

IMMANUEL LUTHERAN CHURCH & SCHOOL

BOARD OF DIRECTORS

MEETING MINUTES

DATE: March 25, 2014

BY: Becky Pitman, Secretary 2016

PRESENT: Dan Ebert, Board Member 2014
Rod Kumm, Board Member 2014
Mike Schumacher, Board Member 2014
Anna Brandt, Treasurer 2015
Scott Hays, Board Member 2015
Dave Liefer, Vice Chairman 2015
Kelly Colbert, Board Member 2016
Matt Peters, Chairman 2015
Jason Auringer, Senior Pastor
Todd Liefer, Associate Pastor
Allison Dolak, Principal
Keith Pelster, Business Manager

Guest: Tammy Brenningmeyer, Assistant Principal

CC: File - Dropbox
Website

The following minutes express my understanding of the items discussed. Please respond within five days of receipt if any changes are required.

If any action is required, the name indicates the responsible party and the date indicates the due date.

Meeting called to order at 7:05 p.m.

Pastor Auringer opened with a prayer.

Dan Ebert motioned to accept the minutes from the 2/25/14 BOD meeting. Mike Schumacher seconded the motion and all approved.

Matt Peters presented a request from Todd Liefer to change his housing allowance. Rod Kumm made a motion to accept the change, Scott Hays seconded the motion and all approved.

Constitution changes were reviewed. Rod Kumm made a motion to approve the changes and bring them to the voters at a special voters meeting. Scott Hays seconded the motion and all approved.

The Weapons Policy was reviewed and changes were made. Scott Hays motioned to approve the policy as amended, Dan Ebert seconded the motion and all approved.

Rod Kumm motioned to hold a special voters meeting prior to the May voters meeting to present the changes to the Constitution. Mike Schumacher seconded the motion, Dan Ebert opposed but all others present approved.

Pastor Auringer gave his update on the church. See attached.

Todd Liefer gave his update on the church. See attached.

Allison Dolak gave her update on the school. See attached.

Keith Pelster gave his business manager update. See attached.

Anna Brandt gave her financial update. See attached. A motion was made to approve the treasurers report from February 2014 by Dan Ebert and Mike Schumacher seconded. All approved.

Discussion on the Thrivent Neutrality Policy was tabled until the next BOD meeting.

Discussion on the Capital Campaign is ongoing.

No nominees have come forward for the BOD spots yet.

Becky Pitman made a motion to table new policy updates and new business, Mike Schumacher seconded the motion and all approved.

Mike Schumacher made a motion to adjourn, Rod Kumm seconded the motion and all approved.

Goals

From
Senior Pastor

SHORT TERM

Personal/Professional:

1. Participate in *Pastoral Leadership Institute (PLI)* with goal of growing in leadership/management skills
2. Carry out performance reviews two times a year of church staff
3. Make measureable progress on my dissertation by completing the prospectus and final research

Church:

1. Make the policy manual clearer
2. Brainstorm & dream about Immanuel's future

LONG TERM

Personal/Professional:

1. Develop staff to meet the demands of a growing congregation
2. Preach & teach more effectively on stewardship so that our long term financial obligations might be met at the same time as expanding our expenditures for local and global mission work.
3. Complete my dissertation

Church:

1. Increase weekly Worship & Bible Study attendance to 750 & 150 respectively (Currently 600 & 125)
2. Improve by 10% the number of stewards active in volunteering



Board of Directors—Associate Pastor's Report

March 25, 2014

Confirmation

Just a reminder that all BOD members are asked to attend the **Confirmation Reception** on Saturday, April 12 at 6:30pm. It will be dessert reception to honor all of those being confirmed this year.

Outreach

Immanuel's **Easter Egg Hunt** will be Saturday, April 19. It is free and open to the community. We are currently collecting candy for the event.

Vacation Bible School will be June 9-13, 2014. Captive Free will again be our house band. I'm curious how this will go with the HWY N construction starting around then ...

Youth

GROW: Our Sr. Youth continue to have "Bible Study" nights at my home once a month.

MOVIE NIGHT: We're planning to go see *God's Not Dead* (PG) this Sunday, March 30.

NYG Fundraisers: To date, we have raised \$5,796.34 for the 2016 NYG. My goal is to raise approximately \$10,000 per year. With the Easter Breakfast and Quilt Raffle, we should be right on track toward that goal.

Weddings | Baptisms | Funerals

Weddings: I performed a wedding for **Margo Hoffmann** and **Larry Shanley** on March 14, 2014.

Baptisms: I performed a baptism for **Eli Robert Willis** on March 23, 2014.

Funerals: I assisted in the funeral for **Carolyn Meyer**.

Small Groups

I've been leading a **Small Group Bible Study** for THE STORY this year. We meet twice a month and we regularly have 10 young adults attending the group. We are already making plans for continuing the group for next year.

Principal's BOD Report for 3-25-14

1. All Accreditation Paperwork is DONE and turned into the visiting team.
 - a) There will be a dinner on April 15th (location TBD). I would like to have a BOD presence there. Please let me know if you can attend a 5:30 dinner.
 - b) At 3:45 on Wednesday, April 16th, the Visiting Team will be giving their suggestions and report. If any BOD members could be there, that would be wonderful as well.
 - c) All Exhibits are to be done and handed into me by the week of April 7th.
2. Our numbers are still very steady. We currently have 40 Kindergarteners enrolled. We currently have more enrolled for next year than we have this year. I anticipate all Jr High classes being full, with the exception of 8th grade.
3. Grandparents Day was a HUGE success! Over 600 people were in attendance.
4. Next month Carl Moser will present to BOD regarding the Church Improvement Plan.
5. BOD-Professional Development-Separate Handout.



IMMANUEL LUTHERAN
CHURCH AND SCHOOL

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To: BOD
From: Keith Pelster
Date: 3/25/14

LCEF Options

The LCEF loan and the Interest rate exposure on our loan is the greatest financial risk we face. On a \$6,700,000 loan, every 1% increase in the interest rate increases our yearly cost of the loan by \$67,000. Or about \$335 for each active family. With this scenario in mind, Anna and I met with Dennis Klusman of LCEF to discuss the church's options.

Our current loan payments of interest only expire on March 5, 2015 [church/school] and November 19, 2015 [MPC Building], at which time we will need to refinance at the then prevailing rate on a 30 year amortization schedule loan. This loan will not be a traditional fixed rate loan as LCEF does not offer such loans. It will have a term of 5 or 10 years of fixed rate after which the remaining balance will need to be renewed or refinanced at the then prevailing rate. The current rates for these loans are: 4.625% for the 5 year and 5% for the 10 year. Due to the requirement to also pay principal, the monthly payments would rise by about \$8,000 for the 5 year and \$10,000 for the 10 year plans. LCEF calculates their rates based on the formula that they pay their members for savings and CDs, therefore their rates lag the overall market. If we decide to refinance early our only closing cost would be Title Insurance. I recommend that we do not refinance immediately, but keep watch on overall rate trends and be prepared to refinance early to the 10 year loan if rates look to move up in the broader market.

We will need to conduct a new capital campaign that we will need to be working on in the fall of this year with a projected rollout date in the first quarter of 2015 [mid-January with a competition date prior to the Lent/Easter season]. LCEF offers "Capital Funding Services" who would help with the campaign for a cost of approximately \$40,000. If we accept this option, LCEF would reduce our interest rate by .25% for 5 years, creating a yearly savings of about **\$12,000**. I recommend we use LCEF's Capital Funding Services because the net present value of the interest rate savings is greater than the cost of using them. It is Anna & my suggestion we have someone from Capital Funding Services come and present their services to the BOD and the capital campaign committee prior to the May voters meeting so the voters could vote/approve the decision.

Last year LCEF has us send out brochures to try and increase our church depositors to LCEF. Well now LCEF has a new program called, "Shared Blessings". In Shared Blessings, congregations can reduce their interest rates by .25% if 7.5% of communicant members are members of LCEF by having an account of any size. If we were to achieve a 15% participation rate, we would obtain a .375% reduction. ILCSW is 35 investors short of the 7.5% tier. It would translate to about \$17,000 per year (12,000/yr. on an amortized 30 year loan, as the balance owed drops) savings if we could meet that 7.5% level. We could save \$25,400 per year (less on a 30 year loan) if we could reach the 15% level. Our current loan of 4,940,849 is eligible for reduction now, which would generate a 12,352 savings for the first year. LCEF has programs offering children savers a 3.5% return

on their first \$1,000 as well as bonuses for good grades. Accounts can be started with \$25 invested for kids and \$100 for adults. I recommend that we aggressively promote this. But in so doing we should make sure people know that LCEF unique structure does not allow them to participate in FDIC insurance. Dennis Klussman has offered to come to our Sunday Services to talk to the congregation, explain the program and then be able to answer any specific questions for any individuals after the services.

Properties

The parking lot pavement is crumbling in many areas. Water is pooling below the surface and bubbling up, creating voids when it recedes. The original installer and other companies have submitted bids. The original installer's estimator did not know what to do to address the water issue. During the thaw of last week, significant additional areas have also started crumbling. I have been approaching additional people and paving companies to address the repairs and the water issue. There has not been agreement on the source of the water. Possibilities include a spring, pooling run-off, and more. Improvements to the drainage system in the parking lot itself will probably be needed. Just today, I measured some of the broken areas and found a pavement depth of 1" - 2.5" the contract and architectural plans called for 3." I will investigate this further.

Our heating costs have been very high. The building was planned with a \$1/sf/year utility cost when built. Our costs greatly exceed that. Not all of that is attributable to cost of energy increases. We are investigating retrofitting the building with additional insulation and weather-stripping. This will have high up-front costs, but could provide years of savings and increased comfort. I am looking into an energy audit with recommendations for improvements.

The competing needs for additional storage, office and future classroom space is an ongoing issue.

The problems with the organ have been solved. Issues with lighting and possible relocation of the sound control system remain.

The fence around the septic system equipment has been installed. We are also looking into adding slats similar to those on the propane tank fence for appearance and smell improvement.

Facility Rentals: A survey of comparable facilities indicates a market rate of \$50 / hour for gym rentals. We have increased the rate ongoing groups pay to \$50/ 1.5 hour with the intention to moving to \$50 / hour. The outdoor fields are only available for very limited use as the turf needs to be more established before we allow full utilization. I have obtained proofs for signs for the baseball and soccer fields indicating that all use must be scheduled with the church office in advance.

I would like to see additional ministry use of the gym. We have tentatively held out Sunday evenings for possible Immanuel family nights. Depending on how interested people are, this would involve opening the gym up for families to play basketball, volleyball in the gym, games and children's activities in the cafeteria. Food and refreshments would be a possibility if enough people are supportive of the idea. The goal would be to welcome and promote friendships between church and school families creating a greater sense of belonging.

Human Resources

Progress at correcting past deficiencies in employee personnel paperwork is going well.

Many of the ILCS generated personnel forms are overly confusing, outdated or missing. The staff needs a better explanation of, and education about insurance benefits and options. It will require some research and considerable time and effort to get all of this current. Some of the policy updates will require BOD guidance and approval.



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To: BOD
From: Anna Brandt
Date: 3/25/14

Financial Statement

All ministry expenses continue to be under budget EXCEPT for Property & Maint due to bad luck on weather. We have paid out in excess of our budget, \$ 45,000 in Utilities and Snow removal through 2/28/14.

Lutheran High Assessment [Arrears]

At the January Voters meeting we needed additional donations of \$ 8,075 to meet our current year obligation and all past due assessments. That estimated net amount is currently at \$ 5,400.

LCEF

When meeting with Dennis Klussman we were informed that David Agne is still on record as ILC's representative. I talked with David and he requested we have his name removed and assign it to someone else. Also Dennis has encouraged Keith & I to schedule a time for him to come out and explain the "Shared Blessing" program to the congregation [I think a Sunday shortly after Easter would be good]. This really is an opportunity to save some \$ on our debt.

Debt Reduction:

Last fiscal year debt reduction was \$ 37,850

This fiscal year debt reduction is \$ 45,400 + approx 2,200 from Sausage Sales