



SHEPHERD OF THE DESERT

Leading people to follow Jesus

Board of Director Meeting Minutes
February 20, 2018

Attendees:

Elected and Appointed Board Members:

- Jim Szabo: Acting President / VP – Parish Ministry
- Mike Daly: VP – Human Resources & Chair of the HR Board
- Ron Barrett: VP – School Ministry & Chair of the School Board Pastor
- Jon Bjorgaard: Director of Ministries
- Tom Englert: At Large Member
- Vincent M. Stumpo, Ph.D: School Principal

Absent:

Elected and Appointed Board Members:

- Shirl Miner: Secretary
- Doug Sanders: At Large Member
- Kevin McCafferty: VP - Board of Finance & Operations

Invited Attendees:

- Andrew Armstrong: Director of Administration (by invitation)
- Pastor Alan Rosnau: (by invitation)
- Pastor Jeremy DaPena: (by invitation)
- Debbie Osman: Preschool Director (by invitation)

Call to Order:

Jim Szabo, VP-Parish Ministry called the meeting to order at 6:35 p.m.

Opening Prayer: Pastor Jon.

Approval of Minutes:

Motion made and seconded to approve the January board minutes. Motion carried.

Adoption of Agenda:

The February agenda had been circulated to all board members in advance of the board meeting was unanimously approved.

Meeting Minutes:

- 1.) Jim updated the BOD on the notification of Shirl Miner's decision to resign as Secretary for personal reasons. Position will be filled through Annual Election of Officers due to only having five months remaining on this term.
- 2.) Finance Update – Provided by Andrew in Kevin's absence.
 - a. Financial Overview - January Highlights - (Documents sent under separate cover)

- More than halfway through fiscal year projecting at or better than budgeted loss of (\$200K)
- Current overall net loss of (\$47K)
- Revenue: 2% better than budget: tuition (school and preschool), registration income, before/aftercare income positive impact.
- Expenses: 4% better than budget: salaries/healthcare, music ministry, curriculum driving savings.
- Cash – Just under \$1 Million in Bank --- \$280K Operating; \$690K Dedicated Accounts (includes \$385K Stand in Gap)

Vote: BOD provided unanimous approval of January Financials.

- b. Budget Process for 2018/19 Fiscal Year
 - Starting this week. Baseline will utilize a projected 12 month actuals for current year.
 - Budget will include a multi-year projection.
 - Reviewing revenue and expense items.
 - Looking to have a preliminary budget for March Meeting and final for April Meeting. Need to go through Executive Staff and F&O Team.
- c. Legacy Fund Update
 - Policy documents ready. Asking for BOD review over the next two weeks. Will circulate feedback from LCMS Foundation and SOTD Attorneys with review documents.
 - BOD needs to review launch timing.
 - Lessons learned from Christ Lutheran
 - Next Steps: (Order to be Determined)
 1. Congregation Meeting
 2. Filing w/ State
 3. Communication/Education Plan
 - a. Pastors and Staff
 - b. Congregation
- d. Risk Management Update
 - 3 Ways to Manage Risk:
 1. Taking steps to minimize – involves observing, imagining, and acting
 2. Transferring Risk – involves waivers of liability for participants in church and school events and certificates of liability from vendors or contractors.
 3. Adequate Insurance coverage
 - Policy Review: JoEllen and Andrew met with SOTD's insurance broker. Our policy coverage is considered favorable. Upper 1/3 of the policies he writes He provided a summary of insurance with limits.
 - Standard Policies: Property, General Liability and Medical (includes D&O), Inland Marine, Crime (includes \$100,000 fidelity bond mentioned in our constitution), Business Auto, and Student Accident. We currently have worker's comp with another carrier. Reviewing opportunity to fold into existing for cost and coverage reasons.

- Umbrella Policy- We have a general liability aggregate limit of \$5 Mill per year. On top of that we have a \$15 Million dollar per year umbrella that is shared with about 160 other participating churches. There is a \$5 mill per church limit per year so up to 3 churches can get \$5 million per year. Guide One insures 47,000 churches worldwide and averages 7 claims per year. We are in a group of only 160 so it is a statistical anomaly that the umbrella coverage would ever be exhausted in a single year.

Action: BOD asked staff to action getting a standalone \$5 million dollar policy to have additional coverage not subjected to the participation of others.

3.) School Ministry Update – Ron Barrett, Vince Stumpo and Debbie Osman

- a. Ron provided feedback from School Board. Resolute in direction and ministry mission to “Lead people to follow Jesus”. Vision to be premier educational opportunity for Ages 2 thru 8th Grade. Be intentional about delivering on all 3 C’s – Christ Centered, Caring Community and Comprehensive Curriculum. Pleased with enrollment because lower number was possible without efforts to stabilize.
- b. Headwinds Update --- Vince and Debbie provided feedback
 - One School – Movement made towards improving connectivity between campuses at both Executive and Staff levels.
 - Staffing Review

Executive Session Entered @ 7:42pm
Executive Session Exited @ 8:05pm

- c. Enrollment Update for 2018/19 School Year
 - Overall enrollment @ 114. Down from 138 for 17/18 School Year
 1. Classroom Profile...
 - a. 5th Grade @ 6 Students and Kindergarten @ 9 Students represent the lower enrolled grades.
 - b. All other grades are between 12 and 16 students.
- d. Additional Review and Recommendation Items
 - Consider deposit and binding tuition agreements for next year.
 - New enrollment campaign will need review and investment
 - Admissions resource and overhaul of new family document packages
- e. Preschool Expansion Opportunities
 - Shea Campus Fulltime Flex Option – Need Green Light from January proposal.
 1. Concept Review – Utilize Reaching new Seeding new program to introduce more families to our ministry. Positive economics likely first year even after return on initial investment. Targeting spots for 42 children. Breakeven at 30 for three classrooms staffed but could be less if two classes utilized.
 2. It was noted staff would need solution space needs to appropriately support Adult Bible Study, Special Groups and Youth Ministry needs.

Action: BOD provided green light to proceed.

- Mountain View Building Expansion – Architect Updates – Pastor Jeremy
 1. Preliminary concept site plans were reviewed. Provides space to the school on first floor and church meeting space on second.
 2. Initial cost estimates used a factor of \$125/sqft. Previous contractor used on initial buildout will review more deeply. The concept of using an Owners Representative to manage the project was suggested if it moved forward.
 3. High level financials were reviewed.

Action: BOD asked staff to complete a more detailed proforma for the business including a better understanding of the debt service requirements/options.

4.) Ministry Leadership and Direction – Changes, Challenges and Recommendations (Pastor Jon, Pastor Alan, Pastor Jeremy and Andrew)

- a. Pastor Jon’s Resignation – Overall Timing and Communication Plan
- b. Stabilizing Ministry Near Term Needs -- Go Forward Spiritual Leadership Plan...

- Worship Leadership...

1. Preaching Schedule and Faith Topics – Pastor Alan and Pastor Jeremy to collaborate with staff on sermon topics. Working to stay 4-6 months out with sermon series.
2. Sunday Worship --- Maintain the five services on Sunday for the near term.
3. Saturday Worship --- Neither Alan nor Jeremy could commit to full-time coverage of this service for the near-term. Possible solutions...
 - a. Completely Suspend Saturday Service – At this point, the Pastors would view this as a last resort for the near term. At minimum, we should get the service through the end of May.
 - b. Pause Saturday Service for Summer – We would get the service to end of May, but then pause for JUN, JUL and AUG with the goal to return in SEP.
 - c. Continue Saturday Service w/ Combination Guest and Part-time Pastor – It could be an option to keep the service going through the summer. Would need a dedicated support resource. Would need to be sensitive of impact on staff resources to support a third set of worship activities.

- Other Considerations...

1. Pre-Record One Sermon --- Need to pre-record a sermon to have available in the event of an emergency situation.
2. Liturgy and Communion Support --- Would need to have support process and/or alternate plan to support these needs in the event of a Pastor absence.
3. Guest and/or Part-Time Pastor Resource --- Need to line up some Pastor resources (90 Days Out) to provide for periodic relief for Alan and Jeremy to cover time off.

- Care Ministry – Hospital and Homebound Visitation...

1. The Pastors pondered options to ensure our care efforts remain solid, especially given the needs on the Shea campus being more demanding

than those on the Mountain View Campus. The favored plan would be the following...

- a. Part-time Pastor Assistance – Bring on a part-time Pastor resource to support the care ministry of those with extended hospital stays and the homebound needs of our congregates.
 - i. The thought process was influenced due to knowing Pastor Dave Lindemann (LCMS) is in the area and an option. His strengths would align well with the care needs. He has a counseling background which could also be helpful to the organization.

Action: BOD in support of pursuing this option. Need to bring to Elders for their blessing too.

- b. Visitation Team Expansion – Pastor Alan currently utilizes a small team of about six congregation members to support the care efforts. He would like to expand this team.
- Faith Development - Both Pastors facilitating existing Bible Study groups on their campuses.
 1. Small Groups Initiative...
 - a. Opportunity to potentially engage Jen Hodges as the Small Groups Co-Leader for the 40 Days of Prayer with Pastor Jeremy.
 2. Youth and Children’s Ministry – Pastor Jeremy will remain the lead.
 3. BOLD Men’s Ministry – Pastor Jeremy will support.
 4. Pastor Jon’s Classes Needing Support...
 - a. Discipleship Class – Phase 1 Ends on April 7th. Next class planned for the Fall. Need to decide if this potentially
 - b. Saturday Morning Men’s Bible Study – Needs more discussion
 - Missions and Service Events...
 1. Discussions have been ongoing about bringing back a more formalized missions team. Pastor Jeremy was going to take the lead with Andrew’s support.
 - Starting Point and Foundations Class...
 1. Pastor Jeremy and Pastor Alan would like to combine this effort for the campuses in the near term with Jeremy teaching Starting Point and Alan teaching the Foundations Class.
 - School Ministry...
 1. Need to talk through further on how the Pastors fully support the “Keeping the Lutheran Christian Focus of Our School” over the coming months especially as new staff is considered and reviewing the religion curriculum for next school year.
 - Support Teams --- Need to review how the support teams interact with Pastors and their charter.
 1. Assimilation – (Pastor Jon)
 2. Outreach Team – (Pastor Jon)
 3. Connections – (Pastor Alan)
 4. Care Shepherds – (Pastor Alan)
 5. Visitation Team – (Pastor Alan)
 6. Elders – (Both Pastor Alan and Pastor Jeremy)

- Other Pastor Jon Items...
 1. Sunday Streaming Effort – Getting live streaming and copies of the sermons on to the web. Need to review next steps.
 2. Legacy Fund Launch – Andrew to cover.
 3. ALSO School Support – Andrew to cover.
 4. Annual Congregation Meeting – Based on Pastor and DAO availability, we are asking the congregation meeting be planned for May 20th. Finalizing the annual budget will be key.
- Congregation Communication
 1. Pastor Jon’s Note
 2. BOD Update Note via Jim
 3. Pastors Update on Near Term

Vote: BOD voted unanimously to form a Call Committee for Pastor Jon’s departure knowing the first step of that process would be used to initiate a “needs assessment” for our congregation. Based on feedback from Pastor Alan, he has already had conversations with President Stoterau about coming and supporting a congregation meeting on April 15th as well as meet with the Call Committee about their duties/role in the process.

- 5.) Adoption of Monthly BOD Meeting Topics – List below starting point. Open for discussion. (Jim Szabo)
- a. JAN – Ministry Goals for New Year
 - b. FEB – Our School – Overall Update and Enrollment Status
 - c. MAR – Worship
 - d. APR – Preliminary Budget Review
 - e. MAY – Final Budget Approval
 - f. JUN – Executive Staff Review and Goal Setting
 - g. JUL – Outreach Review
 - h. AUG – Our School – Initiatives for School Year
 - i. SEP – Stewardship Review
 - j. OCT - Youth and Children’s Ministry
 - k. NOV - Adult Faith Development

Action: BOD tabled discussion for a future meeting

- 6.) Other Officer/Board Highlights, if needed. ---- Note: Per the November 2017 Meeting, the BOD discussed moving away from an “update” agenda approach to focusing on mission critical agenda topics in 2018. The highlights section can be used to provide bulleted updates on follow-up actions which do NOT need formal discussion in the meeting.
- a. President – Vacancy as of November 2017
 - Pastoral Performance Review Initiative – Open Item
 - b. Parish Ministry/Elders – Jim Szabo
 - Church and School Safety --- Reviews of both campuses occurred with Scottsdale PD. No material concerns cited with physical setup. Additional policy updates and training opportunities under review.
 - c. Finance & Operations – Kevin McCafferty
 - A draft set of Finance Policies and Procedures has been created. Under review.
 - d. Human Resources – Mike Daly

- e. School Board – Ron Barrett
 - Board Members reminded about the sensitivity of discussions inside Executive Session.
- f. Secretary – Shirl Miner
- g. Ministry Update – Pastor Jon
 - Mike Daly will serve as the Lay Delegate for the District Convention in June. Andrew Armstrong will be the Lay Alternate Delegate.
 - Small Group Bible Study initiative tied to 40 Days of Prayer (APR/MAY)
- h. BOD Sub Committee Projects:
 - Constitution/Bylaws Effort - Doug Sanders
 - Legacy Fund Initiative - Kevin McCafferty

New Business...

- 7.) Nominating Committee Formation – Tom Englert volunteered to the BOD representative for the Committee. Staff pulling together list of vacancies for next BOD Meeting. Pastors and Staff will provide recommendations to serve and contact them on their willingness/ability to serve.

Closing Prayer: Jim Szabo

Adjournment @ 10:15pm

Remaining 2018 BOD Meeting Dates:

- March --- 3/20 @ 6:30pm
- April --- 4/17 @ 6:30pm
- May --- 5/22 @ 6:30pm (Not the third Tuesday)
- June --- 6/19 @ 6:30pm
- July --- 7/17 @ 6:30pm
- August --- 8/21 @ 6:30pm
- September --- 9/18 @ 6:30pm
- October --- 10/23 @ 6:30pm
- November --- 11/27 @ 6:30pm (Not the third Tuesday)
- December --- No Meeting Planned