appliances, repairs and remodeling, yard maintenance and improvements, maintenance items, etc. See Appendix II for a resolution to be used in designating household expenses and furnishings allowance.

29	If you answered Yes on lines 8 and 9 enter the annual amount designated for Household Expenses and Furnishings Allowance Enter on line 43, page 22.	29	\$ _____
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MEDICAL BILL PAYMENTS

Medical and Dental expenses not covered by insurance, if paid directly by the congregation to doctors and hospitals (within certain limitations) do not constitute taxable income to the pastor. The deductible for health insurance may fall into this category. An amount may be allocated for the payment of such bills upon their submission. At the end of the year whatever amount is unspent from the allocation would be paid to the pastor in accordance with this arrangement, and the pastor would need to declare that year-end payment as taxable income.

30	Enter the annual amount designated for Medical Bill Payments Enter on line 44, page 22.	30	\$ _____
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OTHER TAX ADVANTAGEOUS DISTRIBUTIONS

There may be other tax advantageous arrangements upon which the pastor and the congregation may agree. For example, within certain limitations, insurance premiums paid on behalf of the pastor, the pastor’s share of Pastors and Associates in Ministry Aid for Continuing Education (PACE), legal and professional entertainment expenses paid by the congregation may not be taxable.

31	Enter the annual amount designated for Other Tax Advantageous distributions Enter on line 45, page 22.	31	\$ _____
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APPENDIX I
2004 MINIMUM BASE SALARY GUIDELINES FOR THE CALL
PROCESS

(In addition to Housing Allowance, if provided)

Use this table to find the pastor's **minimum** base salary for 2004. Enter the amount on line 3, page 3. Complete the worksheet on page 3 to determine your pastor's salary for 2004. Keep in mind that the figures on this chart are guidelines and are not to be used as ceilings. You may also wish to consider the pastor's years of applicable prior experience in an allied profession.

YEARS ORDAINED	MINIMUM BASE SALARY
Newly ordained	\$ 30,570
1	\$ 30,980
2	\$ 31,390
3	\$ 31,800
4	\$ 32,210
5	\$ 32,620
6	\$ 33,030
7	\$ 33,440
8	\$ 33,850
9	\$ 34,260
10	\$ 34,670
11	\$ 35,080
12	\$ 35,490
13	\$ 35,900
14	\$ 36,310
15	\$ 36,720
16	\$ 37,130
17	\$ 37,540
18	\$ 37,950
19	\$ 38,360
20	\$ 38,770
21	\$ 39,180
22	\$ 39,590
23	\$ 40,000
24	\$ 40,410
25	\$ 40,820
For more than 25 multiply the additional years of service by 410, add 40,820 and enter.	\$ _____

APPENDIX II

PARSONAGE/HOUSING ALLOWANCE DESIGNATION

The congregation council or agency governing board must record its action designating the provided parsonage or housing allowance in its official Minutes and notify the Pastor in writing of this designation. IRS requires that this be done annually always before the fact, never retroactively.

The following is one form the resolution could take if no parsonage is provided:

The following resolution was adopted by the congregation council of *First Lutheran Church* at a regularly scheduled meeting held on *December 15, 2002*, a quorum being present:

Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) a church-designated allowance paid as part of compensation to the extent used for actual expenses in owning or renting a home; and

The Rev. *John Smith* is compensated by *First Lutheran Church* exclusively for services as a minister of the gospel; and

First Lutheran Church does not provide The Rev. *Smith* with a parsonage; it is therefore

Resolved, that the total compensation paid to The Rev. *John Smith* for calendar year *2003* shall be *\$55,000*, of which *\$12,500* is hereby designated to be a housing allowance pursuant to section 107 of the Internal Revenue Code; and it is further

Resolved, that the designation of *\$12,500* as a housing allowance shall apply to calendar year *2003* and all future years unless otherwise provided.

The following is one form the resolution could take if a parsonage is provided:

The following resolution was adopted by the congregation council of *First Lutheran Church* at a regularly scheduled meeting held on *December 15 2002*, a quorum being present:

Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income “the rental value of a home furnished as part of compensation,” or a church-designated allowance paid to as part of compensation to the extent used for actual expenses incurred in maintaining a church-owned parsonage; and

The Rev. *Jane Smith* is compensated by *First Lutheran Church* exclusively for services as a minister of the gospel; and

First Lutheran Church provides The Rev. *Smith* with rent-free use of a church-owned parsonage as compensation for services rendered to the church in the exercise of ministry; and

Whereas, as additional compensation to The Rev. *Smith* for services rendered to the church in the exercise of ministry, *First Lutheran Church* also desires to pay The Rev. *Smith* for expenses incurred in maintaining the parsonage; it is therefore

Resolved, that the annual compensation paid to The Rev. *Smith* for calendar year *2003* shall be *\$55,000*, of which *\$5,000* is hereby designated to be a household expenses and furnishings allowance pursuant to section 107 of the Internal Revue Code; and it is further

Resolved, that the designation of *\$5,000* as a household expenses and furnishings allowance shall apply to calendar year *2003* and all future years unless otherwise provided by this congregation council; and it is further

Resolved, that as additional compensation to The Rev. *Smith* for calendar year 2003 and for all future years unless otherwise provided by this congregation council, The Rev. *Smith* shall be permitted to live in the church-owned parsonage located at *123 Main Street, Lake Galilee, NY* and that no rent or other fee shall be payable by the Rev. *Smith* for such occupancy and use.

The secretary of the Congregation Council shall provide the Pastor with a copy of the resolution.

APPENDIX III DISABILITY INSURANCE

The ELCA Board of Pensions Disability Benefits Plan does not pay a benefit during the first two months of disability. During the first two months the congregation/organization provides full compensation including housing. Beginning with the third month the employee is entitled to receive from the Board of Pensions a monthly benefit equal to:

- 66 2/3% of the employee's "Monthly Defined Compensation",
- Minus any Social Security benefits to which employee and family members are deemed to be entitled based on employee's earning record (check limited ELCA Board of Pensions interpretation), and
- Minus any other governmental disability program benefits payable to the employee and family members based on the employee's disability.

In general, the monthly benefits continue until the employee recovers from the disability. However, if the employee has not recovered by the 65th birthday, the monthly benefits will stop and pension benefits begin. During the first 12 months of the disability, the employer is responsible for continuing to pay the monthly contribution to the Medical and Dental Benefits Plan and the Survivor Benefits Plan. If coverage has been continued during the first 12 months, then thereafter the Disability Benefits Plan will pay the cost of continued coverage under the Medical and Dental Benefits and Survivor Benefits Plans.

Since the above disability insurance would seem to be adequate congregations may not desire to enroll their pastor(s) in Workers' Compensation. For detailed information on disability benefits call the NYS Workers' Compensation Board at 800/353-3092. Ask for their brochure "Off the Job Injury or Illness". You can also visit www.wcb.state.ny.us/content/main/workers/wc06003.htm.

APPENDIX IV SUPPLY, VACANCY AND INTERIM PASTORS

SUPPLY PASTORS

The Synod Council recommends the following scale of rates for honoraria for Supply Pastors:

One Service of Worship (morning or evening)	\$125
Two Services of Worship (same day)	\$150
Three Services (same day)	\$175

In addition, mileage should be reimbursed at the 2003 rate of 37.5 cents per mile (2004 rate will be available on the following website when it becomes available: www.irs.gov/newsroom/content/0,,id=104345,00.html), plus parking, bridge and tolls. Supply pastors should be paid on the day they provide the service. (For example, a supply pastor serving at a Saturday evening worship service and two Sunday morning worship services should receive \$125 + \$150 = \$275 + travel)

VACANCY PASTORS

The Congregation Council should provide compensation for the services of a Vacancy Pastor at the rate of \$125.00 per week for congregations up to 250 active confirmed members, and \$175.00 per week for congregations over 250 active confirmed members, exclusive of pulpit supply which shall be the rate for Supply Pastors. The Vacancy Pastor should also be reimbursed for travel (at the rate of 37.5 cents per mile), telephone, postage, etc., on a monthly basis.

INTERIM PASTORS

Pastors who serve congregations in designated Interim Ministry shall be compensated in accordance with special arrangements made in consultation with the Bishop's Office. The compensation shall normally be in keeping with the Synodical Compensation Guidelines.

APPENDIX V

GUIDELINES FOR SABBATICAL LEAVES

It is important for both ordained minister and the congregation/organization to realize the importance of the minister's continuing education through workshops, seminary courses, and personal study. Lutheran congregations have long been encouraged to provide time and financial assistance to enable pastors to maintain and improve their skills. From time to time, however, a minister may desire an extended period of time for study, personal growth, and reflection without the responsibilities or regular service – a sabbatical leave. **The Synod Council recommends that congregations and organizations consider sabbatical leaves for pastors as a privilege to be granted.**

These Guidelines are provided to assist ministers and congregations/organizations in the contemplation and negotiation of such sabbatical leaves.

- A. Ordained ministers and congregations/organizations contemplating sabbatical leaves should consult with the Bishop early in the process.
- B. Sabbatical leaves are intended for in-depth study on one or two topics directly related to the regular call of the minister, and should include time for personal and familial reflection.
- C. Sabbatical leaves will normally be for a period of not less than three months and not more than twelve months.
- D. Ministers who have a minimum of seven years in the active ordained ministry and who have served in their current call for five or more years may present proposals for sabbatical leaves. A proposal shall include:
 - 1. A rationale for the sabbatical, including personal goals, and potential value for the congregation or organization.
 - 2. A detailed outline of the intended courses of study and use of time.
 - 3. An outline of the financial implications of the sabbatical.
 - 4. An indication of the use of vacation time during the sabbatical. At least one half of the period normally granted as annual vacation leave should be so designated in sabbatical leaves of three (3) – six (6) months. In proposals for sabbaticals of seven (7) – twelve (12) months the entire annual vacation leave shall be included.
- E. Proposals for sabbatical leaves shall be presented to the congregation council/governing body of the congregation or organization not less than six months prior to the beginning of the leave.
- F. Careful consideration shall be given to all aspects of the proposal and implications for the congregation or organization and the ordained minister.
- G. Congregations or organizations may give sabbatical leaves as merit benefits.
- H. Normally, the minister and the congregation/organization shall negotiate the financial considerations for the sabbatical. It is suggested, however, that Base Salary, Housing Allowance, and ELCA Pension and Other Benefits program be maintained at the current budget level, with the minister assuming responsibility for all other personal and family expenses.

- I. When a sabbatical leave is granted, a minister shall normally agree to serve that congregation or organization for a minimum of two years following the completion of the leave.
- J. Realizing the congregation or organization will be without the services of its regularly called pastor during the sabbatical, the pastor and the congregation/organization shall seek the counsel and consent of the Bishop before finalizing the agreement.
- K. Within six weeks of the completion of the sabbatical leave, the minister shall present to the congregation/organization and the Bishop a detailed reflection on the experiences of the leave.

PASTOR'S COMPENSATION PACKAGE – OFFICIAL RECORD FOR THE YEAR _____

PASTOR _____ CONGREGATION _____ DATE _____

	PART I - BASE SALARY		
32	Enter base salary from line 7..... (Of which \$ _____ is Furnishings Allowance on lines 29 & 43).	32	\$ _____
	PART II - PARSONAGE		
33	If parsonage is provided check here <input type="checkbox"/> and enter amount from line 10 OR if parsonage is not provided enter amount from line 11.....	33	\$ _____
	PART III - SUPPLEMENTAL BENEFITS		
34	Enter Social Security Contribution from line 16.....	34	\$ _____
35	ELCA Pension and Other Benefits from line 22.....	35	\$ _____
36	Enter Group Term Life Insurance from line 23.....	36	\$ _____
37	Enter Continuing Education from line 24.....	37	\$ _____
	PART IV – PROFESSIONAL EXPENSES		
38	Enter Automobile/Transportation Expenses from line 25.....	38	\$ _____
39	Enter Book/Periodical Expenses from line 26.....	39	\$ _____
40	Enter Other Professional Expenses from line 27.....	40	\$ _____
	PART V – TAX ADVANTAGEOUS REDISTRIBUTION		
41	Enter TSA/TDA from line 28.....	41	\$ _____
42	Enter Redesignated Housing Allowance from line 12.....	42	\$ _____
43	Enter Household Expenses and Furnishings Allowance from line 29	43	\$ _____
44	Enter Medical Bill Payments from line 30.....	44	\$ _____
45	Enter Other from line 31.....	45	\$ _____
46	Add lines 41, 42, 43, 44 and 45.....	46	\$ _____
	CASH SALARY FOR INCOME TAX PURPOSES		
47	Add lines 32, 33 and 34.....	47	\$ _____
48	Enter the amount from line 46.....	48	\$ _____
49	Subtract line 48 from line 47. Total salary for income tax purposes.....	49	\$ _____

Attachment F

Extracts from the ELCA Constitution

20.10. CONSULTATION AND DISCIPLINE

20.12. As used in this constitution and bylaws, due process means the right to be given specific written notice of the charges against any person or entity of this church, the right to testify in person or remain silent (at the election of the accused), the right to call witnesses and introduce documentary evidence concerning the pending charges, the right to confront and cross-examine all witnesses in support of such charges, the right to a hearing before a discipline hearing committee as provided in 20.13., the right to a written decision of the discipline hearing committee as provided in the bylaws, and the right to be treated with fundamental procedural fairness. Any violation of these rights shall be grounds for reversal of an unfavorable finding and the right to a new hearing.

20.12.01. "Fundamental procedural fairness" means and includes: avoidance by committee members of written communications to or from either the accused or accuser(s) without copy to the other; avoidance by committee members of oral communications with either the accused or accuser(s) outside the presence of the other; maintaining decorum during the hearing; allowing both the accuser(s) and the accused to present their cases without unnecessary interruptions; keeping a verbatim record of the hearing, either made by a stenographer or court reporter or by tape recording; allowing both the accuser(s) and the accused to be accompanied at the hearing by a representative (who may, but need not, be an attorney) who also may participate in the proceedings; impartiality of the committees that consider the charges; and the right to be treated in conformity with the governing documents of the Evangelical Lutheran Church in America

20.41.A01. Rules for Appeals to a Synod Council

a. Any appeal to the Synod Council must be made by written notice within 30 days after the decision of the Congregation Council has been delivered to the accused member(s). The written notice of the intent to appeal must be given by certified or registered mail to the Synod Council (in care of the vice president of the synod), with a copy to the chair of the Congregation Council and the congregation's pastor.

b. Any party who has appealed to the Synod Council for review of a decision of a Congregation Council may request a stay in the effective date or other provision contained in the decision pending the appeal. The request must be in writing and shall set forth the reasons why the requested stay is advisable. The request shall be forwarded to the Synod Council (in care of the vice president of the synod) with copy to the other party. The Synod Council may grant the other party an opportunity to respond in writing. The Synod Council may grant a stay for the period, and may renew the stay for further periods, as it determines to be appropriate. The Synod

Council may make the grant of a stay subject to such conditions as it determines to be appropriate.

c. The chair of the Congregation Council must furnish the record on appeal to the Synod Council (in care of the synodical vice president), certifying to the completeness and accuracy of the record on appeal, within 30 days of the receipt of the written notice, unless the vice president allows additional time for compelling reasons. The record on appeal will consist of the following:

- 1) the citation and specific written charges as served upon the accused member(s) prior to the hearing before the Congregation Council;
- 2) the congregation's constitution, bylaws, and continuing resolutions and a copy of any rules governing the hearing before the Congregation Council;
- 3) identities of the person(s) who prepared the written charges and of the members of the Congregation Council who heard the case;
- 4) the verbatim record or the audio or video recording of the hearing before the Congregation Council;
- 5) all documents or physical evidence presented at the hearing before the Congregation Council;
- 6) the written decision of the Congregation Council;
- 7) proof that the written decision was delivered to the accused member(s);
and
- 8) certification that the successive steps required by Matthew 18:15-17 were followed, as specified in bylaw 20.41.02. in the Constitution, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America.

d. If the Synod Council has reason to believe or doubt that a required action was taken by the Congregation Council, but the action is not revealed in the record on appeal, the Synod Council may solicit, by written request to the chair of the Congregation Council with copies to the accused member(s), written confirmation of the action. Copies of the confirmation shall be supplied to the accused member(s).

e. The party making an appeal must present a written statement of reasons why the decision of the Congregation Council should be reversed or set aside. The Congregation Council will then submit a written response to the Synod Council. The party taking an appeal may present a brief written rebuttal. Appropriate page limitations and due dates for these statements will be established by the vice president of the synod. Parties shall promptly give each other copies of any written statements filed with the Synod Council.

f. Members of the Congregation Council and the accused members shall refrain from discussing appeals made to the Synod Council, except as required to discharge their duties under these rules. Members of the Synod Council shall refrain from discussing appeals, except as required to discharge their duty to decide the appeal. Members of the Congregation Council and the accused member(s) will not communicate with Synod Council members concerning the appeal unless all parties are included in the communication.

g. No member of the Synod Council may participate in any appeal if such a member is related to the accused member(s), to any witness who testified before the Congregation Council, or to a member of the Congregation Council, or where such Synod Council member is a current or recent member of the congregation. For good cause, a member of the Synod Council may voluntarily disqualify himself or herself from participation.

h. The Synod Council will meet in executive session and consider the appeal solely on the basis of the record and written statements. Normally, the Synod Council will meet and render its written decision within 60 days from the due date for the last written statement to be submitted by the parties.

i. The Synod Council will affirm the decision of the Congregation Council unless it finds that:

1) the requirements of due process or fundamental procedural fairness were not met;

2) the Congregation Council's decision was not supported by any evidence in the record; or

3) the record on appeal is insufficient to make a determination.

j. Final decisions of the Synod Council require an affirmative vote by at least two-thirds of those present and voting. The decision of the Synod Council shall be

delivered in writing to the accused member(s), the chair of the Congregation Council, the congregation's pastor, the synodical bishop, and the secretary of this church.