

**Divine Redeemer  
Board of Directors Meeting  
April 17, 2023**

Members Present:

Dennis Gehrke, Ken Saydel, Rob Chandler, Mark Bahr, Chelsea Chandler, Jason Hynes, Tim Timmerman, Tracy Holt, Gary Peppel, Pastor Seth Flick.

Members Absent: N/A

Invited Guests: Janet Bahr, Kyle Hanson

1. Call to order: Dennis Gehrke Time: 6:01 PM
2. Faith Exploration (Gary Peppel)
3. The minutes from March 13, 2023, meeting was approved.
  - Motion to approve: Ken Saydel
  - Seconded: Jason Hynes
  - Motion passed.
4. The minutes from March 27<sup>th</sup>, 2023, meeting was approved.
  - Motion to approve: Gary Peppel
  - Seconded: Jason Hynes
  - Motion passed.
5. The minutes from April 16<sup>th</sup> Voter's meeting were approved.
  - Motion to approve: Ken Saydel
  - Seconded: Gary Peppel
  - Instructions to add vote count into the notes (181-5)
  - Motion passed.
6. CFO Report (Written Report: Kyle Hanson present)
  - Overall revenue +\$415,000 over budget.
  - YTD offerings +\$124,000 over last year.
  - Tuition above plan by +\$109,000 over last year.
  - Program expenses are still largely unfavorable -\$71,000 YTD. Previously these were thought to be timing issues and would be back to even by the end of the year, but that will not be the case.
  - Discussion on the budget process and how the BOD fits/doesn't fit into the process.
    - Mark Bahr identified that the subject being discussed was operational and did

- not fall under the purview of the BOD's oversight.
  - Jason Hynes identified in the policy manual that it states that the BOD's responsibility is to oversee and monitor the budget.
- Discussion on how to handle timely approvals for items brought for approval by Janet or Pastor Seth. Will email approval be sufficient? Yes.
- Budget review: \$5,805,815 total revenue projected for 2023-2024 budget.
- 2023 ECDC revenue of \$670,549 versus expenses of \$1,036,000 (\$825,000 wage +\$211,000 benefits).
- The ECDC is currently losing \$365,451 YTD.
- Historically the Church has subsidized the School/ECDC by 20% of its annual budget.
- Enrolled headcount for School/ECDC of 479 (121 MS/265 EL/88 ECDC)

7. COO Report (Written Report: Renee Kandler not present)

- Highlights of items completed during the month are as follows:
  - Lawnmower maintenance, new exterior kitchen door installed, new projector installed in the Gym, weed and feed applied to lawn, cleaning for holy week.
- Coordinated lock/unlock plan with all ministry directors.
- Strategized asset liability plan with Pastor Seth.
  - A technology asset liability plan will be instituted.
  - HVAC mechanical dating and replacement plan submitted.
- Financial transition partnership
  - Working with Triun3 for document processing, retrieval, and day to day communication for budget preparation.
  - Accountability for DR's onsite bookkeeper
  - Pushpay liaison between Triun3 and DR; provide weekly electronic giving updates to the Pastoral team.
  - Concordia Plan Services liaison between Triun3 and DR staff

8. School Report (Written Report: Principal Janet Bar)

- 476 Headcount (481 if you count the infants)
- Numbers support (3) 4k and third grade classes for next year. 5k and under are at capacity and beyond.
- The attic will be remodeled into two classrooms to accommodate growth.
- Micah Baganz has been installing new Promethean boards throughout the building as part of the technology updates.
- John O'Connor (MS), Becca Zobel (4k), and Katy Root (3<sup>rd</sup>, not called) have accepted their positions. 2<sup>nd</sup> grade teacher not hired, and music position open as well.
- For professional development, the teachers have read the Thrivers book together.
- EANS Funding-Leftover CRRSA funding (\$43k). Working on getting any leftover government funding available.
- Auction update: 183 head count to date.
- Typing will be taught at DR: Jenny Ersbo will teach keyboarding to the 7<sup>th</sup> and 8<sup>th</sup> grade classes. 3<sup>rd</sup> through 6<sup>th</sup> grade teachers will be teaching typing in class via modules available on typing.com.

9. Executive Pastor Report (Written Report: Pastor Seth Flick)

- DR will be getting a new Vicar next year. They are a newly married couple.
- March 13th Lutheran high school association delegates-significant changes will be voted on including lowering the number of delegates to 2, any association LCMS congregations would get 2 delegates, and the church membership discount of \$2,000/year would go away. In addition, compulsory membership would no longer be required of LCMS Churches.
- A Director of Advancement position has built into the budget for this upcoming year. For year one, it is planned to be a half year expense.
- Discussions on Director of Maintenance position and retirement conversations are underway.
- Reading multiple books for professional development.
- Established goals and budgets with ministry directors for 23-24 budget.
- Recommends Steier Group to the BOD for approval for engaging in a capital campaign for the ECDC project.
- Total Baptized Membership: 1814
- Communicant Members: 1388

10. Financial Review Committee (Chairman Tim Timmerman)

- Restricted accounts: FRC reviewing ledger details and segregating accounts for better ability to track expenses and have accountability to the budget.
- ECDC proforma update: Tuition rates under review. Based on preliminary feedback, there needs to be a significant increase in early childhood tuition.
- FRC, Rob Chandler, and Kyle Hanson to meet and do a final review of the proforma.
- Group to provide recommendations to Pastor Seth, Janet Bahr, and Ally Spors, so that they can have all the information they need to set the rates at the proper amount.
- Financial health information was covered in Kyle Hanson's budget report, so it was not discussed in duplicate during the FRC report.

11. Committee of Lay Elders (Liaison Gary Peppel)

- Discussion on Elder coverage at the Easter services and how smoothly everything went.
- Elder CPR training completed the first week of April.
- Summer cookout sponsored by the Elders in July for the outdoor worship service.
- The BOD would like to thank the Elders for handling the vote count at the April 16<sup>th</sup> voter's meeting.

12. Endowment Committee Report (President Dennis Gehrke)

- The committee worked on updating the website, updating the brochures, and worked on adding videos to the website.
- 47 people from the assessment asked for more information on the endowment fund.
- The committee requests that the BOD pass along a change in the bylaws to the voter's assembly: The endowment committee may choose to maintain assets for up to three consecutive years, in order to increase the balance in the account.
  - Motion to approve: Gary Peppel
  - Seconded: Jason Hynes
  - Motion passed.

13. Executive Committee Report (President Dennis Gehrke)

- The Executive Committee met to discuss and set the salary for Pastor Seth. The committee came to a consensus and passed along their recommendation to the CFO.
- Dennis Gehrke created a Pastoral evaluation form, and the EC completed their evaluation of Pastor Seth based on 13 key performance standards (Form based on job description)
- Dennis Gehrke to compile the results of the evaluation and provide feedback to Pastor Seth at their next meeting.
- The Executive Committee recommends to the BOD that they form an advisory committee to review the benefit package for both Church and School.
  - The cost of employee benefits is identified as a budgetary item that is a very high percentage of overall expenses.
  - Gary Peppel correctly identified that it was not the place of the BOD to recommend an advisory committee to review benefits, because this was an operational expense, and therefore Pastor Seth would need to recommend the advisory committee be formed.
  - Pastor Seth listened to the concerns and stated that he would take it under advisement.
  - No motion was brought forward, and no further action was taken.

14. Governance Committee Report (Chairman Jason Hynes)

- Motion to approve amendments to the policy manual (as outlined in email)
  - Motion passed.
- 4.6 means of monitoring to be further reviewed by governance committee.

15. Old Business

- Task list from last meeting:
  - CFO response time: has been addressed.
  - Triun3 service agreement: provided for review.
  - Online giving information: 45% online/55% plate
  - COO depreciable asset schedule: in progress
  - COO utilization optimization: in progress
  - School Tech curriculum: operational and BOD has no oversight.

## 16. New Business

- What are the next steps with the capital campaign/ECDC after the voter's meeting?
- Three formal proposals were presented by Pastor Seth:
  - Steier Group, Klote, and LCEF are the final three.
  - Pastor Seth recommends to the BOD that Steier Group be selected.
- Further discussion on the group of candidates and the responsibilities of the campaign group, including caps on their expenses.
  - Motion to approve: Rob Chandler
  - Seconded: Ken Saydel
  - Motion passed.
- Discussion on how draws will be handled for the ECDC project. Will Pastor Seth need to get approval on all draw amounts over \$25,000?
  - The BOD was comfortable with Pastor Seth approving all draws as it pertains to the ECDC project, even if the expense exceeds \$25,000, as that is his approval limit.
- Contractor Selection was discussed: Catalyst Construction vs. Anderson Ashton Design Build.
  - Discussion on which contractor would best serve the Congregation, which business model was best suited to this project, and personal experiences with both builders.
  - Rob Chandler indicated positive experiences with both Catalyst and Anderson Ashton. Mark Bahr indicated that the LHSAGM had a positive experience with Catalyst Construction, and that its principal brought certain intangibles to the table.
  - Pastor Seth recommended utilizing Anderson Ashton Design Build as the contractor on the project.
- There was a motion on the floor to approve Anderson Ashton as the contractor selected for the project.
  - Motion: Jason Hynes
  - Seconded: Ken Saydel
  - Motion passed.
  - *\*Note\* Rob Chandler, Chelsea Chandler, and Mark Bahr all abstained from voting due to personal relationships with the companies and/or their principals.*

## 17. Task List

- Triun3 items to be reviewed by the FRC.
- FRC, Rob Chandler, and Kyle Hanson to meet with Janet Bahr & Ally Spors to review and finalize the proforma tuition rates and building sizing for the ECDC.
  - Meeting to occur next week and have a final answer by April 28<sup>th</sup>, 2023.
- Anderson Ashton to be instructed to move forward with starting the process with the City of Delafield, to get the conditional use permit to move forward with the project.

18. Next Meeting

- The next BOD meeting is May 15<sup>th</sup>, 2023.
- The next voter's meeting is May 21<sup>st</sup>, 2023.

19. Closing Prayer: Gary Peppel

20. Motion to adjourn: Jason Hynes/2<sup>nd</sup> Rob Chandler

Closing time: 9:25 pm