Finance Committee Meeting Minutes

April 22, 2025 - Madison

Attending: Greg Vlack, Gary Schmuhl, Tyler Gold, Adam Frey, Rick Blum

Not Attending: Sara Ritter, Kris Schmuhl, Diane Wenzel

Meeting Summary for Finance Committee Meeting

Apr 22, 2025 06:22 PM Central Time (US and Canada) ID: 885 0667 5666

Quick recap

The meeting covered financial matters, and fundraising plans for Good Shepherd church. Rick presented the current financial position, budget projections, and proposed expense reductions for the upcoming fiscal year. The group discussed the need for a fundraising campaign to address budget constraints, facility maintenance, and operational needs, considering the possibility of hiring professional consultants to assist with the campaign.

The meeting opened with a prayer from Gary Schmuhl.

Financial Statement and Dashboard

Tyler led a meeting discussing the financial position of Good Shepherd for the current year and the creation of a budget for 2026. He presented the financial statement review for March, noting an increase in overall revenue and a decrease in the variance regarding the budget. He also mentioned the addition of the prior year's actuals to the financial dashboard for comparison.

Other Items

Budget Review – Stage 1

Rick then moved on to discuss the budget and the possible capital campaign, asking for input and questions from the board.

Rick discussed the revenue estimates for the upcoming year, which are lower than last year's budget. He explained the logic behind the FY 26 estimates, which are based on a 4.9% increase in contributions year to year. The estimated income is $34,000 less than the FY 25 budget, and the budget is currently balanced. Rick also discussed the expense reductions in the FY 26 budget, which include a reduction of $56,000 in salaries and a reduction in spending on facility repairs. He mentioned the addition of two new positions and the reduction of Pastor Sheryl’s FTE. Rick also discussed the changes in the budget for outreach groups, which included added discretionary spending. Tyler suggested adding more details to the slides, such as the prior year's budget numbers, to provide a better understanding of the budget changes.

Church Budget and Compensation Discussion

Rick discussed the budget and compensation rates for church positions, noting that Good Shepherd pays higher rates than most churches. He also mentioned a comparison between their advertised salary for a Children's Ministry position and a part-time position at St. Luke's in Middleton. Sara provided feedback on the Powerpoint presentation, suggesting changes in formatting and wording. Rick agreed to make these changes.

Fundraising Proposals for Campaign

Rick discussed the need for a fundraising campaign to address budget constraints and meet the congregation's needs. He highlighted the decline in capital funds and the need for increased resources, such as money for a dedicated youth director and a music director. Rick also mentioned the proposal for a site pastor in Verona, which has received mixed reviews. He emphasized the importance of addressing facility needs, as identified in a 100-page report, and the potential risks of not doing so.

Rick discussed the need for a campaign to raise funds for the church, highlighting the importance of storytelling and donor engagement. He will propose working with GSB to the board, citing their expertise in campaign strategies and their ability to adapt to the church's unique needs. Rick outlined the campaign's goals, including increasing capacity and transitioning from one-time gifts to permanent increases in general fund giving. He also presented a timeline for the campaign, including community forums, commitment team work, and a potential all-church event.

Rick discussed the proposed cost of hiring a professional fundraising team at $44,400 (or $4933 a month), which he believed would be worth the investment. Rick mentioned that if there were signs, whether due to a change in the economy or early reaction from donors, that this campaign would not be successful, we could stop payments and not be on the hook for the whole amount. He mentioned that without their help, the campaign might be $250,000 smaller. Rick also expressed concerns about trying to do the campaign in-house without the team's help, as it would impact other tasks. He suggested the possibility of reducing the team's services and taking some of the work in-house, but this decision has not been made yet. The team agreed that hiring professionals could be beneficial, despite the current financial uncertainty. Rick also mentioned that the money for the campaign is not in the budget and would be paid out of capital funds.

Maintenance Concerns and Potential Plans

Rick discussed the maintenance concerns at the Verona and Madison locations, including the need for roof replacements and parking lot repairs. He also mentioned the potential for a maintenance plan with Hooper, which would cost around $80,000 annually. Rick expressed concerns about the strain on resources if they were to do the work in-house and suggested that they might need to rely on volunteers. The decision to sign with a consultant was pending board approval.

Church Fundraising Campaign Discussion

The committee discussed the potential of a new campaign to raise funds for the church's operational needs and maintenance. They agreed that the campaign should focus on the ongoing maintenance and operational needs of the church.

Greg V. said he supports the campaign fully.

Tyler asked whether we paid the fee to the consultant the same way in 2019? Rick said yes, we paid it in 9 equal payments. Tyler suggested that we could inquire about whether having some of the lead gifts pay the fee.

Tyler did say the other two presenters besides GSB on March 31 were dull. He’s not concerned about going back to GSB and doesn’t see it doing in-house as an option.

Adam agreed with what Greg was saying. He thinks we need a cultural shift, to talk about operational and personnel needs. It needs to pull at the heartstrings.

Gary also thought Greg summed it up very well.

Greg said this campaign is a different animal. He believes anyone that owns a home can understand the issue of continual maintenance. But he said the campaign will have to create momentum.

The finance committee supports the recommendation of the Generosity Committee to hire GSB.

The meeting ended about 7:40 with the Lord’s Prayer.

Next steps

Rick to update the budget presentation slides based on feedback, including adding prior year budget numbers and rewording the section about Joanne Zastrow.

Rick to refine the fundraising campaign presentation for the Board meeting on Monday.

Rick to explore potential cost reductions with GSB for the fundraising campaign proposal.

Generosity Committee (G-Force) to formally recommend moving forward with GSB for the fundraising campaign to the Board.

Rick to present the updated budget and fundraising campaign proposals to the Board on Monday.