

Redeemer Lutheran Church FY25 Budget Hearing

August 4, 2024

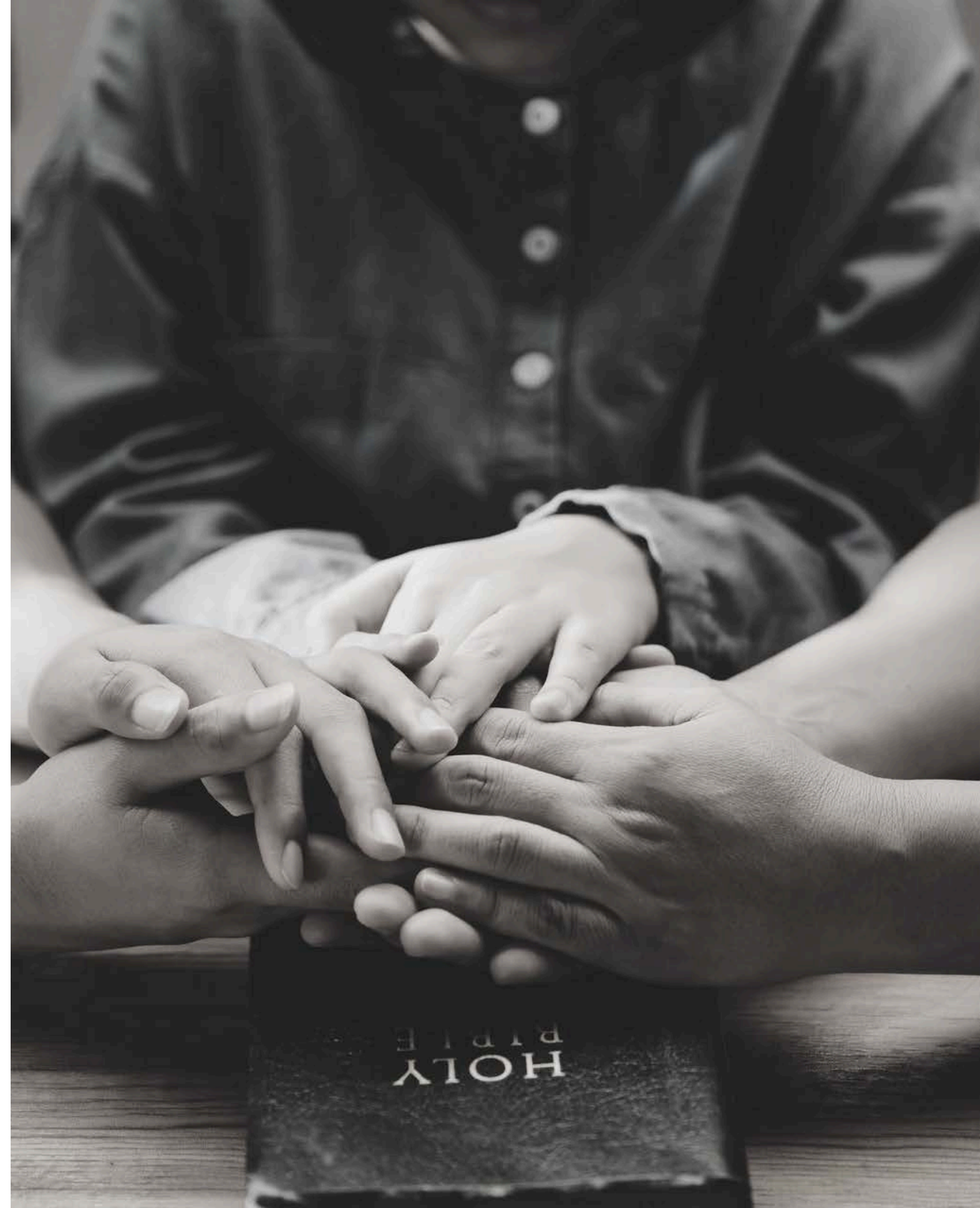




Budget Hearing Agenda

- ▶ Opening Prayer
- ▶ Overall Review of FY2024
- ▶ Review of FY2024 Ministry Goals
- ▶ Proposed FY2025 Ministry Goals
- ▶ Review FY2024 Board Goals
- ▶ Proposed FY2025 Board Goals
- ▶ Review of FY2024 Financial Performance
- ▶ Proposed FY2025 Budget
- ▶ August 18th Annual Congregational Meeting
- ▶ Closing Prayer

Opening Prayer





Overall Review of FY2024



**Reaching people for Jesus,
embracing them in a Christ-
centered community, and
nurturing them in God's word
to be faithful disciples.**

RLC Mission Statement



FY2024 at a Glance

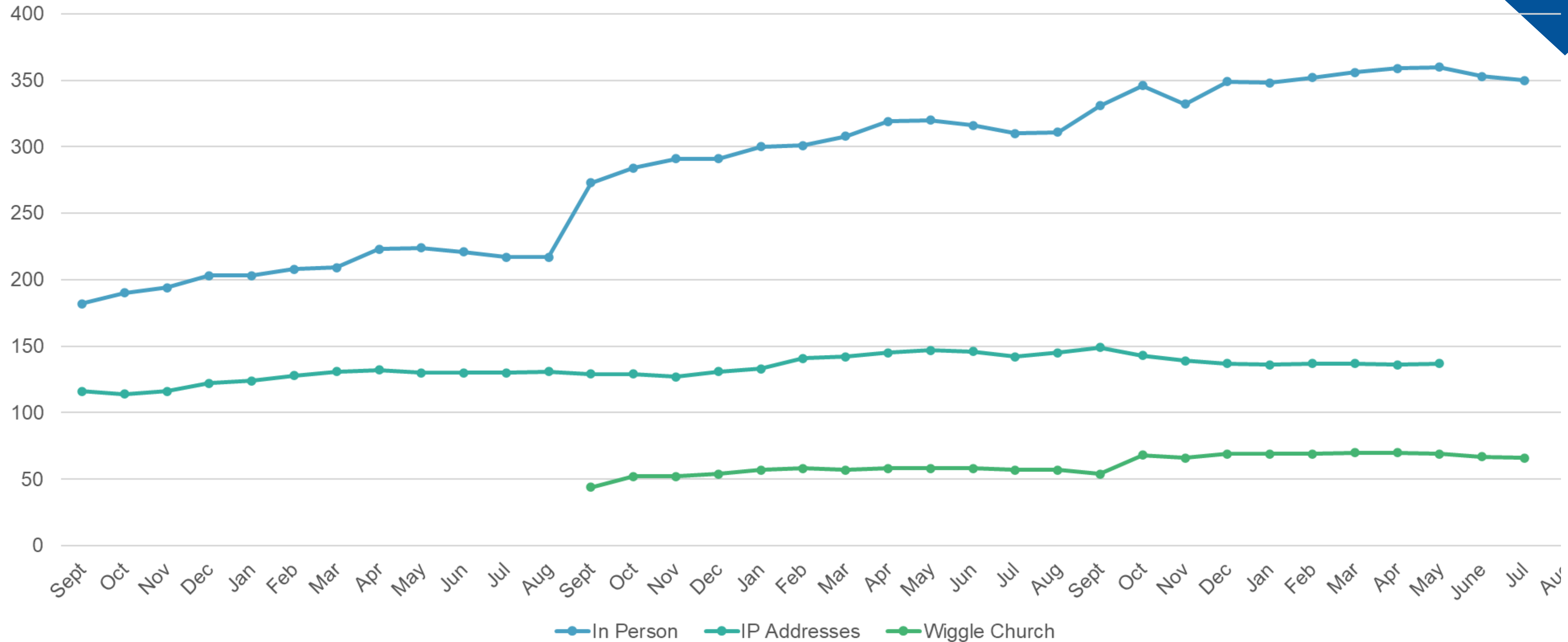


FY2024:

Metrics

By August 31, 2024	Year End Benchmark	YTD Actual (Sept – July)
1) AWWA <i>GLOW Priorities 1, 4, 7</i>	350 in person (270 + 80) 175 IP addresses	361 in person (295 Sunday + 66 WC) 134 IP addresses <i>Does NOT include Brandermill Woods worship, which began in May</i>
2) RLC Kidz <i>GLOW Priority 2</i>	50 kids per month	53 per month
3) Small Groups	Start 6 small groups	Started 2 new group
4) New Member Households	30 Households	27 Households 73 Individuals

AWWA Sept 2021 – June 2024



YEAR END PERFORMANCE

Households: 385

AWWA: 361

Offerings:

Small Groups: 14

CDC FTEs:



THE BIG PICTURE



I. WORSHIP



II. CHILDREN & FAMILIES



III. CENTER OF FAITH (COF)

**Resources
to Enable
Ministry**

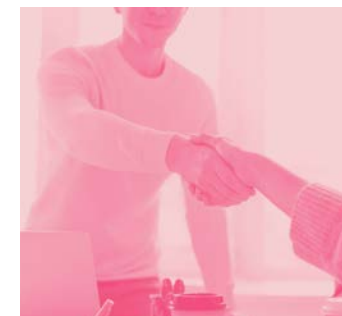
IV. HOTSPOTS



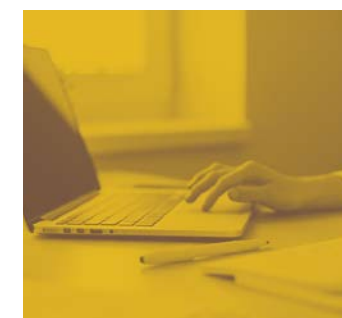
V. C10 SERVICE PROJECTS



VI. C10 MISSION-U



VII. RLC ONLINE



GLOW Priority #1: Worship

GLOW Priority #4: Hot Spots

GLOW Priority #7: RLC Online

- Pastor Ian Thormodson
- Stephen Pruitt & Ramona Carper
- Implemented livestreaming & enhanced technical capabilities (RLCOnline)
- Wiggle Church
- During COVID: Brighton Green Worship (Hotspot)
- Brandermill Woods Worship (Hotspot)



GLOW Priority #2: Children & Families

- Lindsey Douglas
- FaithLab WRITE TO US RLCKidz
- Monthly Friendship Sunday & Fellowship event
- Wiggle Church
- Mom's Night Out
- RLCKidz handbell choir (Worship) and Community Helpers
- Sept: Growing Up RLC = RLCMiniz + RLCKidz + RLCStudentz



GLOW Priority #3: Center of Faith

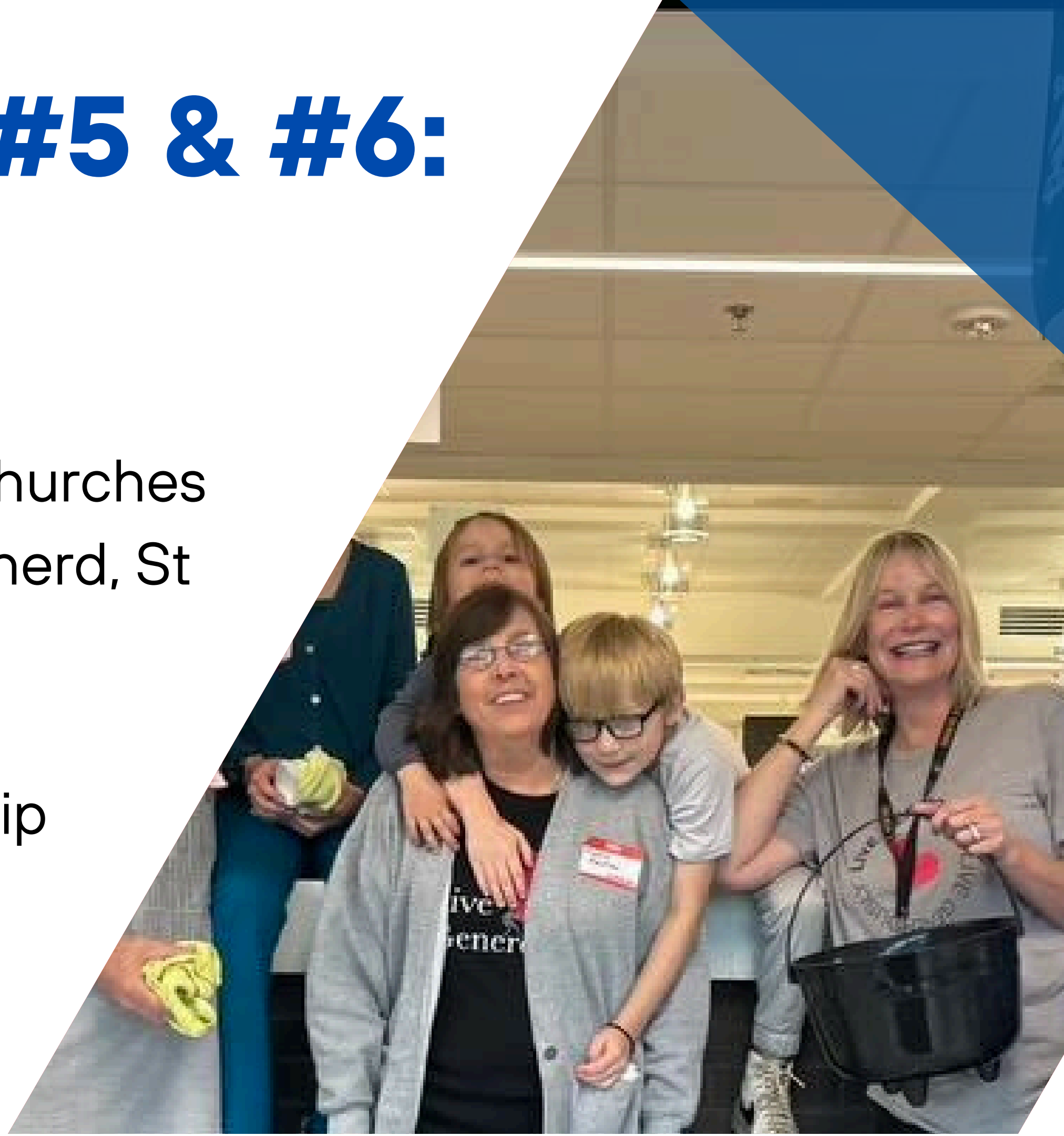
- Becky Wade
- Food Distribution Program: avg 80 packs per week
- Partnership with FeedMore and other community agencies
- 12x20 shed to house CoF inventory to arrive on campus in August
- www.centeroffaithRVA.org



GLOW Priorities #5 & #6:

C10

- Partnership with 6 RVA/LCMS churches (RLC, Trinity, Grace, Good Shepherd, St Paul, Bethlehem)
- Quarterly events
- Prioritizing fellowship & leadership development

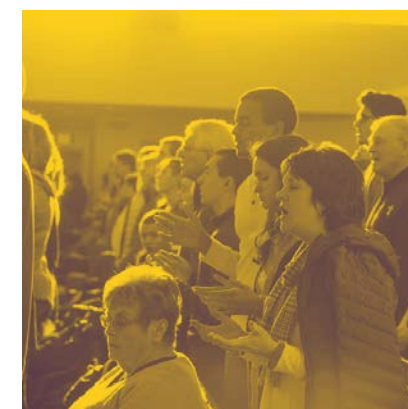


GLOW Priority #7: RLCOnline

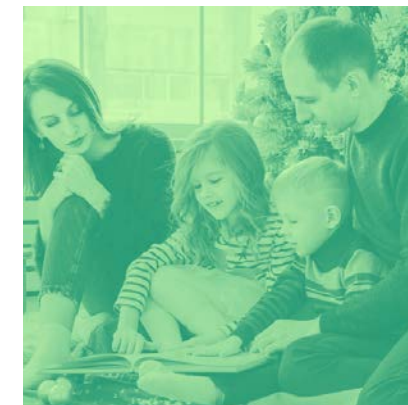
- Livestreaming
- 1 online small group
- Multiple online Bible studies
- Right Now Media
- Sept:
 - Enhance online worship experience
 - Expanded online small groups & Bible study offerings



THE BIG PICTURE



I. WORSHIP



II. CHILDREN & FAMILIES



III. CENTER OF FAITH (COF)

**Resources
to Enable
Ministry**

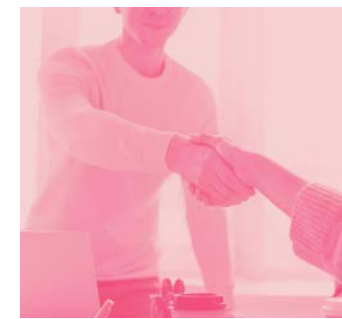
IV. HOTSPOTS



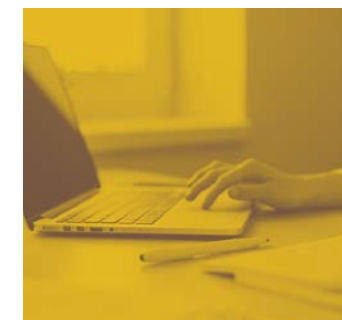
V. C10 SERVICE PROJECTS



VI. C10 MISSION-U



VII. RLC ONLINE



**What's next?
What will RLC
look like in
2030?**





Proposed Ministry Goals - FY2025

By June 1, 2025, Redeemer's Strategic Planning Team will present a comprehensive ministry plan to the congregation.

This ministry plan will cover the timeframe from September, 2025 through August, 2030.

Strategic Planning Team

Mike Griebel
Rachel Grossman
Lauri Henderson
Tommy Lynch
Mycael McDowell
Doreen Nottle
Jennifer Riegel
Nathan Robertson
MJ Rodney
Naomi Wheeler



**Any
Questions?**



FY24 Board Goals: PGI

- ▶ Conducted third Planned Giving Seminar, April 30
 - ▶ Al Behnke, PGI Chairperson was the meeting host
 - ▶ Rev., Dr. John Denninger, LCMS Foundation & W. D. Cowan, Esq., Estate Planning were speakers
 - ▶ Nineteen (19) attended; total attendance of three seminars is 35 households, 50 members
- ▶ “Giving while Living” gifts received 2023 and 2024 to date exceeds more than \$200,000
- ▶ Additional gifts pledged between now and calendar year-end
- ▶ Members have pledged more that \$750,000 estate gifts; pledges continue to increase
- ▶ Gift Acceptance & Use Policy expanded to include and award BOD Staff Appreciation Gifts



FY24 Board Goals: PGI (con't)

- ▶ Planned Giving Initiative – WHY ???
- ▶ We love our church We are family !!!
- ▶ Planned Giving enables and empowers us, Redeemer members, brothers and sisters in Christ, to leave a meaningful, unique legacy, materially and in faith – to both our church family as well as our individual family members
- ▶ To assure the health, vibrancy, and growth of our church for decades to come.



FY24 Board Goals: PGI (con't)

Planned Giving Initiative – HOW ???

- ▶ Continue to provide seminars drawing from experts
- ▶ How to prepare and/or revise/update our will, estate plan, and other legal documents
- ▶ How to make the most of what we have
- ▶ How to draft and include a Christian Preamble as a guiding principle in our will
- ▶ How to name the beneficiaries of our estate
- ▶ How often to update our estate plans – the details matter
- ▶ How to consider the positive benefits of “giving while living” from our estate, NOW
- ▶ Planned Giving **IS NOT** a capital campaign **NOR** a substitute for legal counsel



FY25 Board Goals: PGI

- ▶ Consider conducting an Annual Planned Giving Seminar (different format?)
- ▶ Continue to grow the number of members who benefit from estate planning initiatives
- ▶ Weave Planned Giving and Giving While Living into the fabric of Redeemer's culture
- ▶ Incorporate BOD Staff Appreciation as a designated gift in PGI
- ▶ Improve communication of needs of the church and CDC within Planned Giving



PGI Committee

*"Thank You" for the hard work
and commitment to each and
all over the past year*

- Al Behnke, Chairperson
- Ted Balsamo
- Ray Birk
- Willie Corbett
- Adam Grossman
- Sam Weidman
- Bill Nau (BOD Liason)
- Pastor Matt (Advisor)

FY24 Board Goals – Continue BCBC

*Building a **C**ommunity-**B**ased **C**hurch*

Phase 4: 2024 and Beyond *(challenging new adventures)*

- Acquisition of Shenandoah Property – closed May 6
- Continued the LIFT journey which the congregation approved in FY 2023 for 2024
- FORGE Team delivered 3 significant, sustainable growth options for land use
- Align and solidify with strategic GLOW goals – strategic ministry planning initiative
- Implementation in FY 2025 – 2027 time frame
- Exciting near-term uses of the property to enhance RLC's present ministry
- Continued to expand and grow



FY25 Board Goals: FORGE

Option #1 - Satellite Building

- To be located between the parking lot and Chessington Road on the existing property
- The footprint of building could be as large as 90' x 30' (2,500 sf/floor)
- Space to be used for CoF food distribution and Jr./Sr. High School youth rooms
- Freed space in the existing building will be used to expand the CDC Before/After School and Summer Camp programs and to start new Microschool program
- Income from the use of freed space generates income to offset large portion of the cost of building



FY25 Board Goals: FORGE

Option #2 - Multi-use Building

- Two-story building with about 6,000sf /floor (>2X satellite building)
 - Located on new 2.6 acre property
 - Larger space for CoF food distribution and storage and larger Jr./Sr. High School youth programs
 - Three large classrooms/meeting rooms (~750 sf/room)
 - Designed to be expandable for Phase II addition and/or full-size gymnasium
- Large classrooms/meeting rooms to be used for
 - Adult Day Care Center (ADCC) during the day
 - Community support groups and small group meeting rooms during the evening
 - Informal worship service on Saturday for CoF as part of food distribution ministry
- Freed space in the existing building will still be used to expand CDC Before/After School and Summer Camp programs and for the start or expansion of a new Microschool program



FY25 Board Goals: FORGE

Option #3 - Wait and Grow

- Do not move forward now with the construction of Satellite or Multi-use Building
- Move forward now with:
 - Low-cost improvements to 2.6 acre property
 - Storage cabinets to free-up space in Mission and Solarium rooms (and other storage needs)
- Use freed space in two rooms in existing facility for limited expansion of Before/After School program and limited start of Microschool
- Wait and see how Before/After School and Summer Camp programs and Microschool grow before making decision to invest in new building
- Continue to study feasibility and determine market demand for Microschool and Adult Day Care Center



FORGE - Three Options Summary

	Capital Investment	Est Mo Net Income	Est Debt Service	Gap
Option I: Satellite Building	\$2,225,000	\$12,000	\$13,300	-\$1,300
Option II: Multi-use Building	\$4,745,000	\$20,000	\$28,000	- \$8,000
Option III: Wait and Grow	\$60,000	\$5,900 (SA alone)	\$0.0	\$0.0

FY25 Board Goals: FORGE

Option #3 - Wait and Grow

- The FORGE Team presented three viable and sustainable options to the Board for consideration.
- The Board scrutinized and deliberated over the options and voted unanimously to present the Option #3, “Wait and Grow” to the congregation.
- The primary logic/reasons for the unanimous vote included but were not limited to:
 - Recognizing that additional time is required for obtaining feasibility and market demand studies for Options 1 and 2
 - Refinement of the financial analysis of the Microschool and Adult Day Care Center
 - Allowing time for the mortgage market to settle (may be offset by increasing construction costs)
 - Alignment with the evolving strategic ministry plan for Redeemer
 - Current state of Redeemer and the CDC





RLC and CDC - Present State

CHURCH

- Anticipate finishing FYE 2024 with tithing below budget - gap covered by gifts
- As expected, liquid assets declined with purchase of land - reflected on Balance Sheet
- Difficulty developing a balanced budget for FY 2025
- Significant capital spending in FY 2022 - 2024
- Reduced capital spending to \$20,000 to support church budget - make up portion but not all from PGI
- Admin team short primarily due to maternity leave
- Absorbing significant new member growth
- Etc.

CDC

- Relatively strong FYE 2024 projection with positive Net Income
- Anticipating weak summer due to lower enrollment vs last year, esp. summer camp
- Questionable enrollment for next school year
- Cautiously optimistic in finishing the FY strong
- Etc.

FY 2024 Capital Expense Project Status

End of Fiscal Year 2024:

- Sanctuary air handler Unit 1; replace blower and coils Complete
- Sanctuary air handler Unit 2; replace blower and coils Complete
- Repair upper and lower parking lots via hot patch Complete
- Seal and stripe parking lot, upper and lower Complete
- Implement tree and shrub care plan Work in progress – on going
- NF - 1.Repair and expand dumpster ramp Complete
- NF - 2.Replace/repair sanctuary audio system Complete
- NF - 3.Replace upper level store front windows To be scheduled



FY25 Board Goals: FORGE

Near Term Land Use

- CDC “Camp Redbridge” summer camp/CDC preschool outdoor classroom
- Outdoor classrooms, Frisbee golf camps, enhance and grow existing programs
- Community Engagement - Outdoor movies, G3, Easter Eggstravaganza, etc
- Wiggle Church - Outdoor worship service space
- Second Sundays
- Middle School and High School Ministry



New Land Improvements -

Status and Cost

<u>Improvement</u>	<u>Status</u>	<u>Cost</u>	<u>Funding Source</u>
Mulch or gravel entrance drive	Obtain Quote	\$ 5,000	
Safe creek access	Scope? Obtain Quote	\$ -	
Perimeter fencing and gates	Obtain Quote, ~1,000 ft & 3 gates	\$ 32,000	
General cleanup and debris removal	Cross Creek \$16,640	\$ 16,640	
Electrical hook up, lighting, and outlets	J L Minter \$18,850	\$ 18,858	
Security cameras on existing light poles	Scope? Obtain Quote	\$ 12,000	
Clean graffiti off surfaces	Church Volunteers	\$ -	
Clean graffiti off handball courts	Church Volunteers	\$ -	
Wooden Benches (10 to 12 people)	Scope? Seek donation	\$ -	
Stumps for outdoor classroom seating	Seek donation	\$ -	
Grind off tennis court posts	Complete (Doug Mills)	\$ -	
Install No Trespassing signs	Church Volunteers	\$ -	
	Total Cost	\$ 84,498	



FY25 Next Steps for FORGE Team

FORGE Team – continue work with

- the BOD to finalize proposal and plan for new storage cabinets to help relieve pinch points
- Richard Gregory, and others, on the improvements to the new property
- Caycee Hunter, and others, on developing the Microschool program
- the BOD or their designee to develop a feasibility plan and market demand study for the ADC Center
- the BOD or their designee to potentially obtain funding through the Community Foundation for the Market Demand study
- The BOD or their designee to help refine the financial analysis of Option # 1 and #2



FORGE TEAM

Thank You!

Mark Aronson, Team Leader

Al Bean

Scott Bennett

Mike Bricker

Jen Hampton

Steve Holahan

Caycee Hunter

Warren Kersten

Andy Scherzer, BOD Advisor

Anne-Marie Walsh



FY25 Board Goals – Continue BCBC

*Building a **C**ommunity-**B**ased **C**hurch*

LIFT Phase 4: 2024 and Beyond *(challenging new adventures)*

- Appoint a strong Strategic Ministry Planning Team to set new direction
- Meld the FORGE Team strategic options with new ministry direction June 2025
- Routinely communicate with congregation; no less than quarterly
- Present plan to congregation for vote August 2025
- Implement in plan late FY 2025 – 2027 time frame
- Implement FORGE Option #3 – Wait and Grow, NOW
- Develop funding strategy to make FORGE recommended improvements on new property





**Any
Questions?**

Review of FY2024 Financial Performance



FY24 Ministry Year-End

	FY24 Budget	FY24 Projected	Variance (\$)	Variance (%)
Tithes & Offerings	\$1,017,882	\$1,037,990	\$20,108	2%
Other Revenue	316,520	313,978	(2,542)	-1%
Total Revenue	\$1,334,401	\$1,351,968	\$17,566	1%
Total Expenses	\$1,351,029	\$1,411,175	\$60,146	4%
Surplus / (Deficit)	\$(16,628)	\$(59,207)		

FY24 CDC Year-End

	FY24 Budget	FY24 Projected	Variance (\$)	Variance (%)
Tuition & Fees	\$2,046,075	\$2,088,159	\$42,084	2%
Total Expenses	2,044,611	2,021,223	(23,388)	-1%
Surplus / (Deficit)	\$1,464	\$66,936		

FY24 Year-End Combined

	FY24 Budget	FY24 Projected	Variance (\$)	Variance (%)
Total Revenue	\$3,380,476	\$3,440,127	\$59,650	2%
Total Expense	3,395,640	3,432,398	36,758	1%
Surplus / (Deficit)	\$(15,164)	\$7,729		

Proposed FY2025 Budget



FY25 Budget - Ministry Revenue Assumptions

1	Generous one-time gifts in 2024 helped us meet our tithing budget, but we do not assume they will continue in 2025. Therefore, the Tithes & Offerings budget is reduced due to lower “normal” giving in FY24.
2	CDC Facility Fee increased to \$19,500/month (vs. \$18,000/month). This does not impact the combined budget.
3	Income from facilities rentals increased based on current bookings
4	Expected PGI Donations will only be recognized as Revenue as the funds are spent.

FY25 Ministry Budget Revenue

	FY25 Budget	FY24 Projected	Variance (\$)	Variance (%)
Tithes & Offerings	\$1,000,000	\$1,037,990	\$(37,990)	-4%
CDC Facility Fee	234,000	216,000	18,000	8%
Other Income	55,180	42,818	12,362	29%
PGI Donations	48,000	55,160	(7,160)	13%
Total Revenue	\$1,337,180	\$1,351,968	\$(14,788)	-1%

FY25 Budget - Ministry Expense Assumptions

1	<p>Wages & Benefits:</p> <ul style="list-style-type: none">• Transfer of Childcare Benefit from CDC to RLC• Wages increase for raises and new IRS regulation• Benefits increase for healthcare benefit costs, higher reitirement fees, and auto reimbursement
2	<p>Capital Expenditure budget reduced in anticipation of future costs in tandem with land developement</p>
3	<p>Wiggle Church added to ministry budget</p>
4	<p>Operating Expenses borne by PGI reflect expected costs for land maintenance and special music</p>

FY25 Ministry Budget Expense

	FY25 Budget	FY24 Projected	Variance (\$)	Variance (%)
Salaries/Benefits	\$715,000	\$645,950	\$69,050	11%
Outside Giving	98,453	98,009	444	0%
Worship & Ministry	38,820	36,330	2,490	7%
Church Operations	97,145	96,278	867	1%
OpEx Borne by PGI	9,400	20,805	(11,405)	-55%
Capital Expenditures	20,000	106,333	(86,333)	-81%
Facilities	170,445	164,300	6,145	4%
Debt Service	243,180	243,171	9	0%
Total Expense	\$1,392,443	\$1,411,175	\$(18,732)	-1%
Surplus / (Deficit)	\$(55,263)	\$(59,207)		

FY25 Budget - CDC Assumptions

Revenue	
1	Revenue assumptions reflect current September 2024 enrollment
2	Inclusive of 6% tuition increase
Expenses	
3	<div>Payroll & Benefits:</div> <ul style="list-style-type: none">• Staffing Wages increased by 9% to reflect raises and hiring of qualified staff at market rates• Additional wage increases for new IRS regulation and potential minimum wage change
4	Additional expenses to account for costs associated with collections and write-offs

FY25 CDC Budget

	FY25 Budget	FY24 Projected	Variance (\$)	Variance (%)
Tuition & Fees	\$2,174,722	\$2,088,159	\$86,563	4%
Expenses:				
Staffing	\$1,811,619	\$1,676,622	\$134,997	8%
Facility Fee	234,000	216,000	18,000	8%
Operating Expense	128,807	128,602	205	0%
Total Expense	\$2,174,426	\$2,021,223	\$153,203	8%
Surplus / (Deficit)	\$296	\$66,936		

FY25 Budget Combined

	FY25 Budget	FY24 Projected	Variance (\$)	Variance (%)
Revenue	\$3,511,902	\$3,440,127	\$71,775	2%
Expense:				
Staffing	\$2,526,619	\$2,322,571	\$204,048	9%
Operations	678,617	662,314	16,303	2%
Outside Giving	98,453	98,009	444	0%
Capital Expenditures	20,000	106,333	(86,333)	-81%
Debt Service	243,180	243,171	9	0%
Total Expense	\$3,566,869	\$3,432,398	\$134,472	4%
Surplus / (Deficit)	\$(54,967)	\$7,729		



**Any
Questions?**

Bylaw Amendment

- ▶ Constitution and Bylaws define the scope of BOD authority.
- ▶ It's unclear which issues currently require congregational approval.
- ▶ As currently written, the BOD does NOT need congregational approval for large operational or strategic expenses.
- ▶ Proposed amendment is intended to limit the BOD's authority to act on certain "major issues" without congregational approval — and to provide clarity for future BOD members.

Bylaw Amendment

RLC Constitution - Article VI, Section A(2)

“The Board of Directors will have no authority beyond that which is conferred upon them...by the Constitution, the Bylaws, or by the [congregation].”

RLC Constitution - Article VI, Section C

A congregational vote is currently required for:

- a.) Approval of the annual budget
- b.) Election of BOD members
- c.) Removal of BOD members
- d.) Amendments to Bylaws
- e.) Approval of annual strategic goals
- f.) Calling or removal of pastors
- g.) Termination of Redeemer's membership in LCMS

Bylaw Amendment

RLC Bylaws: Article III, Section H(6)

"All business brought before the Board of Directors requiring a decision will be voted on by a method determined by the Board of Directors, with the vote going to the majority."

PROPOSED REVISION

"All business brought before the Board of Directors requiring a decision will be voted on by a method determined by the Board of Directors, with the vote going to the majority, ***except as otherwise provided for in Article VI of the Redeemer Lutheran Church or the Redeemer Lutheran Church Board Policy Manual.***"



**Any
Questions?**

August 18th Annual Congregational Meeting





Items of Business

- ▶ Election of two new BOD members
- ▶ Vote on proposed FY2025 Ministry Goals
- ▶ Vote on proposed FY2025 Budget
- ▶ Vote to amend Bylaws



WHO ARE THE CANDIDATES

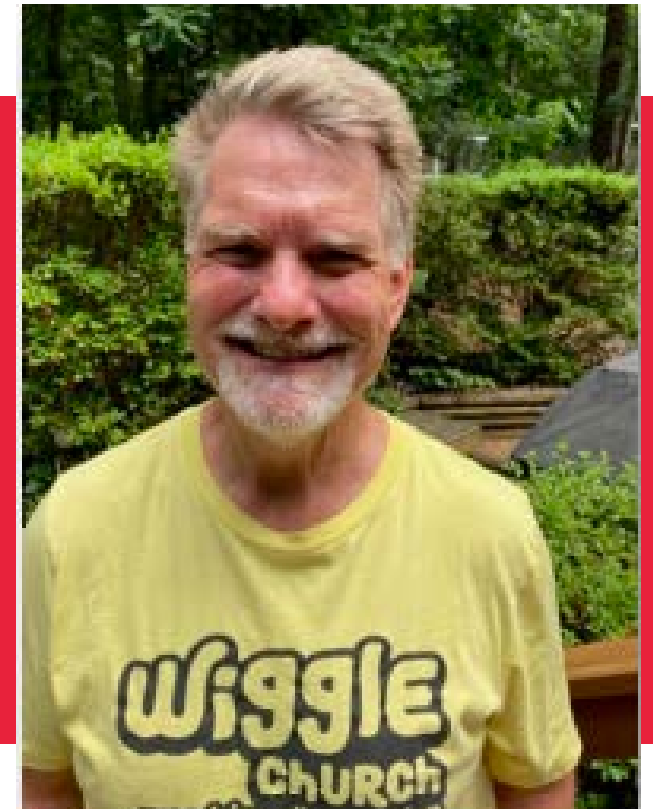
Information about each candidate can be found on RLC's website



Cathy Guske



Hope Larson



Stone Wahl

BOD Nominating Committee

Thank You!

Wendy Brooks

Chairperson

Tim Kisner

Adam Grossman

Linda Nau

Rev. Dr. Matthew Bean

Advisor



Annual Congregational Meeting

- Meeting will be held Sunday, August 18th immediately after each church service in the sanctuary
- Meeting can be attended in-person or virtually
- Quorum is 70 Confirmed/Voting Members
- We want as many people to participate as possible!



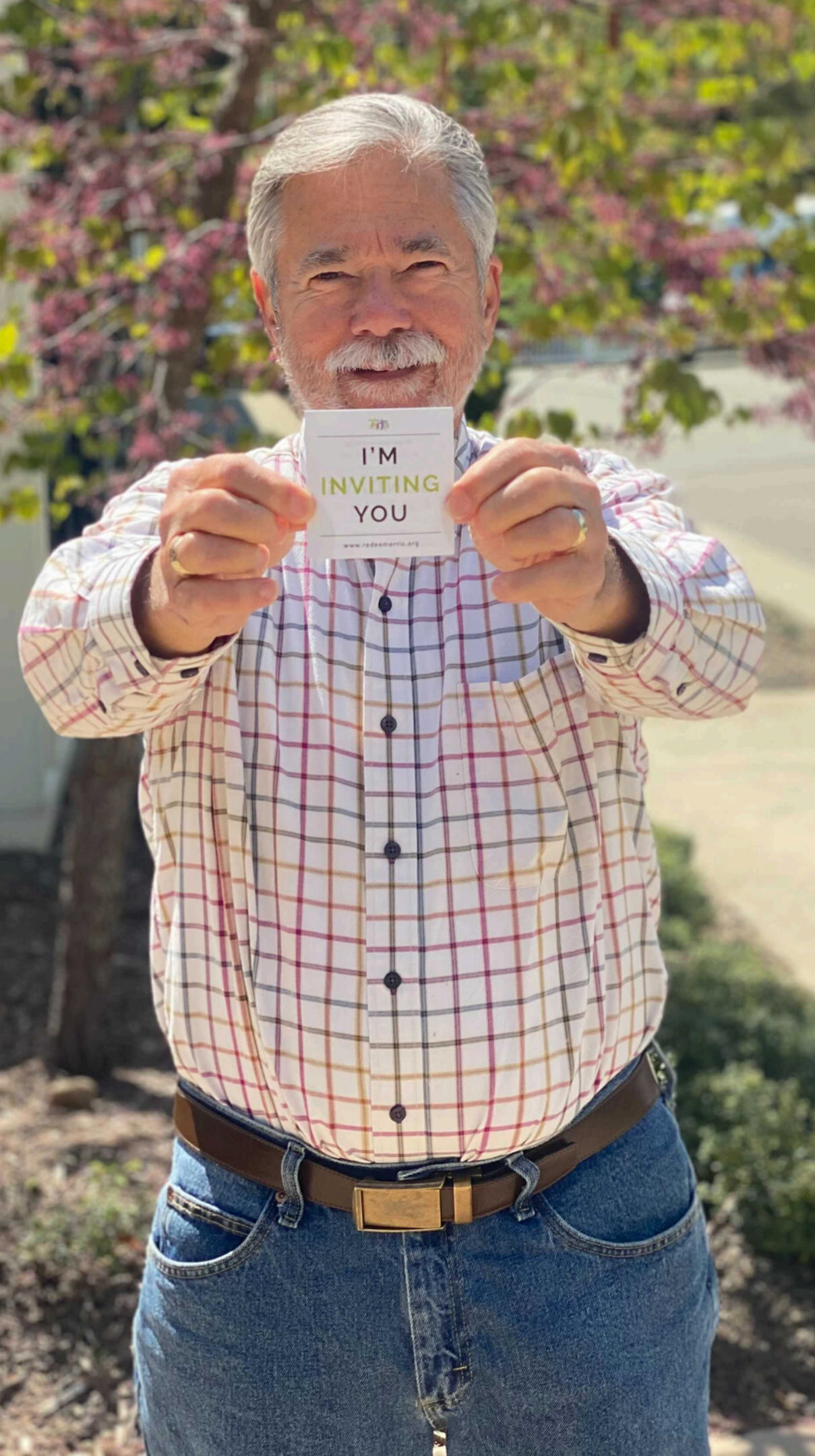
Annual Congregational Meeting

- **Election of two new BOD members**
 - Paper ballot for in-person attendees
 - Electronically for virtual attendees
 - Paper absentee ballot
 - Results announced in 24-48 hours
- **FY2025 Ministry Goals and FY2025 Budget**
 - 'Voice' for in-person attendees
 - Electronically for virtual attendees
 - No absentee voting
 - Results announced immediately



Annual Congregational Meeting

- Details of the procedure were shared via an email message to the congregation on July 20th
- August 5th is the deadline to request an absentee ballot
- Completed ballots must be placed in the locked box on the table in the upstairs foyer prior to the start of the August 20th Congregational Meeting
- Email the Board at **board@redeemerric.org** or call a BOD member if there are any questions



**Any
Questions?**

Closing Prayer

