

Annual Meeting Agenda

Call to Order - Sharon Calder

Prayer - Pastor Ryan

Business

- Approve minutes of last meeting
- Approve agenda for this annual meeting

New Constitution

Ratify

New Council Members

- Out-going - Chris Rogers, Pat Bressler, Fran Tieman, Rich Bainbridge, Dave Aurentz, Chris O'Reilly, Stephen Pepper (youth), Sam Botterbusch (youth), and Sharon Calder
- Incoming
- Vote

Budget for 2019

- Katie Sensenig, Treasurer
- Questions or concerns
- Approval vote

By-Laws Reform

- Questions
- Vote

Adjournment

2018 SENIOR PASTOR’S REPORT

In the fall of 2017, and in the context of a Bible study on Paul’s vision of the Macedonian Man, Atonement’s Council made a wager on the future to which God is calling our congregation. Our wager was that God is calling our congregation to give special attention to forming young families in the Christian faith. This wager served as the basis for Council’s new Global Ends policy. That policy states that by **2024**, there will be (1) never fewer than **250** in worship, (2) regularly **500** in worship, and (3) **1000** in worship for Christmas and Easter. Most of the growth that these numbers represent, the policy states, should come from increased participation of **young families**. The Global Ends policy also emphasizes that we should accomplish these ends within the financial means of the congregation. It is on the basis of this policy that we have made adjustments to Atonement’s various ministries over the last year. Below you will see a breakdown of **attendance** numbers from the last few years. Because Pastor Summy left at the conclusion of the 2016 school year, and I arrived at the beginning of the 2017 school, the following numbers report average attendance by school year.

School year '15-'16	285	Summer '16	221	Annual	266
School year '16-'17	269	Summer '17	197	Annual	248
School year '17-'18	308	Summer '18	214	Annual	280

Average worship attendance in the first month of the school year (traditional Rally Sunday through week 5):

'15: 242 '16: 235 '17: 246 '18: 278

Even before I began my ministry at Atonement, I had a strong sense that the congregation was **over-extended**. Both financial reserves and offerings were decreasing. Staff and volunteers were working very hard for diminishing returns. Attendance at worship services was declining. The congregation’s extensive and aging facilities were needful of attention. The congregation was still hopeful, but the congregation was also *tired*. Over the last year, I have tried to emphasize **working smarter and not necessarily harder** to achieve results that are at least as good as what we were producing before. I know that that seems like a low threshold for success, but it also seemed to me like an attainable goal for our first full year together. In these early stages of growth, I have preferred to make adjustments to Atonement’s ministry that are consistent with the congregation’s **traditions**. This preference for traditional programming and schedules has brought an end to several labor-intensive experiments. Despite these changes—and in some cases because of them—I believe Atonement is still unmistakably **Lutheran**.

Over the summer of 2018, the staff and I created an initial pattern for growth towards the goals stated in the Council’s Global Ends Policy. We are working to grow the early service so that it occasionally reaches an attendance of **150** on a non-Easter Sunday. We are working to grow the late service so that it occasionally reaches an attendance of **350** on a non-Easter Sunday. During the 2017-2018 school year, we noticed that there was a strong correlation between special events and features in worship and increased attendance. **Faith milestones**, like Baptism, First Communion, and Confirmation, bring many visitors to worship. A steady rotation of Atonement’s various **music groups** through both services yields increased attendance. Special **pastoral acts**, like the Blessing of the Backpacks and Blessing of the Animals, attract visitors and members alike. And though we are still adhering to the Revised Common Lectionary, we are trying to carve **sermon series** out of the schedule that give our worshipers a sense of continuity from one Sunday to the next.

If this pattern for growth fails to produce actual growth, adjustments will have to be made.

PROGRAMMING NOTES

Due to low attendance, the **Saturday service** was cancelled in the fall of 2017.

Over the past year, I have emphasized the use of **social media** as a form of publicity evangelism.

In consultation with the Altar Guild, the early service transitioned to the celebration of Communion on **first and third Sundays**, and the late service remained an **almost-weekly** Communion.

We maintained Atonement’s schedule of **Christmas Eve and Day** services.

As the 11:00 AM service became more family friendly, especially with the **Children’s Chapel** experiment in early 2018, participation in the **God Time!** service began to decline. God Time! returned to its previous monthly schedule in an effort to boost attendance. Because attendance remained low, God Time! met for the last time on Easter Sunday.

Worship attendance with two services has generally been **higher** than it was with four services. The inclu-

sion and publicity of faith milestones, pastoral acts, preschool crossovers, and music groups have helped to increase attendance.

In early 2018, volunteers offered a book study on the book *Whispers* during the educational hour. This study launched a renaissance of Sunday morning adult ministry offerings.

We maintained Atonement's schedule for **Holy Week**, with the exception of the cancellation of the mid-day service on Maundy Thursday.

In the summer of 2018, the congregation returned to its traditional **summer worship schedule** (8:15 and 10:00 AM), both services in the nave.

In the summer of 2018, the congregation offered a traditional morning **Vacation Bible School**.

In the fall of 2018, the congregation returned to its traditional Sunday morning schedule: **8:30 AM** service in the nave, **9:45 AM** educational hour, and **11:00 AM** service in the nave.

In the fall of 2018, the congregation's office began to directly coordinate **Sunday morning servants**, so that lectors, Communion ministers, assisting ministers, and greeters are only doing one of these jobs at one service once-a-month for a quarter.

We are in the midst of an experimental relaunch of a free-standing, one-hour **Sunday school**. The experimental Sunday school year is anchored by two, ten-week units in the fall of 2018 and the spring of 2019.

A variety of programing anchors the Sunday morning educational hour for **adults**. This fall's schedule is a combination of topical lectures, book study small groups, and Bible studies. At this early stage, we are usually not offering more than one gathering during the educational hour.

We are in the midst of an experimental launch of a **mid-week, mid-day Bible study**, focusing on the Revised Common Lectionary for the coming Sunday. This study meets at 1:30 PM on most Thursdays.

We are in the midst of an experimental launch of a **monthly evening Bible study**, focusing on the preaching passages for the coming month. This study meets at 6:30 PM on most last Thursdays of the month.

In the fall of 2018, we relaunched Atonement's **Acolytes Guild**, inviting students in grades 4 through 6 to serve as torchbearers and students in grades 7 and 8 to serve as crucifers.

In an effort to keep the congregation better informed about their ministry, the staff and our volunteer leaders have begun to utilize the **monthly newsletter** as a report to the congregation.

The staff and volunteer leaders relaunched a **Children's Christmas Pageant** at the 11:00 AM service on Sunday, December 23.

In the last quarter of 2018, the staff, our lay leaders, and I looked into the possibility of inviting a small local congregation, the **Redeemed Christian Church of God (RCCG)**, to worship in Lundin Hall on Sunday mornings at 11:00 AM. The majority of this small congregation's membership is made up of Nigerian Christians, including the refugee family our local Lutheran community has been supporting. On behalf of our ministry, I formally invited the RCCG to worship in Lundin Hall beginning on January 13, 2019.

STAFF

With my blessing, **Pastor Tom Scornavacchi** has focused his ministry exclusively on Common Ground. Atonement continues to support Common Ground by serving as the ministry's fiscal agent and making a donation to the ministry from our endowment.

The transition away from God Time! means that **Stephen Longenecker** has refocused his ministry on Common Ground (though not exclusively).

Sharon Calder graciously agreed to serve as our volunteer congregational administrator. Without Sharon's time and energy, we would not have completed many of the administrative projects of the last year.

Amy Rogers became our new bookkeeper at the end of April.

When **Jo Sturgis** retired at the end of June, we downsized the full-time secretary position to a part-time office manager. **Crystal Shirk** is now serving very capably as our office manager. Regular office hours are Monday through Friday, 10:00 AM to 3:00 PM during the school year.

We added a part-time Sunday school director to our staff. **Melissa Hazlett** has dedicated a huge amount of time, effort, and prayer to relaunching the Sunday School.

With my blessing, **Pastor Julie** requested to switch from the parsonage version of her compensation package to a housing allowance version. Pastor Julie's portfolio has been re-focused on Youth and Family ministry.

The lay support and program staff have all received their reviews. Staff reviews will shift to the school year schedule beginning in the summer of 2019.

CAPITAL CAMPAIGN

From late December through early April, Dan Kimball, who served as the chair of the capital campaign, and I pursued leadership gifts for the Capital Campaign. We began the public phase of the campaign with a significant amount of leadership gifts already pledged. From April 22 through May 20, the congregation pledged additional gifts to the campaign that brought the total to over **\$1.1 million**. Over the summer, I called a special congregational meeting to approve a loan from the ELCA's **Mission Investment Fund**. This loan will allow us to tackle the campaign's projects as soon as feasible, rather than waiting until we have cash in hand. The loan was **unanimously** approved by the congregation. Now that the loan is approved, we are in a position to greenlight the main campaign project to fix the **water problems** in the new building in the spring of 2019. The **organ** re-leathering has begun as of the writing of this report. The technology project is virtually complete. New **computers and phones** have been installed throughout the church. The **new sound system** is installed, including new microphones. The **cameras** are installed, and the **screens and projectors** have been in use since early November. The **air conditioners** in Lundin Hall are scheduled to be replaced this winter. The complete list of projects for the Capital Campaign was created by the Property Committee. We will continue to need to adjust the campaign's spending plan as the scope and cost of the various projects become clearer. We have completed other projects outside the Capital Campaign, including the repair and repainting of the Community Center's exterior woodwork.

FACILITIES

As part of my call process, I requested a housing allowance instead of living in the **senior pastor parsonage**. We commissioned a study by Kate Harenza, with input from Eva Eisenbrown, about what to do with the parsonage. The report was presented to the congregation at a well-attended informational gathering in the spring. I called a special congregational meeting for early April, explaining that the demolition of the parsonage and expansion of the parking lot would become a capital campaign project if approved. The proposal passed unanimously. Fred Mogel, Art White, Tom Gresh, John Furst, and Bob Keith have been working with a local engineering firm on the parking lot design and zoning variance process. Atonement's project was scheduled for a hearing in **November**, and was approved by the borough's zoning board. There is a question as to whether there will be enough capital campaign money left to do the project, given that other campaign projects are more expensive than anticipated.

Pastor Julie and Jo moved out of the **associate pastor parsonage** over the summer. In consultation with the staff and others, I decided to rent the associate pastor parsonage for one year. We are not needful of the proceeds from the sale of the property at the moment, and I think we should wait to see what happens to property values over the next few years. Renting the parsonage easily covers the \$4,000 in property taxes, and creates a little new revenue for the church (though we have to pay taxes on it).

GOVERNANCE

Council has shifted from a month-to-month management model to a **policy governance** model. At their January 2019 meeting, the Council adopted the four governance portfolios as continuing resolutions: *Ends*, *Executive Limitations*, *Executive Accountability*, and *Council Governance Process*. Council passed a continuing resolution regarding the acknowledgement and use of designated gifts to this ministry. Council also passed a continuing resolution affirming Atonement's reliance on pastoral discretion as to whom our pastors will wed. In consultation with the Northeastern Pennsylvania Synod, the Council also led the congregation through a **constitutional update** process. More information about the Council's ministry can be found in the attached reports from President Sharon Calder and Vice President Bryan Wang.

NEXT STEPS

Over the course of this 2018-19 school year, we will be **working and evaluating** the aforementioned conservative approach to congregational growth.

The expansion of the congregation's **cyber-ministry** in 2019 will hopefully include online streaming of our sermons and/or services.

The Council will continue to have prayer and conversation around the topic of **expanding our Ends policy**. Does Atonement have a particular role to play as Lutheranism contracts around us? Does Atonement have a role to play in coaching ELCA congregations through the transition from management to governance? Should Atonement have an international sister congregation? Should Atonement create new revenue streams for min-

istry, like a thrift store or a coffee shop? Should Atonement get into direct delivery of social services ministry? Can we summarize our sense of purpose, our vision, our values, and our guiding principles in ways that are accessible and useful to us as disciples of Jesus? Only the Council has the authority to help our congregation discern these new directions.

Finally, I will be convening a conversation in the congregation about our **discipleship culture**. We need to create a process for orienting newcomers to Atonement and moving the members of our congregation through a discipleship journey that should probably include small group fellowship. A think-tank will gather sometime this winter, and will focus on the book *Simple Church*.

ASSOCIATE PASTOR'S REPORT

A Year of Excitement!

What a blessed year this has been in the life of Atonement Lutheran Church! We have been blessed with vibrant ministries that launched new beginnings and the Holy Spirit has been blowing mightily through our life together. A snapshot of those ministries from my perspective:

Confirmation – This year we have eleven 1st year students (7th graders) and seven 2nd year students (8th grade or older) involved in the program. We revamped the program this year, keeping the monthly evening gatherings, though shortening them and changing the content to include Group Building, Real Life Learning, and Churchy Learning. So far we've covered the topic of Healthy Boundaries from a variety of perspectives as well as providing crucifer training, and learning the structure of worship and church calendar. In addition, we started a Sunday morning Bible study component to coincide with Sunday school, so far completing a ten-week Old Testament Overview of the Davidic monarchy through and beyond the exiles. Additionally, students in the program are to participate in service learning activities through Atonement, which so far included CROP Walk, Cardboard Village, Refugee Simulation, and Christmas caroling to homebound members. And, this past Reformation Sunday, we celebrated with eight young people as they affirmed their baptisms: Marina Biltcliff, Tyler Boland, Elizabeth Harenza, Callum Hazlett, Isabel Marshall, Emily Shirk, Elise Wang, and Alison Wildman. A HUGE thank you to the parents who are helping out this year, as well as our extraordinary adult mentors: Jessica Bialek and Ken Lord.

Youth – This past year youth efforts focused on preparing for the 2018 ELCA Youth Gathering in Houston, Texas. Five young women and myself spent a week in Houston learning what it means to be a part of the wider church – in service, learning, and worship. They shared their experiences in Atonement's worship services the following Sunday. Thanks to all of you who supported these young disciples in this journey! Additionally, we started a once-a-month small group meeting on Sunday mornings to provide continued educational opportunities and a safe place to grapple with faith and life, which has met twice so far (given so many other events!). Thank you to the wonderful leaders of this group – Cathy Durand and Johanna Ray! Youth also participated in Sunday school, helping with the children, and in various roles in this year's Christmas pageant, *Repeat the Sounding Joy*.

League of Lutherans – Fourth to sixth graders populate this fun junior youth group, which meets about monthly, and so far this is our best year yet! We've met a couple of times at the church for various games and activities, went GLOW Bowling together at Berks Lanes, and look forward to laser tag in the new year. New and returning friends are being invited, so that we had 17 show up for bowling!

Children's Ministry – Thanks to a wonderful team dedicated to children's faith enrichment here at Atonement, Children's Ministry has seen some exciting changes this year. It started off with new Children's Chapel experiences, with a couple of time-limited units learning the Lord's Prayer (ending in children helping to lead the Lord's Prayer in worship) and exploring the days of Holy Week – thanks to Melissa Hazlett for planning and providing leadership for those experiences, and to Heather and Dan Bratton for helping! Vacation Bible School was a success as well, with a huge thank you to Sara Eastman for taking the helm of that ship – we saw increased enrollment and excitement! Then Melissa Hazlett came on board as Sunday school director and planned her own curriculum for Sunday school, which I'm sure she'll be telling you about in her own report. Children's Ministry Team also hosted the annual Advent Event, for which we estimate 200 people came! And finally, Mr. Yenser wrote a wonderful Christmas Pageant program in which about 60 children and 30 youth participated, and Children's Ministry provided support and hosted the luncheon afterwards, at which we estimate 150 people in attendance again!

Preschool Connections – Mrs. Dauber and I have been working more intentionally to try to increase Atonement’s contact with the preschool, including some of the usual things (chapel once a month, praying over classroom Thanksgiving Feasts, sending home an Advent devotion for families, and leading Christmas Chapel). Additionally this year I made an effort to be in preschool orientations to meet and greet parents, did a Christmas Storytime with the toddler classes who aren’t involved in the Christmas Chapel, and simply made myself more available in the hallways for conversation with parents. We also hope to give the Spark Story Bible to children graduating from preschool this year and are thinking of ways to expose them to the Bible before that time!

Pastoral Responsibilities – And, of course, through the regular course of my work here at Atonement, I visited with hospitalized members and some families; participated in worship planning and leadership; presided at baptisms, weddings, and funerals; and counseled, consoled, and celebrated with members.

As always, it has been a joy to serve with you all, the people of God at Atonement!

Pastor Julie

DIRECTOR OF MUSIC REPORT

Here is a snapshot of music at Atonement in 2018:

- Atonement Choir, with a core group of about 20 adults, rehearsed weekly sang most Sundays in worship from September through May, usually at the later worship service and about once a month at the earlier worship service.
- The Alleluia and Spirit Singers, our children’s choir for Grades K-6, grew to about 20 singers this year, rehearsed weekly during the school year and sang in worship about once a month. Tama McConnell provided her expertise to help lead this lively group.
- Atonement Youth Singers (Grades 7-12) rehearsed weekly and sang about once a month in worship. This group of 8-10 youth also led three of the five Holden Evening Prayer services on Wednesdays in Lent.
- Alleluia Singers, AYS and Atonement Choir joined forces to present “Music Man in Concert” at the end of May. This program also featured a 20-member band of adults, children and youth.
- About 12 adults, led by Tama McConnell, comprised Atonement Ringers, a bell choir that rehearsed weekly and rang in worship about once a month.
- Our 10-member Atonement Praise Band, and in addition to leading worship at 11:00 a.m. about six times per year, this fall the band added music at three 8:30 a.m. services and received overwhelmingly positive reviews.
- Robin Lilarose led the Atonement Flute Ensemble, 8-10 youth and adults who played in worship 4-5 times.
- Other singers and instrumentalists from the congregation offered their musical gifts in worship throughout the year.
- All the music in worship was greatly improved with the addition of the new sound system in the nave.
- Basic’ly Brass quintet enhanced both worship services on Easter morning as well as a special celebration of the 500th anniversary of the Reformation Sunday at 11:00 a.m.
- I led music once a month at Preschool Chapel, culminating in the children singing with gusto in worship on Preschool Sunday.
- Six talented high schoolers were awarded Atonement Bach Scholarships and shared their musical gifts in worship during May and June.
- At the end of June, the Vacation Bible School children rocked out with the praise band on VBS Sunday.
- The new digital harpsichord, provided to the community by a generous donation from the Reinsel Family and housed jointly by Atonement and Trinity Lutheran in Reading, received a dedicatory recital at Atonement in July.
- Our worship space continues to attract high-quality local soloists and ensembles. In 2018, we hosted performances by guitarist David Cullen, Opus One, Berks Opera Company, Vox Philia, Berks Sinfonietta, Berks Youth Chorus, and Wheatland Chorale.
- Two new liturgical torches, perfectly sized for our younger acolytes, were given as gifts in memory of Burt and Alice Kominick.
- I continue to provide music for Common Ground Recovery Worship two Wednesdays each month, and occasionally at Trinity in Reading on Sunday afternoons.

The year ended with the return of a Sunday School Christmas pageant, held on the Sunday before Christmas and followed by a luncheon for the whole congregation, in addition to all our regular Christmas Eve services.

Many thanks to all the volunteers who participated in the music ministry at Atonement in 2018!

Respectfully submitted,
Tom Yenser

ATONEMENT CHRISTIAN PRESCHOOL REPORT

Atonement Christian Preschool's mission is to provide an early childhood opportunity that is loving and nurturing, as well as developmentally appropriate. We promote the spiritual, social-emotional, cognitive and physical development of each child in our care. Our mission is fulfilled by our dedicated staff of teachers and assistant teachers. Our 2018-19 staff includes, Nancy Brossman, Janine Busack, Jill Claassen, Jessica Clouser, Regina Doyle, Michelle Endy, Donna Egan, Abigail Faust, Jeanette Fotis, Debra Hoffman, Lisa Hurlleman, Jackie Kauffman, Vanessa Levering, Amy Miller, Raegan Peters, Libby Pflomm, Robin Searle, Melody Walley and Theresa Williams. These women help instill a love of learning as they help the children grow in all aspects of their development. Our enrollment as of January 1, 2019 is 139 children filling 196 spaces in 17 classes throughout the week.

The 2018-19 school year has been a year of change. We added a Younger Toddler class for 2-year-olds and an afternoon Naturalist enrichment class to our programming. The Younger Toddler class is small, but a few new students joined in January. The afternoon Naturalist class is a full class. Parents have expressed that they like the all-day opportunity this class offers our 4 and 5-year-olds. Another change that we incorporated, that has had positive parent response, is the addition of an extra half hour to our preschool classes. The 3's, 4's and PreK classes meet 9:00-noon instead of 11:30 as in the past. Teachers have found that the extra half hour has given them opportunity for quality small group and one-on-one experiences with the children.

With the addition of the Younger Toddler class, the preschool needed more classroom space. I was given approval to renovate one of the first-floor classrooms. Tom Gresh was busy from May through July transforming F126 and the next-door storage closet into our newest classroom for 3-year-olds. Thank you to Tom and all who made this renovation possible. Along with the new classroom, we also had new carpet laid in both stairwells. What an improvement! Our most recent upgrade is the option to pay preschool tuition online. Thanks to Amy Rogers for setting up this already popular payment option for the preschool.

Along with our preschool program, we continue to offer extra-curricular programs for our students. We have Kindermusik and Let's Pretend with Tama McConnell, Mighty Kicks soccer, and Mini-Masters Art with Donna Egan. In October, Snapology started their Junior Engineer program in our Wednesday Stay n Play class. Snapology offers Lego-based STEAM curriculum for all ages. The children built a seesaw and a spinning top out of Legos. They also offered summer camps for elementary aged children at Atonement. For parents, we offer a Monday morning exercise class in the gym. It started off slow but seems to have picked up interest this fall. These programs provide something for everyone in our preschool family.

The Preschool Board for 2018-19 includes Kristen Hurst, Bridgette Lowell, Kristin O'Reilly, Megan Valente, Meghan White, our council liaison Fran Tieman and me. The Board develops policy, sets goals, solves problems, and guides the change process for the preschool. We also host several events throughout the year. Preschool Sunday and Art Show in April was a huge success! Pastor Ryan led the service with the story of David & Goliath and the children sang their chapel songs. The Art Show was moved to Lundin Hall which helped with traffic flow. In May, the Board hosted the Preschool Staff Appreciation Brunch with food from Crave Café and end of the year gifts made by Kristin O'Reilly. In September, our "Popping into a New Year" socials with popcorn and lollipops were well received by parents and preschoolers. Lastly, the proposed idea of adding kindergarten was tabled by the Board due to the extensive process required for approval by the Department of Education.

The Preschool Home/School Association followed up the success of our first Family Fall Festival with Preschool Graduation in May. Our kindergarten-bound students and their families celebrated their time at Atonement Christian Preschool with a recognition ceremony including a song, photo booths and refreshments. Our second annual Family Fall Festival was even more successful than our first with over 250 people in attendance. The committee is planning a Winter Ball for March. Our events are not only an opportunity for families to spend time together but serve as fundraisers toward new playground equipment.

The Preschool playground is a highlight of our students' day. The main play structure is starting to age and will need to be replaced. I, with the help of a few preschool parents, have been researching new equipment and surfaces. Tom Gresh and I have met with several contractors about expanding the existing playground. We hope to have a more detailed plan with cost estimates soon, so we can raise the needed funds.

The Women of Atonement provided scholarships to several children in need of financial assistance. Their generosity and support are greatly appreciated!

One of Atonement Christian Preschool's goals is to help foster an awareness of God's love and an appreciation of his world. Pastor Julie and I have found some ways for our preschool families to nurture their children spiritually. During Lent and Advent, we provided each child with a developmentally appropriate activity set to teach the children and their families about these seasons of the church year. Pastor Julie offered ashes to go on Ash Wednesday to several families after preschool. A large group of preschoolers attended VBS in June. Many preschool families also joined in making Advent logs at the annual Advent event. The preschool co-hosted the ventriloquist at Rally Day and the pastors handed out "God's Got Your Back" backpack tags on the first days of preschool. We received special Thanksgiving blessings during our feasts and the end of 2018 culminated with our big Family Christmas Chapel services. Together the preschool and church are helping our young children and their families grow in faith.

Finally, 2018 was a fulfilling year of change and growth for Atonement Christian Preschool! I look forward to what 2019 has in store for us. Thank you for your continued support of our ministry.

Respectfully submitted,
Jen Dauber, Director

CAPITAL APPEAL REPORT

March - The beginning of our Capital Appeal project started with Temple Talks and a presentation regarding the recycling of the parsonage and the expansion of our parking Lot. Mold remediation was also done on the new "kitchen" area across from the gym.

April - Wiring, cabling and wifi installation was started by Atonement volunteers Brent Hessler and Jon Durand for the future phone and computer systems.

The Narthex plans had to come off the Capital Appeal and moved to a Phase II project because of the cost.

New outdoor lighting was installed outside of the main entrance.

Property Committee starts work on the parsonage/parking lot project with Stevens/Spotts/McCoy and the Wyomissing Borough.

The start of the new phone system to replace our 30+ year-old phones.

April 8th - Congregational meeting to approve recycling of the parsonage and expansion of the parking lot.

April 22nd - Our Capital Appeal for deferred maintenance, along with a few other smaller things, was kicked off.

May 6th - Congregational meeting for debt authorization of \$1.2M.

May 20th - Celebration of the Capital Appeal ending, with \$1.1M pledged.

June - The completion of our new computer and wifi systems (and the last day of Jo Sturgis' time with us!)

August - Forensics shows that, in addition to having to replace the DryVit on the alley side due to water infiltration, we will also have to repair leakage at two places in the foundation itself and around the blue windows in the narthex and nave.

October - Start of the installation of our new Audio/Visual system by Armbruster A/V.

November - Finishing up with the A/V system.

November 20th - Zoning Hearing with Wyomissing Borough, with Fred Mogul representing Atonement and Pastor Ryan testifying. The application was approved for the parsonage/parking lot plans and has a 30 day wait until we know that no one has filed an appeal. Then it needs to go through the Planning Committee before final approval. If approved (and this process will take another 3 months), we will start the project in early

spring. We will also have to meet with the Police, the Borough and the neighbors on Lynne and Belmont to discuss the on-street parking problems that they are having due to the meetings at the Community Center.

January 7th - start of the organ re-leathering.

January/February - the replacement of the three air conditioning units in Lundin Hall.

Spring - Water remediation to alley side dryvit, blue windows and foundation

Re-point the mica stone in the old buildings.

Parking lot retaining wall cap and railing anchor

Retaining walls/railings repair at the staircase to the gym entrance

Replace heat pumps as needed

Early Fall - finish up the parsonage/parking lot expansion

We are not finished yet - there is still much work to be done!

Total Capital Campaign contributions as of 12/27/18 are \$797,045.77. Expenditures to date are \$336,095.85, leaving us with \$460,949.92 in our CC account. This leaves us with \$302,954.43 left of pledges to be filled.

In the meantime, we would like to thank everyone who put effort into this project. Specifically:

Dan Kimball

Jon Durand

Kate Harenza

Art White

Tom Gresh

Terry Reed

Brent Hessler

The Property Committee

Fred Mogul

HEALTH ADVOCATE TEAM REPORT

Patients told me in the past that the years seem to pass faster as you get older. I agree, this year seemed to have passed very quickly. The Health Advocate Team has accomplished numerous activities this past year.

We have continued to send get well cards to hospitalized patients. Grief booklets have been sent to individuals who have experienced the loss of a loved one during the past year. I really appreciated the kind words many of these individuals expressed upon receiving these booklets and who stated that these booklets were helpful in dealing with their loss.

Remembering the Beatles song "With a little help from my friends", I send a thank you to Tom Endy for his adult forum on "Common Scams -how to protect yourself", Kate Harenza for leading a group discussing and teaching a health loss diet and Michelle Endy for restarting the Atonement Walking Group who met and walked the Wyomissing park trails weekly.

We continue to sponsor a blood drive quarterly at Atonement. This year we collected 88 units of blood. Remember that this donated blood stays in our local communities. In fact, one of our church members received 17 units of blood during a surgery/hospitalization. Donated blood saves lives. I really believe that we can donate at least 100 units in 2019.

There is a dedicated group of 14 volunteers who provided medical transportation to individuals who did not have any other source of transportation. We have completed 84 medical transports in 2018. Thank you to this dedicated group. We always need additional transportation ministry volunteers.

I continue to meet with individuals who have medical questions and issues. I provide advice and recommendations concerning illnesses and medical conditions. I provide assistance navigating the complicated health care system. I enjoyed helping the pastors do hospital visitations and providing phone consultations and follow-ups with individuals. I continue to serve on the pastoral care group.

This upcoming year I hope to establish a "First Aid Responder" group. Each worship service will have a dedicated "First Aid Responder" present. A Health fair screening is also planned in 2019. Blood pressures and blood sugars will be tested between worship services at scheduled events during the year. I hope to arrange additional adult forums discussing health issues. If you have any topic suggestions, please contact me. I am also considering establishing and leading short blocks of "small group sessions" during the year to discuss health issues such as nutrition, healthy diets, safety, relaxation and mindfulness and first aid.

I am blessed to serve as the congregational health advocate and I enjoy working with such dedicated, talented individuals at Atonement. I have really enjoyed getting to know and assist numerous individuals of our church community. Please contact me if I can assist you with any medical issue.

Ken Lord, M.D.

ADULT MINISTRIES REPORT

In 2018 Atonement continued its dedication to help adults articulate their faith and respond to the issues of everyday life from a Christian perspective.

In the first several months of the year, approximately 35 adults gathered for a ten week book study of *Whisper: How to Hear the Voice of God* by Mark Batterson. Sincere thanks to all who attended this fellowship and learning opportunity, and special appreciation to facilitators Susan Ziemer, George Fulton and Kate Harenza for their leadership. During this same time, Kate Harenza led a weekly Weight Loss Friendship Circle based on the principles of Bright Line Eating by Susan Pierce Thompson, PhD.

During the season of Lent, Atonement members were encouraged to share their thoughts in writing about the topic of discipleship. These writings were published in a booklet titled *Journey with Jesus*, and were also shared electronically with the congregation during Lent. Thank you to Cathy Law Durand, Rachel Gambone, and Susan Ziemer for organizing and carrying out this ministry.

September 2018 was marked with a re-start of our Sunday School, and the opportunity for adult programming between Sunday worship services. Beginning with Rally Day, opportunities for adults included Bible study led by Pr. Ryan Hersch, ongoing book study of *The Purpose Driven Life- What On Earth Am I Here For?* by Rick Warren, a special presentation by Doug Tieman, CEO of Caron Treatment Centers on “Spirituality: How It Makes Life Better,” a multigenerational Advent event, and culminating with our Christmas Pageant (performed by Atonement’s children and youth), followed by a lunch in Lundin Hall. Thanks to all who made these events happen, and to everyone who participated.

During 2018 the pastors also began a mid-week Bible study based on the lectionary for the upcoming Sunday. Both Pr. Ryan and Pr. Julie offer a preview of the readings and gospel, and help us to understand and integrate these lessons into our daily walk with Christ.

Along with all the learning and fellowship opportunities there are service opportunities: Family Promise, Flower Box Project, Angel Tree, and meals served at Opportunity House, just to name a few. Other ways to be involved within the Atonement family include Quilt Group, Stephen Ministry, weekly prayer meetings, and walking groups. Some of these will appear in more detail in other areas of this annual report.

As we move into 2019, we look forward to exciting opportunities to grow in faith as disciples of Jesus, enjoy fellowship, and expand Atonement’s reach into our community through service. As always, we welcome your participation in the planning and carrying out of these efforts. Thanks be to God!

Respectfully submitted,
Sarah Smith

CONGREGATION COUNCIL REPORT

The year of 2018 was the year that council changed from its old form of governance to Policy Governance, a condition of Pastor Ryan when he took the call to Atonement. In Policy Governance, the senior pastor is basically the Chief Executive Officer of the corporation (Atonement), and the Council sets the rules and has the vision for the church.

It has taken us the past year to put together a basic skeleton of this new method of governing, which is comprised of four sections:

1) ENDS - a goal of growing so that there are never fewer than 250 individuals in worship, there are often 500+ in worship, and there are 1000+ in worship for Christmas and Easter.

2) EXECUTIVE LIMITATIONS - for the senior pastor, detailing what he cannot do in the treatment of Staff and volunteers, donors and people served, in the realm of financial conditions, asset protection, compensation and benefits for staff, succession planning, and communication and support to Council.

3) COUNCIL GOVERNANCE PROCESS - this looks at governing style of Council, with an emphasis on outward vision rather than internal preoccupation, the encouragement of diversity in viewpoints, strategic leadership more than administrative detail, collective rather than individual decisions, the future rather than the

past or present, and being proactive rather than reactive. It also outlines Council responsibilities, the president's role as well as the Secretary's, the Council's Code of Conduct and Committee Principles.

4) EXECUTIVE ACCOUNTABILITY - how the senior pastor will report to the Council on what he has been doing to achieve the above ENDS, and how the Council will monitor the senior pastor's performance.

All of the above can be fine-tuned or changed completely, depending on circumstances, at any time. We will continue to add to the Portfolios as the need arises.

We are also looking forward to implementing new missions for the church - like reaching out to those ELCA churches who are now close to shutting their doors forever because of decreased attendance, and helping a local Nigerian congregation with space in which to worship. This will be the fun part of a new and forward-thinking Church Council!!

The other main objective of the Council in 2018 was to update our Constitution, which the ELCA has mandated be done every 3 years, and we have not done since 2009. Most of the changes that were done were to adhere to the Model Constitution of the ELCA. The only major change was the size of Council - from a solid 16 members to a range of 9 to 12. This allows us to have four new members coming in every year, with four leaving. And if someone leaves mid-year, then we are not required to replace that person in that calendar year.

We had a congregational meeting on December 30th, 2018, where the changes to the constitution were approved by a unanimous vote. These changes will be put before the membership and ratified by a 2/3 majority of members at our annual meeting.

SUNDAY SCHOOL DIRECTOR'S REPORT

It has been a very exciting and promising beginning for the relaunch of our Sunday School program here at Atonement, and it is a blessing to be serving in this new role as Sunday School Director.

We launched the Sunday School year with our Rally Day on September 9th that included food, fellowship, photographs for Atonement's Family Tree, Sunday School registration, and of course, entertainment from Marian and Friends. Our official Sunday School classes kicked off on September 16th beginning with our unit on God's Family Tree. Each week in this unit, we learned Bible stories about different fathers, mothers, siblings, extended family and church families in the Bible. These Bible stories showed us examples of faith, hope, strength, loyalty, and discipleship. On November 11th, all children took part in painting evangelism rocks that were then blessed in worship on November 18th. Those rocks then journeyed into the greater community, inviting all that found the rocks to be a part of God's family tree here at Atonement.

Sunday School aged children and teens alike were invited to learn and prepare for Christ's birth with our Advent learning and preparation for our Christmas Pageant, "Repeat The Sounding Joy". During the weeks of December 9th and 16th, children rotated through 3 stations to learn the story of Advent, prepare a craft, and learn music and details for the Christmas Pageant that was then performed on December 23rd. Over 80 young children and teens participated.

Our next Sunday School unit will begin on February 3rd as we dig into a unit all about the Psalms.

78 young children ages 3 through 6th grade currently are registered for our Sunday School learning, and we always welcome all to join us! Additionally, our fall unit included 10 wonderful adult teachers as well as 9 teen assistants who warmly engaged and nurtured our youngest Atonement members.

I look forward to another exciting and engaging Sunday School unit to begin 2019, and am grateful for the opportunity to share God's love with our Sunday School aged youth.

Melissa Hazlett
Sunday School Director

UPDATE ON COUNCIL GOVERNANCE

For the past year, much of the Congregation Council's work has centered on transitioning to a new style of governance. Making this change was a condition of Pastor Hersch's call, but Council has embraced the new structure for its potential to strengthen our organization and help Council lead more effectively. I've championed and led the transition, and in this report, I will describe the governing model and how we envision our work in the coming year and beyond.

When organizations grow, their leadership bodies often discover the importance of moving away from actively managing the organization and toward governing with a focus on concerns like vision, mission, and long-term strategy. Churches are no different in this respect (although, of course, they are unique in others). To keep abreast of the opportunities and challenges facing Atonement, to discern the paths that God has planned for our church, to steer the church in those directions—that is, to lead the organization—Council needs to devote more time on high-level questions and decisions and less on day-to-day decision making.

Although we believe this way of Council functioning is new for ELCA churches in the Northeastern PA synod, it's not a novel idea. The model that has guided our transition, the Policy Governance® model created by John Carver, was developed in the 1970s and used by many nonprofit organizations, including churches in the Lutheran Church—Missouri Synod and the Unitarian Universalist Association and, closer to home, Caron. In the Policy Governance® model, the leadership body (our Council) determines and then clearly delineates—through written policies—the “Ends” of an organization (what God is calling Atonement to do) and its means (how to best accomplish the Ends). You could say that the means policies represent a vehicle for conveying the organization to its Ends, its directions and destinations.

We invested much Council time in 2018 in developing these means policies. The policies transparently delegate authority to the senior pastor to operate the church and work toward the Ends using his/her wisdom and experience and creativity, but to do so within clear boundaries defined by Council. Furthermore, the policies describe how Council will systematically monitor operations and progress toward the Ends. The means policies therefore let Council safely withdraw from executive minutiae and decisions better left to staff and dedicate most of our attention instead to the higher-level concerns.

Our full set of Council policies, along with links to some articles on governance, are available in the Atonement Business page in the Resources section of the church website.

What does Council look like going forward? In the future, Council members might not have intimate knowledge of all aspects of the church's operations—not because we're uninterested in such details, but because more of Council's time will be spent looking at the big picture. We want to avoid micromanaging the pastors and staff. But we will hold the staff accountable by monitoring our policies. We'll also adjust policies as necessary.

And we will turn most of our energy to continuing to define the Ends for Atonement. Our Ends policies already recognize our responsibility to raise the next generation of Christians by increasing participation from young families, and the church has been making good progress in that area. Our pastors soon will be working to enrich, spread, and deepen the discipleship culture at Atonement; we hope to draw from our elders in this effort. Finally, Council will look to strengthen its connection with the congregation and discern the principles through which God is guiding Atonement and the additional paths God is asking us to follow.

Respectfully submitted,
Bryan Wang, Vice-President

MEMBERSHIP STATISTICS

	2016	2017	2018
Members received:			
Transfers (Lutheran)	13	4	4
Transfers (Non-Lutheran)	4	1	0
Profession of Faith	6	6	1
Infant Baptism	0	2	16
Adult Baptism	7	9	4
Reinstated	0	1	0
Associate	0	0	0
Total Accessions	30	23	25
Baptized members confirmed	12	13	8
Members removed:			
Deaths	17	19	13
Removed at own request	7	58	35
Transfers (Lutheran)	10	9	4
Transfers (Non-Lutheran)	2	11	5
Removed from rolls	8	34	338
Total Losses	44	131	395

2018 ATTENDANCE REPORT

	2016	2017	2018
Worship 8:15/8:30/9:30 AM	4,804	5,640	5,580
Worship 10:00/11:00 AM	6,870	5,014	8,905
God Time!	1,593	2,471	508
Saturday Worship		309	0
Wednesday Worship	357	375	818
Maundy Thursday	93	97	100
Good Friday	196	147	204
Christmas Eve	945	984	985
Christmas Day	66	38	46
Hersch Installation		273	0
Total	14,924	15,348	17,146
Common Ground	4,126	3,743	3,108
Combined Total	19,050	19,091	20,254

Atonement Lutheran Church
Capital Campaign Report
2018

Other Income

72000 · Capital Campaign Contributions	
72002 · CC Regular Contributions	759,155.77
72010 · CC Contributions Endowmen	45,000.00
Total 72000 · Capital Campaign Contributions	<u>804,155.77</u>

Other Expense

72100 · Capital Campaign Expenses	
72102 · General Expense	32,585.21
72105 · Sound System	151,323.84
72110 · Organ Project	11,525.00
72120 · Computers	16,257.95
72125 · 65 Wyomissing Blvd Project	16,657.08
72130 · Deferred Maintenance	67,746.77
72150 · Endowment Additions	40,000.00
Total 72100 · Capital Campaign Expenses	<u>336,095.85</u>

Net Other Income	<u>468,059.92</u>
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Atonement Lutheran Church
Operating Balance Sheet
 As of December 31, 2018

	Dec 31, 2018	Dec 31, 2017
ASSETS		
Current Assets		
Checking/Savings		
10000A - Cash Accounts	188,775.67	201,428.92
10011 - Money Market	418,949.99	0.00
Other Current Assets		
10051 - Designated Funds Temp Restrict	3,378.51	3,378.51
Total Current Assets	589,104.17	204,807.43
Long Term Assets		
10041 - Endowment Accounts	1,119,144.07	1,125,914.88
TOTAL ASSETS	1,708,248.24	1,330,722.31
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 - Accounts Payable	1,573.43	10,842.05
Total Accounts Payable	1,573.43	10,842.05
Other Current Liabilities		
24001 - Payroll Tax Liabilities	1,734.70	2,417.00
24010 - 403b Payable	344.70	0.00
24015 - LST Payable	410.00	366.00
24016 - Life Insurance supplemental	398.24	0.00
25000 - Advance Preschool Tuition	33,175.87	29,347.00
25001 - Advance Pledge	26,824.52	21,782.80
25003 - Advance Room Rentals	295.00	0.00
26000 - Endowment to be Transferred	10,085.36	21,337.44
Total Other Current Liabilities	73,288.39	75,250.04
Total Current Liabilities	74,841.82	86,092.09
Long Term Liabilities		
26001 - CLDF LOAN - PROPERTY RENOVATION	0.00	4,581.43
26002 - Bank line of Credit	0.00	74,465.12
Total Long Term Liabilities	0.00	79,046.55
Total Liabilities	74,841.82	165,138.64
Equity		
Restricted Accounts and Endowment	1,162,084.36	1,020,148.97
Net Capital Campaign Income	468,059.92	0.00
Net Operating Income	3,262.14	145,434.79
Total Equity	1,633,406.42	1,165,583.76
TOTAL LIABILITIES & EQUITY	1,708,248.24	1,330,722.40

Accrual Basis

Atonement Lutheran Church
Profit Loss Budget Performance
 For Year Ended Dec 31, 2018

	2018 Actual	2018 Budget	Variance	2019 Budget	Variance
Ordinary Income/Expense					
Income					
42000 - Member Offerings/Pledges	752,521	771,825	-19,304	750,000	21,825
42010 - Offerings-Plate	15,634	13,000	2,634	13,000	0
42020 - Offerings-Church School	0	700	-700	0	700
42030 - Room Donations	28,012	24,000	4,012	24,000	0
42070 - Interest Income	11,388	8,000	5,388	3,500	2,500
42080 - Offerings-Miscellaneous	12,679	10,000	2,679	10,000	0
42100 - Preschool Tuition	301,908	292,000	9,908	282,970	9,030
42110 - Preschool Other	0	19,750	-19,750	28,580	-8,830
42200 - Miscellaneous Income	699	0	699	0	0
45000 - Rental income	4,000	0	4,000	12,000	-12,000
Total Income	1,126,836	1,137,275	-10,439	1,124,050	13,225
Expense					
60000 - Employee Salaries	342,644	339,000	3,644	355,000	-16,000
60050 - Sextons	13,581	13,000	581	13,000	0
60155 - Health Insurance	129,980	146,800	-16,820	121,420	25,180
60200 - Social Security	33,360	29,825	3,535	20,900	8,925
60300 - Housing Equity Allowance	2,217	4,000	-1,783	0	4,000
60350 - Auto Allowance	3,100	4,000	-900	3,500	500
60400 - Continuing Education Exp	921	1,000	-79	1,000	0
60450 - Guest Preachers	0	500	-500	500	0
61000 - Christian Education	8,745	9,000	-255	9,000	0
61100 - Congregational Fellowship	1,001	2,000	-999	1,000	1,000
61150 - Hospitality	1,881	2,000	-319	2,000	0
61151 - Health Advocate	761	750	11	500	250
61200 - Stewardship Supplies	1,255	1,000	255	1,000	0
61250 - Worship/Music	18,356	17,000	1,356	17,000	0
61300 - Youth	41	1,200	-1,159	1,000	200
61350 - Preschool Expenses	29,508	30,000	-492	22,000	8,000
61351 - Preschool Wages	217,442	214,000	3,442	236,930	-22,930
61352 - Preschool Health Insurance	18,924	19,000	-76	20,000	-1,000
61353 - Preschool Pension	3,849	3,700	149	4,000	-300
62000 - Administration	30,934	33,000	-2,066	36,000	-3,000
62050 - Conference/Workshops	895	500	395	900	-400
62100 - Miscellaneous	125	500	-375	400	100
62200 - Utilities	60,008	60,000	8	67,000	-7,000
62250 - Maintenance/Repairs	91,813	80,000	11,813	80,000	0
62300 - Insurance	30,120	32,500	-2,380	30,200	2,300
62400 - Benevolence	54,126	54,000	126	54,000	0
63400 - Interest Expense	721	9,200	-8,479	1,000	8,200
63410 - Bank Fees	8,157	5,000	3,157	5,000	0
63420 - Credit Card Bank Fees	253	0	253	0	0
63500 - Property Taxes	13,531	15,000	-1,469	13,800	1,200
66700 - Professional Fees	5,525	10,000	-4,475	8,000	4,000
Total Expense	1,123,574	1,137,275	-13,701	1,124,050	13,225
Net Ordinary Income	3,262	0	3,262	0	0