

# LLB Meeting Minutes: August 2022 (As approved 9-26-2022)

**Subject/Purpose:** Regular monthly meeting

**Date:** Monday, August 29, 2022  
**Time:** 5:30 PM  
**Place:** Meeting Space 3, Christ Lincoln Sumner

**Zoom connection:** None utilized

**Participants:** ☑ indicates attendance

**Members:** ☐ Tom Lorenz (Chair), ☐ Jud Jesske (Vice-Chair), ☑ Rick Stowell (Secretary), ☑ Kyle Kaldahl (Treasurer)  
☐ Chris Cox, ☑ Heidi Cuca, ☐ Jeff Lake, ☑ Gary Pickering, ☑ Kristy Plander, ☑ Shayla Reed

**Executive staff:** ☑ Michael Eckelkamp, ☑ Mike Milbourn

**Desired Outcomes of the meeting:**

- DoM and other leaders have feedback and direction desired to advance highlighted ministry items for 2022-23
- Feedback provided to FoC, Treasurer and COO on progress made in and plans for enhancing fiscal management

**Agenda items**

**Call to order / Opening prayer:** Rick called meeting to order at 5:30 p.m. in Tom’s (medical procedure) and Jud’s (away on business) absences. Prayers made for church and for Tom’s health and recovery. Kristy took notes.

**Minutes from prior meeting:**

Kristy moved (Heidi 2<sup>nd</sup>) to approve the July meeting minutes. Motion carried wo/dissent

Business Item:	Purpose: Inform/Discuss/Decide	Notes provided prior to meeting	Duration
1. DoM report	Update on Desired Outcomes		20 min

Pastor Eckelkamp reflected on his first year as DoM here at CL. He has become keenly aware of important, multifaceted, and often divergent needs, including:

- Build/capital campaign
- Address debt
- Maintain financial viability
- Figure out staffing in ways that help us to accomplish the mission

He confided that it’s hard to make a plan for “here’s where we are going and here’s how to get there.” He is trying to figure out a collaborative pathway forward in determining how and what to present to the congregation.

**Discussion:**

LLB support: What can LLB do to better serve CL and support DoM? Feedback included:

- Function more as a working board; more than a listening board
- Help prioritize
- Determine who (LLB or DOM) sets the pathway forward and then move the ball forward together
- Share individual perspectives of the congregation; it helps to see where people are coming from
- Gather input from prior board chairmen
- Devote time to a strategic planning session/retreat

The congregation is asking questions – there may be a void in communication from us.

Adult education: Pastor and Bernadine Eckelkamp are teaching a parenting class on both campuses on Wednesday nights. Adult education and bible studies are needed. Lack of adult education holds us back from casting vision and raising up disciples. Aaron Hedlund is coming in October, which should be a boost for adult education.

**Decision/Recommendations:** Continue conversation on enhancing LLB-DoM effectiveness

**2. Treasurer report**

Inform and update

25 min

Kyle noted that FOC's focus has been on financial health, accountability, and transparency. The most progress has been made on transparency. The guiding ratios we put in place are helping us be more financially healthy. We could improve accountability. We work with the Harger Group to assemble a monthly statement of cash flows and balance sheet. Kyle does the income statement after the month's transactions are complete. There was no questionable activity, but the way accounts were set up was a mess. We've cleaned up designated funds. Harger has been a great partner in our efforts. However, we still aren't where we desire to be. Often Kyle doesn't get information from Harger until the day of a meeting – that part is a challenge.

Kyle's central question is: What's the greater vision of financial operations and who is championing things on the financial side? We did approve a Financial Coordinator position. Responsibilities for this position are trending toward day-to-day transactional duties so Kim and James can be available to do other [more strategic] things. Harger was a great solution for what we needed at the time, but long term it may make sense to have a Director of Finance so it's someone's priority to oversee finances. Churches that are smaller than us have financial managers. Kim and James are stretched thin and can have difficulty getting questions answered.

**Discussion:**

Mike noted that Karissa at Harger Group is going to bring in a colleague to help clean things up. Harger, Kim, James, and Mike will meet next week to see what gaps we have before we make a decision about a financial director. We are also getting Mardus software (training starts in Sept.). We are hoping that the new software will address some of the challenges and the time spent on finances and generating financial reports.

Kyle recommended separating development and finance duties (currently staff have dual roles) to avoid conflicts of interest.

Kyle also asked whose duty is it to make and maintain our chart of accounts. Harger may not be thinking about visionary questions as much as a finance director in house would. On the other hand, it's comforting to congregants to see a CPA firm working with us. Harger also costs a quarter of what our prior finance person cost. Mike said we have room in the budget for Harger to do more. We just haven't gotten to best practices conversations because of the ongoing cleanup.

Year-End Summary: Kyle reported that we finished the 2021-22 fiscal year with a net positive balance of \$90,853. This means that we more than made up for the negative budget. The total difference in budgeted revenues – expenses was a positive \$238,000, mostly a byproduct of having a number of open positions (salary savings).

The FOC discussed moving fiscal year-end funds to the contingency fund. The contingency fund serves as an emergency fund and also helps maintain good practices from a cash-flow perspective. FOC also discussed moving the criterion for the contingency fund balance (currently 1 month's cash needs on hand) to a days-cash-on-hand, cash-flow policy. We can do this once we know the undesignated fund total.

**Discussion:**

Gary made a motion (Heidi 2<sup>nd</sup>) to approve moving \$91,000 of the fiscal year-end (2022) funds into the contingency fund. This would bring the contingency fund total to \$690,000. Motion carried wo/dissent.

Kyle reported that in July we had a \$3,600 deficit. However, giving was up 5%, as was budgeted.

**Decision/Recommendations:**

- Continue evaluation of need for a finance director after visiting with Harger Group.
- Move \$91,000 of fiscal year-end (2022) funds into the contingency fund.

3. COO report	Inform and update	Separate report provided	10 min
<p><u>Maintenance:</u> Mike noted that we need some amount set aside for capital improvements, so we have money we can use when things fail. Operations/facilities staff continue to work toward keeping a list of capital items and their age, so we can forecast capital improvement needs that will come up in a given year.</p> <ul style="list-style-type: none"> <li>• We'll work on policy change to make a capital or active needs fund.</li> <li>• Facilities staff spend 40% of their time on 'service call' activities; can't budget more than 60% of their time because of these service calls. We are understaffed and looking at options, including property management companies.</li> <li>• We had a life insurance gift come in a few years ago in the amount of \$122,941. The donor is okay with using \$52,824 of the total amount being used to cover the 50% of Biblical Generosity staff support for this year that comes out of campaign funds. Mike requested permission to use the other \$70,000 toward facilities, noting that the donor is fine with that. Because the donor is okay with this designation, LLB didn't need to vote on the request.</li> </ul> <p>January benefits are in Mike's report. Dental and vision amounts are for the HSA option only – these are bundled for other plans. Benefits are expected to continue to increase.</p>			
<p><b>Decision/Recommendations:</b> NA</p>			
4. Policy changes	Update		5 min
<p><u>Constitution and By-Laws:</u> Shayla said we are set to vote on proposed constitution and by-laws changes in November. We will prepare a script and make one video to play for two consecutive weeks. We've heard back from the district. The district suggested sending things ahead of time so they could preview changes, but they would officially vote after our first vote, and then we need a second vote to ratify the changes.</p>			
<p><b>Decision/Recommendations:</b> Proceed with plans on proposed changes.</p>			
5. Personnel Cmte	Discuss needs		5 min
<p><u>Personnel review:</u> Kristy reported that she looked at our policy manual regarding the Personnel Committee's compensation review. The language (see below) doesn't indicate that a review/audit of compensation is needed, but the board should receive a report (aka "notification").</p> <p><i>"The Director of Ministries, with the assistance of the Chief Operations Officer shall not fail to develop and keep current compensation ranges as identified in the Staff Policy/Operations Manual." and "The Director of Ministries, with the assistance of the Chief Operations Officer shall not fail to annually notify the LLB about compensation package that considers compensation programs at pier [sic] institutions and budget constraints."</i></p> <p><b>Discussion:</b></p> <p>Mike asked what we would like in a report. The policy indicates that we are to consider compensation in the context of budget, which we already do on an annual and monthly basis with assistance from the Treasurer and FOC. We are also to consider peer institutions. Mike proposed presenting LLB with ranges as well as information for like organizations. Heidi asked for an aggregate comparison of this year to last year. Our goal is to fulfill our governance role without getting into managerial operations. We also want to focus on the aggregate and comparison to benchmarks rather than particular salary amounts.</p>			
<p><b>Decision/Recommendations:</b> Conduct personnel review and report on comparative results to benchmarks.</p>			

6. Other			10 min
<p><u>Congregational Meeting:</u> Mike confirmed that the meeting is scheduled for Tuesday, Nov. 1.</p> <p><b>Discussion:</b></p> <p>Will budget be presented at the meeting? We talked about doing a financial town hall. Mike wants to develop a video to lay out the budget with a series of opportunities occurring in October to meet and ask questions – in an effort to address most of the questions and concerns before the congregational meeting in November. {Note that a baby due in early November will impact Kyle’s availability as Treasurer.}</p> <p><u>House on 44<sup>th</sup> St.:</u> Pastor E. reported that the property has been sold [not to CL]. Feedback he received from staff was unanimous not to proceed without clarity or direction on how it would align with our vision for the campus.</p>			
<p><b>Decision/Recommendations:</b> Proceed with preparations for congregational meeting.</p>			
<p><b>Adjourn / Closing prayer</b> Meeting adjourned at 6:50 p.m.</p>			