

**GOVERNING POLICIES
FOR
OUR FATHER LUTHERAN CHURCH**

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Policy Based Governance is an organizational management system by which the organization's main board establishes policies to govern and monitors the results. Board members are elected by the organization's members in an annual meeting. Business affairs of the organization are governed by the board and delegated to the staff through its chief officer.

As approved by the Voters' Assembly over a decade ago, Our Father Lutheran Church ("OFLC") utilizes the Policy Based Governance model. The Parish Council is the main board that establishes policy and monitors the results. The Lead Pastor fills the role of the chief officer in the model and implements the policies using the gifts and talents of the staff and congregation. The staff, led by the Lead Pastor, makes the vast majority of all business and ministry-related decisions.

In accordance with the model of Policy Based Governance, the Parish Council of OFLC shall maintain written policies of four types. The Governing Policies shall be in agreement with and shall not supersede the Constitution and Bylaws of OFLC. All four Governing Policies are of equal standing with no one policy having authority over another.

POLICIES:

- 1.0 DESIRED OUTCOMES
- 2.0 PARISH COUNCIL RESPONSIBILITIES AND SELF-
GOVERNANCE
- 3.0 PARISH COUNCIL / LEAD PASTOR RELATIONSHIP
- 4.0 LEAD PASTOR LIMITATIONS

POLICY 1

1.0 DESIRED OUTCOMES

Desired Outcomes describe the purpose and unique, God-given calling of Our Father Lutheran Church. Desired Outcomes describe what results we are here to achieve, who the recipients will be, and the cost and benefit of those results. These Desired Outcomes do not address means, methods, activities, or specific programs. Desired Outcomes describe the ministry work OFLC will strive to accomplish in the future.

1.1 Vision

Our Father Lutheran Church seeks to be a church that sends people out as well as draws people in. Together, we pursue a joy-filled gospel movement that significantly enriches the faith of our members and impacts thousands of families living in the neighborhoods of metropolitan Denver.

1.2 Mission

With the vision in mind, OFLC's mission can be summed up this way: "Helping Ordinary People Know and Share Extraordinary Life in Christ."

"This is eternal life, that they know you, the only true God, and Jesus Christ whom you have sent."
John 17:3

"Because we loved you so much, we were delighted to share with you not only the gospel of God but our lives as well." 1 Thessalonians 2:8

1.3 Values

In order to maintain our focus on our Desired Outcomes and to guide our decisions, OFLC applies the following shared convictions:

- 1.3.1 Head and Heart: We pursue Biblical truth and an ever-deepening relationship with Jesus.
- 1.3.2 Inside and Outside: We care deeply for one another as well as people outside the church.
- 1.3.3 Invitation and Challenge: We grow disciples through an atmosphere of loving support and purposeful challenge.
- 1.3.4 Organized and Organic: We maintain a solid institution that supports a Spirit-led movement.
- 1.3.5 Family on Mission: We share life together in the work of God's Kingdom.

1.4 Strategic Guidance and Planning

OFLC achieves our Desired Outcomes and remains aligned with our Mission by employing strategic

and execution planning.

1.4.1 The following Strategy will be used as guidance in planning

- We Gather in Worship
- We Grow in Faith
- We Live God's Mission

1.4.2 The Strategic Plan will establish Vision horizons:

- 5-20 year Beyond-the-Horizon Vision – Long-Range Visionary (see 1.1)
- 3-5 year Background Vision – Long-Range Strategic
- 12-18 month Mid-ground Vision – Short-Range Visionary
- 90 days-18 month Foreground Vision – Short-Range Strategic

1.4.3 OFLC's Strategic Plan will be re-evaluated and refreshed at least every three years to take into account changes within the church, changes in the target community and culture, and changes with recipients of our ministry.

1.5 Recipients

Because Jesus said we are to be His witnesses in Jerusalem, Judea, Samaria, and to the ends of the earth, OFLC's ministry seeks to connect people to Jesus and engage them in His mission. The recipients will be both believers and unbelievers and will include those of OFLC faith family and our neighbors (those with whom we live, work, attend school with, or otherwise contact within the communities in which we live).

1.5.1 With regard to a more traditional geographic understanding, recipients are the people of south metropolitan Denver in the surrounding area of the existing OFLC building on South Holly Street and the surrounding area of any potential future worship site(s). With regard to a more locally incarnated expression of the church, recipients are also those individuals and/or families that OFLC members are intentionally connecting with in their neighborhoods and/or relational networks. All this will be done with sensitivity to fellow Lutheran Church - Missouri Synod ("LCMS") congregations in the area.

1.5.2 The work of OFLC to reach the world for Jesus will impact people across the United States and selected countries through in-person ministry, our partnerships with Christian organizations, and our digital presence.

1.5.3 Those who serve and those who are served are all recipients and blessed through their participation in the grace of God and the movement of His kingdom.

1.6 Results

Recipients of OFLC's ministry will live as disciples of Jesus, transformed in their relationship with God and with others, knowing and sharing extraordinary life in Christ.

1.6.1 Recipients of OFLC's ministry will Set Stones. We will establish fixed times with Jesus as

demonstrated by:

- Making Jesus a priority rather than an afterthought
- Experiencing the peace of God
- Experiencing moments of spiritual breakthrough

1.6.2 Recipients of OFLC's ministry will Share Life. We will serve together as family as demonstrated by:

- Holding one another accountable
- Caring for the people in our life
- Joining with others in God's mission

1.6.3 Recipients of OFLC's ministry will Make Space. We will leave room for unbelievers as demonstrated by:

- Making it known to others that we are Christian
- Praying for unbelievers in our life
- Making time for relationships with those who do not know Jesus

1.6.4 Recipients of OFLC's ministry will Love Grace. We will find our identity in Christ as demonstrated by:

- Relying on Christ alone to be happy
- Identifying things that cause anxiety
- Building our lives around the gospel, with nothing added

1.6.5 Recipients of OFLC's ministry will Bear Fruit. We will multiply faith in others as demonstrated by:

- Living lives worth imitating
- Helping others to grow in their faith
- Seeing in others what God has done in their lives

1.6.6 Recipients of OFLC's ministry will Stand Firm. We will live the truth as demonstrated by:

- Knowing what we believe
- Knowing what to say when challenged
- Living unafraid of the changing culture

1.7 Cost and Benefits

OFLC seeks to be good stewards of resources God provides, applying strategic planning and proactive execution according to the strategic direction. We recognize our resources are provided with the expectation they be applied with care and discipline, and in a way that provides the maximum benefit toward achieving OFLC's Desired Outcomes.

POLICY 2

2.0 PARISH COUNCIL RESPONSIBILITIES AND SELF-GOVERNANCE

The role of Parish Council focuses on leading and governing the congregation with long range, forward focus rather than managing ministry on a monthly basis. Parish Council is responsible for governance of the institution of OFLC, focuses on outcomes rather than means, and is accountable to the congregation. The Parish Council Responsibilities and Self-Governance policy lays out Parish Council responsibility, composition, member qualifications, nomination process, election, governing process, and composition of its Executive Committee.

2.1 Parish Council Responsibilities

- 2.1.1 The main responsibility of the Parish Council, in combination with the Lead Pastor, is to oversee the mission and ministry of OFLC and represent the congregational members who invest time, talent, and treasure in order to enhance and expand the spread of the Gospel through the Desired Outcomes. To fulfill its responsibility the Parish Council develops, monitors, and enforces policy.
- 2.1.2 The Parish Council is responsible for reviewing the fiscal soundness of the congregation and to serve as the legal representatives of the congregation in financial and business matters.
- 2.1.3 The Parish Council shall establish policies to ensure ministries are provided with honesty, integrity and sensitivity to those whom it seeks to serve.

2.2 Responsibilities to the Congregation

- 2.2.1 Listening to Members - The Parish Council shall listen to the ideas, concerns and values of all congregational members, servants and stewards and shall use a variety of appropriate techniques (i.e., mail and phone surveys, focus groups, committees, etc.) to seek out the desires of the congregation.
- 2.2.2 Reporting to Members - The Parish Council shall keep the congregational members informed of progress toward the Desired Outcomes and shall use a variety of methods for this reporting (i.e., annual reports, audio/video presentations, web pages, or newsletter articles, etc.).
- 2.2.3 The Parish Council shall conduct a Voters' Assembly at least once a year and as needed, per the provisions of Article 5 of the Bylaws of OFLC.
- 2.2.4 The Parish Council shall work with the Lead Pastor to inform the members of the congregation of the degree of success in meeting the Desired Outcomes.
- 2.2.5 The Parish Council shall solicit input from the congregation on the appropriateness of the Desired Outcomes.

2.2.6 The Parish Council shall communicate with the congregation on a regular basis to provide transparency and insight as appropriate into the actions, decisions and accomplishments of the Parish Council

2.3 Parish Council Self-Governance

2.3.1 The Parish Council officer and member-at-large duties and responsibilities are defined in Articles 7, 8 and 9 of the Bylaws of OFLC. In addition to the stated duties and responsibilities found in the Bylaws, Parish Council officers and members shall adhere to the guidelines and policies as described below in this policy document.

2.3.2 Parish Council Officers and Members-At-Large shall:

- Become familiar with the Constitution and Bylaws of OFLC
- Become familiar with the Governing Policies for OFLC
- Become familiar with the mission and ministry of OFLC
- Regularly attend and be prepared for Parish Council meetings
- Actively participate in Parish Council meetings and in policy decision-making
- Make informed decisions on complete and accurate information and support all decisions once they have been fully discussed and resolved
- Relate to others with integrity, honesty and straightforwardness
- Be familiar with and put into practice any specific policies developed to guide the behavior of members of the Parish Council
- Actively discipline themselves and other members of the Parish Council by identifying Parish Council actions and conditions that run counter to the Constitution, Bylaws, or the Governing Policies
- Bring to the President's immediate attention any condition or action they knowingly believe exceeds the Lead Pastor's limitations
- Keep Parish Council deliberations and discussions private
- Keep Parish Council documents private until they are approved for release
- Respectfully participate in council discussions and publicly support decisions
- Exercise their powers in the interests of the congregation and not in their own interests or the interests of another person (i.e., family members or organizations)
- Participate in the worship and educational life of the congregation; undertake personal spiritual disciplines to develop their own faith lives; work to expand their leadership abilities; and invest personal energy and skills in the mission and ministries of the congregation
- Support the church leadership and staff in achieving Desired Outcomes
- Support the Vision and Mission of OFLC
- Support continued refinement and execution of Policy Based Governance

2.3.3 Qualifications of Parish Council Nominees – Parish Council nominees must:

- Meet the requirements of council membership as stipulated in the Constitution and Bylaws
- Possess a willingness and ability to abide by the policy in section 2.3.2
- Be good communicators

- Be future-oriented, strategic thinkers
- Possess an understanding of the Mission and Vision of OFLC
- Possess an understanding of Policy Based Governance
- Possess a demonstrated history of active participation in regular worship and the sacraments
- Not be employees of OFLC
- Not be a spouse, child, parent, in-law, or sibling of current ministry staff, administrative staff or Parish Council members.
- Reflect the diverse make up of OFLC, however, each candidate elected to the Parish Council has the responsibility to represent the interest of OFLC as a whole, not of a particular constituency

2.3.4 Qualifications of the Executive Committee

- The President shall have at least one year of experience on the council and must have executive management, leadership and communication skills
- The Vice President must have executive management, leadership and communication skills
- The Treasurer must have executive financial /accounting background and knowledge of basic financial computer programs
- The Secretary must be able to accurately reflect the proceedings of the meetings in the form of minutes. The Secretary must also be able to distribute the minutes in a timely fashion and archive them for the records

2.4 Adherence to Policy

- 2.4.1 The President of the Parish Council shall counsel a member of the Parish Council who violates any policy. Should violations continue, the member shall be asked to resign after consultation with the Parish Council Executive Committee and the Lead Pastor.
- 2.4.2 Should the President violate policy, it shall be the responsibility of the Vice President and Lead Pastor to initiate such counsel.

2.5 Governing Process

- 2.5.1 Scope of Activities - All activities of the Parish Council, its officers, committee(s) or members-at-large shall relate to the specific responsibilities of the Parish Council as formally described in this policy document or as adopted at Parish Council meetings.
- 2.5.2 Group Action - No individual Parish Council member shall exercise such authority except as instructed by the Parish Council. The Parish Council shall exercise its governing authority as a whole except as described in sections 2.17.3 and 2.17.4.
- 2.5.3 Policy Development - The Parish Council shall maintain written policies of four types. These Governing Policies will be in accordance with, and not supersede, the Constitution and Bylaws of OFLC. If the Governing Policies conflict with the OFLC Constitution or Bylaws, the Constitution and Bylaws shall govern. Other policies may be developed, as necessary,

for the Parish Council to be able to conduct its business. The four sections of the OFLC Governing Policies are:

- 1.0 Policy on Desired Outcomes (affirmative statements setting forth the strategic identity, purposes, effects and acceptable cost of operations)
 - 2.0 Policy on Parish Council Responsibilities and Self-Governance
 - 3.0 Policy on Parish Council / Lead Pastor Relationship
 - 4.0 Policy on Lead Pastor Limitations (clarifying statements about communication, delegation to and monitoring of management)
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- 2.5.4 Policy Changes - All policies are to be active and dynamic. It is expected that they will be changed and refined, as necessary, to meet the changing needs of the congregation and the Parish Council.
 - 2.5.5 Policy Review - Any Parish Council member, the Lead Pastor or Voters' Assembly may ask for a review of specific Governing Policies. However, the responsibility for effective and appropriate policies always rests with the Parish Council.
 - 2.5.6 Policy Review Schedule – The Parish Council shall review the Governing Policies annually.
 - 2.5.7 Policy Exceptions - The Parish Council shall not allow one-time exceptions to policies. If an action is acceptable under certain conditions, then those conditions must be stated in the policy and the policy amended.
 - 2.5.8 Resolutions - The Parish Council will pass resolutions for specific actions only when those actions are required by the Constitution, Bylaws, Governing Policies, or will affect the Parish Council in conducting its business and meeting its responsibilities, including ministerial, financial, and legal matters.
 - 2.5.9 Executive Actions - Parish Council decisions governing actions of the Lead Pastor shall be done through existing policy. Any actions taken or contemplated by the Lead Pastor will be considered in light of the Governing Policies in place for the Lead Pastor.

2.6 Fiscal Responsibility

- 2.6.1 The Parish Council's fiscal responsibility shall be administered by:
 - Establishing policies limiting Lead Pastor financial authority, budget development and control of assets; and establishing policies on financial and investment matters to ensure fiscal soundness
 - Monitoring the fiscal soundness of the congregation through financial reports
 - Systematically monitoring the fiscal soundness of the congregation by reviewing and ensuring compliance with all financial and investment policies
 - Each year, appointing a minimum of three OFLC members to conduct a financial review and report the findings back to the Parish Council. Those appointed may not

be members of the Parish Council, Officers of the congregation or members of the Finance Committee.

- 2.6.2 Parish Council shall not make recommendations to the congregation to incur debt relating to the purchase, sale, mortgage or transfer of real estate without an evaluation and analysis of the facts and possible options and choices. Only the congregation, through approval of a proposed action by Parish Council at a called Voters' Assembly, can incur debt relating to the purchase, sale, mortgage or transfer of real estate.

2.7 Composition of Parish Council

- 2.7.1 Article 8 of the Bylaws of OFLC defines the required composition of the Parish Council.
- 2.7.2 On all actions to be voted upon, each member of the Parish Council shall have one vote. Each matter will be decided by simple majority vote. Votes are normally conducted verbally at regularly scheduled Parish Council meetings. However, votes can be taken by written ballot or electronically if needs so dictate at the discretion of the Parish Council President or the presiding officer of the meeting.

2.8 Nominating Committee

Article 7, Section B and Article 8, Section B of the Bylaws of OFLC, define the chair, appointment, composition, tenure, and responsibility of the Nominating Committee.

2.9 Leadership Development Committee

- 2.9.1 The Leadership Development Committee shall be appointed by the Parish Council and will provide input to the Nominating Committee in developing a slate of nominees annually for the officers and other members of the Parish Council, in accordance with Article 7, Section B, of the Bylaws of OFLC.
- 2.9.2 The Leadership Development Committee will be responsible to establish and implement plans to develop the lay leadership capabilities of OFLC in order to support and lead ministry and provide congregational leadership and governance. These plans will be provided upon request for review by the Executive Committee.

2.10 Nominees

Article 7, Section B, of the Bylaws of OFLC specifies qualifications of nominees, addresses process for the Nominating Committee to establish specific criteria for nominees, and process for voting members to nominate candidates.

2.11 Qualifications and Other Considerations

- 2.11.1 In preparing its recommended slate of candidates for Parish Council membership, the Nominating Committee must seek candidates who qualify with the attributes described in Section 2.3.3.

2.11.2 The Nominating Committee shall take into consideration diversity issues (race, ethnicity, gender, age and social status) as stipulated in Section 2.3.3 in determining its recommended slate of candidates.

2.11.3 The Nominating Committee shall take into consideration the current composition of the Parish Council in determining its recommended slate.

2.12 Election

2.12.1 Election of officers (President, Vice President, Secretary, Treasurer, Assistant Treasurer and Financial Secretary) and additional members-at-large of the Parish Council (a minimum of four members-at-large from the congregation) shall take place each year at the annual Voters' Assembly of the congregation which is held in the month of June.

2.12.2 When presenting the slate to the congregation, the Nominating Committee shall outline the criteria used to qualify nominees and present the nominees' qualifications to hold the office.

2.12.3 Article 7, Section C, of the Bylaws of OFLC, addresses percentage of votes needed by nominees for election.

2.13 Terms of Service

2.13.1 Article 7, Section D, of the Bylaws of OFLC specifies the Terms of Office of elected officer positions.

2.13.2 Article 8, Section C of the Bylaws specifies Terms of Service of Parish Council at-large member positions.

2.14 Removal or Resignation from Elected Office

2.14.1 Article 7, Section E, of the Bylaws of OFLC specifies the process for removal or resignation of officers from elected office.

2.14.2 Article 8, Section E, of the Bylaws of OFLC specifies the process for removal or resignation of Parish Council at-large members from elected office.

2.15 Vacancies

Article 7, Section F, and Article 8, Section F specify the process or filing Vacancies that occur on the Parish Council.

2.16 Officers and Member-at-Large Responsibilities

2.16.1 The responsibilities of the officers and members-at-large of the Parish Council shall be those outlined in the Bylaws of OFLC along with additional specific responsibilities as outlined in

this policy document.

2.16.2 The **President** shall:

- Serve on and chair the Executive Committee of the Parish Council
- Work with Lead Pastor to establish an agenda for all meetings of the Parish Council and Voters' Assemblies
- Initiate counsel with any member of the Parish Council who violates policy
- Take appropriate actions, which may not be stipulated, but are essential for the management of the Parish Council's work, so long as those actions are not in violation of other Parish Council policies
- Assume responsibility for overseeing the work of the Executive Committee

2.16.3 The **Vice President** shall:

- Serve on the Executive Committee of the Parish Council
- Initiate counsel with the Lead Pastor should the President violate policy, thereby ensuring that policies are followed

2.16.4 The **Secretary** shall:

- Serve on the Executive Committee of the Parish Council
- Maintain an official and current draft of the Governing Policies for the Parish Council
- Maintain minutes of all meetings of the Parish Council
- Conduct all official correspondence of the Parish Council
- Be familiar with the Constitution, Bylaws and policies of OFLC and serve as the primary resource to the Parish Council and congregation regarding questions

2.16.5 The **Treasurer** shall:

- Serve on the Executive Committee of the Parish Council
- Supply financial reports of the congregation to the Parish Council

2.16.6 The **Officers** and **Members-at-Large** shall:

- Encourage the broadest possible participation of the members of the congregation
- Serve on any committee appointed by Parish Council

2.17 Executive Committee of the Parish Council

2.17.1 The purpose of the Executive Committee is two-fold. First, it is a means for a smaller group to work with the Ministry Team on day-to-day activities without the need to convene a meeting of the entire Parish Council. That is, the Parish Council can delegate certain areas that are viewed as routine to the Executive Committee and let any approvals, notifications, etc. be handled by the Executive Committee. Second, in stark contrast to the above, the

Executive Committee serves as a sounding board, a vehicle for formal notice to the Parish Council, and provider of tentative approval for certain items the Lead Pastor deems to be confidential, highly sensitive, controversial, or a potential/developing issue. It allows for a more expedited response to address urgent issues.

2.17.2 The President, Vice President, Secretary, Treasurer and Lead Pastor (ex officio, with voting rights) shall constitute the Executive Committee of the Parish Council.

2.17.3 Members of the Executive Committee shall attend executive meetings as called by President or Lead Pastor.

2.17.4 The Executive Committee may act on behalf of the Parish Council in all matters delegated to it by specific action or by policy of the Parish Council. Actions of the Executive Committee shall be reported to the Parish Council at the next meeting of the Parish Council.

2.17.5 Subject to the limitations shown below, the Executive Committee shall possess and exercise all powers of the Parish Council during the intervals between regular Parish Council meetings.

2.17.6 The Executive Committee shall:

- Informally advise Lead Pastor of his performance quarterly, based on compliance with Desired Outcomes
- Conduct the Lead Pastor's Annual Performance Review and agree upon goals and objectives for the Lead Pastor applicable to the following year and then report to the Parish Council when it has been completed
- Advise Lead Pastor concerning issues that arise
- Conduct an annual self-review of Parish Council (with involvement from all members of Parish Council) to identify areas of improvement. The annual self-review of the Parish Council shall focus on:
 1. The Parish Council's openness and communication among its members
 2. The Parish Council's openness and communication with the Lead Pastor
 3. The Parish Council's ability and skill in developing and monitoring policy
 4. The Parish Council's adherence to policy

2.17.7 The Executive Committee shall not:

- Establish or modify Governing Policies
- Change the membership of any committee at any time or fill vacancies therein
- Discharge any committee either with or without cause at any time

2.18 Committees of the Parish Council

2.18.1 The Parish Council may appoint and use committees in ways consistent with the following principles:

- Committee responsibilities shall flow directly from the Parish Council's description of its job, shall be set forth in a formal written charge with an appropriate period for existence, and shall not impinge upon responsibilities delegated to the Lead Pastor
- Committees shall not manage any part of the congregation, nor do the staff's work, except when work on a topic is fully within the province of the Parish Council and has not been delegated in any way to the Lead Pastor
- Except when empowered by the Parish Council, committees shall have no executive or deciding authority

2.18.2 Parish Council committees take direction from and make regular reports to the Parish Council. A Parish Council committee may be standing or temporary depending of the direction of the Parish Council.

2.18.3 Further information about and a listing of Parish Council committees may be found among the OFLC Operational Guidelines and Procedures in the document titled The Relationship between the Parish Council and the Committees of Our Father Lutheran Church.

2.19 Actions Requiring Parish Council Approval

The following are additional areas left to specific Parish Council decision and approval because of their unique nature, or requirement of the Parish Council:

- Appointment of members of Parish Council committees
- Appointment of legal counsel
- Adoption of Ministers of Religion Housing Allowance designations
- Determination of the OFLC choice of LCMS and Rocky Mountain District President and Vice President candidates. The Parish Council will provide those decisions to OFLC's delegates to the applicable Synod or District convention/meeting/on-line vote. The Parish Council will make this determination based on input from the Lead Pastor and other individuals with pertinent information about the candidates in question.

POLICY 3

3.0 PARISH COUNCIL / LEAD PASTOR RELATIONS

The main conduit for implementing policy established by Parish Council is the Lead Pastor. The relationship between the two is critical for the church to function properly. The Parish Council / Lead Pastor Relations policy establishes how that relationship is expected to work.

3.1 Delegation of Authority

Except for assigning Parish Council members, professional staff, consultants or members of the congregation to its own committees in the conduct of Parish Council business, the Parish Council shall delegate authority only to the Lead Pastor. Any other subordinate employee or entity operating with the authority of the congregation shall receive that authority from the Lead Pastor or a person assigned such authority by the Lead Pastor.

3.2 Lead Pastor Function

The implementation of policies developed for the Lead Pastor, his staff and the ministry needs of the congregation, shall be the sole responsibility of the Lead Pastor.

3.3 Lead Pastor Accountability

The Lead Pastor shall be accountable to the Parish Council for:

- Achievement of the Desired Outcomes through personal and staff action
- Provision of adequate counsel to the Parish Council through personal and staff actions, including counsel on ministerial, financial, legal, or other charges relevant to the Parish Council's decision-making responsibilities
- Relating with integrity, honesty and candor to the Parish Council

3.4 Lead Pastor Monitoring

The Lead Pastor shall at each Parish Council meeting provide statements and overviews on programs, trends and developments that provide status on the Lead Pastor's success in implementing the Ministry Plan, Budget and Desired Outcomes.

3.5 Exceeding Lead Pastor Limitation

3.5.1 Lead Pastor shall give an immediate notice of occurrence to the Parish Council President once a Lead Pastor Limitation has been recognized to have been exceeded.

3.5.2 If the exceeded Lead Pastor Limitation is immediately correctable, Lead Pastor shall take the necessary action within policies and report the results to the Parish Council.

- 3.5.3 If the exceeded Lead Pastor Limitation is not immediately correctable, Lead Pastor shall establish and implement corrective actions, reporting them and gaining approval of a deadline for complete correction from the Parish Council.
- 3.5.4 Lead Pastor shall continue to report in an agreed upon timeframe as to the actions taken and their results until the exceeded Lead Pastor Limitation is corrected.
- 3.5.5 Lead Pastor shall give immediate notice when it is recognized that a deadline will be missed, and submit a new plan for action.
- 3.5.6 The Parish Council shall review the soundness of any Lead Pastor Limitation that has been exceeded.
- 3.5.7 Lead Pastor shall develop or improve processes to avoid recurrence of any exceeded Lead Pastor Limitations.
- 3.5.8 After repeated recurrences of exceeding Lead Pastor Limitations, the Parish Council President will conduct:
- A performance evaluation of Lead Pastor related to the exceeded Limitation
 - A discussion with the full Parish Council about Lead Pastor's performance

3.6 Strategic Planning

- 3.6.1 The Lead Pastor shall initiate strategic planning session(s) at least annually with the Parish Council. This process may include members of ministry staff or other appropriate leaders of the congregation. The outcomes of these sessions will be reported to the Parish Council.

3.7 Parish Council / Staff Communications

- 3.7.1 Parish Council decisions and policy must be communicated through the Lead Pastor.
- 3.7.2 Individual Parish Council members shall relate to staff as any other member of OFLC.
- 3.7.3 The Parish Council shall encourage staff issues to be handled through the Lead Pastor. Members of the Parish Council shall keep the Lead Pastor informed about significant contacts they have with any staff member or congregant, though that should be the rare occurrence (e.g., the Executive Committee of the Parish Council contacting staff as a part of the Lead Pastor Annual Performance Review or in assessing the ongoing performance of the Lead Pastor).

POLICY 4

4.0 LEAD PASTOR LIMITATIONS

The Lead Pastor Limitations policy addresses staff “means” – what the Pastor and staff may and may not do. These policies demonstrate acceptable and unacceptable behaviors, methods, and practices. The Lead Pastor is accountable for ensuring that staff actions fall within the boundaries established by the OFLC Governing Policies. In order to progress towards compliance with these policies, the Lead Pastor shall rely on the gifts and talents of the staff and congregation.

4.1 Primary Limitation

The Lead Pastor shall not act in a manner that is unethical, imprudent, illegal or otherwise inconsistent with the Word of God, the Lutheran Confessions, or the OFLC Constitution, Bylaws or Governing Policies. By the grace of God, the Lead Pastor shall not fail to pursue a life worth imitating.

4.2 Primary Responsibility

4.2.1 The Lead Pastor shall not fail to embrace the OFLC Mission while leading OFLC to achieve Desired Outcomes.

4.2.2 The Lead Pastor shall not fail to keep the Parish Council informed of:

- Yearly reporting on the progress achieved toward the Desired Outcomes
- Quarterly reporting on activities, plans and outcomes of the congregation
- Financial plans as they are developed or modified and the criteria established for any financial standards
- Relevant trends within the congregation, the community and the LCMS
- Relevant trends on the economic, sociological, denominational, synodical, legal and political conditions and trends in the congregation’s community
- Anticipated and/or known changes in ministry of OFLC and its operations
- Changes in staff, including hiring, promotion, demotion, crisis, serious illness or death of an employee
- Staff structures as they are developed or modified with explanations of assigned responsibilities
- Anticipated and/or known adverse media coverage
- Events or issues identified or raised that may expose OFLC to liability
- Demand letters, inquiries from outside counsel, threatened, alleged or filed legal action involving OFLC
- Identified security and safety issues or concerns
- Changes in assumptions on which any Parish Council policy has been established.
- Non-compliance issues, legal, ethical or otherwise, with any policy matters and any subsequent recommended course of action to correct.

- 4.2.3 The Lead Pastor shall not fail to develop and maintain a monitoring system designed for measurement of ministry progress and effectiveness in achieving Desired Outcomes. He shall not fail to obtain Parish Council approval of the monitoring system.
- 4.2.4 The Lead Pastor shall not fail to present to Parish Council an annual evaluation of the progress and effectiveness of the ministry, using the monitoring system described in 4.2.3, by month-end January for the preceding year.

4.3 Ministry

- 4.3.1 The Lead Pastor shall not fail to associate himself with others who are theologically astute and spiritually mature and who are recognized as faithful followers and lovers of the Word.
- 4.3.2 The Lead Pastor shall not allow programs or other services that do not contribute to the achievement of the Mission and Vision of OFLC.
- 4.3.3 The Lead Pastor shall not fail to develop and maintain an annual long-range strategic plan for presentation to the Parish Council. The Lead Pastor shall not fail to obtain Parish Council approval of any changes to the annual long-range strategic plan.
- 4.3.4 The Lead Pastor shall not fail to develop a team of lay leaders to help fulfill Desired Outcomes.

4.4 Personnel

- 4.4.1 The Lead Pastor shall not allow an organizational structure that has a neutral or negative effect on the ministry of OFLC.
- 4.4.2 The Lead Pastor shall not allow OFLC to operate without an effective Personnel Handbook, reviewed by the Personnel Committee and approved by Parish Council every two years, nor shall the Lead Pastor fail to provide Personnel Handbook updates to the Parish Council as they occur.
- 4.4.3 Guidelines in the Personnel Handbook shall not:
- 4.4.3.1 Deviate from local, state or federal laws or regulations in the ethical treatment of employees.
- 4.4.3.2 Impair the dignity, safety, and right to ethical job-related dissent of employees.
- 4.4.3.3 Fail to include a grievance procedure indicating how:
- The Parish Council will address grievances concerning the Lead Pastor.
 - The Lead Pastor will handle grievances concerning the staff, in conjunction with

the appropriate supervisor, seeking counsel from the Parish Council as necessary.

- 4.4.4 The Lead Pastor shall not fail to ensure all staff receive a written yearly performance evaluation.
- 4.4.5 The Lead Pastor will not allow under-performing staff or behavioral misconduct to continue without a written performance improvement plan.
- 4.4.6 The Lead Pastor shall not fail to operate with a Personnel Committee that serves in an advisory role on matters such as salary and benefits, staff performance, conflict, etc.

4.5 Compensation

4.5.1 With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Lead Pastor shall not cause or allow jeopardy to fiscal integrity or to public image. Further, without limiting the scope of the foregoing by this enumeration, the Lead Pastor shall not:

- Change his own compensation and benefits except as such benefits are consistent with a package for all other employees and in keeping with the recommendation of the Personnel Committee.
- Promise or imply permanent or guaranteed employment to any individual. This limitation does not apply to the accepted Terms of Call for Rostered Church Workers.
- Create compensation obligations over a longer term than revenues can be routinely projected.

4.6 Confidentiality and Privacy

4.6.1 Definitions with respect to interactions with members and guests:

- Confidentiality refers to matters of clergy penitent privilege in areas of a confessional
- Privacy refers to matters of freedom from intrusion into one's personal matters and personal information that a reasonable person would expect to not be shared with membership, guests of OFLC, or third parties ("Private Personal Information").

4.6.2 The Lead Pastor shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, intrusive, or that fail to provide appropriate confidentiality or privacy.

4.6.3 Regarding confidentiality, the Lead Pastor shall not violate or allow ministry staff to violate clergy penitent privilege unless expressly mandated by the state's mandatory duty to report laws in matters of child abuse and/or neglect and abuse and exploitation of at-risk elderly. The Lead Pastor and the ministry staff are encouraged to hold sacred the meaning of the Fourth and Eighth Commandments.

4.6.4 Regarding privacy, the Lead Pastor shall not:

- Share Private Personal Information of an OFLC member or guest with third parties without the individual's consent, unless required by law where applicable.
- Share Private Personal Information of an OFLC member or guest with other members and/or staff of OFLC without the individual's consent.
- Fail to safeguard all contents of membership and guest information with commercially reasonable internal protocols such as password access, database encryption or firewalls.
- Use methods in collection, review, transmittal, or storage of Private Personal Information that leads to improper access to the material.

4.7 Budgets

Responsibility for development of the budget resides with Parish Council before being presented to the Voters' Assembly for adoption. In most cases, it is the Lead Pastor and Director of Administration and Finance, in consultation with staff, Finance Committee and other ministry leaders, who work together to prepare an initial draft. As such, the Lead Pastor shall not allow a proposed budget submitted to the Parish Council to:

- 4.7.1 Deviate from the Parish Council's Desired Outcomes, risk fiscal jeopardy, fail to be derived from a multiyear plan, or be built from unsound assumptions about financial conditions. Financial conditions may include projected contributions, operating costs, capital needs, other income and expense, and investment income.
- 4.7.2 Contain total expenses in an amount greater than total revenues.

4.8 Financial Condition and Operations

- 4.8.1 The Lead Pastor, in reporting financial activities and position, shall not allow:
 - 4.8.1.1 Financial reports to deviate from generally accepted accounting principles as established by the Financial Accounting Standards Board for multi-fund, not-for-profit organizations.
 - 4.8.1.2 Financial statements to be presented using anything other than the cash method.
 - 4.8.1.3 The unrestricted cash position to be less than a minimum of three months' operating expenses based on a monthly average of the prior calendar year.
- 4.8.2 The Lead Pastor shall not:
 - 4.8.2.1 Initiate any borrowings, lines of credit or drawdowns without Parish Council approval.
 - 4.8.2.2 Amend any budgeted line item exceeding 10% of originally adopted expense without Parish Council approval.
 - 4.8.2.3 Acquire, encumber or dispose of real estate.

- 4.8.2.4 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 4.8.2.5 Fail to settle payroll and debts in a timely manner as evidenced by terms and conditions set forth in repayment agreements.
- 4.8.2.6 Allow expenses to be incorrectly recorded in the general ledger.
- 4.8.2.7 Allow expenses to be paid that are in conflict with federal, state or local regulations.
- 4.8.2.8 Fail to capitalize any tangible property that has an individual value of \$2,500 or more.
- 4.8.2.9 Enter into contractual obligations without consent and/or approval of Parish Council. For purposes of this policy 4.8.2.9, items specified in the budget approved at the annual Voters' Assembly are considered to have been approved by the Parish Council. The Lead Pastor shall also not fail to ensure contracts are satisfactorily reviewed to ensure the contracts contain commercially reasonable provisions relating to the church's potential liability.
- 4.8.2.10 Allow the use of donor restricted contributions to be utilized for general operating expenses of OFLC, unless that donor has provided written consent their contribution may be directed toward general operations.
- 4.8.2.11 Fail to require the Treasurer and/or Director of Finance and Administration to provide the Parish Council with quarterly reports reflecting information necessary to demonstrate Section 4.8 requirements are met.

4.9 Asset Protection and Risk Management

The Lead Pastor shall not allow assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, he shall not:

- 4.9.1 Fail to insure against liability losses to Parish Council members, officers, staff, and the organization itself.
- 4.9.2 Fail to provide insurance against property losses that meets the requirements of mortgages and protects the economic ability of OFLC to continue its mission as defined by the Desired Outcomes.
- 4.9.3 Fail to maintain a secure and safe environment for all using the facilities of OFLC including a security and safety plan that identifies risk and implements measures to mitigate it.
- 4.9.4 Fail to inform the security and safety team of known or possible security threats.

- 4.9.5 Fail to have a plan that ensures risk protection of church assets (plant, equipment, infrastructure, etc.) and risk protection against liability claims for actions or failure to act by Parish Council, officers, staff, members and volunteers.
- 4.9.6 Subject equipment to improper wear and tear or insufficient maintenance.
- 4.9.7 Expose the organization, Parish Council, officers, members, volunteers or staff to claims of liability.
- 4.9.8 Make any purchase (1) wherein consideration has not been given against conflict of interest; or (2) without utilizing comparisons such as technological compatibility, prices, quality, and life cycle costs.
- 4.9.9 Fail to protect OFLC information and files, hard copy or electronic, from loss or compromise.
- 4.9.10 Receive, process, or disburse funds under financial policy and procedures that are insufficient.
- 4.9.11 Invest or hold operating capital in unsecured instruments, including uninsured checking accounts and bonds of less than A ratings, or in non-interest-bearing accounts.
- 4.9.12 Fail to operate with child and volunteer protection systems.
- 4.9.13 Adversely affect OFLC's public image or credibility.
- 4.9.14 Fail to require the Treasurer and/or Director of Finance and Administration to provide the Parish Council with quarterly reports reflecting information necessary to demonstrate Section 4.9 requirements are met.

4.10 Gifts and Bequests

- 4.10.1 Lead Pastor shall not permit OFLC to accept gifts and bequests that run counter to OFLC's values and policies or that have a negative effect on the Desired Outcomes.
- 4.10.2 Lead Pastor shall not fail to operate with a plan to promote and receive gifts and bequests.

4.11 Pastoral Transitions

- 4.11.1 Emergency Succession – To protect OFLC from sudden loss of Lead Pastor services, the Lead Pastor shall not fail to have a succession plan outlining responsibility and authority should such an event occur, updated annually, designating, in most cases, the Executive Pastor as the first emergency successor. The succession plan should address the potential that an Executive Pastor is not able to fulfill or one is not present for emergency succession.
- 4.11.2 General Succession

4.11.2.1 The Lead Pastor shall not fail to recognize that succession of pastoral leadership is important to the continuity and success of a congregation's ongoing ministry; and that the continuance of ministry during a succession period is greatly enhanced when a former pastor:

- Continues to rejoice in all that God accomplished through them in the previous congregation
- Continues to pray for previous congregation and its members
- Continues to pray and give thanks to God for the current ministry at the former congregation

4.11.2.2 Transitions are difficult when a new Pastor is installed. Accordingly, the Lead Pastor shall not fail to agree that upon departure from the position of a Pastor, each departing Pastor shall:

- Discontinue all Pastoral ties with those previously served. Specifically, the former Pastor should decline conducting baptisms, weddings, funerals, Pastoral calls and visits, convey advice and counsel or in any way continue previous Pastoral relationships with the congregation or with individual members
- Not attend OFLC functions and worship services except in keeping with a general understanding reached between the former Pastor and interim Pastor/new Lead Pastor and updated from time to time. Because of these limitations it is important for his spiritual health, the spiritual health of his family and for the spiritual health of OFLC that the former Pastor and his family transfer membership to another LCMS congregation
- Defer to his successor and to assist in the transfer of spiritual care to the interim Pastor or new Lead Pastor, declining requests for Pastoral service by members of OFLC. Conducting a Pastoral event away from OFLC does not release the former Pastor from this obligation
- Understand and appreciate that responsibility for appropriate member contact rests with the former Pastor. The former Pastor must be guarded in friendships and interactions with members of OFLC, especially concerning opinions and evaluations of current leadership and ministry
- Understand and appreciate that a retired Pastor within the LCMS is, by virtue of his age and retirement status, considered Pastor Emeritus. This is an honorary title and does not entitle the former Pastor to carry out any Pastoral duties or responsibilities in his former congregation but encourages members to regard him with honor and gratitude
- Support and guard the role, service, and ministry of the interim Pastor and/or new Lead Pastor, helping these new leaders establish themselves in ministry and putting the best construction on their efforts. Conversations regarding current ministries, members and staff should be circumspect, positive and supportive, encouraging members to stay and do their duty