

**Divine Redeemer
Board of Directors Meeting
January 16, 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, Vicar Graham Jenkins, Stephanie Cutler.

1. Call to order: Dennis Gehrke Time: 6:00 PM
2. Faith Exploration (Dennis Gehrke) Attitude of Gratitude: Too blessed to be stressed.
3. The minutes from December 12, 2022, meeting was approved.
 - Motion to approve: Jason Hynes
 - Seconded: Gary Peppel
4. Review of BOD Handbook (President: Dennis Gehrke)
 - Updates to calendar/layout
 - Updates to special reports section
5. CFO Report (Written Report: CFO Kyle Hanson not present)
 - A restricted gift of \$300,000 was made to the ECDC building fund.
 - Discussion on the land sale funds being added to restricted funds.
 - Offerings were down \$10,000 for the month, yet our YTD is up \$42,000.
 - Discussion on COO process/responsibilities for capital expenditures.
 - Discussion on capitalization policy/amount.
6. COO Report (Written Report: COO Renee Kandler not present)
 - Multiple maintenance level items completed throughout the Church and school.
 - Supply chain delays affecting completion of some listed items
 - Quotes being obtained for future completion of Church painting (inside) and men's bathroom.
7. School Report (Written Report: Principal Janet Bahr)
 - Staffing/Intent to Return forms being completed.
 - Discussion & Review of advertising/marketing plan completed by Tracy Markut.

- Discussion of Janet's Top 3 reasons to come to Divine Redeemer:
 1. Biblically based/Jesus is in everything we do
 2. Strength of our education
 3. Value proposition
- Tuition rates set for next year with increases of 3.5-4% in elementary and middle school.
 - ECDC rates with increases of 10%
- Triune to complete competitive market analysis on elementary, middle school, and ECDC rates in the local market area. Date of report TBD.
- Review and discussion on staff satisfaction survey results:
 - Overall, the results were very positive.
 - Further discussion on areas needing improvement.
- Church and School Auction scheduled for April 22nd, 2023.
- Prayers for Terri Anderson on the loss of her mother's husband.

8. Vicar's Report (Written Report: Vicar Graham Jenkins)

- Currently 6 months completed of his Vicarage, with 6 months to go.
- Vicar Graham presented on the progression of his studies and areas of involvement.
- Areas of involvement include, but are not limited to:
 - Bible study involvement and leading classes
 - Worship involvement
 - Professional development
 - Ministry Progress (Game night/VBS/Shut in visits)
 - Circuit involvement (meetings with various Churches in the circuit)
- Discussion on Vicar Graham's plans for higher education and future.
- Highlights of his vicarage to date have been as follows:
 - Our availability of multiple worship offerings.
 - The size of our Congregation.
 - Our strong beliefs and commitment to the Word; not just social hour.

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

- An updated organizational chart for 2023 was provided as required per the policy manual section 4.6.2.6.
- Discussion on the designation and accounting for the unsolicited restricted donation made towards the building fund.
- Discussion on the readiness assessments and financial feasibility process for the proposed ECDC project.

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

- FRC did not meet in December but resumed meetings in January under new leadership.
- Overall, financials are trending positively, but didn't see bump in December offerings (down \$16,000 vs budget) with YTD offerings still positive +\$23,000.
- Discussion on projections of future offerings based on the current economic climate and if this should be an area of concern moving forward.

- YTD revenue is positive +412,000 vs budget for the year.
- Monthly expenses were up +\$55,000 based on employee bonuses and project timing.
- Unrestricted cash balances remain strong at \$589,000.
- Restricted cash balances remain strong at \$1,180,000 including the restricted building fund donation of \$300,000, which came in late December.
- Very favorable asset to liability ratio of 1.6 reflecting a healthy financial outlook.
- RFP's will be issued for a new appraisal of Divine Redeemer's real estate and land holdings.
 - FRC/Triune to recommend commercial appraisal firms and provide bids to Pastor Seth.
- Fiscal practice audit submitted by Sitzberger.
 - FRC/Triune to recommend firms and procure bids for new audit services.
 - Currently under consideration are Ritz Holman and CLA (CliftonLarsonAllen).
- Discussion on existing vs future cash management strategy.
 - At the September board meeting, \$500,000 was approved by the BOD to be invested at Morgan Stanley.
 - On January 3rd, 2023, \$750,000 was wired to Morgan Stanley as the CFO identified that there was additional excess cash on hand.
 - Discussion was had on the definition of excess cash and what the future liquidity needs of the congregation look like.
 - FRC/Triune to provide definition of excess cash and provide detailed cash management strategy going forward to maximize return on investable assets.
 - Discussion on the investment of restricted funds vs non-restricted funds with FRC to further investigate and report to the BOD.
 - FRC/Triune to have a special meeting within five (5) business days of today's meeting to further discuss cash management strategy and report to the BOD.
- Motion to approve Ben Wehmeier and Dave Leibham to the FRC.
 - Motion made: Tim Timmerman
 - Seconded: Ken Saydel
 - Motion passed.

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

- Last meeting focused on the duties and responsibilities of Elders to begin the new year.
- Discussion was had about how to best utilize the time and talents of the Lay Elders moving forward.
- Discussion on the intentionality and strong hunger for being in the Word that our current Elder committee exemplifies.

12. Endowment Fund Report (Ken Saydel & Dennis Gehrke)

- A \$10,000-\$15,000 donation is being considered to the Church as a distribution from the endowment.
 - Future use of the proposed funds are TBD, but discussion was had on utilizing the funds for lights/monitors in the sanctuary.
- Funds are currently allocated 2/3 to bonds and 1/3 to equities.

- With the current state of the market, discussion was had on there being a need for a possible shift in the current investment strategy.
- The endowment of \$500,000 currently has a balance of \$440,000 due to poor investment performance in the historically stable bond market.
- Fall Estate Planning Forum is scheduled for October 14, 2023.
- Two (2) new names have been added to the Legacy Circle.
- Committee members are doing further work on cleaning up the bylaws and appendices.

13. Executive Committee Report (President: Dennis Gehrke)

- The Executive Committee did not meet.

14. Governance Committee Report (Chairman: Jason Hynes)

- Committee members to review and propose changes to the following sections of the bylaws:
 - 2.4 Election of Board Members
 - 2.4 Election Process
 - 4.6 Means of Monitoring (Executive Pastor)

15. Old Business

- N/A

16. New Business

- New organizational chart and operational structure circulated.

17. Future Meeting Schedule

1. February 20, 2023 (February BOD Meeting)
 2. May 21, 2023 (Voter's Assembly)
 3. December 3, 2023 (Voter's Assembly)
- At the February meeting, Triune will present the proforma for the proposed early childhood development center to the BOD.
 - March 13, 2023 will be the regular BOD meeting.
 - A specially called BOD meeting will take place on March 27, 2023.
 - Lutheran Church Extension Fund (LCEF) to present the results of the readiness assessments/forums to the BOD.
 - Discussion on the addition of a task list to be summarized at the end of every BOD meeting. To be implemented at the next BOD meeting on February 20, 2023.

18. Closing Prayer: Dennis Gehrke

19. Adjourn Time: 7:48 PM