

**Divine Redeemer
Board of Directors Meeting
May 15th, 2023**

Members Present:

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

Members Absent: N/A

Invited Guests: Janet Bahr, Ally Spors, Kyle Hanson

1. Call to order: Dennis Gehrke Time: 6:03 PM
2. Faith Exploration (Jason Hynes) “Developing Patience”
3. The minutes from April 17th, 2023, meeting was approved.
 - Motion to approve: Ken Saydel
 - Seconded: Chelsea Chandler
 - Motion passed.
 - Two requested changes:
 - Pastoral evaluation has 11 key points, not 13 as previously written.
 - Request to remove incorrect financial information on the current ECDC.
4. CFO Report (Written Report: CFO Kyle Hanson)
 - Continued positive trends as it pertains to revenue.
 - School & ECDC tuition both above plan YTD.
 - YTD contributions up 9% at Church.
 - The BOD had a lengthy conversation about the April monthly budget.
 - 23’-24’ Budget Discussion
 - On future reports, the ECDC will be broken out from the school so that the BOD and FRC can properly evaluate the financial conditions of each entity separately.
 - Operating revenue +16% for 23’-24’
 - 487 Students enrolled as of May 1st, and there are still 31 prospects.
 - Tuition rate increases of 5% for middle school, elementary school, and Preschool (3k-4k).
 - ECDC tuition increases by 10% for the next fiscal year.
 - Debt service of existing debt to be broken out by sector (Church vs. ECDC when applicable).
 - Auction proceeds and PTL funds are the main drivers of restricted spending.
 - Continued financial support of the Lutheran High School Association planned at \$60,000 for 23’-24’ budget.

- Motion to approve 23'-24' budget: Mark Bahr
Seconded: Jason Hynes
Motion Passed 6-2
- Rob Chandler & Tim Timmerman voted nay.
- Chelsea Chandler abstained from voting.

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

- Multiple tasks completed on premises.
- Strategized asset liability plan with Pastor Seth.
- Working with Triun3 on budget preparation.

6. School Report (Written Report: Principal Janet Bahr)

- Anonymous \$25,000 donation made to the school for "Outdoor Activities."
- June 2nd is the last day of school for the year.
- Thursday June 8th at Revere's is the retirement party for Kathy Oldenburg.

7. Executive Pastor's Report (Written Report: Pastor Seth Flick)

- Pastor Adam has turned down the call he received from Carol Stream, IL and is now considering a call from a new parish. He is on the call list for another 6 parishes.
- The new Vicar arrives July 10th, 2023.
- We received a 75k commitment over 3 years from a local DR family (25k/year).
- Steier Group has been on site for meetings with staff and the executive team.
- A new Director of Facilities has been identified and will be starting shortly. His name is Jacob Klug.
- Jim Suchocki had hip surgery and will be returning mid-June to train.
- Stephanie Cutler and Anne Marie Hahn are working towards receiving the certificate program for Church workers, which would allow them to be called.
- Working with Vizance to update our liability insurance, as it has not been reviewed or modified in 29 years.

8. Financial Review Committee (Written Report: Chairman Tim Timmerman)

- No budget review, as it was covered at length in Kyle Hanson's report.
- Tim Timmerman expressed concern that the vote was taken on the budget prior to him providing the FRC report to the BOD, which included concerns that each FRC member had about the proposed budget.
- FRC are only able to provide a limited review of the financials and felt that they needed both more time to review and more detail to provide a proper report on the prospective 23'-24' budget.
- Discussion on zero based budgeting. Tim Timmerman stated a desire for DR to utilize this method, while Kyle Hanson felt that it was unnecessary. Kyle also stated that only 26% of organizations use zero based budgeting.
- Tim Timmerman requested copies of all expense sheets from the department heads, that were utilized to build the budget.

- Kyle Hanson stated that it was the job of the FRC to only establish “overall reasonability” of the budget and not to get too far into the details, as that was his job.
- A discussion was had on philosophical changes as to how we currently handle the budget. Many directors stated that they were unsure of their roles in the budget process and didn’t want to be seen as a rubber stamp due to lack of detail.
- It was pointed out that budget policy in the policy manual is very vague and should be investigated further to provide clarification before next year’s budget.
 - This discussion was tabled due to time, and the FRC was instructed to meet and discuss with Kyle Hanson outside of the meeting, with a report to be brought back to the BOD as to the findings.
 - This meeting should bring about new policies and procedures for the budget process that will ensure that we can do a better job with the budget process in future years.
- Discussion on the BOD establishing better direction as to what everyone’s role is in the budget process.
- Final tuition rates have been set for the ECDC and Kyle Hanson has finalized the proforma, and it will be provided to the FRC.

9. Committee of Lay Elders Report (Liaison: Gary Peppel)

- May Elder’s meeting was held at a shooting range.
- Coverage for Sunday is handled.

10. Endowment Fund Report (Dennis Gehrke)

- Did not meet in May.
- Would the BOD like a representative from the Endowment Committee to speak to the BOD? All felt that it was unnecessary as we are provided reports from Dennis monthly.
- Request made for an update on the performance of the investment account of the endowment fund.

11. Executive Committee Report (President: Dennis Gehrke)

- The Executive Committee did not meet.
- The executive team did meet with Steier Group for the kickoff meeting of the capital campaign.

12. Governance Committee Report (Chairman: Jason Hynes)

- Section 4.6 of the policy manual: Proposed changes
- Motion to approve: Rob Chandler
 - Seconded: Ken Saydel
 - Motion Passed
- Motion to add 4.6.2.11 stating that the BOD will be provided with an annual update on all insurance policies to ensure proper coverage and compliance.
- Motion to approve: Jason Hynes
 - Seconded: Chelsea Chandler
 - Motion Passed

13. Old Business

- Financial review with Triun3: Completed
- ECDC sizing and final tuition rates: Completed
- Anderson Ashton to move forward with starting the project: Completed

14. New Business

- Budget approved.
- 4.6.2.4 investment performance: Pastor Seth emailed out statements to the BOD showing our current positions and their performance.
- Voter's assembly agenda: approved.

15. Task List

- Kyle Hanson to break out interest expense (ECDC/Church/Other).
- Kyle Hanson to create restricted campaign account so that the ECDC money is segregated.
- Tim Timmerman to provide budget policies and procedure recommendations to the board for approval no later than July's meeting.

16. Future Meeting Schedule

- BOD Meeting June 19th
- Voter's assembly Sunday
- Next planned Voter's meeting is December.

17. Closing Prayer: Jason Hynes

18. Motion to adjourn: Gary Peppel
Seconded: Tracy Holt

Time: 8:37PM