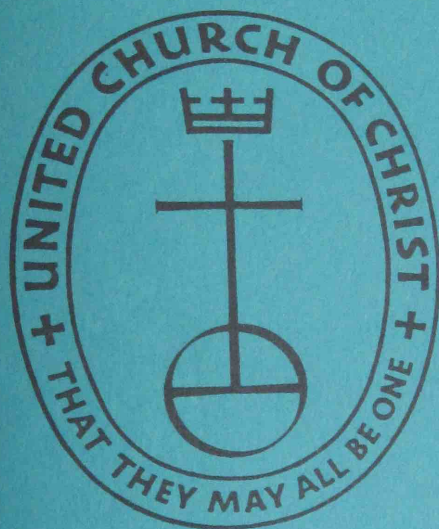


**THE ANNUAL REPORT FOR
APRIL 1, 1999 THROUGH MARCH 31, 2000**



**PILGRIM CONGREGATIONAL CHURCH
(A UNITED CHURCH OF CHRIST)
2310 EAST FOURTH STREET
DULUTH, MINNESOTA 55812
(218) 724-8503
web site: www.pilgrimduluth.org**

2000 ANNUAL REPORT OF PILGRIM CONGREGATIONAL CHURCH **(A United Church of Christ in Duluth, Minnesota)**

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PILGRIM CHURCH STAFF

Ministers: John H. Kemp and Jody Ondich
Office Manager: Yvonne Schmidt Music Director: Thomas A. Bumgardner
Custodian/Housekeeper: John Yukich Organist: Norma Stevlingson
Children's Music Director: Peggy White
Office phone: 218/724-8503
Web site: www.pilgrimduluth.org

MISSION STATEMENT OF PILGRIM CONGREGATIONAL CHURCH

We, the members of Pilgrim Congregational Church, seek to fulfill our mission as Christians to carry forward the purposes of God made known through the Scriptures and the Good News of Jesus Christ.

We shall:

- Provide an environment in which the worship of God is our focus as we share our spiritual life with each other;
- Nurture and educate our children, youth, and adults to live out their Christian Faith in the world;
- Honor and celebrate the diversity of our ideas, talents, ages, and backgrounds as we respond to the call to be a caring, loving, community;
- Welcome our neighbors by providing hospitality and by sharing our resources and acts of love;
- Reach out to meet the needs of all God's people everywhere, as they are part of our family.

MODERATOR

Doug Britton

The Church Council adopted the following statement of vision to guide its efforts during the 1999-2000 program year:

"We will celebrate our spirituality through active participation in ministry, worship, music, growth and mission within our church and wider community."

Was our vision realized? Here are some of our reasons for celebration:

- ♦ The all church dinner held in October was a rousing and financial success. The event raised \$ 4,277.30
- ♦ Approval of a youth coordinator position in recognition of the expressed need to enhance our ministry to young members.
- ♦ The return of Peggy White who brings enthusiasm, joy and fine music to our youth choir.
- ♦ A former member of our church - Matt Fitzgerald - was ordained in our church. Matt is now ministering to a UCC church in Chicago.
- ♦ The Long Range Planning Process: many Pilgrims participated in one or more of the many opportunities to offer ideas and comments on our future direction. The goals laid out through the committees work will provide a framework for future planning.
- ♦ Church growth.
- ♦ Celebration of the ministry of Jack Kemp who retires at the end of this program year after 14 years as Senior Minister of Pilgrim and 38 years of service to the United Church of Christ.
- ♦ Appointment of Dan VanderPloeg as interim minister to help guide us through the coming year and the search for a new Senior Minister.

Among our challenges for the coming year:

- ♦ The Interim Period - Anytime an organization goes through significant change it poses special challenges for members. There is grieving for the old way and anxiety about the new. We are truly blessed to have an interim minister with the leadership skills of Dan VanderPloeg. Nevertheless, it will be imperative for each of us to do more in whatever ways we can to help fill the leadership void. We will need the talents, skills and wisdom of all of us to make the coming year a time of growth, learning and development.
- ♦ Church Finances - The Church Council's struggle to develop a balanced budget for 2000 again underscored some fiscal challenges. (Recall that investment earnings available to our operating budget dropped by \$30,000 due to market fluctuations.) This provoked healthy discussion about our investment policy and about how we use our investment income. The Long Range Planning process identified the need for broader congregational understanding of Pilgrim's budget and finances. While we are a wealthy church in terms of assets, we struggle to raise the necessary funds to pay for our operating budget and ongoing church programs each year. We need to revisit as a congregation the relationship between pledged income, investment income, operating budget and special needs and programs.

Finally, my thanks to the 1999-2000 Church Council members for their dedication and leadership throughout the year.

INTERIM SEARCH COMMITTEE

Steve Cushing

The Interim Minister Search Committee was commissioned in December, 1999 and began meeting in January, 2000.

The Committee members were:

1. Stephen Cushing, Chair
2. Geraldine Heller
3. Charles Walters
4. Roberta Edwards
5. Rebecca Lindquist

After the initial meeting, during which we met with David McMahon, Eastern Association Minister, we met frequently to review the profiles of applicants.

Two candidates whose profile indicated as most likely to fit with the needs of Pilgrim Church during the transitional time after Jack Kemp's retirement were interviewed. The Rev. Dan VanderPloeg was selected unanimously.

LONG RANGE PLANNING COMMITTEE Denny Falk

The Long Range Planning Committee was commissioned during the annual meeting in May, 1999 and plans to submit a final version of a long range plan to the annual meeting in May, 2000. The approach to planning selected by the committee was based on a book by Oswald and Friedrich called *Discerning Your Congregation's Future*. This approach emphasizes a spiritual approach to planning incorporating discernment, a process of uncovering decisions through knowing or acknowledging God's perspective. The committee modified this general approach to accommodate to the needs and characteristics of our congregation.

The activities involved in the planning process began with a retreat with the Church Council in September. Additional aspects of the process included small group meetings in homes to assess our congregational ministry, an after-church meeting to reflect on our congregation's history, interviews with key community members, consultant interviews of a representative group of church members, and a meeting of the congregation to identify norms. All of these activities were aimed at collecting important information about Pilgrim and generating interim goal statements.

At a session after worship in March, over sixty Pilgrim members met to examine 17 prepared goals that were developed based on previous planning activities. Members who were not present at this meeting were sent a packet of materials that allowed them vote for their priorities. Preliminary results indicated that 1) developing the worship service to appeal to a wider variety of current and prospective members, 2) developing an educational program that is appealing to both youth and adults, 3) developing a strong youth program, and 4) engaging in a spiritual development process to promote spiritual growth and identify our missions in the community were ranked as priority goals.

The Long Range Planning Committee developed a preliminary plan based on the activities rankings and on written comments made by church members. This preliminary plan included the goals identified above, along with a proposed process and financial commitment to achieve the goals. This plan was presented to the Church Council in late March and to the congregation after a worship service in early April for review and comment. A revised plan will then be presented again to the Church Council in late April and to the annual meeting in May for approval.

Members of the Long Range Planning Committee who participated throughout the process included Patricia Clure, Dennis Falk, Nannette Hillmeyer, Skip Silvestrini, Jason Welles, and Jon Welles. Kay Slack, Doug Britton, Peg Johnson, Joan Morrison, Jody Ondich, and Jack Kemp also made significant contributions to the process. We were also pleased to work with Antti Lepisto, who served as a consultant and contributed a valuable, outside perspective to the planning process. Thanks to all who contributed to the long range planning process, most certainly including church members who participated in the planning activities.

BACKGROUND INFORMATION AND MOTIONS RELATED TO THE LONG RANGE PLAN FOR PILGRIM CHURCH

Background Information:

Council Motion #1 was passed unanimously at the Church Council meeting on April 25, 2000:

Council Motion #1: The church council endorses the goals and process and accepts the responsibility prescribed for the church council as described in the Long Range Plan and encourages the congregation to adopt the Long Range Plan at the annual meeting on May 10, 2000.

Council Motions #2 and #3 were passed unanimously at the Church Council meeting on May 2, 2000:

Council Motion #2: The Church Council will allocate \$25,000 to the implementation of the Long Range Plan for the year May 1, 2000 to April 30, 2001 and will commit up to \$25,000 for each of three additional years provided satisfactory progress is made on implementing the plan. The Council will provide prudent financial oversight and promote accountability in the use of these funds.

Council Motion #3: The Church Council recommends that the congregation make a financial commitment of up to \$100,000 (\$25,000 per year for four years) to implement the Long Range Plan.

Motions to the Congregation at the May 10 Annual Meeting:

Congregational Motion #1: The congregation of Pilgrim Church adopts the goals and process in the Long Range Plan presented at the Annual Meeting on May 10, 2000.

Congregational Motion #2: The congregation of Pilgrim Church commits to provide up to \$100,000 (\$25,000 per year for four years) to implement the Long Range Plan. The Board of Trustees and Church Council will present a plan for generating these funds to the congregation by October 31, 2000.

SENIOR MINISTER

John H. Kemp

When I announced my approaching retirement a year ago at the Annual Meeting, I emphasized that we would not sit back and let this become a "lame duck year." Indeed it has not! We've had a full, varied year in our worship life, programs and activities, and issues and opportunities met.

Woven through the entire year has been the fabric of our long-range planning process, led by a hard-working, committed committee chaired by Denny Falk (who, interestingly, was co-chair of my Search Committee fourteen years ago!), assisted by consultant Antti Lepisto. Two things have stood out for me about this process: its intention to be spiritually based (not just another corporate planning model) and its focus on discerning the priorities of *all* of us, the congregation, in a variety of ways. For example, no fewer than three Sunday mornings, worship and the time after, were devoted to this. This planning, done in such a timely fashion with the pastoral transition approaching, has great potential value for Pilgrim Church.

Meanwhile, many other things were happening throughout the year. A sampling: in May our Peace and Justice Committee led us to celebrate Jubilee 2000 in our worship and through Bread for the World's Offering of Letters seeking debt forgiveness for the poorest nations. In July we enjoyed our annual outdoors service and picnic and in August a Pilgrim delegation visited our partner church friends in Bath, England. In October we ordained Matt Fitzgerald into the Christian ministry, and in November we lifted our spirits in our annual Jazz Service and celebrated Northland College Sunday with their choir and chaplain our special guests. Our Advent-Christmas season was made memorable with *A Victorian Christmas Dinner*, the dinner musical written and directed by Peg Johnson with so many Pilgrims participating. In February our friends from Christ Temple joined us again for worship, sharing with us their powerful gifts of word and song. This year's Wednesday Lenten series brought together more folks than ever for supper and activities for all generations, including a mind- and spirit-broadening adult series on world religions with excellent interpreters of Islam, Judaism, Buddhism, and Native American religion. In March I enjoyed leading a four week Sunday morning adult education series on Kingdom of God movements on the American frontier, and Pilgrim hosted the Annual Dinner and Meeting of the Arrowhead Interfaith Council.

A variety of pulpit guests through the year included: Tammy Walhoff, Minnesota Director of Bread for the World (April 25); Matt Fitzgerald, as he approached graduation from seminary (May 2); Pilgrim Jackie Falk on Laity Sunday (June 13); Norbert Mokros, Twin Ports Ministry to Seafarers' Director (August 8), Jim Soderberg, CHUM Director (August 15); Pilgrim Peter Bagley (August 22); UCC Eastern Association Minister David McMahill (September 26); Long Range Planning consultant Antti Lepisto (November 14); Northland College Chaplain David Saetre (November 21); and Christ Temple pastor Paul Caldwell (February 13).

In addition, we enjoyed excellent organ recitals in April and October and our Peace and Justice Committee presented its first Free Public Lecture with Michael Schut of Seattle's Earth Ministry in April 2000. We held our fifth annual Men's Retreat at Superior Shores near Two Harbors with good fellowship and another interesting theme and leader. For our newer members, we initiated an expanded five-session "Discovering the UCC and

Pilgrim" orientation. Thanks to our Church Growth and Development Committee, for computer users, we now have our own website and home page (pilgrimduluth.org)!

I continue to be grateful for the many persons who have served faithfully and well on our boards, committees, and as officers as they've dealt with the challenges and opportunities of their tasks. Our Stephen Ministers and Leaders continue their quiet but effective ministry, touching many persons with sensitive caregiving. My staff colleagues Jody Ondich, Yvonne Schmidt, and John Yukich; music staff Art Bumgardner and Norma Stevlingson; and Children's Music Director Peggy White all have continued to serve Pilgrim well. We've had unusual tenure: all our full-time and music staff have served from seven to fourteen years and Peggy White for five. I've enjoyed and appreciated our years together.

In the wider church and community this Spring I completed terms on the Arrowhead Interfaith Council, Minnesota UCC Conference Council, Eastern Association Council, and as Association Moderator. On behalf of Pilgrim and the UCC, I participated in the Installation of pastors in our churches in Morgan Park and Grand Marais. Last July I helped plan and lead the Grand Marais UCC Peace and Justice Conference on Middle East Peacemaking. Locally, I led services at area care facilities, participated in CHUM's Annual Assembly and the Duluth CROP Walk for Hunger.

Each year we lose Pilgrim members and friends through death, moving away, or changing the course of their faith journeys. We will miss them and have appreciated their gifts to Pilgrim. At the same time, we welcome new members into our ever-changing church family. Our Church Growth and Development Committee continues to help us become a more welcoming church home for guests and newcomers.

Now I conclude my ministry with you as I retire from forty-four years of Christian ministry, thirty-eight serving as ordained minister of four congregations, the last fourteen years at Pilgrim. I am grateful indeed for the blessings given me in many ways in each place I've served, especially for these years I've served with you at Pilgrim. For all of us, the journey of faith and faithfulness continues! God be with us all!

MINISTERS' STATISTICAL REPORT

(* indicates church member, JK indicates John Kemp, JO indicates Jody Ondich)
MARRIAGES officiated by the ministry of this church, April 1, 1999-March 31, 2000.

May 29	Ryan Huggins and *Linja Fitzgerald	(JO)
June 5	*Eric Whitney and *Elizabeth Roll	(JK)
June 26	Robert Vose and *Amy Hedenberg	(JK)
July 31	Alexander Alger and Anna Carlson	(JK)
August 22	*Douglas Britton and *Nancy Odden	(JK)
January 1	Lee Jacobsen and Shirley Windroth	(JK)
January 29	*Jeff Hamsmith and *Cynthia Elberling	(JO)

BAPTISMS administered by the ministry of this church, April 1, 1999-March 31, 2000:

May 2	Alexandra Maia Lundahl, daughter of Steven Lundahl and Genevieve Munoz	(JO)
May 2	William Regan Adams, son of David Adams and Kate Regan	(JO)
May 9	Connor James Johnson, son of *Scott and *Barbara Johnson	(JK)
November 28	*Bonnie Jean Kelley	(JK)
November 28	Christie Ellen Leksell, daughter of Lee Leksell and *Bonnie Jean Kelley	(JK)
November 28	Wesley Leo Leksell, son of Lee Leksell and *Bonnie Jean Kelley	(JK)
December 26	Jenna Grace Olsen, daughter of Stuart Olsen and *Nancy Heller Olsen	(JK)
January 16	Alec David Speikers, son of David and *Sarah Speikers	(JK)
January 16	Devin Allen Speikers, son of David and *Sarah Speikers	(JK)

FUNERALS/MEMORIAL SERVICES led by the ministry of this church, April 1, 1999-March 31, 2000:

October 29	*Mirko Lubratovich (died October 24)	(JO)
December 4	*Thomas Alan Brain (died December 1)	(JK)

ASSOCIATE MINISTER Jody Ondich

This year I have to begin my Annual Report by saying thank you--to all of you--for the chance to take a sabbatical and renew my education and skills and energy. The classes and travel enabled me to think more about change in the church and about my vocation in the ministry. It was rewarding!

We have, of course, been busy this year with the usual church school, Confirmation, Adult Education and youth activities. There are some things that stand out for me this year. One is the beginnings of the Young Adult Group that met over the year 4-5 times. This has a good start, and hopefully will continue to attract that "under 40" crowd. There are mutterings about that group starting a curling team. Stay tuned...Another is the fact that we were able to regain Peggy White for our children's music director. She has such energy and joy in her directing, and the kids have such a good experience with her. Stay tuned to the 21st of May for the children's musical. Yet another good connection I believe has been maintained and strengthened is that of the Confirmands and Lakeshore Lutheran Nursing Home. The youth had 3 different times of interaction and growth and experience at Lakeshore this last year, and truly got to know some of the residents and work with and learn from them. Craig Carlson, the chaplain there, has been a joy to work with, and he says the kids' presence is very important to his people. He and the Confirmation mentors have made that program very successful.

And of course, for very personal reasons, I had great fun with the Victorian Christmas Dinner! To have my father and my children in the production with me was a delight. So many people did such good work on that, and all we heard was, "please do it again!" Special thanks, as always, to Peg Johnson for her skill and creativity!

As we look at all of the changes coming up in the next 12-18 months, it will be important for us to keep our community in our prayers, and to offer from our hearts our commitment, our talents, our wisdom, and our time. I look forward with real interest to the directions Pilgrim people decide to take.

And I have to say one last thing. I want you all to know how much fun it has been for me to work with Jack Kemp. He is easily one of the most warm, kind, caring people I know, full of gentle wisdom, and caring compassion. Thanks to you for allowing me the opportunity to work with him. Thanks to you, Jack, for being such a good and accepting and flexible colleague, letting me try things and make you just a little crazy with my different style. You couldn't have been a more generous and supportive friend. Have a good retirement. You deserve every minute of kudos you receive!

Faithfully,

Jody Ondich

CLERK**Joan Morrison**

The reported active membership of Pilgrim Congregational Church
as of April 1, 1999.

New members added during the year:

463

Confirmation	
Megan Gritzmacher, Travis Hidahl-Patton,	8
Grant Johnson, Martha Langager, Alexandra Lundahl	
Rachel Peyton, Charles Rood, Seth Spencer	
Confession of Faith	
Bonnie Kelley, Andrew Slack, Valerie Lake-Slack	3
Reaffirmation of Faith	
Ric Williams, Scott Johnson, Barbara Johnson	8
Dan Ondich-Batson, Thomas Stender, Michelle	
Stender, David Thickens, Margaret Thickens	
Transfer from another church	
Andrew Streitz, Diane Desotelle,	4
Warren Zentner, Wilma Zentner	
Restoration to active membership	
Elaine Albenberg	1

Total Additions

24

Members lost during the year:

Removed by Death	2
Mirko Lubratovich, Thomas Allen Brain	
Transfers to Another Church	6
Elizabeth Fitzgerald Brown, Matthew Fitzgerald,	
Eugene and Gladys Carpenter,	
Peg Kirsch Lee and David Lee	
To Inactive Roll by written request and action of the Diaconate	2
Marlene Smaby, Joan Smaby	
To Inactive Roll by vote of the Diaconate	22
Harvey Anderson and Sue Anderson, Keith Anderson,	
Kyle Anderson, Janelle Baker, Karissa Baker, Robert	
Baker, Cynthia Clure, Heather Glendenning,	
Marzie Harris, Eric Hoffman, Peter Hoffman, Adrienne Ibey,	
Natalie Jensen, Shawn Jensen, Amy Kurshof,	
Jan Matthew, Kenneth & Doris Pride, David Sellwood	
Removed by written request and action of the Diaconate	2
Virginia Magney, Richard Sailstad	

34

Total Losses

453

TOTAL ACTIVE MEMBERSHIP AS OF MARCH 31, 2000**BAPTISMS**

9

WEDDINGS

5

Since the 1999 Annual Meeting there have been two special meetings:
December 5, 1999 To present preliminary 2000 budget information
to the congregation
January 9, 2000 To vote on the year 2000 budget

CHRISTIAN EDUCATION BOARD

Gail Trowbridge

It's been a busy year for the Christian Education Board who worked to provide a wide range of education programs for children, youth and adults. The Board successfully coordinated church school, nursery care, the library, confirmation, youth programs, adult education and all-age events. Those events couldn't have happened without our cadre of board members, teachers, confirmand mentors, parents and other Pilgrims who gave so willingly of their time and talents throughout the year, and we thank all of you.

Our Christmas pageant, complete with giant presents as props, was a success. We were especially grateful to have Rachael and Shauna Peyton pitch in to practice the music with the children and direct the program. The music program for our Church School resumed in January when we welcomed the return of Peggy White, and the Youth Choir returned for early Sunday morning practices.

The Middle School youth continue to get together for a variety of activities, and the Senior High forums have continued once a month on Sunday mornings. Both Middle School and Senior High youth enjoyed a ski retreat at Giant's Ridge in March. Jody Ondich provided another year of challenging and dynamic education for our confirmands, including two retreats.

Thanks to a vote by the Church Council, the Christian Education Board was given a budget to hire a part-time Youth Coordinator, and began the search process in March. A youth-adult work-camp trip to Jamaica also planned for summer 2000.

A group of adults, children and confirmands are reading their way through the entire Bible during Pilgrim's Year of the Bible. The group is getting together on a Sunday each month to share the experience and gain insights from Jody, each other and the wealth of materials Jody has gathered as background. For the participants, it is an enriching and (except perhaps for Leviticus and I and II Chronicles) a fascinating experience!

An Advent Workshop in November brought together all ages to make wreaths, northwoods crèches and figures, Advent wreaths and Jesse tree ornaments.

The Christian Education Board arranged for two adult education second-hour programs that offered the congregation the opportunity to participate in two kinds of spiritual development practices. These events included a presentation and demonstration about spiritual direction by Stephen Wlinski, chaplain at St. Luke's Hospital and a workshop on spiritual journaling by Linda Glaser, a children's book author and journal-writing instructor. Throughout the winter, a centering prayer group met before Sunday services, led by Jackie Falk.

Adult education included programs led by Jack Kemp. He presented a four-part second-hour Sunday program in March and April about some lesser-known branches and events from our American religious roots. Jack also arranged for individuals to present their other faith traditions during the four-part adult Wednesday night Lenten series.

The Christian Education Board will hold a curriculum workshop in late spring for board members, teachers, parents and other Pilgrims who are interested in reviewing the variety of curriculum available for our church, and also to learn more about church school education from a Christian education expert from Minneapolis.

In closing, the Christian Education Board is looking forward to discovering new ways to strengthen and reenergize our Christian education programs for all ages as we begin long-range planning for Pilgrim.

1999-2000 Board members included: Joyce Hidahl, Mike Hilmeyer, Rachael Peyton, Janine Bjerklie, Leslie Williamson White, Betsy Fochs-Hanlon, Jean Jensen, Melanie Grune, Deb Mitchell and Gail Trowbridge.

CHRISTIAN OUTREACH BOARD

Julie Johnson

The Board of Christian Outreach has met monthly over the past year to interpret and educate the congregation on Pilgrim's mission outreach. This has been accomplished through Moments of Concern during Sunday services, special mailings, and articles in both the *Pilgrim News* and Sunday bulletins.

The Board of Christian Outreach recommended to the Church Council and congregation an annual Outreach budget. Monies dispersed from the Community Outreach budget line this year are as follows:

Grace Community Church UCC - St. Paul	\$350
United Campus Ministry Duluth	\$300
Loaves and Fishes	\$150
American Indian Housing Organization	\$150
Aurora Center for Lesbian Women	\$100
CHUM Drop-In Center	\$200

Through the Pilgrim Fund, the Board of Christian Outreach endorsed outreach grants for programs in the community. (See the Pilgrim Fund report for a listing of these grants.)

Other Board activities included:

- ♦ Organizing Pilgrims to cook and serve the fifth annual Harmony House Thanksgiving dinner for clients of the Human Development Center
- ♦ Touring the CHUM shelter and listening to director Jim Soderberg outline this valuable community program
- ♦ CROP Walk volunteer recruitment
- ♦ Co-hosting Northland College Sunday
- ♦ Coordinating Mentor Duluth participants
- ♦ Reorganizing the SERRV leadership
- ♦ Attending meetings of the Interfaith Hospitality Network to explore the possibility of local churches providing shelter to Duluth's homeless people
- ♦ Providing hospitality for a CHUM Church service
- ♦ United Campus Ministry hospitality

Members of the Board educated the congregation about our ministry and special church offerings, which in 1999-2000 included:

- ♦ Emergency Food Shelf
- ♦ Neighbors in Need
- ♦ One Great Hour of Sharing
- ♦ Strengthen the Church
- ♦ Veterans of the Cross/Christmas Fund
- ♦ Kosovo disaster relief

The 1999-2000 members of the Board of Christian Outreach included Earl Austin, Beth Bagley, Nancy Berg, Julie Johnson, Sharon Kemp, Audrey Monicken, Milton Monicken, Barb Russ, and Terese Tomanek.

1999 GIVING TO OTHERS SUMMARY PAGE ONE

(Basis of Report to Minnesota Conference UCC)

BASIC SUPPORT OCWM

\$33,500

SPECIAL SUPPORT TO UCC MINISTRIES

A. Transmitted through MN Conference

10,945

United Seminary/CUE	\$1600
New Church Development - MN Conference	300
Per Capita dues	1685
Christmas Fund	1771
Just Peace Appeal	275
One Great Hour of Sharing	1575
Strengthen the Church	308
Neighbors in Need	1107
Seminary Scholarship Fund - MN Conference	297
Honduras Flood Relief - special offering	100
Kosovo Disaster Relief - special offering	1577
Grace Community Church UCC - St. Paul	350

B. Transmitted Directly

5,900

Northland College (PF-\$2000)	2600
United Campus Ministry Duluth (PF-\$3000)	3300

OTHER GIFTS - NON UCC

45,156

Arrowhead Interfaith Council	500
Churches United in Ministry (CHUM)	14905
CHUM Food Shelf (\$50-Direct gifts)	505
CHUM Food Shelf	5000 (PF)
CHUM Basic Ministries	1200
CHUM Telecare Ministry	2500 (PF)
CHUM Church	2500 (PF)
CHUM Drop-In Center	3200 (PF)
Ministry to Seafarers (\$2000 - PF)- ship visitation program	3000
Duluth Damiano Center- job training, Clothes that Work	4000 (PF)
PAVSA-Aid to Victims of Sexual Assault-community education	1000 (PF)
Loaves & Fishes special Christmas needs (\$100 - P&J)	200
Life House Youth Center - program emergency supplies	1250 (PF)
Personal Emergency Assistance (Emergency Fund)	501
Duluth Community Health Center dental program	1000 (PF)
Duluth YWCA Week Without Violence	1500 (PF)
Interfaith Alliance of Minnesota	50 (P&J)
American Indian Housing Organization - (\$3000 - PF)	3150
Northland Gay Men's Center - community outreach	675 (PF)
East Hillside Patch - summer programs	2500 (PF)
Duluth Children's Museum - Children's Peace Camp	1000 (PF)
Women's Coalition revolving loan fund	200 (WF)
Aurora Center for Lesbian Women	100
Bread for the World - church membership dues	100 (P&J)

1999 GIVING TO OTHERS SUMMARY PAGE TWO

OTHER GIFTS - NON UCC (Continued)

Duluth Building for Women - building renovation	
Women's Transitional Housing- financial assistance program	500 (PF)
Lutheran Social Service - street outreach program	2000 (PF)
Northstar Community Development - train childcare providers	500 (PF)
Central Hillside Parish Nurse - community education work	2000 (PF)
Miller Dwan/Denfeld High - Insight-Outside Youth Program	1500 (PF)
Vine House - Men's Transitional Housing	500 (PF)
	2000 (PF)

TOTAL 1999 GIVING TO OTHERS

\$95,501

(WF= Women's Fellowship gift; PF= Pilgrim Fund grants; P&J= Peace & Justice gifts)

1999 SUMMARY

<u>SOURCE OF SUPPORT</u>	<u>UCC-RELATED</u>	<u>COMMUNITY OUTREACH</u>
Church Budget	\$41,335	\$4,001
Special Offerings	7,010	455
Pilgrim Fund	2,000	40,455
Church Groups	0	200
Other Funds	<u>0</u>	<u>50</u>
TOTALS	\$50,245	\$45,156

UCC-RELATED SUPPORT \$50,345
COMMUNITY OUTREACH 45,156

TOTAL 1999 GIVING TO OTHERS \$ 95,501

DIACONATE

John Fochs

The past church year was filled with activity for the Diaconate of Pilgrim Church. Once again we assisted the ministers with the worship service and worked to connect the church with the congregation.

A goal this year was to put the Church Council's mission statement ("*We will celebrate our spirituality through active participation in ministry, worship, music, growth and mission within our church and wider community.*") into action. Our focus was church fellowship.

The Diaconate began a Young Adult Fellowship (ages 20 - 40) to complement the existing church-wide Adult Fellowship program. As a Board, we sponsored or were involved with many activities:

- ♦ Pilgrim Rediscovery Sunday (9/12)
- ♦ "*He Done Her Wrong*" Melodrama (9/23)
- ♦ Matt Fitzgerald Ordination (9/26; 10/3)
- ♦ Peg and Roger Johnson's *Victorian Christmas Dinner* (12/10-12)
- ♦ Sleighride (2/25) cancelled
- ♦ Progressive Dinner (5/5)

The Diaconate met with Art Bumgardner to resolve music issues that had been brought to our attention. Monthly communication with the Worship Committee enabled us to better support their efforts to enrich services. The Diaconate continued to oversee the Stephen Ministry program.

Members of the Diaconate were: Carol Bacig, Carol Tierney, Ted Lee, Kitty Van Evera, Kerry Hanlon, Jason Welles, Charles Walters, Nancy Carpenter, Ruth Ann Eaton, Lawrence Berg, John Erjavec and John Fochs.

BOARD OF TRUSTEES

Nancy Odden

The Trustees are responsible for the physical property as well as the finances of the church. The church has approximately 1.8 million dollars in investments and an elegant but aging building. Thus the Trustees are challenged to provide for both the physical needs of our building as well as the program and spiritual needs of the congregation.

The Board of Trustees adopted the following vision statement to guide its work. *We will manage the physical and financial assets of Pilgrim Congregational Church in a manner which assures fiscal responsibility, while providing adequate funds for the physical, financial and spiritual requirements of the church.*

During the past year the Trustees:

- ♦ Authorized a church credit card for use by church clergy on church business.
- ♦ Applied for and received a grant from the Pilgrim Fund to set aside money for boiler replacement.
- ♦ Painted the Associate Minister's office.
- ♦ Revised the building rental rates.
- ♦ Authorized \$1,000 for use by the Long Range Planning Committee.
- ♦ Negotiated a new mortgage with Christ Temple Church at 6% interest for not more than 15 years in order to pay back our \$25,000 loan to them.
- ♦ Authorized purchase of 30 additional hymnals.

We continue to address issues which arise as a result of the major remodeling project undertaken two years ago. Projects completed this year as a direct result of the remodeling are:

- ♦ Repairs to prevent further water leaking into Fellowship Hall.
- ♦ User-friendly closures on the kitchen by-pass doors.
- ♦ Repair of clogged drain tiles along parking lot wall.
- ♦ Corrective landscaping near parking lot.
- ♦ Replacement of damaged tiles in Fellowship Hall.

Our biggest challenge during the past year concerned our investments. Downturns in the overall marketplace caused serious erosion in the value of our investments. 1999 was not as investor friendly as previous years and we were faced with a loss in net asset value which meant less money for the overall budget of Pilgrim Church. The Trustees and Council worked hard to develop a budget which would cover our needs and not deplete our long range assets.

Meanwhile the Finance Committee has adopted a new investment strategy designed to better protect and monitor our assets. A long range investment strategy has been adopted which will provide for a guaranteed amount available for our annual budget and still protect our long term assets.

Finally, at its last meeting, the Trustees were informed that our boiler must be replaced this summer. The total amount dedicated to boiler replacement from the Pilgrim Fund is \$60,000 over three years. We are in the second year and have \$40,000 reserved for this replacement. In the near future when we have determined a final cost for the replacement, we will come to the congregation to inform them of the final cost and discuss options for covering the shortfall in funding for the replacement.

TREASURER

John Morrison

PILGRIM CONTREGATIONAL CHURCH FINANCIAL SUMMARY AS OF DECEMBER, 1999

The 2000 Operating Budget is \$323,717. This total anticipated expense budget is \$9,759 more than projected income. The income is expected to come from the following sources:

Current Year's Pledges	\$212,858
Other Contributions & Plate Offerings	\$8,000
Building Use	\$9,000
Interest	\$4,000
Marshall Legacy	\$14,000
Trusts not in our control	\$33,000
2 nd Century Income	\$25,000
Building Fund Allocation	\$5,000
Miscellaneous and non-recurring income	<u>\$3,100</u>
Total	\$313,958

Pilgrim Investments consist of the following:

Cash in banks and money market accounts earn interest that is allocated to the operating budget. For 1999 it is estimated that \$4,000 of interest will be earned and applied toward the operating budget.

Pilgrim has made a \$25,000 loan to Christ Temple Church. The loan was originally interest free. It was renegotiated in 1999 and now carries a 6.0% annual percentage interest rate. Payments of \$248 per month are currently being received. Full early repayment of the loan depends upon the sale of Christ Temple's former church building.

Four Pilgrim investment funds (2nd Century, Building Maintenance, Marshall Pledge, and Scholarship) are invested on a pooled basis with the Consults® Program of Merrill-Lynch brokerage under the direction of the Board of Trustees with a guideline ratio of 60% debt and fixed income instruments and 40% equities.

The Pilgrim Fund is also invested with the same program as a separate pool with a guideline ratio of 40% debt and fixed income instruments and 60% equities.

1. The 2nd Century Fund was established in 1971. This account is the sum of the three lines on the Balance Sheet that are all named 2nd Century. As of December 31, 1999 the market value of the 2nd Century account was \$547,454 compared to a value of \$541,650 at the end of 1998. By a formula adopted by the Board of Trustees in 1996, the 2nd Century Fund will contribute a predetermined amount to each year's operating budget. In 1999, \$47,000 was applied to the budget. In 2000, \$25,000 will be applied to the operating budget.
2. The Building Maintenance Principal account was established in 1996. This account is used to fund the maintenance requirements of the church as authorized by the Board of Trustees. As of December 31, 1999 the market value of this account was \$180,350 compared to a value of \$165,447 at the end of 1998. In 1998, the Trustees determined that \$5,000 should be allocated each year for routine maintenance.

3. The Marshall Pledge Principal account was established in 1996. As of December 31, 1999 the market value of this account was \$221,889 compared to a value of \$213,947 at the end of 1998. By vote of the congregation this account is to be used as follows:

1997	\$14,000 to replace the Julia Marshall pledge
1998	\$13,000 to replace the Julia Marshall pledge and \$1,000 towards Church Growth
1999	\$12,000 to replace the Julia Marshall pledge and \$2,000 towards Church Growth
2000	\$11,000 to replace the Julia Marshall pledge and \$3,000 towards Church Growth

During the year 2000, the Congregation will determine what to do with the remaining principal balance of this account as of December 31, 2000

4. The Scholarship Fund was established in 1999 as the result of a gift specifically for that purpose. Because of the long-term nature of this fund, the Trustees voted to combine the gift with the Suzie Britton Scholarship money and invest it with the Merrill Lynch Consults® program. The value of the Scholarship Fund was \$17,754 on December 31, 1999.
5. The Pilgrim Fund Principal was established in 1992. As of December 31, 1999, the market value of this account was \$812,543 compared to a value of \$785,092 at the end of 1998. Annually, the Board of Trustees allocates not less than 5% and not more than 10% of the year-end market value of the Pilgrim Fund Principal account to the Pilgrim Fund Distribution Committee. This Committee receives grant requests and recommends to the Church Council the distribution of the allocation to community outreach and special Pilgrim projects. During 1999 a total of \$66,566 was distributed. From 1993 through 1998 a total of \$396,625 has been distributed.

In prior years Pilgrim also listed a Capital Improvement Principal account. That account was used to accumulate contributions and to pay for the improvements to the Church building that were approved by vote of the Congregation on June 9, 1996. That fund has been depleted and closed. The Building Improvements Fund, on the Balance Sheet, is where the remaining balance due for the improvements is shown. As of December 31, 1999, the improvement costs exceeded funds received by \$73,921. Pledges outstanding may reduce that amount to \$69,199. Additional contributions and other funding sources will be sought to reduce and eliminate this amount.

Balance Sheet and Income and Expense Statement:

The following Balance Sheet shows the balance of all accounts as of December 31, 1999. The Income and Expense Statement shows prior years' actual amounts and 2000's budgeted amounts.

If you have any questions about this report or any other Pilgrim financial matter, please call the church office (724-8503) and leave a message for the Treasurer.

PILGRIM CONGREGATIONAL CHURCH
Balance Sheet
Report Date: December 30, 1999

1999 YEAR END
Fiscal Year 1999 Fiscal Period 12

ASSETS

Current Assets	\$ 35.00	
Petty Cash	500.00	
Office Checking Account	735.15	
Norwest Checking Account	29,458.73	
Republic Bank Checking	60,358.00	
Merrill Lynch Money Market	5,804.70	
Park State Money Market		
Total Current Assets		\$ 96,891.58

Other Assets

Loan to Christ Temple Church	25,000.00	
2nd Cent Earnings Since 10/01	4,153.01	
Prepaid Expenses	14,060.56	
Boiler Replacement CD	20,000.00	
UNUSED(old 2nd cent bldg prin	0.00	
2nd Cent. Parsonage Principal	64,000.00	
UNUSED(old 2nd cent par. inc.	0.00	
2nd Cent. Principal	479,260.52	
Building Maint. Principal	180,334.63	
Scholarship Fund Principal	17,754.48	
Pilgrim Fund Principal	812,543.00	
Marshall Pledge Principal	221,889.34	
Capital Improvement Principal	0.00	
Discounts	0.00	
Total Other Assets		1,838,995.54

TOTAL ASSETS

\$ 1,935,887.11

LIABILITIES AND FUND BALANCES

Current Liabilities

Accounts Payable	\$ 0.00
Federal W/H Tax Payable	0.00
State W/H Tax Payable	0.00
FICA Taxes Payable	0.00
Medicare Taxes Payable	0.00
Total Current Liabilities	0.00

\$ 0.00

TOTAL LIABILITIES

Fund Balances

Restricted Funds	
Christmas Fund	1,656.56
Building Improvements Fund	(75,821.21)
Capital Drive Expense Fund	0.00

PILGRIM CONGREGATIONAL CHURCH
Balance Sheet
Report Date: December 30, 1999

Fiscal Year 1999 YEAR END
Fiscal Period 12

Food Shelf Fund	0.00
KOSOVO Relief	0.00
Honduras Relief Fund	0.00
United Seminary Fund	0.00
Just Peace Offering Fund	0.00
Neighbors In Need Fund	0.00
OGHS Fund	0.00
Grace Music Fund	0.00
Special Sunday Fund	0.00
Strengthen The Church Fund	1,729.91
Nursery Attendent	0.00
Bath England Fund	956.86
THE Scholarship Fund	1,002.79
Niss Scholarship Fund	16,180.77
Handbell Fund	0.00
Martha's Kitchen Fund	869.49
Commissioned Music Fund	103.04
Music Memorial Fund	456.99
Prince Fund	78.67
Sabbatical Fund	0.00
UNICEF Fund	(16.16)
All Church Dinner Fund	17.32
Chapel Renovation Fund	4,583.76
Fellowship Hall Table Fund	0.00
Archives Fund	0.00
Refugee Fund	1,959.08
Rummage Sale Fund	1,899.14
Quilt Preservation Fund	0.00
Flower Fund	0.00
Duluth Light Opera Co. Fund	137.15
Hospitality Fund	643.14
Loan Amortization Fund	300.00
Pilgrim Just Peace Fund	370.84
Church Growth Fund	660.73
Memorials Fund	(14.32)
Tiffany Window Fund	13,178.05
S.Britton Scholarship Fund	3,837.02
Peace & Justice Lecture Fund	0.00
BCE-Speakers/Workshop Fund	4,800.00
Stewardship (Ramshaw) Fund	0.00
Organ Recital Fund	663.89
Stephen Ministry Fund	4,948.51
Pilgrim Fund Expense Fund	6,205.42
Parlor/Salter Hall Fund	(38.51)
Sun Room Renovation	973.78
Entry Improvements & Signage	2,519.00
Sr. Min. Office Refurbishing	1,799.78
Boiler Replacement Fund	0.00
	0.00

PILGRIM CONGREGATIONAL CHURCH
Balance Sheet
Report Date: December 30, 1999

1999 YEAR END
Fiscal Year 1999 Fiscal Period 12

Computer Equipment Fund	(29.99)
Youth Music Fund	866.37
Church School Offerings Fund	95.72
BCE-Undercroft Project Fund	134.56
Speaker/PA System Fund	742.10
Sr. Min. Cont. Ed. Fund	600.00
Assoc. Min. Cont. Ed. Fund	16.00
Emergency Assistance Fund	1,052.74
Christmas Gifts Fund	(4.02)
Church History Fund	406.00
Hymnal Fund	794.72
1998 Workcamp Fund	(1,191.03)
Marshall Final Dist. Fund	87,966.00
Helen Wedlund Fund	700.00
Alex Herbert Fund	22,133.31
1997 PF Distrib. Remaining	0.00
Default Fund	(30.00)
Total Restricted Funds	110,893.97
General Fund	
Capital Gifts	1,829,185.17
Prepaid Pledges	11,032.46
Prepaid General Income	0.00
Beginning Balance	(11,019.46)
Current Surplus(Deficit)	(4,105.02)
Total General Fund	1,825,093.15
TOTAL LIABILITIES & FUND BALANCES	\$ 1,935,987.12

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April 27, 2000

2000 BUDGET

INCOME:
Pledges
Prior Year Pledges
Non-Pledged
Sale Offerings
Church School
Building Use
Tithing Window
Interest
Marshall Pledges
Marshall Church
Larks Trust Inc.
W. Mitchell Trust
Whiteside Trust
2nd Century Fund
Building Repair
Miscellaneous

TOTAL INCOME

OUTFLOW:
SERVING OUR
Office Manager
Office Manager
Office Manager
Office Manager
Office Manager
Senior Minister
Senior Minister
Senior Minister
Assoc. Minister
Assoc. Minister
Bookkeeper
Office Supplies
Postage
Stewardship/P
Church Growth
Bank Charges
Dioconate Gen
Worship Leader
Stephen Minister
Stephen Leader
Church Literature
Emergency Dis
Sunday Bulletin
Hospitality Exp

April 27, 2000

PILGRIM CONGREGATIONAL CHURCH

2000 BUDGET & HISTORY

		Actual	Actual	Actual	Actual	Budget	2000 as a % of 1999
		1996	1997	1998	1999	2000	Percent + or -
INCOME:							
Pledges							
Prior Year Pledges Received	Trustees	185,210	183,213	180,122	179,754	207,858	15.63%
Non-Pledged Contributions							
Plate Offerings	Trustees	3,986	5,452	3,219	14,001	5,000	-64.29%
Church School Offering	Trustees	3,376	4,158	5,374	7,300	5,000	-31.51%
Building Use	Trustees	2,520	2,416	2,781	2,210	3,000	35.75%
Tiffany Window Royalties	Trustees	42	6	-	-	-	0.00%
Interest	Trustees	7,212	9,648	8,336	9,053	9,000	-0.59%
Marshall Pledge Fund Income							
Marshall Church Growth Allocation	Trustees	4,690	4,396	4,728	3,316	4,000	20.63%
Jenks Trust Income	Trustees	15,600	14,000	13,000	12,000	11,500	-4.17%
W. Mitchell Trust Income	Trustees	7,600	9,315	1,000	2,000	2,500	25.00%
Whiteside Trust Income	Trustees	3,000	3,000	10,743	15,347	12,000	-21.81%
2nd Century Fund Income	Trustees	23,599	23,499	3,000	3,000	3,000	0.00%
Building Repair Allocation	Trustees	42,476	48,987	18,611	7,347	18,000	145.00%
Miscellaneous Income (All Church Dinner)	Trustees	677	223	742	5,000	25,000	-46.81%
TOTAL INCOME		299,987	308,314	303,802	311,355	313,958	0.84%
OUTFLOW:							
SERVING OUR CONGREGATION							
Office Manager Salary	Personnel	20,276	20,682	21,509	21,724	22,593	4.00%
Office Manager Medical Insurance	Personnel	3,039	3,261	3,270	4,050	4,416	9.04%
Office Manager Annuity	Personnel	2,839	2,910	3,011	3,041	3,163	4.01%
Office Manager Disability	Personnel	203	207	213	217	226	4.15%
Office Manager Educational Allowance	Personnel	69	69	114	198	250	26.26%
Senior Minister Travel Reimbursement							
Senior Minister Professional Expenses	Personnel	1,611	1,591	1,657	1,600	600	-62.50%
Senior Minister Continuing Education	Personnel	600	600	800	821	900	9.62%
Assoc. Minister Travel Reimbursement							
Assoc. Minister Professional Expenses	Personnel	1,681	2,019	1,249	1,416	1,500	5.93%
Assoc. Minister Continuing Education	Personnel	939	1,106	1,139	956	900	-5.88%
Bookkeeper Salary	Personnel	623	600	511	420	600	42.86%
Office Supplies & Printing							
Office Equipment Maint. & Software	Trustees	2,014	1,901	2,374	1,704	2,200	29.11%
Postage	Trustees	1,097	1,396	1,158	1,863	1,600	-14.12%
Stewardship/Planned Giving/Offering Env.	Trustees	1,727	1,742	1,622	1,549	2,000	29.12%
Church Growth & Development							
C.G. & Dev.	Trustees	379	598	314	536	400	-25.37%
Bank Charges							
Diaconate General Fund	Trustees	463	433	479	110	150	36.36%
Worship Leadership & Prog. Development	Diaconate	1,321	1,144	1,360	334	500	49.70%
Stephen Ministry	Diaconate	-	113	130	153	550	259.48%
Stephen Leader Training	Diaconate	144	255	66	178	200	12.36%
Church Literature	Diaconate	-	750	-	-	-	0.00%
Emergency Discretionary Fund	Diaconate	30	108	140	126	150	19.05%
Sunday Bulletins & Printing	Diaconate	295	300	300	270	300	11.11%
Hospitality Expenses	Diaconate	553	548	698	506	650	28.46%
	Hospitality	1,200	1,200	1,100	1,367	1,200	-12.22%
Sub-Total		41,891	44,333	44,834	45,471	47,548	4.57%

825,093.15

935,987.12

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April 27, 2000

PILGRIM CONGREGATIONAL CHURCH

2000 BUDGET & HISTORY

2000 as a
% of 1999

		Actual 1996	Actual 1997	Actual 1998	Actual 1999	Budget 2000	Percent + or -
MINISTRY OF MUSIC							
Music Director Salary	Personnel	6,295	6,358	6,612	6,678	6,678	0.00%
Music Director Educational Allowance	Personnel	75	50	100	100	100	0.00%
Organist Salary	Personnel	4,909	5,302	5,540	5,650	5,650	0.00%
Choir Section Leaders	Personnel	5,460	5,831	5,538	5,202	6,060	16.49%
Summer Organist	Personnel	550	750	900	900	975	8.33%
Substitute Organists/Special Events	Personnel	75	200	75	150	225	50.00%
Special Instrumentalists	Diaconate	570	690	1,185	580	800	37.93%
Sheet Music	Diaconate	396	54	562	618	350	-43.37%
Organ/Piano Maintenance	Diaconate	437	162	198	301	500	66.11%
Sub-Total		18,767	19,397	20,710	20,179	21,338	5.74%
OUR MINISTRY OF EDUCATION							
Youth Coordinator	Personnel	-	-	-	-	2,500	0.00%
Children's Music Director	Personnel	1,651	2,184	2,100	1,862	2,200	18.15%
Church School Curriculum	BCE	778	765	621	526	1,000	90.11%
Church School Supplies & AV Equipment	BCE	425	359	683	417	600	43.88%
Children's Music Supplies	BCE	449	189	182	197	300	52.28%
Vacation Church School	BCE	-	-	-	200	200	0.00%
Leadership Training	BCE	-	385	-	234	200	-14.53%
Confirmation	BCE	641	992	984	75	900	1100.00%
Youth Program-Jr., Sr., UCC	BCE	900	1,708	1,116	870	1,200	37.93%
Intergenerational Activities	BCE	352	175	406	579	500	-13.64%
Adult Education	BCE	563	512	396	290	700	141.38%
Kerygma Adult Bible Study	BCE	93	137	-	-	-	0.00%
Church Library	BCE	478	752	285	(35)	400	0.00%
Nursery Attendant	Personnel	-	-	500	356	1,000	180.90%
Sub-Total		6,329	8,159	7,273	5,571	11,700	110.02%
OUR BUILDING MAINTENANCE							
Custodian Salary	Personnel	17,996	17,734	19,674	20,196	21,004	4.00%
Custodian Medical Insurance	Personnel	3,039	3,261	3,270	4,050	4,416	9.04%
Custodian Annuity	Personnel	1,080	1,155	1,188	1,220	1,260	3.28%
Custodian Educational Allowance	Personnel	-	-	-	-	250	0.00%
Housekeeping	Personnel	-	-	-	-	-	0.00%
Custodial Supplies	Trustees	1,755	1,772	1,798	2,245	2,200	-2.00%
Equip. Maint./Trash/Window & Carpet Clean	Trustees	3,842	3,197	4,025	2,346	3,000	27.88%
Electricity	Trustees	7,270	6,871	6,700	6,869	7,000	1.91%
Telephone	Trustees	1,055	1,058	1,456	1,735	1,600	-7.78%
Fuel Oil, Gas & Water	Trustees	15,201	11,109	10,161	10,023	11,000	9.75%
Building Repairs	Trustees	2,770	-	16,359	8,103	5,000	-38.29%
Elevator Maintenance	Trustees	-	60	705	1,080	1,680	55.56%
Snow Removal/Lot Maintenance	Trustees	-	-	-	393	800	103.56%
Building & Liability Insurance	Trustees	9,560	9,369	9,453	9,453	9,500	0.50%
Worker's Compensation Insurance	Trustees	1,622	1,590	1,431	1,431	1,450	1.33%
Sub-Total		65,190	57,176	76,220	69,144	70,160	1.47%

April 27, 2000

PILGRIM CONGREGATIONAL CHURCH

2000 BUDGET & HISTORY

2000 as a
% of 1999

BOARD OF CHRISTIAN OUTREACH		Actual	Actual	Actual	Actual	Budget	Percent
OCWM Basic Support		1996	1997	1998	1999	2000	+ or -
Basic Support as a % of Total Budget Less Total Outreach	BCO	32,500	32,500	32,675	33,500	32,000	-4.48%
United Campus Ministry	BCO	12.51%	12.49%	11.47%	12.03%	11.30%	
United Theological Seminary	BCO	2,000	2,000	2,000	2,000	2,000	0.00%
Arrowhead Interfaith Council	BCO	1,600	1,600	1,600	1,600	1,600	0.00%
Community Ministries	BCO	150	500	500	500	500	0.00%
Northland College	BCO	1,200	1,250	1,250	1,250	1,250	0.00%
Twin Ports Seafarers	BCO	600	600	600	600	600	0.00%
CHUM	BCO	1,000	1,000	1,000	1,000	1,000	0.00%
New Ch Dev. MN Conf @1.50 mbr	BCO	1,100	1,100	600	1,200	1,200	0.00%
	BCO	300	300	300	300	300	0.00%
Sub-Total		40,450	40,850	40,525	41,950	40,450	-3.58%
PASTORAL MINISTRY							
Senior Minister Salary & Housing	Personnel	55,280	55,833	57,508	57,508	29,616	-48.50%
Senior Minister Annuity	Personnel	7,739	7,836	8,051	8,051	4,146	-48.50%
Senior Minister Disability	Personnel	553	558	575	575	296	-48.52%
Senior Minister Medical Insurance	Personnel	3,039	3,261	3,270	4,050	2,208	-45.48%
Senior Minister Social Security Allowance	Personnel	4,229	4,271	4,399	4,399	2,265	-48.51%
Interim Sr. Min. Sal. & Housing (4 1/2 mo.)	Personnel	-	-	-	-	20,101	0.00%
Interim Sr. Min. Annuity (4 1/2 mo.)	Personnel	-	-	-	-	2,954	0.00%
Interim Sr. Min. Disability (4 1/2 mo.)	Personnel	-	-	-	-	211	0.00%
Interim Sr. Min. Medical Ins. (4 1/2 mo.)	Personnel	-	-	-	-	1,656	0.00%
Interim Sr. Min. Soc. Sec. Allow. (4 1/2 mo.)	Personnel	-	-	-	-	1,614	0.00%
Assoc. Minister Salary & Housing	Personnel	35,932	37,370	39,238	39,238	40,808	4.00%
Assoc. Minister Annuity	Personnel	5,030	5,282	5,493	5,493	5,713	4.01%
Assoc. Minister Disability	Personnel	359	374	388	392	408	4.08%
Assoc. Minister Medical Insurance	Personnel	6,078	6,417	6,540	8,100	8,832	9.04%
Assoc. Minister Social Security Allowance	Personnel	2,749	2,859	3,002	3,002	3,122	4.00%
Sub-Total		120,989	124,062	128,464	130,808	123,950	-5.24%
OTHER EXPENSES							
Payroll Taxes	Personnel	4,329	4,499	4,893	4,556	5,121	12.40%
Sr. Minister Search Committee Expenses	Personnel	-	-	-	-	600	0.00%
Eastern Assoc. Per Capita Dues @3.60	BCO	1,524	1,518	1,502	1,685	1,700	0.89%
Delegate Expenses	BCO	194	399	277	400	450	12.50%
Peace & Justice	P&J	150	149	200	200	200	0.00%
Miscellaneous	Trustees	394	504	468	450	500	11.11%
Sub-Total		6,591	7,069	7,340	7,291	8,571	17.56%
TOTAL OUTFLOW		300,206	301,046	325,366	320,414	323,717	1.03%
INCOME - OUTFLOW		(219)	7,267	(21,564)	(9,059)	(9,759)	0.00%

SUMMARY BY COMMITTEE

	Actual	Actual	Actual	Actual	Budget	Percent
	1996	1997	1998	1999	2000	+ or -
Trustees	49,149	41,600	58,503	49,890	50,080	0.38%
Personnel	199,115	205,231	212,947	216,771	217,137	0.17%
Diaconate	3,745	4,124	4,639	3,066	4,000	30.46%
Hospitality	1,200	1,200	1,100	1,367	1,200	-12.22%
C.G.&Dev.	-	-	1,000	1,732	2,500	44.34%
BCE	4,678	5,975	4,673	3,353	6,000	78.94%
BCO	42,168	42,767	42,304	44,035	42,600	-3.26%
P&J	150	149	200	200	200	0.00%
TOTAL OUTFLOW	300,206	301,046	325,366	320,414	323,717	1.03%

THE PILGRIM FUND

Dennis Falk

The mission of the Pilgrim Fund is to enhance the commitment of Pilgrim Church to the priorities of the congregation in its ministries to its membership and the wider community. All funded projects must be sponsored in writing by at least one member of a board/committee of Pilgrim Church. Following the receipt of applications and review by the appropriate committee or board, the Distribution Committee carefully considers each application and makes recommendations to the Church Council for approval. Upon Council approval, the Trustees fund recommended projects. During the 1999 church year the following projects were funded:

IN HOUSE: (Total: \$22,616)

♦ Boiler Replacement - first year	\$20,000
♦ Computer/printer/workstation	\$ 2,616

OUTREACH: (Total: \$42,450)

♦ Damiano Center - Clothes that Work	\$ 1,500
♦ Damiano Center - Opportunities Cooking	\$ 2,500
♦ Northand Gay Men's Center - Community Connection Project	\$ 1,200
♦ East Hillside Patch - Community Building Activities	\$ 2,500
♦ CHUM Telecare/Friends - contact with homebound	\$ 2,500
♦ CHUM - CHUM Church - ministry to mentally challenged	\$ 2,500
♦ CHUM - Emergency Foodshelf	\$ 5,000
♦ CHUM - Drop-In Center - Wellness Program	\$ 3,000
♦ Community Health Center - Dental Program for low income persons	\$ 1,000
♦ YWCA - Week Without Violence/Festival of Peace	\$ 1,500
♦ PAVSA - Project to publicize to work and educate community	\$ 1,000
♦ Lifehouse - Emergency needs/supplies for street youth	\$ 1,250
♦ American Indian Community Housing - Transitional Housing - outdoor children's play space	\$ 2,000
♦ American Indian Community Housing - Women's Shelter - children's indoor play space and women's books and pamphlets	\$ 1,000
♦ Duluth Children's Museum - Children's Peace Camp	\$ 1,000
♦ Twin Ports Ministry to Seafarers - Ship Visitation Program	\$ 2,000
♦ Building for Women - building purchase/renovation	\$ 500
♦ Women's Transitional Housing - Goal-related Financial Assistance Program (in-house)	\$ 2,000
♦ Lutheran Social Service - street outreach program - supplies	\$ 500
♦ Vine House - Transitional home for single men - 3 rd floor renovation	\$ 2,000
♦ Inside/Outside Program - Miller Dwan/Denfeld High School - Extended Outdoor Program/Mentoring high school youth	\$ 500
♦ Central Hillside Parish Nurse Program - Educational resources and African American Health Fair	\$ 1,500
♦ North Star Community Development Program - Child care provider training	\$ 2,000
♦ Northland College - Native American Scholarships	\$ 1,000
♦ Northland College - Leadership and Service Scholars Scholarship Fund	\$ 1,000

PEACE AND JUSTICE: (\$1,500)

- ♦ Central Hillside Churches - Understanding and Dismantling Racism Workshop \$ 1,500

The committee consisting of Robert Eaton, Dennis Falk, Nancy Fifield, Robert Heller, Gertrude Jacobson, Geraldine Heller, and Wally Niss, worked conscientiously to fulfill the goals of the mission of the Pilgrim Fund. Distributions for 1999 totaled \$66,566. At the 1999 annual meeting, the congregation voted to distribute \$20,000 to the boiler replacement for 2000 and 2001 as well.

MUSIC DIRECTOR

Art Bumgardner

The Pilgrim Choir continues to play an active role in the musical life of Pilgrim Church by providing music for morning worship and special services. In December the choir presented two sacred choral works for organ, choir and instruments: *The Song of the Birth of our Lord* by Marc-Antoine Charpentier, and *O Beloved Shepherds* by Andreas Hammerschmidt. At the request of Jack Kemp, the choir and organist Norma Stevlingson presented Daniel Pinkham's *The Small Passion* on Palm Sunday. On Easter Sunday, anthems for choir, organ and brass by Carolyn Jennings, William Mathias, and Richard Proulx were performed with members of the UW-Superior Brass Choir.

This year saw the return of the Pilgrim Bell Ringers under the direction of Nancy Odden. Also, we were pleased to welcome back Peggy White as Children's Music Director after a brief absence.

Two organ recitals were presented on Pilgrim's Jaeckel Organ during the past year. In October, Madame Marie-Louise Langlais was sponsored by the Arrowhead Chapter of the American Guild of Organists. On April 2nd, James Kibbie performed a program of organ works by Johann Sebastian Bach to commemorate the 250th anniversary of the composer's death.

CHILDREN'S MUSIC DIRECTOR

Peggy White

The Children's Music program got off to a later start than usual this year, due to a leave of absence on my part. I was thrilled to be able to resume my duties at Pilgrim in January, 2000.

The Church School meets every Sunday in two groups, pre-K through grade 3 and Grades 4 - 7. Each group meets for about 15 minutes, singing both old and new favorites, which we have an opportunity to share in the church service from time to time. Our Church School Sunday program will be a musical entitled "*Neck-up Check-up*," a musical that reminds us that we need to be careful of what we put into our minds in order to keep our spiritual health.

The Youth Choir meets on Sunday mornings at 9:30, which is a change from the Wednesday night timeslot we used in the past. For some of the youth and for me this time works better, since it doesn't require setting aside another night for outside activity. We have a small but very musical group in Youth Choir this year, and they are anxious to share their music in church. They have sung in church four times, not including Church School Sunday.

A special thank you goes to Nancy Odden who volunteered her time and talents to accompany the choir again this year. Also, thanks to Jody Ondich for her help, to the adults who will lend their dramatic talents to the spring program, and especially to all the people of Pilgrim who continue to encourage me and the children with positive words and support for the music program.

CHURCH GROWTH AND MEMBERSHIP DEVELOPMENT COMMITTEE

Cindy Fochs

In its second year of operation, the Church Growth and Membership Development Committee continued activities begun last year and implemented new ones. Our mission is *to provide programs that encourage the development of church membership and to welcome new members and integrate them into the life of the church.*

We continued the Welcomers program which consisted of two welcomers each Sunday making special efforts to identify and welcome visitors, providing them with a Welcome Packet and following up with a loaf of Amish friendship bread delivered to their home. Our focus last year was in attracting and welcoming visitors. This year we began efforts to assimilate these new members. A five session class providing education about Pilgrim Kemp and Jody Ondich, primarily to inform prospective/new members. When received in membership, the new members received lapel flowers and we reinstated the posting of new members' photographs in Salter Hall.

A new member get-together was well attended and plans are to gather this group three times a year. This group included new members of the past two years. They also were personally invited by our committee to attend the Adult Fellowship Progressive Dinner.

Advertising included newspaper ads, flyers and press releases. We started unitizing the outdoor sign as a way to inform the community of special Sundays.

Three members received training from PACT-TV and started filming Sunday services and special events. This is more complicated and time consuming than originally thought, involving much editing, but we hope for some good results.

A major accomplishment this year was developing a Pilgrim web site. Julia Gillette, the designer of the UCC Minnesota Conference web site, worked with Bill Taylor and Jack to develop a ten page site. It consists of a description of our church, staff, worship, music, children and youth activities and calendar. It also provides links to the community as well as UCC and ecumenical sites. Bill Taylor has agreed to manage and update the site for the first year. The address is www.pilgrimduluth.org.

The 1999-2000 Committee members are: Bobbi Edwards, Cindy Fochs, Martin Grune, Jane Shull, Kay Slack, and Bill Taylor.

PEACE AND JUSTICE COMMITTEE

Gene Shull

In 1999-2000, the Peace and Justice Committee continued its quest for our first Peace and Justice Lectureship. Our expectations have risen with the assumption of collaborative efforts with Northland College. We have broadened the topic areas for which we seek a dynamic speaker. A number of figures of national prominence have been pursued. We currently have hopes that Larry Rasmussen will be available early in the year 2001. Mr. Rasmussen teaches at Union Seminary in New York City, and is known as an environmental ethicist.

On Mother's Day Peace and Justice asked the congregation to support Kosovo refugees via a special offering. Over \$1500 was generously contributed via Church World Service.

During the summer, Peace and Justice endorsed a resolution from the Minnesota Conference entitled: *Reaping the Windfall: State Budget "Surpluses"*. Ten members of the congregation signed personal covenants to give all or part of their 1999 tax rebates to existing state or private programs which benefit the poor.

In October, Peace and Justice submitted this vision statement to Council: *To integrate faith with action through support for Bread for the World, our continuing partnership with Northland College and establishing a Peace and Justice Lectureship.*

Peace and Justice has committed to support Bread for the World on a regular basis as a *Covenant Partner*, and through our program actions. In April, 1999 Bread for the World's *Jubilee 2000: Breaking the Chains of Debt* had been introduced to the congregation. On October 24, Bread for the World's 25th Anniversary, we presented a "mini-drama" during the worship service urging the congregation's support of Jubilee 2000. The committee sent letters supportive of pending legislation. The committee still urges everyone to view the compelling video *Cancel the Debt*, Now, available through the church office.

In November Peace and Justice contributed \$50 to the Interfaith Alliance of Minnesota, and \$50 to Loaves and Fishes to support the Duluth delegation in its participation in the protest rally against the School of the Americas.

Northland College Sunday was celebrated November 21. David Saetre, College Chaplain, gave the sermon, and the College choir joined the Pilgrim choir for the music program. Luncheon following enabled hosts and guests to get to know each other better.

In March Peace and Justice submitted to the Minnesota Conference a resolution urging the President and Congress to outlaw the manufacture, stockpiling, sale and use of anti-personnel land mines, and to sign and ratify the International Landmine Ban Convention.

On April 6 and 9 Peace and Justice will host Mr. Michael Schut for a Thursday evening lecture and a Sunday sermon at Pilgrim. We will be taking advantage of an opportunity presented by Northland College, which is covering his travel expenses and hosting him for the interval between his Pilgrim appearances. After the evening lecture entitled *Simpler Living, Compassionate Life: Economics, Sustainability and Justice*, we will have three responders leading to questions and comments from the audience.

Other events planned by Peace and Justice include an April 30th adult education session on *land mines*, and a May 7th Bread for the World offering of letters addressing *minimum wage* and the *Hunger Relief Act*.

Committee members in 1999-2000 include: Sarah Allard, Rick Ball, Michele Benson, Bill Clark, Phil Cook, Peter Golden, Ted Harwood, Gene Shull and Mary van Evera.

PERSONNEL COMMITTEE

Karen S. Andresen

It has been both a usual and an unusual year for the Personnel Committee. We have done the usual things including staff reviews, making salary recommendations to the Trustees, and reviewing policies. We "lost" and rehired our Children's Music Director; and the part-time Housekeeper position was eliminated due to budget cuts. Otherwise our staff has remained stable. In addition, we made an offer to an Interim Minister, conducted an extensive internal investigation, and celebrated Jack Kemp's retirement. I thank a very dedicated committee, which put in many hours this year. They are: Beth Bagley, Lawrence Berg, Bob Eaton, Mike Hillmeyer, Gordy Swenson and Tiss Underdahl.

HOSPITALITY COMMITTEE

Joan Semenchuk

The Hospitality Committee worked diligently to provide coffee and food when needed. This included coffee after Sunday services and brunches for the Long Range Planning Committee events. Two larger events included the All Church Dinner in October, which we did in conjunction with the Church Council, and the Ordination Dinner for Matt Fitzgerald. The list also includes Lenten suppers and special services. I would like to say a special thank you to the members of the committee: Nan Hillmeyer, Margaret Honigman, Peggy Downing, Ric Williams and Joan Logan. I would like to thank Pauline and Don Schroeder for their continuing help with funeral receptions. Thanks to everyone!

"A CIRCLE OF FRIENDS" (formerly Women's Fellowship)
Joan Logan, Dorothy Honigman

Every woman who is a member of Pilgrim Church is welcome to become an active member of Circle of Friends. The mission statement of the Circle of Friends is "to provide interaction, inspiration and friendship for women of our church with a special focus on those who may have problems with declining physical abilities and also to provide an opportunity for strengthening a sense of community among all the women of our church."

The treasury helps to subsidize 3 - 4 luncheons, speakers fees, decorations and poinsettias given to church members who are ill or are "shut-ins". One Duluth non-profit organization receives a gift as part of the Outreach program.

A standing committee plans each event and determines any business the group conducts. It is an open committee and any church woman is cordially invited to participate. At present the committee includes: Chair, Joan Logan; Treasurer, Dorothy Honigman; Church Council, Gerry Heller; Committee members, Jean Dohm, Nancy Fifield, Vera Dunbar, Eleanor Nichol, Dorothy Gemeinhardt, Mary Brain, Sharon Vandruten, Gen Plumb, Ginny King, and Gertrude Jacobson.

June 9, 1999, a spring salad and dessert luncheon was provided by all Circle of Friends members. An interesting talk was given by Tammy Francois, Educational Director of the Women's Coalition.

December 8, 1999, a delightful Christmas luncheon, catered by The Pines, was held in Salter Hall. A beautiful concert in the sanctuary was later performed by the University Chamber Singers of UMD.

In May, 2000, a spring luncheon will be held at Conamara, home of Eleanor and Charles Nichol, honoring Jack Kemp on his retirement, and celebrating once again our "circle of friendship."

RETIRING CHURCH OFFICERS and BOARD AND COMMITTEE MEMBERS

We express our appreciation to those who are completing their terms or retiring from office this Spring:

Church Council (at large)	Clyde Johnson
Board of Christian Education	Joyce Hidahl Leslie Williamson White
Board of Christian Outreach	Terese Tomanek Sharon Kemp
Diaconate	John Erjavec Carol Bacig Ruth Ann Eaton
Board of Trustees	Wally Niss
Church Growth and Development Committee	Jane Shull Kay Slack
Hospitality Committee	Joan Semenchuk Dorothy Gemeinhardt
Peace and Justice Committee	Sarah Allard Michele Benson
Personnel Committee	Karen Andresen
Nominating Committee	Gay Lynne Liebertz
Delegates:	Gerry Heller Judy Casserberg

NOMINATING COMMITTEE Karl Honigman

The Nominating Committee proposes the following slate of candidates for offices, boards, and committees:

<u>Position</u>	<u>Class</u>	<u>Name</u>
Church Treasurer	2003	John Morrison
Church Council-at-Large	2003	Len Edwards
	2003	Steve Cushing
Board of Christian Education	2003	Diane Desotelle
	2003	Mike Hillmeyer
	2003	Janine Bjerklie
	2003	Cindy Hamsmith
	2002	Rachael Peyton
Board of Christian Outreach	2001	Will Adams
	2003	Audrey Monicken
	2003	Bob Heller
Diaconate	2003	Mimi Stender
	2003	Peter Bagley
	2003	Charles Walters
	2003	Joyce Swenson
Board of Trustees	2003	
	2003	Ruth Ann Eaton
	2003	Helen Anne Kohlbry
Church Growth and Development Committee	2003	Tiss Underdahl
	2003	Bonnie Kelley
Hospitality Committee	2003	Tonya Schiller
	2003	Nan Hillmeyer
	2003	Mary Vanderwerp
	2003	Dan Batson
Personnel Committee	2002	
Peace and Justice Committee	2003	Jon Welles
	2003	Bill Johnson
	2003	Nancy Fitzgerald
Delegates: Eastern Association/MN Conference Annual Meeting	2003	Phil Cook
	2001	Clyde Johnson
	2001	Sarah Allard
(alternate)	2001	Mary Van Evera
Nominating Committee (nominated by Church Council)**	2001	Julie Johnson
	2002	Sara Carlson
	2003	Steve Cushing
	2003	Bob Eaton