

Finance Committee Meeting

April 15, 2019 6:00 p.m.

Attending: Wade Huseeth (chair), Tyler Gold, Lois O'Rourke, Rick Blum (staff), Linda Baaske (staff); Nan Schilling, Deb Simon, Andrew Seaborg, Not Attending: Jeff Kuchenbecker, Wendy Johnson,

The meeting began at 6:00 p.m. with introductions. We started with a devotion on Psalm 51 provided by the Adult Faith Formation Committee, which the entire congregation is using during Lent.

Shared Leadership Update – The meeting started with Lois O'Rourke giving a presentation about the Shared Leadership Task Force to keep people informed about the process. She talked about the charter of the group, and their efforts to be more transparent and visible to the congregation.

She emphasized the need for shared leadership among stakeholders at church, including the pastoral team, the congregation, committees, staff and board.

She also talked about the need for a communication strategy to deliver the plans of the task force. She said the need will be to have the board communicate the work of the church better and develop a two-way form of communication from the board to members.

She emphasized the biggest impact for the Finance Committee will be to have “reader friendly” financial reports.

She also said one of the key takeaways from the task force will be to codify a lot of the activities of the committees, make sure they know their responsibilities, and how to distribute communications to the congregation.

Lois also talked about the desire to have a ministry fair once a year.

Linda asked where people will be able to find out about committees? Lois said a lot of it will be on the website. Andrew added that an app will be coming soon that should be able to supplement communication to the congregation.

Update from Board/Executive Committee Meeting –

Wade says he has received positive feedback on the Charter. However, he did warn that the charter will need approval of the full board later this month.

Wade also said the audit committee has been approved by the Executive Committee with Deb Simon, Wendy Johnson, and Lois O'Rourke as members. The scope of their work be developed soon.

Wade also said there was a lot of talk at the last Executive Committee meeting about the Nemec Gift.

Financials –

Linda B. said she moved the \$70,990 in gifts made in '17 for '18 to '18 to better represent giving and be able to compare numbers from this year to next year.

Linda B. says the benefit administration fee was higher than expected, in part because administration fees couldn't be spread out to other departments. That was due, in part, to former employees still on the plan who didn't have a logical department to be assigned to.

Andrew suggested that Rick B. should approach Empower about requiring 403b participants who are not working at Good Shepherd anymore to convert their holdings to an IRA.

Lois asked about what happened to the \$128,715 that was listed as restricted contributions in Property in 2019 to help pay for the mortgage. That led to a discussion to what happened. Rick explained that was money in the Mission in Motion account at the beginning of 2019 that was expected to help pay for the mortgage. The money was in there when the budget was approved by the board, but before the financials were finalized. However, after Wegner reviewed the numbers after the budget approval, they moved most of that money out to pay for capital improvements that were made in 2018 in Madison. That means we will have to use another \$128,715 in reserves to make up from that money going away. But that money would not have existed if we hadn't made the change to pay for the improvements out of the Mission in Motion fund,

Someone asked about why the telephone budget was high. Rick said that was due to capital costs incurred due to the changeover from TDS Metro to Spectrum Fiber. Once we move over to Spectrum, however, the costs will be appx. 30% lower monthly, and we expect the year-end costs to be about the same as estimated in the budget.

Lois thinks having \$1.1 M at Oak Bank carries some risk.

Linda B. asked whether we should show the Mortgage principal payment on P. 3. Wade says he likes like this for now, but that this may not be the way we show this to the congregation going forward.

Andrew says the board would like to see more changes to make the financials more understandable. Linda B. said we have already come a long way, and that it takes her less than a day to create the financials now, even though it used to take her two weeks.

Lois moves, Tyler seconds approval of the financials. There were no comments. The motion was approved unanimously.

Review and Discussion of Significant Gift Received – The church received a check from the estate of Jennie Nemecek approximately a month ago of \$297,160. The church knew something was coming but had no idea how large a gift was coming.

Lois has concerns about increasing costs and that may lead us to create another budget crisis, potentially another \$200,000 shortfall in the budget for 2020.

She wonders whether we can restrict some of this money for youth programs for future years.

Lois has some doubts about whether to give money to the foundation. She's not sure we can afford to be that philanthropic at this time.

Wade wondered whether we can take out the specific gifts and give the rest to pay for CYF in 2019....and beyond.

Wade suggested we make the money board designated, and not restricted.

After a lengthy discussion, Andrew said the key recommendation being given to the board from the finance committee is caution.

The strongest feelings from the committee is to NOT give money to the foundation, and to use EXTREME CAUTION to give to anything that has carryover impact on next year's budget (salary increases), while at the same time trying to honor the donor's wish. He said the key will be to message that the best way possible while still being transparent.

Update on the Capital Campaign –

Rick explained the search process that went into finding a proposed Capital Consultant from outside the church to conduct a campaign later this year. Rick said he researched and did preliminary interviews with 9 companies and assembled a screening committee at church to help determine who we should hire. The committee was made up of Rick, Pr. Chris, former president Tom Golden, Sarah Schaettle from the Generosity Committee and Mike Semmann, who ran the last MIM campaign. That group narrowed the consultants down to 4: MIF, Kairos (who owns the Joshua Group), James Co. and GSB.

All 4 groups presented to the committee on March 19, which by that point had added Tyler Gold from Generosity, Sarah Iverson, Steve Frei (another former MIF chairperson) Board President Gerry Born and Board VP Andrew Seaborg. After hearing all 4, a straw poll was conducted, where the group placed GSB and James Co. in the top 2. Rick was asked to create a report card for all 4 to determine suitability for Good Shepherd. The group also asked for the lead consultant for GSB, Mike Ward to conduct a video interview in April (since he was unable to present himself on March 19 due to his Spring Break.)

After the votes were counted, GSB ended up on top. So, the recommendation will be made to the board to hire GSB as the consultant for Good Shepherd, to conduct a Capital Campaign this fall in tandem with our annual Generosity Campaign.

Discuss Next Month Activity –

Wade asked what the group wanted to talk about it next month. Andrew asked staff to look at the Fidelity Charitable Gift Fund. He said the way it works is a gift the stock is given to the fund. Fidelity sells the stock on behalf of it and sends the cash from the sales to the church. The costs are next to nothing, and it's really easy. He thinks it would be more affordable then going through Buttonwood. Wade said figuring what vendor we should use really is the staff's decision, not the committee's decision. Lois thinks getting the board's advice still would be advisable in regard to establishing a donor advised Charitable Gift Fund for Good Shepherd.

Wade said he hopes the committee members will come with thoughts about financial statement formats and a discussion of restricted funds. Deb suggested we also talk about how wide we want to distribute the dashboard to the congregation.

The meeting ended at 8:00 p.m. with the Lord's Prayer.