Finance Committee Meeting Minutes

June 9, 2025

Attending: Tyler Gold (Chair/Board Rep.), Greg Vlack, Gary Schmuhl, Kris Schmuhl, Sara Ritter, Diane Wenzel (Staff), Rick Blum (Staff)

Attending Online: Adam Frey

Quick recap

The meeting covered financial matters, including budget discussions and revenue projections. Rick presented the fiscal year results, discussed potential fundraising campaigns, and outlined concerns about financial decisions and priorities for repairs and maintenance. The committee also reviewed contribution estimates, budget allocations, and plans for Little Blessings program, while considering ways to improve decision-making processes and address upcoming financial needs.

The meeting began with a prayer at 6:30 p.m.

Results YTD

Tyler presented the fiscal year results, noting a significant jump in revenue due to $235,451 in employee retention tax credits received in May. He mentioned that the church is about $90,000 in the negative. This is better than anticipated, but the dashboard did show low income in May.

G-Force: Rick also discussed the status of a potential fundraising campaign. If it happens the hope would be to raise $1.5 million over three years, with an expected infusion of $500,000 to $750,000 by the end of the year. Rick highlighted looming maintenance costs of $1.2 million over two years and the need to prioritize repairs, such as replacing parking lots and updating mechanical systems. He emphasized the importance of developing a comprehensive plan to address these financial needs and personnel requirements, which may become clearer in three weeks if a campaign is launched.

However, the campaign is currently "stillborn" due to lack of leadership and committee members. The campaign needs to be fully assembled by the end of June, or it may be postponed. Rick expressed concern about the timing, as a new lead pastor may not be in place until then.

Board Update and EC Update on ERTC money: Tyler explained that the Board in May did not take the Finance Committee's decision to place the $235,451 in reserve. Instead, they chose to give a "tithe" of $23,545 to the SCSW ELCA Synod and give the rest of the interest to Outreach programs.

Greg asked the committee how they received that news. He said he was taken aback and irritated, because he thought the committee had made a responsible decision. He'd not like to see money going out the window. There's a lot of stuff that needs fixing after 20 years. We need a plan in place so we're not scrambling. He wondered what the board was thinking.

He was concerned they were nonchalant. He said that we're not throwing darts in the dark. If they don't want to hear about it, don't ask for our opinion. It really chapped him badly. Greg said he was not blaming Tyler. But he wants to make sure this church is good and wants to see this budget work.

Diane said that we got this money because we paid people during COVID, when they couldn't work. A big portion of the money was for that.

Greg said he looks at this money as replenishing money that was already spent. If we can't sustain ourselves, we can't help others.

Tyler admitted he could've voted no, and I didn't.

Rick explained that the Executive Committee met on Sunday, June 8 and has made a recommendation to reverse the board's previous decision and will revisit the discussion with a new motion that will recommend the money go into a board designated fund for future consideration.

Rick also provided updates on various financial gifts and bequests, including expected estate gifts totaling around $223,000, and a potential larger estate gift expected to settle early next year, with proceeds to be split between the church, The Good Shepherd and Allied Drive food pantry, and foundation. He said the food pantries should receive more than $300,000 from the estate over the next year, and the Foundation should receive more than $600,000. Rick said if the foundation sticks with a 4% distribution rate next year, it should allow to distribute $24,000 annually starting next year.

FY 26 Budget: Rick reviewed the contribution estimates for the fiscal year, projecting a total of $1.688 million, which he felt was accurate. He noted a 4.9% increase year-over-year if the estimate is met. For fiscal 2026, the estimated contributions are projected to be $1.77 million, a 4.9% increase from the current year. Rick explained that the revenue estimate for FY 26 has been slightly increased to $2.24 million, which is $84,000 less than last year's budget. The estimated expenses are also up slightly, mainly due to changes in salary timing and increased grant revenue. As a result, the organization is projecting a surplus of $18,166, a significant improvement from last year's projected deficit of $92,996. Rick mentioned plans to hire a part-time administrative assistant and talked about the ongoing search for a children's ministry leader.

Rick proposed reallocating $5,000 from the proposed surplus to increase our contribution to the Synod and restoring a $10,250 cut from outreach, which would reduce the surplus to $2,700. He suggested this approach might make reversing the distribution of ERTC money to the Synod and Outreach more acceptable at the upcoming board meeting.

The committee agreed that while a formal motion wasn't necessary, they supported the idea of updating the budget to reflect these improvements. Rick noted that while the church should maintain some financial flexibility, they needed to ensure the budget would be sustainable long-term, particularly given their current $90,000 deficit.

Little Blessings Revenue Update

Rick reviewed the revenue situation for Little Blessings, noting a decrease in district payments due to fewer students in the 4K program but an increase in private pay and extended day enrollments. He highlighted a projected surplus of $13,000, with potential for additional revenue from an after-school program if more students sign up. Rick expressed confidence in the current revenue estimates and mentioned ongoing efforts to expand facilities and programs.

Audit Committee – Diane says between Nan Schilling and Kris Schmuhl, they are all caught up on reviewing materials.

Action Items:

- *Rick will continue efforts to recruit members for the fundraising campaign steering committee by the end of the month.*

The meeting ended approximately 7:40 p.m.