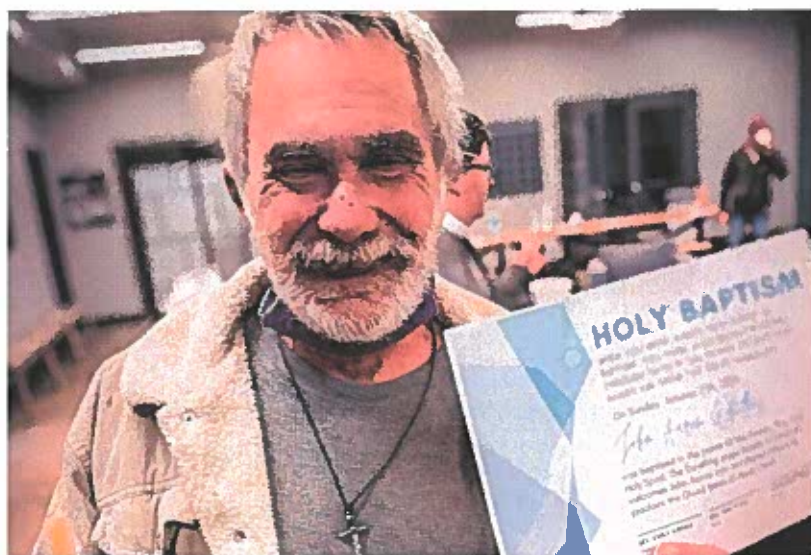
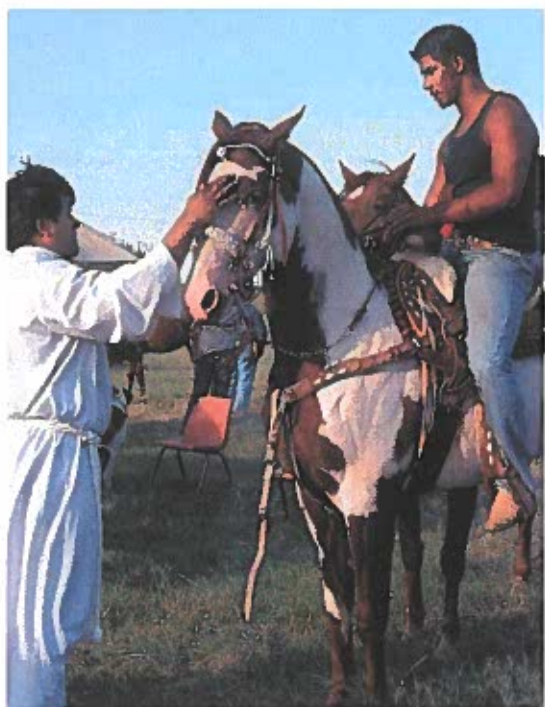


ANNUAL REPORT

2021



Evangelical Lutheran Church in America
God's work. Our hands.



A MESSAGE FROM ELCA PRESIDING BISHOP

*Elizabeth
Eaton*

Dear friends in Christ,

The last year has been one of adapting and learning. In many places we have seen vibrant and vital ministry spring forth from changes made due to the pandemic. Digital worship opportunities have introduced to our congregations people who may never have walked into one of our buildings. Many congregations have found new ways to invite people to share their generosity through online giving. And many ministries have found just how vital they are as they continue to serve alongside people in their communities.

The first chapter of James, verse 17, reminds us that "Every generous act of giving, with every perfect gift, is from above, coming down from the Father of lights, with whom there is no variation or shadow due to change." Yes, this has been a season of change, but Scripture also reminds us that we serve a generous, steadfast God.

While we stay rooted in God's enduring, unchanging promise, God also gives us the gifts of creativity and learning. Across all three expressions of the church we have used those gifts to serve God, love our neighbor and share the good news of Jesus Christ. In this time of change, we have opened our arms wider to meet people where they are, living into the reality that we are not defined or confined by the four walls of our buildings.

Through all this, I am so grateful for your generous sharing of creativity, time, talents and resources. All good gifts do come from God, and we are called to share and use those gifts. We have and will continue to answer that call. There is still much change and learning to come, but God's steadfast love energizes us for the work God is still doing in the world through this church.

Elizabeth A. Eaton

The Rev. Elizabeth A. Eaton
Presiding Bishop
Evangelical Lutheran Church in America

"Every generous act of giving, with every perfect gift, is from above, coming down from the Father of lights, with whom there is no variation or shadow due to change."

Agenda for the 2021 Annual Meeting of Bethlehem Lutheran Church

January 16, 2022

Call to Order: Suzi Westmoreland, Council President. A quorum of 10% of Confirmed Members is required to conduct the Annual Meeting. As of the end of 2021, Bethlehem has 503 Confirmed Members; a quorum is 50.

Opening Prayer: Pastor Sam Nelson

Motion to Approve Minutes from the 2020 Annual Meeting: A motion is needed to approve the minutes of the 2020 Annual Meeting held on January 24, 2021. Second the motion, discussion, and vote.

Lead Pastor's Report: Pastor Laura Ziehl

Associate Pastor's Report: Pastor Sam Nelson

Recognition of Departing Council Members: Pastor Laura Ziehl

Election of New Congregation Council Members: Presented by Karen Saake. See the report from the Nominating Committee. If there are no additional nominations from the floor, then a member may "move election of the slate as presented." Second the motion, discussion, and vote.

Report of the Mission Endowment Fund: Presented by Bob Michelet. See the report from the Mission Endowment Fund Committee. A motion is needed to ratify several changes to the Mission Endowment Fund by-laws. Second the motion, discussion, and vote.

Election of Mission Endowment Fund Committee Members: Presented by Bob Michelet. A motion is needed to "move election of the slate as presented." Second the motion, discussion, and vote.

Treasurer's Report: Presented by Melissa Ontiveros, Council Treasure

Approval of 2022 Budget: Request a motion that "we adopt the 2022 budget (or approve as amended)." Second the motion, discussion, and vote.

Reports: The printed reports from Council, staff, and ministries of the congregation are received as presented unless there are questions or comments.

Closing Prayer: Pastor Laura Ziehl

Adjournment: If there is no other business, the chair will entertain a motion of adjourn.

**Bethlehem Lutheran Church
2020 Annual Congregational Meeting Minutes
Sunday, January 24, 2021**

Call to Order: Karen Saake, Council President

- The meeting was called to order at 10:21am
- A quorum of 10% of Confirmed Members is required to conduct the Annual Meeting. On January 1, 2020 there were 537 Confirmed Members, so a quorum is 54. 119 members attended. A quorum was achieved.

Opening Prayer: Pastor Laura Ziehl

Motion to Approve Minutes from the 2019 Annual Meeting:

Carolyn Meinhardt moved to approve the following actions of the Annual Meeting held on January 26, 2020. Cindie McMahon seconded the motion. Discussion. All in favor. Motion approved.

Lead Pastor's Report: Pastor Laura Ziehl

- See attached meeting packet
- Special thank you to the following...Karen Saake, Grant Meinhardt, Steve McMahon, Ron Hegg

Associate Pastor's Report: Pastor Sam Nelson

- See attached meeting packet

Recognition of Departing Council Members: Pastor Laura Ziehl

Thank you to Mea Hutson Hall, Stephen McMahon, Tucker Oien, Karen Saake, Marti Willey

Election of New Congregational Council Members: Presented by Mark Stauffer

- See the report from the Nominating Committee.
- No nominations from the floor.
- Incoming council members to serve a 3-year term: Steve Frisch, Jana Hegg, George Orness, Tricia Storey
- Youth representative to serve a 1-year term: Mallory Oien

MOTION: Mark Stauffer moved to approve the election of the slate as presented. Cindie McMahon seconded. Discussion. All in favor. Motion approved.

Election of Nominating Committee: Presented by Mark Stauffer

- See the report from the Nominating Committee.
- No nominations from the floor.
- Incoming committee members to serve a 1-year term: Mea Hutson Hall, Stephen McMahon, Karen Saake, Marti Willey, Julie Draskovic, Ron Hegg

MOTION: Mark Stauffer moved to approve the election of the slate as presented. Mike Lyons seconded. Discussion. All in favor. Motion approved.

Report of the Mission Endowment Fund: Mark Stauffer

- See attached meeting packet.

Election of the Mission Endowment Fund Committee Members: Presented by Mark Stauffer

- Incoming committee members to serve a 2-year term: Sandy Lakey, Bob Michelet

MOTION: Mark Stauffer moved to approve the election of the slate as presented. Carolin Meinhardt seconded. Discussion. All in favor. Motion approved.

Treasurer's Report: Presented by Melissa Ontiveros, Council Treasurer

- See attached meeting packet

Approval of 2021 Budget: Karen Saake

MOTION: Mark Reynolds moved to adopt the 2021 budget as presented. Steve McMahon seconded. Discussion. All in favor. Motion approved.

Call the question: Mark Reynolds moved to call the question. Cindie McMahon seconded. All in favor. Motion approved.

Advocacy Update: Louise Julig

- Advocacy continued throughout this past year in a virtual manor.

Reports: The printed reports from council, staff, and ministries of the congregation are received as presented unless there are questions or comments.

Closing Prayers: Pastor Sam Nelson

Adjournment: Dave Ensberg moved to adjourn the meeting at 12:03pm. Kim Oswald seconded. All in favor. Motion approved.

LEAD PASTOR'S ANNUAL REPORT 2021

“The light shines in the darkness, and the darkness did not overcome it.” John 1:5

These words from John are perhaps the fullest expression of the Gospel. And never have they been more true than in the past 2 years. If we have learned anything in this pandemic, it is that nothing can overshadow, diminish, or mute the power and strength of this gospel we carry, nor the strength of the light it dares to shine. The hope we hold has only become dearer, stronger and more brilliant in the face of this present darkness. And this community, this marvelous community of believers, has held that light for one another, and for the community we serve. We have never released it. I give thanks to God for you. You have been creative, determined and resilient. This has been a blessed, trying, expanding and gracious year. A year filled with your wisdom and grace and your tireless work to be the church together. In this 13th year as your pastor, we have journeyed through much together and I give thanks for you, and for “your partnership in the gospel from the first day until now.” I am always grateful for you, and amazed by you, but never more so than in these times. Many thanks for all you do, and for who you are.

WORSHIP

- Bethlehem is consistently able to offer 3 forms of worship each week: livestream, indoor and outdoor. We are uniquely blessed with the capacity and volunteer base to do so. Our first indoor worship service after 462 days was held June 20th. Significant work was done to ensure a safe environment for all worshipers. On July 4th, Pastor Sam and I were able to bring communion to you for the first time in 476 days. Both of these milestones came with deep joy.
- Lenten Holden Evening Prayer services with education were held on zoom. On Ash Wednesday 120 people came to pick up ashes for use in the live-streamed service that night. At a time when worship attendance was hard to calibrate, I loved that ashes counted us all. Shakespeare in Lent was a particular blessing.
- The Easter Vigil was reinstated this year and lead musically by the World Music Ensemble. It was the first time our music ministry had been able to sing live since March 2020. Their joy lifted us all. It indeed felt like a rising day. Three services were held on the lawn Easter Sunday.
- Christmas brought the Comfort at Christmas Service back in person. Our 3 services on Christmas Eve were moved indoors due to rain.
- Our highest attendance is at outdoor worship, with fewer people worshipping indoors at this time. It is clear that our wonderful outdoor worship environment serves us well. At some point we will move fully back indoors, with occasional outdoor worship. We have no timeline for that decision at present. At the moment, all are welcome in every way possible.
- My deep gratitude to our cantors, ushers, hosts, soloists, organist, music director, tech team members, bulletin creator and Team Holy Week. Thank you for your tireless dedication and gifts.

TECHNOLOGY TEAM

- Without the skills of the tech team, much of what we do would not be possible. My deep gratitude to Steve McMahon, Ron Hegg, Grant Meinhardt and Will Mather for their dedication and their uncanny ability to rescue us from any tech disaster with apparent ease. They are a unique and gifted brain trust.
- This year a mounted camera was added at the rear of the sanctuary and mounted mics for the organ as well. In the coming year, added mics to capture the sound of the choirs will be necessary. Technology will be a consistent need in budget planning moving forward.

PROTOCOL TEAM

- This team has faithfully born the weight of consistent, thoughtful decisions to ensure the safety of the congregation. All members of staff and all worship leaders are fully vaccinated and vaccines were a significant game changer mid-year. Indoor worship was reopened following extensive preparation.
- Our tight protocol has ensured the congregation's safety while allowing for consistent worship amid changing guidelines.
- The conversation in the coming year will likely shift from short term decisions to long term policy.
- My deep gratitude to the members of the protocol committee: Dennis Astroth, Mona Goetsch, Cha Cha Pinilla, Laure Reynolds and Karen Saake.

MUSIC MINISTRY

- This year marked the transition back to in person bells, chimes, choir and soloists. The gift of live music returned to Bethlehem has lifted us all. Mona is both creative and tireless in shepherding the exceptional music that is one of Bethlehem's strongest gifts.
- Our gratitude to: Judy Collier, Kim Froke, Mona Goetsch, Mark Weed and all choir and bell members.

EDUCATION

- Zoom educational opportunities have allowed for consistent community building in isolated times.
- Classes have included: Enneagram, Lenten conversation, anti-racism work, Tai Chi, ASL and others.

SERVICE AND FELLOWSHIP

- Bethlehem Serves was possible this September and returned to Bethlehem an important piece of who we are. 96 people, representing nearly 100% of our in person worshipping community, came to serve. It was an exceptional day of identity and joy. Our thanks to Mona and Steve Goetsch.
- Pastor Sam and Alissa's joyous wedding reception brought us back to ourselves and released our joy.
- We have continued to serve and support the following: The New Life Band, Es Por Los Ninos, PJ project, St. Andrews feeding ministry and Ocean Knoll.
- We are hosting once again a neighborhood Hispanic congregation and have plans to host a Jewish worshipping community in the new year. Interfaith ministry is a high value at Bethlehem.
- This year has been a balance between the competing values of: need for community and need for safety.

ADMINISTRATION AND MEMBERSHIP

- The website is being updated and hosted on a new platform.
- 19 new members joined Bethlehem this year, many of whom found us through our online worship. This new way of opening our doors has been a pandemic blessing.
- My thanks to Ron Hegg for every eblast that has kept us connected and informed throughout the year.
- A pastoral compensation committee was formed by the council to consider pastoral compensation and housing for pastors in an expensive housing market.
- Your council has worked tirelessly and thoughtfully all year to lead this congregation in difficult times. It has required creativity and a steady gaze. My particular thanks to our President Suzi Westmoreland. Her determination not only to maintain, but to further the work and reach of this congregation has been an exceptional gift.

FINANCE AND STEWARDSHIP

- Our stewardship team has worked to implement a new Vanco giving app as well as a significantly improved giving page on the website. Thank you Carolin. Their work assists in the faithful stewardship of this generous congregation. Our thanks to: Dick Dubois, Carolin Meinhardt and Mark Stauffer.
- Of special note — At the end of our fall stewardship emphasis a \$67,000 gap existed between pledged giving and expected budget. The congregation was made aware of the need, some budget cuts we made, and three weeks later the gap was closed to \$12,000. This is both miraculous and consistent with Bethlehem's generous stewardship.
- Thanks to Mark Stauffer's diligence, Bethlehem has applied for Employee Retention Credit (ERC) dollars through the CARES Act. Initial monies have been received. We expect more resources to be available, but this comes with no guarantee. An ERC presentation will be made at the annual meeting. Mark has served as a resource to the Pacifica Synod in this work.

FAMILY MINISTRY

- Confirmation and high school ministry are meeting in person and are very strong thanks to Constance. This age group has been particularly impacted by the pandemic and the support we offer is essential.
- Holy Week bags were delivered to all our families. Learning Circles began again in person this summer and is meeting consistently every week concurrent with the 10:30 am worship service, as we begin to rebuild this ministry. Young families have been particularly impacted by Covid.
- We are hoping to have an outdoor, in person VBS this summer after 2 years of virtual VBS.
- The high school youth went to Luther Glen this summer and confirmation camp was held on campus.
- The community library is once again open, as a complement our preschool ministry.

PRESCHOOL

- Our preschool has weathered this storm with great strength. After last year's closure, both programs are running at full capacity. This is due to our amazing directors, Debi Carr and Kelly Perez. Their expertise and tireless love for this work, together with the staff, has allowed our program to survive where many have not. I thank them and applaud them for exceptional work in exceptional times.
- This year we added new play equipment, and an outdoor learning environment that allowed more students in the half day program.
- Kelly Perez, who was hired as the interim director of the half day program, was unanimously hired as the permanent director mid year, due to her exceptional abilities and grace.

PASTORAL CARE

- The pandemic has created significant mental health needs in the lives of members of the congregation. Our parish nurse and Stephen Ministry leaders have sought continuing education in this area and have met needs all year. They have been in regular touch with our most vulnerable members to provide care. My deep thanks to: Molly Hall, Rose Moldenhaur, Laure Reynolds and Suzi Westmoreland.
- The Memorial Service for Pauline Benson in August of this year was the first funeral we have been able to hold since March of 2020. It was a blessed occasion and a reminder of what has been lost.
- Home communion visits and hospital visits are possible once again. It is wonderful to once again connect with people in these important pastoral ways.

PACIFICA SYNOD WORK

- I served this year as: the chair of the Resolutions Committee, the dean of the Harvest Conference, on the board of Lutheran Retreat Camps and Conferences, co-chair of the Theoasis Conference, and on the planning team for the Pacifica Synod Assembly.
- Bethlehem hosted the first ever zoom Pacifica Synod Assembly in May.
- I was honored to receive the Rotary 2021 Peacemaker of the Year Award.

STAFF

- The staff of this congregation is exceptional and deserves applause. They have worked tirelessly and with grace and good humor, through yet another challenging year. They are weary, but it rarely shows in the grace and professionalism with which they work. We are an extraordinary team.
- I personally, would not have made it through the last 2 years without them and with gratitude I thank and honor them: Debi Carr, Judy Collier, Judy Foland, Kim Froke, Mona Goetsch, Molly Hall, Constance Mithelman, Rose Moldenhaur, Kelly Perez, Laure Reynolds, Mark Weed and Karen Wise.
- The partnership Pastor Sam and I have is a rare gift. We work as a team, and the synergy of our abilities, energies and gifts has been essential for all that we have faced in the past 2 years. His intelligence, humor, grace and gifts have blessed this congregation richly. I celebrate Alissa and him as they begin their new life together.

FINAL THOUGHTS

Dear people of Bethlehem, it is clear that we will not be going back, but only forward. And that may be the pandemic's greatest gift to the Church. We do not have the luxury of doing things the way they have always been done before. Thanks be to God! For moving forward in grace is now, and always has been, the Holy Spirit's work among us. This year, you have done so with remarkable strength and good humor, with resilient faith and hope. We have indeed been church together. We have every right to be so proud of what we have accomplished. Throughout the past 2 years, the congregation remains financially strong, faithfully committed to service and joyous in our gathering. What a testament to this congregation's strength and your strength. In the next few years, we will consider not only who we are, but who we shall be. We will take stock of that which has always been central to who we are, and will remain the focus of our mission and ministry. The pandemic has helped to focus that mission in many important ways. And we will consider together what new ministries God is calling us to, in this new day. I am so thankful for you and for the blessing it is to serve as your pastor. I am filled with gratitude for the remarkable gifts of grace that have been made evident in the pain and joy of this year. And finally, I am deeply excited for the work that lies ahead, as together we bear light to the world in new ways. It is my honor and privilege to serve as your pastor and to lead a congregation of such grace and welcome.

In Christ, Pastor Laura

Associate Pastor's Annual Report 2021

"Historically, the Christian life began with the public acknowledgement of two uncomfortable realities – evil and death – and in baptism, the Christian makes the audacious claim that neither one gets the final word."

~ Rachel Held Evans

What a year it has been. That feels so cliché to say, and I know I've said it many, many times over the course of this past year (sometimes just referring to a particularly difficult week that, in and of itself, felt like an entire year). But it truly has been quite the year. A year, that frankly, is difficult to summarize succinctly. It held ups and downs, hopes and heartaches, plans A through Z (multiple times over), and a continuation of the pivots we began in 2020 that would make even the most skilled ballet dancer a little nauseous. And through it all, Bethlehem weathered each and every storm with a commitment to faith being active through community in a way that was truly inspiring. The people of this congregation blew me away time after time with their faithfulness, their grace, their love, and their commitment to being the body of Christ working for the sake of a hurting world. Below is just a small snapshot of what all this past year held.

Worship

- Protocols regarding our worship environment changed drastically, and frequently, throughout the course of the year. In January we were worshipping exclusively outdoors, had an alternating weeks sign-up system, a max attendance of 65, still had BYOC (bring your own communion), and a strict mask requirement. We are now worshipping indoors and outdoors, masks required inside but not outside, are serving communion once again, and no longer have worship sign-ups for either service.
- After 15 months of not being able to gather in the sanctuary, on June 20th we resumed indoor worship services.
- We provided ashes to go for Ash Wednesday
- Lent brought Holden Evening Prayer on Zoom with congregational members sharing what gives them hope.
- Holy Week saw a mixture of livestreamed, prerecorded, and outdoor worship services
- Throughout the year we held several worship services on Zoom, most notably before last year's annual meeting, for Palm Sunday, and for All Saints Sunday (featuring music from the New Life Band from Tanzania).
- Special events included a Reformation Day pet blessing, and a preschool playground blessing.
- Christmas Eve rain required that we provide simultaneous indoor and outdoor environments for worship.
- I continued my production of the weekly bulletins.
- We mounted a permanent camera in the sanctuary for livestreaming.

Education

- Confirmation – Constance, Pastor Laura, and I taught confirmation online, as well as in-person (outdoors and indoors). This year's confirmation class had two stellar confirmands: Lilly and Roxy Avery.
- *Acting on our Faith: How to Follow Christ in the face of racism* – This group picked up where 2020's *A Listening Space* left off. It provided a way to continue intentional engagement with matters of racism, justice, and the need for change. Suzi Westmoreland led a book discussion on *Be the Bridge* by Latasha Morrison.
- *The Enneagram: Exploring Personal Identity and Faith* – Pastor Laura and I led a 5-week Zoom course on the Enneagram that was transformative and wonderful in so many ways.

Continuing Education

- *Festival of Homiletics* – Virtual conference focusing on preaching.
- *Stewardship Kaleidoscope Conference* – Virtual conference regarding stewardship.
- *Theoasis: The Holy Fool, a Journey through Holy Week* – Synod led professional development conference.

Stewardship

- I attended two virtual workshops on Chuck Lane's book *Ask, Thank, Tell* and worked with our stewardship committee to find ways to incorporate aspects of this model into our year-round stewardship practices.
- Carolin Meinhardt put in a tremendous amount of work with our mobile giving (VANCO) to redesign our online giving platforms, especially on the church website, and educate members about those changes.
- The stewardship emphasis for this year was *Sustained by Grace*, and it involved collecting stories of sustaining grace from members of the congregation that were truly incredible.

Interfaith

- The San Dieguito Interfaith Ministerial Association (SDIMA) began having its monthly meetings on Zoom which allowed me to participate more frequently.
- I was asked to prepare a prayer for the Encinitas Mayor's Prayer Breakfast, participated in the SDIMA Labyrinth walk, as well as this year's Thanksgiving Worship Service – *A Virtual Circle of Gratitude*.

Congregational Life

- *New Members* – We welcomed 19 new members (including 10 transfers) to the congregation.
- *BLC Golf Tournament* – Steve McMahon, Mike Lyons, and I organized this year's event with 20 participants.
- *Bethlehem Serves* – Back after being unable to do it in 2020, we had 96 people participate in a wide variety of service opportunities. It was a truly special day, and a powerful witness/reminder that a commitment to service is integral to the identity of this congregation.
- *Concerts and Talent Shows* – We held a number of concerts and talent shows (some in-person, some virtual) including Pandemic Palooza which featured 34 videos of different music groups that have been produced during the pandemic.
- *MOB Trivia Night* – The Men of Bethlehem gathered for a trivia night on the family center patio.
- *Picnicin' with the Pastors* – A new monthly program where Pastor Laura and I stay after worship to gather for lunch and fellowship with any and all who wish to participate.
- *Sailing with the Dabbs* – Zoom presentation by Bill and Kathleen Dabbs on their Pacific expedition.
- *Wedding Reception* – Alissa and I were so blessed by this congregation as we tried to navigate getting married during a pandemic. The November wedding reception was so much fun and such a wonderful opportunity for the congregation to gather and celebrate. Continued thanks to Cynthia Heigold, Gail Winterbourne, and Naida Malchiodi for their organizational efforts.
- *Funerals* – Pastor Laura and I held a few remembrance of life ceremonies of various sizes during the year.
- *Baptisms* – Pastor Laura and I were able to conduct numerous baptisms outdoors after our worship service.

Property

- Thanks to fundraising efforts by our preschool directors asking for donations from both our preschool families as well as members of Bethlehem, as well as grant funds, we were able to install new playground equipment.
- Permanent outdoor space for two classrooms was created in front of the family center.
- Removed olive trees and replaced them with jacaranda trees.
- Drain work done around the Family Center to prevent water intrusion
- All interior fluorescent fixtures were replaced with LED lighting.

Concluding Remarks

The quote from Rachel Held Evans that I began this report with speaks to the peculiar and privileged position that we as Christians occupy. For even in the midst of a global pandemic, even within the context of a nation that is fractured and divided in so many ways, we are able to speak with confidence that, because of God, the powers of sin and death shall have the last word. It's a bold proclamation of faith, trust, and hope – all things that have been somewhat difficult to find this past year. And I'll admit, there have been times when it's been hard to speak those words confidently. There have even been days when I haven't been able to find my voice at all. But in this community, I have found strength and solace. In this community, I have borne witness to the hope and light and grace that the Gospels speak of. And I believe that we stand at a unique crossroads moment. A moment when we can look forward with excitement about what the future holds for us as a church, not just here at Bethlehem, but on a global scale. As well as an opportunity to look back on everything that we have been able to accomplish in the past two years with pride. We have done so much, been through so much, and accomplished it all in a manner that makes me so proud to be a part of this community. And at the same time, we have the chance, as we look ahead, to not simply go back to "normal," but to vision ourselves into a new way of being the body of Christ in the world. I am certain that we will encounter obstacles, that we will have our fair share of stumbles and setbacks along the way. But we will be following in the footsteps of our God who is always making all things new, who has already gone ahead, and is waiting for us to catch up.

Your Sibling in Christ – Pastor Sam Nelson

Nominating Committee

2021 Annual Report

Eleven members of the congregation, in addition to our Pastors, comprise the Congregational Council of Bethlehem Lutheran Church Encinitas. Their terms are staggered to maintain continuity in the experience and work of the council. Typically, 3 to 4 members join the council each year to replace the departing members. A youth member is also chosen in consultation with the Pastors and the Director of Family Ministries. The youth representative sits on council for a one-year term.

The recommendations of the 2021 Nominating Committee are as follows:

1. The following members will continue to serve on Council
 - a. Through 2022 – Suzi Westmoreland, Melissa Ontiveros, Mike Lyons, Derrick Oien
 - b. Through 2023 – Steve Frisch, Jana Hegg, George Orness, Tricia Storey
2. The following are the nominated members who will begin to serve a three-year term on the Council
 - a. Through 2024 - Julie Draskovic, Karen Olson, Wes Westlake
3. The nominated youth member for the Council – Brit Oien
4. We want to thank the following departing Council members for their service
 - a. Mallory Oien
 - b. Naida Malchiodi
 - c. Sue LaClair
 - d. Dave Ensberg

In addition, the Nominating Committee is charged with filling next year's (i.e., 2022) Nominating Committee which will nominate church members interested in serving the Congregational Council starting in 2022. The following individuals have agreed to serve on the 2022 Nominating Committee: Fred Wise, Lisa Porcelli, Karin Kloehn, Naida Malchiodi, Sue LaClair, Dave Ensberg.

Finally, the Council is responsible for appointing members to serve on the Bethlehem Lutheran Church Mission Endowment Fund. They have appointed the following to serve two-year terms through 2024: Beth Nelson and Karen Saake. Continuing member through 2024: Dan Halvorson. Continuing members through 2023: Bob Michelet and Mark Stauffer.

Respectfully submitted by the 2021 Nominating Committee,

Karen Saake, Stephen McMahon, Marti Willey, Ron Hegg.

Bethlehem Lutheran Church Mission Endowment Fund

Annual Report for 2021

Background

The Mission Endowment Fund was established to further the work of God by supporting and expanding the ministry of Bethlehem Lutheran Church. The Fund exists to receive gifts from members, invest and manage those gifts, and disperse a portion of the fund in support of the fund's purpose.

The purpose of the Mission Endowment Fund is to complement and supplement the mission of Bethlehem through grants that enhance the ongoing ministry of the congregation or develop new ministries. While the congregation is expected to meet the church's operating budget with regular giving, the endowment fund offers another channel through which members can support ongoing ministries as well as encourage the development of new ministries. Members are encouraged to submit a grant application (see the Church's website blcenc.org/contribute/endowment) for consideration of a grant. The Fund is not intended to be used for the church's annual operating budget or for capital improvements or land acquisition.

Assets of the Mission Endowment Fund are invested with the Thrivent Charitable (formerly InFaith Community Foundation). Investment gains accrue in the endowment fund while investment losses and administrative fees reduce the value of the endowment fund, as do grants made with the approval of the Mission Endowment Fund Committee and the Congregation Council.

2021 Activity

The Mission Endowment Fund Committee was pleased to receive and approve two grant requests during 2021. They were:

- A grant of \$2,600 to Emily Erisman to help with her seminary internship expenses.
- A grant of \$4,500 for tuition for a student in the Bethlehem Half-Day Preschool program with financial need.

2021 Financial Information

There are two funds in the Mission Endowment Fund: the General Fund, which holds funds that were received without use restrictions; and the Bill and Patty Harman Vision Fund, which supports initiatives as identified by the current pastor of Bethlehem.

Below is a summary of the activity, performance and balances of the Fund from December 31, 2020 to November 30, 2021 - the most recent statement received before assembly of this annual report.

		Balances 12/31/2020	Contri- butions	Grants	Investment Performance (net of fees)	Balances 11/30/2021
General Fund		\$ 389,450	\$ -	\$ (7,100)	\$ 37,943	\$ 420,293
Harman Fund		\$ 14,021	\$ -	\$ -	\$ 601	\$ 14,622
Totals		<u>\$ 403,471</u>	<u>\$ -</u>	<u>\$ (7,100)</u>	<u>\$ 38,543</u>	<u>\$ 434,914</u>

The fund's assets are invested in the InFaith Core Growth fund, a broad-based managed fund; the Mission Growth fund, which aims to support positive social and/or environmental change; and the WomenInvest fund, which invests partially in companies that do well when women do well. In addition, a small portion of the endowment fund may be allocated to an investment vehicle protected from the ups and downs of financial markets, to ensure that when grants are made, the money for them will be easily available. A financial recap by investment is below:

	Year-to-date Return	Balances 11/30/2021
Core Growth Portfolio	10.2%	\$ 216,949
Mission Growth Portfolio	8.6%	\$ 107,842
WomenInvest Portfolio	10.3%	\$ 110,124
Money Market Account	N/A	\$ -
		<u>\$ 434,914</u>

Committee Leadership

The members of the Mission Endowment Fund Committee for 2021 were: Dan Halvorson, Sandy Lakey, Bob Michelet, Dave Porcelli, and Mark Stauffer (Chair). Sandy and Dave have completed their third and final consecutive term on the Committee and we are very grateful for their past service. The Committee has nominated Dan to serve a third two-year term, and Beth Nelson and Karen Saake have also been nominated to serve two-year terms. The Council has agreed to these nominations.

Bethlehem Mission Endowment Fund

Proposed By-Law Changes

January 16, 2022

C5.05.2 Purpose and Objective

A.

Existing

The purpose of the fund is to complement and supplement the mission of Bethlehem Lutheran Church through grants that enhance the ongoing ministry of the congregation or develop new ministry and vision. While the congregation is expected to meet the church's operating budget with regular giving, the endowment fund offers another channel through which members can support ongoing ministries as well as encourage the development of new ministries. The purpose of the fund is to start or nurture mission activities not a part of the church's ongoing ministries. The fund is not to be used for the church's annual operating budget or for capital improvements, land acquisition and/or new construction.

Proposed

The purpose of the fund is to complement and supplement the mission of Bethlehem Lutheran Church through grants that enhance the ongoing ministry of the congregation or develop new ministry and vision. While the congregation is expected to meet the church's operating budget with regular giving, the endowment fund offers another channel through which members can support ongoing ministries as well as encourage the development of new ministries. The purpose of the fund is to start or nurture mission activities not a part of the church's ongoing ministries. The fund is not intended to be used for the church's annual operating budget or for capital improvements, land acquisition and/or new construction.

Proposed B (new).

In extraordinary circumstances – in which the fundamental and essential activities of the congregation are threatened with interruption by lack of funding – endowment funds (to the extent permitted by law) may be provided as a non-interest-bearing loan to help meet the short-term needs of the church's operating or capital budget.

Such a loan may be made only with the following provisions:

- The loan amount shall be no more than 30% of the total assets of the endowment fund, excluding any funds with restrictions in perpetuity.
- The loan shall be approved by majority votes of the endowment committee, the Congregation Council, and the congregation at a duly called and conducted congregation meeting.

- The loan shall be repaid to the fund in total, without interest, within two years of the transfer of funds to the operating budget. An extension to the repayment period may be granted by majority votes of the endowment committee, the Congregation Council, and the congregation.

Rename existing B. to C.

The fund shall exist so long as Bethlehem Lutheran Church continues to exist. If the congregation shall cease to exist, dissolve, disband or merge, all assets of the fund shall be dispersed in the same manner as all other assets and property of the congregation as described in the church's Constitution.

C5.05.3 Organization and Administration

B.

Existing

Members of the committee shall serve two-year terms and be appointed by the Congregation Council and approved by a majority vote of the congregation at its annual meeting. Three of the members shall begin their terms in even-numbered years and the other two members shall begin their terms in odd-numbered years. Members may be re-appointed, and may serve a maximum of three consecutive terms. Vacancies on the committee shall be filled by the Congregation Council for a term lasting until the next annual Congregation Meeting, at which time the vacancy must be filled by majority vote of the congregation.

Proposed

The appointment of persons to fill full terms on the committee shall require approval by the Congregation Council and by a majority vote of the congregation at its annual meeting. Members of the committee shall serve two-year terms. Three of the members shall begin their terms in even-numbered years and the other two members shall begin their terms in odd-numbered years. Members may be re-appointed, and may serve a maximum of three consecutive terms, not including a partial term filled because of a vacancy. Vacancies on the committee shall be filled by the committee with the approval of the Congregation Council, for a term lasting until the next annual Congregation Meeting, at which time the vacancy must be filled by majority vote of the congregation.

C.

Existing

The committee shall meet at least four times annually. A quorum shall consist of three members. The committee may hold meetings by remote communication, including electronically and by telephone conference.

Proposed

The committee shall meet as needed, but no less than twice annually. A quorum shall consist of three members. The committee may hold meetings by remote communication, including electronically and by telephone conference.

C5.05.5 Distributions

B.

Existing

The committee may not approve expenditure of more than five percent (5%) of a fund's capital, except if the directives and restrictions of a gift or bequest require an expenditure greater than this limitation, or if the expenditure is approved by a majority vote of the congregation at a duly called and conducted congregation meeting.

Proposed

The committee, at its sole discretion, may spend all, some or none of the capital gains, interest, or other net earnings on its investments that may have accumulated during the previous fiscal year. In addition, the committee may approve in one fiscal year grants totaling up to five percent (5%) of total assets (not including the capital gains, interest or other net earnings described above). Expenditures totaling more than 5% of total assets must be approved by the Congregation Council and a majority vote of the congregation at a duly called and conducted congregation meeting. This limitation shall not apply if the directives and restrictions of a gift or bequest require an expenditure that differs from this limitation, in which case those requirements will be followed.

C5.05.5 Distributions

D. 3)

Existing

Scholarship fund: Scholarships for college and seminary students, and/or for continuing education for members of the congregation.

Proposed

Scholarship fund: Scholarships for college and seminary students, students of the Bethlehem Early Childhood Center, and/or for continuing education for members of the congregation or members of the church staff.

E.

Existing

Gifts, bequests and distributions (with the exception of grants for college, seminary or continuing-education tuition) are not intended to benefit any individual members or staff of Bethlehem Lutheran Church or persons related to or employed by any church members or staff. It is acceptable that an individual member of the congregation, or a relative of a member, may be involved in an organization or activity that receives proceeds from the endowment fund. However, it is unacceptable that such a member or relative would receive any benefit, financial or otherwise, from the granting of such proceeds from the endowment fund.

Proposed

Gifts, bequests, and distributions (with the exception of grants for college, seminary, Bethlehem Early Childhood Center, and continuing-education tuition) are not generally intended to benefit any related party (that is, individual members of the congregation, or members of the staff of Bethlehem Lutheran Church, or persons related to or employed by any church member or staff member). It is acceptable that an individual member of the congregation, or a staff member, or a relative of a congregation member or staff member, may be involved in an organization or activity that receives proceeds from the endowment fund. However, such person(s) should not personally benefit financially from their involvement in the program. Recognizing the sensitive nature of related-party matters, any grants to related parties may be made after the proposal and all related-party relationships have been fully evaluated by the endowment committee and reviewed and approved by the Congregation Council.



Bethlehem Lutheran Church Treasurer's Annual Report

2021 was my second year as your treasurer. Not quite as exciting as 2020, thanks be to God, but not without its challenges. I am pleased to share our 2021 financial results with you, which reflects Bethlehem's resilience, as well as our proposed 2022 budget, which reflects hope and prudence.

2021 Actual results compared to budget

We started 2021 with cautious optimism and a budgeted shortfall of \$24,300, which we planned to cover with the 2020 surplus of \$37,623.

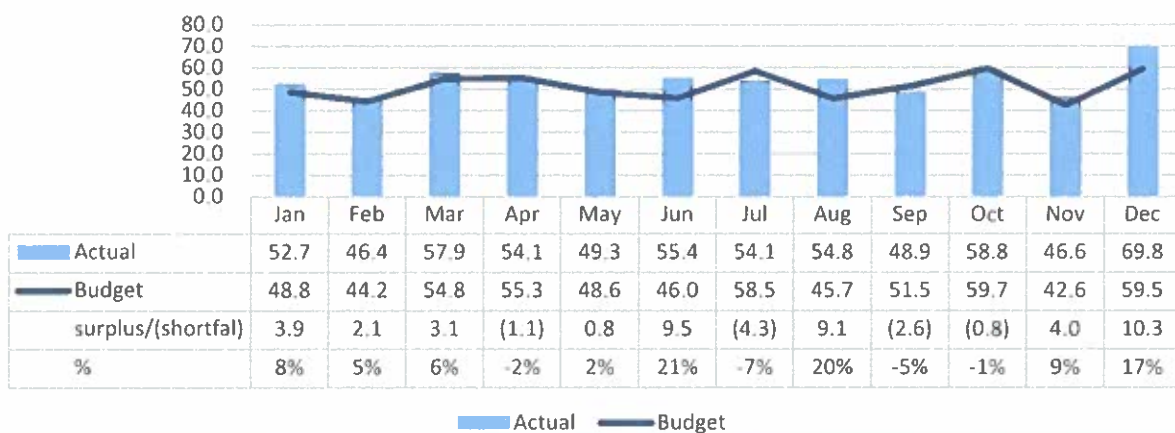
We ended 2021 favorable to budget with a shortfall of just \$13,650.

Offerings

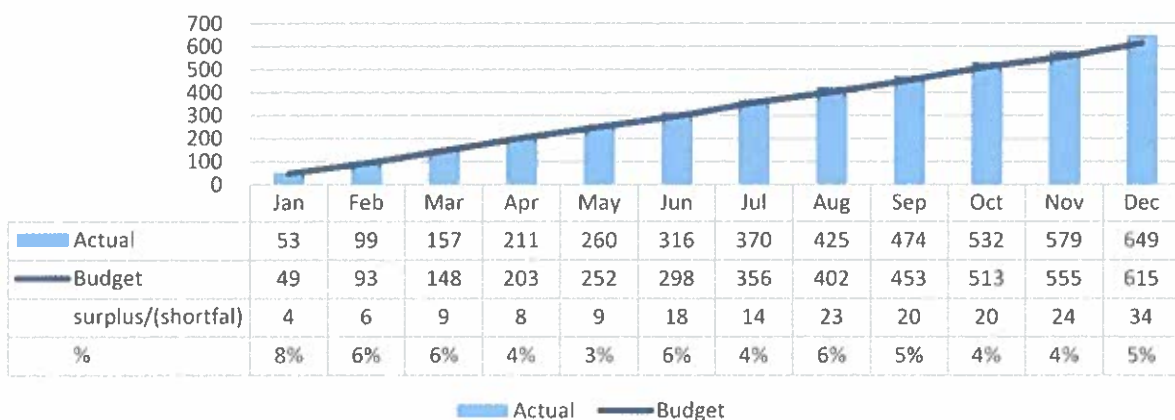
Given the uncertainty we were facing at the beginning of the year, the 2021 budget was based on a conservative offerings estimate of \$615k, 4% less than 2020, but still higher than 2019.

Actual 2021 offerings were \$649k, which is \$34k or 5% favorable to the budget!

Monthly Offerings vs Budget (in thousands)



Cumulative Offerings vs Budget (in thousands)



Expense

The 2021 expense budget included only a modest 2% increase in staffing and related costs but otherwise assumed expenses would be held flat or even reduced to the extent 2020 included non-recurring covid related costs. That said, we did have to increase the budget to replace a 3-month mortgage deferment in 2020 and library stipend previously funded with designated reserves.

Actual expenses in 2021 were \$27k over budget with higher spending across most discretionary categories. Note however that spending was monitored closely throughout the year and adjusted only when higher offerings created more room in the budget.

2021 Actual vs Budget				
	Actual	Budget	Fav (Unfav)	
			\$	%
[1] Offerings	648,817	615,000	33,817	5%
[2] Other Income	4,251	-	4,251	
[3] Shared cost reimbursement	169,704	169,704	-	0%
Income	\$ 822,773	\$ 784,704	\$ 38,069	5%
[4] Staffing	453,941	454,528	587	0%
[5] Music	11,900	7,557	(4,343)	-57%
[6] Education / Library	2,308	500	(1,808)	-362%
[7] Family Ministry	5,874	4,500	(1,374)	-31%
[8] Worship	9,569	7,100	(2,469)	-35%
[9] Outreach	55,185	55,647	462	1%
[10] Office / Administrative	84,047	76,600	(7,447)	-10%
[11] Property Maintenance	112,258	109,491	(2,767)	-3%
[12] Property Mortgage, Taxes, Insurance	101,341	93,081	(8,260)	-9%
Total Expense	836,422	809,004	(27,419)	-3%
Net surplus (shortfall)	\$ (13,650)	\$ (24,300)	\$ 10,650	44%

[1]	Higher member, non-pledged offerings and special offerings
[2]	Includes \$3,750 from synod for hosting
[3]	Preschools resumed making full shared cost reimbursement payments
[4]	On target staffing and related costs
[5]	Guest musicians, supplies and piano/organ tuning
[6]	Conferences and literature
[7]	High school and confirmation expense
[8]	Outdoor and virtual worship equipment and tech support
[9]	ELCA benevolence was 8.1% of offerings - less than 8.6% budget due to higher offerings
[10]	New computers for pastors and higher than expected utilities
[11]	Increased rate on janitorial services (\$4.6k) off-set by lower repairs & maintenance
[12]	Mortgage refinance \$6.2k including a \$5.5 refinance fee, Ins/tax \$2k higher

Mortgage Refinance

In June of 2021 we refinanced our mortgage to eliminate a \$23,566 balloon payment that otherwise would have been due upon maturity.

The balloon payment was created last year when we opted to defer 3 months of mortgage payments given the uncertainty of the pandemic and shut down of the preschools. The overall impact of the deferment was additional interest of \$6,361, however it would have required a balloon payment of \$23,566 in February 2031 (\$17,205 in deferred payments plus the \$6,361 additional interest)

The terms of the refinance are as follows:

- 4% interest rate (vs 4.375% on original loan)
- Same maturity (February 2031)
- Monthly Payment: \$5,822 (\$87 higher than previous loan payment of \$5,735)
- Prepayment penalty - 2% thru June 2026 (same as original loan, but the 5-year clock reset)
- Total savings compared to original loan, post deferment - \$7,891
- Impact of 2020 deferment plus 2021 refinance compared to the original loan - savings of \$1,530

Unfortunately, we had to pay an upfront refinance fee of 1% or \$5,528. The council approved the refinance however, to alleviate the church from the burden of a future balloon payment.

Mortgage Payments

Year	Original Loan	Orig Loan w/deferment	vs Orig Loan	Refinanced Loan	vs Orig Loan w/deferment	vs Orig Loan
2020	68,820	51,615	(17,205)	51,615	-	(17,205)
2021	68,820	68,820	-	74,870	6,050	6,050
2022-2030	619,380	619,380	-	628,776	9,396	9,396
2031 (thru Feb)	11,393	34,959	23,566	11,622	(23,337)	229
Total	\$ 768,413	\$ 774,774	\$ 6,361	\$ 766,883	\$ (7,891)	\$ (1,530)

Covid Relief

As a reminder, in 2020 we received a PPP loan of \$267k. The loan was subsequently forgiven. In 2021 we continued to pursue covid relief available through the Employee Retention Credit program.

Mark Stauffer is leading this effort with great success. THANK YOU MARK! – for all your hard work, your strategic thinking and your commitment to Bethlehem. You are truly a blessing to our church.

Due to Mark's extensive research including reaching out to experts, we believe we are eligible for ERC credits in each of the 5 quarters Q2 2020 through Q2 2021 and have submitted claims for each.

In August we received \$145k relating to Q2 2021. This claim was submitted along with current tax filings which is likely why we received it first. Previous quarters were submitted as amendments. Although we are optimistic, it is still unclear if and when we will receive additional funds. The council has decided to put all funds in reserve until all claims are either received or denied. This way we will know the full amount available before making allocation decisions. ERC credits are not reflected in the 2022 budget.

Council is recommending that the congregation approve the 2022 budget with a \$12,615 shortfall, consistent with the actual 2021 shortfall, and more than covered by the balance of the 2020 surplus.

2020 surplus	\$ 37,623
2021 shortfall	(13,650)
2022 proposed shortfall	(12,615)
remaining surplus	\$ 11,358

Based on member pledges and other reasonable estimates we expect offerings to be about flat with 2021. We therefore cut or held flat most discretionary spend, except compensation. The proposed budget reflects the pastoral compensation committee's recommendation to pay our pastors at the 75th percentile, based on Synod guidelines. All other staff will receive a 3% increase.

The preschools will also increase their shared cost reimbursement by 9% bringing the allocation percentages back to 2019 levels.

					2022 Budget vs 2021 Actual	
	2019 Actual	2020 Actual	2021 Actual	2022 Budget	%	\$ Favorable (Unfavorable)
CHURCH						
[1] Offerings	608,624	639,857	648,817	652,000	0.5%	3,183
[2] Other Income	9,466	9,835	4,251	5,000	17.6%	749
[3] Shared cost reimbursement	169,809	76,367	169,704	185,005	9.0%	15,301
PPP funds allocated to church		93,337				
Income	\$ 787,899	\$ 819,396	\$ 822,773	\$ 842,005	2.3%	\$ 19,232
[4] Staffing	411,147	438,752	453,941	488,405	7.6%	(34,465)
[5] Music	13,002	7,557	11,900	12,935	8.7%	(1,035)
[6] Education / Library	2,710	886	2,308	2,494	8.1%	(186)
[7] Family Ministry	3,413	7,018	5,874	6,500	10.7%	(626)
[8] Worship	4,554	7,781	9,569	8,126	-15.1%	1,443
[9] Outreach	46,640	55,260	55,185	54,006	-2.1%	1,179
[10] Office / Administrative	76,752	80,412	86,200	77,790	-9.8%	8,409
[11] Property Maintenance	99,598	108,737	112,258	109,360	-2.6%	2,898
[12] Mortgage, Prop Tx, Ins	87,962	75,369	99,188	95,003	-4.2%	4,185
Total Expense	\$ 745,777	\$ 781,773	\$ 836,422	\$ 854,620	2.2%	\$ (18,198)
Net Income	\$ 42,122	\$ 37,623	\$ (13,650)	\$ (12,615)		\$ 1,035

[1] Offerings budget based on member pledges and reasonable estimates for non-pledge giving based on historical trends

[2] Other income is not specifically identified but may include facilities use income

[3] Increase in shared cost reimbursement reflects an increase pool costs and returning to 2019 allocation percentages

[4] Pastor compensation increased per committee recommendations. Benefits rates and coverage also increased.

[5] Music costs held flat to 2019 level

[6] Education held flat to 2019 for conferences and literature with miscellaneous expense cut by 50%

[7] Slight increase in Family Ministry to support on-site VPS and retreats

[8] Reduced worship budget reflects one-time expenses in 2021

[9] ELCA Benevolence held flat to prior year, about 8% of offerings

[10] Reduced office expense reflects computers purchased in 2021 and tightening of general expenses

[11] Reflects increases in contracts (8% janitorial and 3% grounds) off-set by reduced general maintenance (\$30k down to \$24k)

[12] Reduction reflects \$5.5k refinance fee in 2021, partially off-set by higher mortgage payments (\$87/month). Property taxes and insurance rates are also expected to increase

**Blessings,
Melissa Ontiveros
BLC Treasurer**

BETHLEHEM LUTHERAN CHURCH

2021 PASTORAL ACTS

Baptisms = 7
Confirmations = 2
Funerals = 2

2020 – 2021 STATISTICAL SUMMARY

Membership at the end of 2020
Baptized (Includes Children) = 864
Confirmed (Teenage & Adult) = 537

Baptized Members received in 2021 = 17
By Transfer, Affirmation & Restoration = 10
By Baptism = 7

Baptized Members removed in 2021 = 49
By Death = 4
By Transfer = 1
Inactive/Removed/Moved = 44

Confirmed Members received in 2021 = 10
By Transfer, Affirmation & Restoration = 8
By Baptism = 0
Confirmed = 2

Confirmed Members removed in 2021 = 44
By Death = 4
By Transfer = 1
Inactive/Removed/Moved = 39

Membership at the end of 2021
Baptized (Includes Children) = 832
Confirmed (Teenage & Adult) = 503

PLEDGE/ESTIMATE REPORT FOR 2022

<u>CATEGORY/AMOUNT OF PLEDGE PER YEAR</u>	<u>NUMBER OF FAMILY UNITS</u>
AS ABLE	5
ESTIMATE	7
\$0.01 - \$500.00	5
\$501.00 - \$2,000.00	25
\$2,001.00 - \$5,000.00	28
\$5,001.00 - \$10,000.00	25
\$10,001.00 - \$40,000.00	9

TOTAL FAMILY UNITS PLEDGE/ESTIMATE GIVEN FOR 2022 = 99

TOTAL FAMILY UNITS CURRENTLY MEMBERS OF BETHLEHEM = 230

PLEDGE/ESTIMATE REPORT FOR 2021

<u>CATEGORY/AMOUNT OF PLEDGE PER YEAR</u>	<u>NUMBER OF FAMILY UNITS</u>
AS ABLE	3
ESTIMATE	3
\$0.01 - \$500.00	7
\$501.00 - \$2,000.00	26
\$2,001.00 - \$5,000.00	40
\$5,001.00 - \$10,000.00	20
\$10,001.00 - \$40,000.00	10

TOTAL FAMILY UNITS PLEDGE/ESTIMATE GIVEN FOR 2021 = 106

2021 TOTAL FAMILY UNIT MEMBERS OF BETHLEHEM = 247

JANUARY 2022

Bethlehem Lutheran Church Encinitas
Council President's Report
January 16, 2022

Dear Fellow Members of Bethlehem,

It is such an honor to serve this loving, gracious, inclusive body of Christ. I follow in the footsteps of extraordinary leaders who have given me much inspiration. Thank you for this opportunity.

When you serve on Council, you learn how much happens of which most of us are blissfully ignorant. Bethlehem is a busy place! And accomplishes so much. Let me give you a few highlights from 2021:

- We welcomed Steve Fritsch, Jana Hegg, Tricia Storey, and Mallory Oien to the council. We are benefitting so much from their wisdom.
- In 2020, Kelly Perez stepped up to fill the position of Half-Day Preschool Director on an interim basis. In 2021, based on Kelly's excellent performance and the recommendation of the search committee, we offered the permanent position to Kelly and she accepted. Kelly's excellent performance has already validated our decision.
- We welcomed Keegan Cheleden, a new member and seminary student. Keegan has preached several times for us this year. Pastoral candidates go through a vigorous and costly evaluation process. The council was happy to provide some monetary support for this process.
- Our worship team continued to innovate and provide us with many worship opportunities: inside and livestream worship, the very popular outdoor worship, and viewing our services on our YouTube channel (who knew that Bethlehem would have its own channel?!). Thanks to Steve McMahon, Grant Meinhardt, Will Mather, and Ron Hegg for your extraordinary support and service.
- The protocol team did a great job keeping up with the ever-changing COVID requirements and restrictions. Thank you to Pastor Laura, Pastor Sam, Dennis Astroth, Mona Goetsch, Chacha Pinilla, Laure Reynolds, and Karen Saake.
- We prayerfully considered several financial issues:
 - We continued to apply for funds through the federal government's Payroll Protection Program (PPP), which allowed us to keep our Early Childhood Staff on payroll.
 - We refinanced the church mortgage at a better rate, which also allowed us to retire a balloon payment that occurred due to skipped payments allowed during 2020 because of COVID. We kept the same term so the mortgage will be fulfilled in 2031.
 - We are reviewing our insurance needs, especially because of what we learned during the pandemic. We increased our loss of business income and will continue to review other areas. Thanks to Gary Kloehn and Diane Langerer for their invaluable assistance with this review.
 - We formed a pastoral compensation subcommittee to evaluate how we can best provide for our pastors and give them the resources they need to support their families and live in North County. Thanks to Mike Lyons and Derrick Oien for their insights and dedication to finding a long-term solution for Bethlehem and our pastors.
 - Thanks to Mark Stauffer who investigated applying for Employee Retention Credit (ERC) funds. Mark also instructed other congregations on how to evaluate and apply. We will keep you updated on the progress.
- A big thank you to Dennis Astroth who continues to oversee the maintenance of our campus. With a campus the size of Bethlehem, it is amazing that we have a volunteer overseeing all that is needed. Just a few of the many projects, Dennis managed this year are:
 - Debi Carr, full-day preschool director, used the remaining funds from the playground grant to build a deck next to the playhouse in the playground.

- Kelly Perez, half-day preschool director, made the outdoor space in front of the Family Center permanent, allowing her to accommodate more children. Carlos Hernandez, pastor of the other congregation that uses Bethlehem, gifted the labor and material for the decking. Thank you, Carlos. We also fenced the area, and a preschool parent is donating a shade structure.
- Mike Ontiveros provided the pavers and labor to pave an area in Dot's Garden. Thank you, Mike!
- We replaced the bulbs in the parking lot fixtures with LED lights, which will reduce our energy use.
- We had to replace the olive trees in the welcome space because they were diseased. I hope you have noticed the beautiful new jacaranda trees.
- Again this year, you, the members of Bethlehem, were amazingly generous with your time, talents, and treasures. Thanks to the almost 150 families who responded to our Stewardship request with pledges. And thanks for responding when we shared the gap in our budget and the funds needed. With judicious, although difficult, cuts and your gifts, our budget gap was reduced from \$67,000 to \$13,000. Thank you, Bethlehem.
- Very importantly, the work of our pastors and worship team has brought Bethlehem's messages to new families. Many are attending after joining us on the livestream. Welcome!

Each year, we welcome new council members, and say farewell to those who have completed their years of service. This year I want to recognize Dave Ensberg, Vice President; Sue LaClair, Secretary; Naida Malchoidi, and Mallory Oien, Youth Representative. Thank you for your dedication and faithful service. You made a real difference.

I want to acknowledge the other members of Bethlehem's staff, who work together to make Bethlehem the loving, gracious, joyful, welcoming place and that we know and love:

- Judy Collier, organist and pianist extraordinaire.
- Judy Foland, who manages our office and assists the pastors and other staff in so many ways.
- Kim Froke, bell choir director.
- Mona Goetsch, leader of our extraordinary music program.
- Constance Mithelman, leading our family ministry and library.
- Rose Moldenhauer, RN, parish nurse.
- Laure Reynolds, Stephen Ministry Leader.
- Mark Weed, leading our Children's Chimes program.

And finally, thank you to Pastor Laura and Pastor Sam for their gracious leadership through all the ups and downs of this past year and years. They are steadfast in their love of and care for this congregation. One of the privileges of being on the council is to work closely with the pastors and see just how much they care about all of us. We are blessed.

God's Peace,

Suzi Westmoreland

BETHLEHEM COMMUNITY EARLY CHILDHOOD CENTER

PROGRAMS 2021

The Early Childhood Programs had a very busy year in 2021. We were able to keep both programs open and fully enrolled. We followed very strict COVID protocols for group size as well as cleaning and sanitation. Although these protocols were expensive for the programs, we were able to remain open and running at capacity.

On a very positive note, we were able to install the new play equipment that we needed. We were able to purchase this equipment with grant money from the state, donations from preschool families and church members. We are very grateful for all the help we received. The programs seem to be adjusting to the changes of the COVID world and are grateful to be able to continue to serve the children and families of our community.

We want to again thank the Church for all the support they have and continue to give the preschool programs.

Yours,

Debi Carr, Full Day Director

Kelly Perez, Part Day Director

Family Ministry
(Children & Youth)
Constance Mithelman

Greetings dear friends!

It is a wonderful honor and privilege to be a part of the Bethlehem community and accompany our children, youth and families on their faith journey, as they venture out into the world discerning where, who and what God is calling them to be.

Early in 2021, the Learning Circles program was still operating primarily online. In my weekly email blasts, I included the story and lesson-based activities for the week. For Lent, I made and delivered Holy Week Family Activity Bags for each of our families that included things to do for Palm Sunday, Maundy Thursday, Good Friday, Holy Saturday and Easter Sunday.

Later on in the spring, we were able to begin holding Learning Circle classes outside. There are two age-based classrooms currently operating; PreK-2nd grade on the playground behind the full-day program, and the 3rd-6th grade class on the patio behind the Family Center. Each of these classes are taught by different adults, parents and youth volunteers and occur during our 10:30 am outdoor service.

In June and July, several youth and I produced Bethlehem's 2nd Virtual VBS entitled *Let My People Go*, a 5-day program sharing the story of Moses. Each day contained a dramatic performance done by our talented youth, a song, craft, prayer and game. We discussed how God saves and protects us because God loves us.

In August, we held a Tie-Dye and Root beer Float Family Day following worship, as an opportunity for fellowship and connection with our families. It was messy but wonderful to see so many familiar faces and forge new connections as well.

In December, the children helped make ornaments to decorate our outdoor Christmas Tree and their art was admired and enjoyed by all our members and visitors.

****An update from the Bethlehem Community Library****

Last spring, I created an ordering system for each of our preschool classrooms to receive books. The teachers have an order form where they list what they'll be discussing the following week, and I select books that coincide with their weekly lesson.

Each Wednesday, I have in-person story time with a half-day and full-day classroom and I'm able to connect face-to-face with each classroom once per month.

The youth and I began 2021 on Zoom. For the first several months of the year, both the High School youth group and our Confirmation class shifted back to Zoom as Covid-19 cases began to rise. On March 3rd, when it was safe enough for us to go back to our outdoor, masked, socially distanced gatherings, it poured rain! However, we have a hearty bunch of youth, and over 20 of them showed up in their rain gear because they so desperately missed their friends and the community we've created. It was positively amazing.

Once the youth were out of school for the summer, we were able to safely hold our Wednesday beach gatherings at Moonlight Beach followed by ice cream at Cali Cream (formerly Handels). We caught lots of waves and enjoyed playing SpikeBall and Volleyball.

In July, the Confirmation youth had an overnight at church in place of Confirmation Camp at Luther Glen. We enjoyed going to the beach, playing games, a Bible 101 lesson and watching a movie in the sanctuary.

The first week of August, the high school youth and I were able to safely get away for a week at camp, Luther Glen. Our time together, away from the 'Encinitas Bubble', with the opportunity to unplug and spend time in Creation, is a priceless gift that renews our youth and chaperones the same. We worked on the farm (caught and clipped the wings of 90 chickens), weeded, nourished compost piles, mulched the garden, and harvested and processed well over 100 squash for winter keeping. We went on a hike through the forest that burned during the El Dorado fire and held our own version of the Summer Olympics. We spent conscious time processing the last year and a half (at that point), how each of us had changed and how the world had changed- some for the better, some the opposite, and where/how God has shown up during that time.

When the youth started school in the fall, both the Confirmation program and the High School youth group returned to meeting at church on Tuesday and Wednesday evenings. We were outside until it got a bit chilly and a bit dark, and then shifted inside to masked gatherings.

In October, we had the honor and privilege of Confirming two of our 9th graders, Lily and Roxy Avery, in a beautiful service where they preached and shared how they see God at work in their lives.

In December, we had Christmas parties for each group where we played some hilarious minute-to-win-it type games and enjoyed fellowship with one another.

I thank God every day for this community of faith and treasure all the ways God is most certainly at work within and among each one of us. To be wholly loved, nurtured and fed at Bethlehem is a precious gift that I feel so privileged to be a part of.

BETHLEHEM LUTHERAN CHURCH

MUSIC ANNUAL REPORT 2021

*How oft, in making music, we have found a new dimension in the world of sound,
As worship moved us to a more profound Alleluia, alleluia, alleluia! ELW 850.*

This year, Bethlehem's music program has found a new dimension of sound by creating music videos of our performing groups. In 2021, 22 music videos were produced featuring the Good News Singers, JuBellation Ringers, World Music Ensemble, Children's Choir and Children's Chimers. This new technology required singers to come to church to be individually recorded - both auditory and visually. Thank you singers who agreed to this brave process! In addition, a spring concert, summer talent show and winter concert were produced highlighting the musical talents of many in our congregation. We were blessed by the technology team of Ron Hegg and Carolin Meinhardt who were instrumental in facilitating and creating all the music videos. Finally, thanks goes to the excellent leadership of directors Kim Froke, Mark Weed, Marilyn Stenoien and Mona Goetsch.

Special thanks to Judy Collier, our organist, who is the mainstay of the weekly worship services.. Her dedicated musicianship gives us the opportunity to experience many styles of music during worship.

When we began online worship, one volunteer cantor supported the congregational singing with the Pastors. Thank you Carolin Meinhardt, Dave Ensberg, Mark Reynolds, Mona Goetsch and Judy Collier who often provided solos for our Sunday services both online and outdoors. On June 27th, another cantor was added to the mix and with that came duets for the services. Special thanks to Gloria Xefos, Sandy Lakey, Art Schmidt, Flo Anselona, Steve Grady, Laura Thibault, Skye Svenningsen, Marilyn Stenoien, and Blair Lindberg for volunteering their musical talents.

The Good News Singers continued with Zoom choir rehearsals through May giving all the opportunity to sing their favorite hymns and experience a singing community on a weekly basis. The Children's Choir and World Music Ensemble met via Zoom and the JuBellation Ringers and Children's Chimers met in person wearing masks while rehearsing. The Jubellation Ringers and Children's Chimers have been able to provide special music for our outdoor worship services which has been well received. In September, the Good News Singers and Children's Choir moved to "live" rehearsals outside in small groups with shorter rehearsal times. This worked well for the Children's choir Sunday morning rehearsals but became prohibitive for GNS due to darkness. In November, the Good News Singers moved inside for rehearsals and have tried to maintain COVID protocol for practice purposes. I have been blessed with Kim Froke, GNS accompanist, who can play anything put in front of him, and does it with a laugh or smile. Great work, Kim!

Since June, our larger singing groups have returned "live" to enhance Sunday morning worship mostly in the outdoor worship setting. Thank you Good News Singers, Children's Choir, Second Sabbath and World Music Ensemble for your unique music and added instrumentation. As we navigate the COVID journey, we will continue to provide the quality music that Bethlehem is able to produce.

Blessings,

Mona Goetsch, Bethlehem Director of Music

*Let every instrument be tuned for praise; let all rejoice who have a voice to raise;
And may God give us faith to sing always; Alleluia, alleluia, alleluia! ELW 850.*



The Stephen Ministers of Bethlehem Lutheran Church are lay volunteers who have been trained to provide high-quality, confidential care and support to people who are facing changes in their lives. We provide support to members of the Bethlehem congregation as well as members of the community.

In 2021:

- We had 11 active Stephen Ministers, three who served as Stephen Leaders.
- Our Stephen Ministers made 204 contacts with care receivers and provided 39 hours of care to individual care receivers.
- Our Grief Ministry program provided 30 Stephen Ministry Grief Series books to members of the congregation.
- Our Stephen Ministers met twice monthly for Supervision and Continuing Education, meeting via Zoom during the pandemic. Continuing Ed topics this year included caring for your congregation in times of crisis, ministering during social distancing, and mental health issues during quarantine. We studied the book "Caring Criticism" and had guest presenters speaking about resources available from the National Alliance on Mental Illness and about suicide prevention.
- Stephen Leaders participated regularly in the Bethlehem Health Ministry team.

Thank you for your continued support of the Stephen Ministry program.

Laure Reynolds

Stephen Ministry Team Coordinator

2021 Report for Health Ministry

As Parish Nurse I work closely with the pastors and Stephen Ministry leaders. We work as a caring team to make sure our church members, families and community are healthy and well taken care of. This year I have assisted staff and parishioners with health and prevention needs during this Covid pandemic. I also provide calls and visits to parishioners who are in need of care or comfort, those who are ill, or need advice or resources for good health. I assist with church and community programs, funerals, and Bethlehem Cares Fund which provides financial assistance for church members in need.

Rose Moldenhauer

Bethlehem Women of the ELCA

2021 taught us to be flexible. Due to the unpredictability of COVID and its effect on our congregation, we learned how to adapt to the ever-changing city/county/state/federal COVID protocols. Even though we were physically challenged, the Pajama Project and Scraps and Prayers persevered and were able to meet the needs of the community with pajamas and quilts.

- **RECEPTIONS** – No receptions were held until the end of the year when the congregation celebrated Pastor Sam's wedding with an outdoor reception.
- **WOMEN'S RETREAT** – No retreat was held due to COVID
- **CHRISTMAS BAZAAR** – No bazaar was held due to COVID
- **BIBLE STUDY** – Bible study was discontinued due to COVID
- **PAJAMA PROJECT** –

The Pajama Project celebrated its 25th year at Bethlehem in 2021. Members of the Pajama Project worked off-site due to COVID and completed all of the PJs by July....an amazing success! A total of 1,590 garments (a combination of PJ's and Pajama Pants.) were distributed.

Garments

131	HIV/AIDS San Diego current enrolled kids
165	HIV/AIDS San Diego follow up family program
91	Operation Hope Family Shelter in Oceanside
152	Families in Need
70	Mental Health Services
69	Women's Resource Center
167	Es Por Los Nino's
110	Casa de Amparo
100	Storefront Teen Shelter
100	Carol's House
241	St. Andrews Food Bank
<u>194</u>	Head start Preschools
1,590	Total Garments distributed

- **SCRAPS AND PRAYERS** -

Scraps and Prayers met weekly via Zoom meetings in January and February. Starting on March 6, 2021, Scraps and Prayers met in person, following strict protocols. Attendance each week varied from three to 10 people, creating both full size and baby quilts.

A special project was completed that was a gift of a gift. When Marla Keith moved, she donated two quilt tops that had been made by her mother. The members of Scraps and Prayers, recognizing the priceless family history of these quilt tops, redesigned and created five quilts from the two quilt tops, which were then gifted to Marla for her family's legacy.

Quilts Completed in 2021:

9 prayer quilts

31 receiving blankets

83 baby quilts

39 full size quilts

16 specialty quilts (Christmas, Music, UCSD, Juvenile and Marla Keith)

Distribution of quilts:

2 prayer quilts

8 baptismal swaddling blankets

20 receiving blankets and 37 baby quilts to STEP (Support the Enlisted Personnel)

40 baby quilts to Es Por Los Ninos

24 full size quilts to Lutheran World Relief

21 full size quilts to UCSD freshman students

5 specialty quilts to Marla Keith

Submitted by Roberta Allen, Vice-President

BETHLEHEM LUTHERAN CHURCH

MISSION STATEMENT

**The mission of Bethlehem Lutheran Church
is to announce boldly the love of God through Christ.**

We do this because we are:

- *Included through baptism**
- *Nourished by Word and Sacrament**
- *Rooted in the Gospel**

We do this by:

- *Celebrating our faith in worship**
- *Listening and responding to needs and concerns**
- *Including children and youth in all aspects of our ministry**
- *Applying our faith in loving, caring actions in our community and throughout the world**

VISION STATEMENT

We see Worship as a means by which we are continually called and drawn into renewed relationship with God through Christ.

We are called by God through Baptism and reach out through Word and Sacrament-centered worship. We believe that through worship we experience anew the healing power of the Gospel in our lives and God's redeeming love for our broken world. We acknowledge God's abiding grace with prayer, praise and thanksgiving for all that God has done for us, most especially the gift of salvation through God's son, our Lord and Savior Jesus Christ. We are sustained and nourished by the Holy Spirit. We encourage our pastors to boldly preach the Gospel, keeping its message alive and meaningful to the diverse needs of our congregation and the larger community of God's people. We celebrate the Eucharist as being the real presence of Christ for all people embodying God's renewing and sustaining love and forgiveness. We value diversity of worship styles, in an environment of openness and acceptance which expresses God's love for people of every age and background.

The spiritual well-being of our members is a responsibility shared by everyone in the congregation. We provide an environment that promotes ongoing spiritual self-examination and maturity. We support each other on our faith journeys, and seek to strengthen everyone facing the challenges life brings. We are a congregation willing to take risks and to act on faith as reconcilers, care-givers and missionaries through a ministry of witness, service and evangelism.

There is a gladness in service, in reaching out to people in need, both in our community and throughout the world. We see outreach as a response to the Gospel, and believe that in touching the lives of others we make known God's love for all people. We see our congregation and our community as interdependent. We invest human and financial resources in our society, and take an active role in addressing unmet community needs.

Christian Education is essential to the life and growth of our congregation. Through education God develops an enriching relationship with us through Jesus Christ. We provide a wide range of educational programs and each person is encouraged to participate in ongoing experiences designed to be meaningful to every age.

We view stewardship as an act of worship which is a natural outgrowth of the Gospel. Stewardship is a biblical imperative, and begins with the recognition that all we have is a gift from a loving God. It involves how we use all the resources God has given us – our lives, our time and our possessions. It includes the money we give that is necessary to meet the financial needs of the congregation, its mission, and social responsibilities throughout the world. But, good stewardship goes well beyond just gifts of money. It recognizes each individual's opportunity and responsibility of daily managing God's gifts of time and talents. Growth in stewardship goes hand in hand with growth in the Gospel as stewardship is a practical expression of an individual's faith.

Our Christian Faith is encouraged through fellowship with one another. We are committed to witnessing joyfully to our Christian faith in ways that will draw others into our caring community. We encourage the formation of small groups to preserve our sense of family. We promote a sense of intimacy that facilitates that healing of brokenness. We assist one another to discover, sustain, and nurture the use of our inherent talents. We seek opportunities to gather in fellowship and are strengthened through our communion with fellow believers. We see ourselves as a center for cultural and community events.

We are called by God to go forward with courage to share the message of the Gospel. We recognize that our lives can be a living illustration of God's love in Christ. It is the privilege of our entire congregation to share the love of God in a broken world. We are willing to experience rejection in order to announce justice, peace and God's love.

COMMENTS AND SUGGESTIONS PAGE

**Please offer any suggestions, comments, or questions that are on your mind.
We will refer them to the appropriate leader or staff person.**

I have a question:

I have a suggestion:

I have a comment:

I have an idea: