

Finance Committee Meeting

February 10, 2025

Attending in -person: Rick Blum (staff), Tyler Gold (chair), Diane Wenzel (staff), Greg Vlack, Sara Ritter,

Attending online: Gary and Kris Schmuhl

Not Attending: Nan Schilling, Adam Frey

Addressing Financial Challenges and Stability

Rick discussed the financial situation of Good Shepherd, noting a decrease in revenue year-to-year despite a good start to the year. He attributed this, in part, to a 1% drop in giving this Fiscal year, instead of the 7.1% increase projected. Rick also mentioned that Good Shepherd's general fund was still at a healthy level, but reserves were getting low and approaching the 3-month reserve threshold. He emphasized the need for proper cash flow analysis going forward and the importance of not running a deficit in the next fiscal year's budget. Rick also mentioned the upcoming capital campaign and the need to avoid unexpected major expenses.

Youth Group Fundraising Bylaws Clarification

Rick and Tyler discussed a question about fundraising within the church, specifically whether only the youth group was allowed to do so. Rick mentioned that he had found a clause in the bylaws stating that committee ministry teams and task forces should not exceed their budget nor raise funds without approval from the board. However, he could not find the clause restricting fundraising to youth, and he was unsure if this clause was removed when the bylaws were updated in 2022. Rick mentioned that he had reached out to Tom Golden, who had done the revisions, to ask about the clause.

Tyler discussed the possibility of other groups being allowed to fundraise in the lobby, a topic that will be discussed by the board in the coming weeks. Rick suggested that the board may direct the Finance Committee to come up with a strategy for allowing other groups to fundraise, while still prioritizing the youth. He also mentioned that the board may ask them to draw up new guidelines for appropriate fundraising in the lobby.

Budget Planning and Restructuring Discussion

Rick discussed the upcoming budget planning process, highlighting potential restructuring and the need to keep funding in check because of diminishing reserves. He emphasized the need for transparency in explaining the financial situation to the congregation, as some members might have unrealistic expectations about the availability of funds. Rick also mentioned the need for a capital campaign to address maintenance and repair costs, as well as the need to add staff to reach new people in Verona. He suggested that the budgeting process might need to be approached differently this year, considering potential changes in staff roles and priorities. Kris agreed with Rick's points and suggested that the budgeting process should be discussed in the next meeting.

Capital Campaigns and Consultant Presentations

Rick discussed the history of capital campaigns at Good Shepherd, including campaigns in 2019 and 2022 and the process involved selecting a consultant. He expressed concern about the upcoming campaign, which will be different from the previous ones, as it will involve maintenance and personnel instead of mortgage reduction. Rick has talked to three consultants and proposed that all three consultants he reached out to give presentations to the board. He also mentioned the possibility of not using a consultant this time, as the church has gained experience and has a good understanding of their capacity. Rick estimated the campaign would likely be around \$1.5 to 2 million dollars over three years. He hoped for the board to make a decision about which way to go by the April Board meeting.

HR Updates

Rick also hoped to have a facilities manager hired by the end of the week. Rick also talked about the challenges of finding a suitable replacement for Joanne Zastrow in Children's Ministry, who is leaving in May, and the need to plan for the summer after she leave. Rick encouraged everyone to attend the upcoming congregational life meetings to ask questions and stay informed. The conversation ended with the Lord's Prayer.

Next steps

Tyler to draft a fundraising policy for review by the Finance Committee before the next Board meeting.

Rick to present the capital campaign proposed schedule to the Board next week, including options for consultants.

Diane to follow up with Kris regarding the completion of December and January financial records.

Next month, the Finance Committee will talk about preparing for the budget planning process.

Rick hopes to finalize the hiring of a facilities manager by end of the week.

Finance Committee members are encouraged to attend and promote congregational life meetings on February 16th and 23rd.