St. Paul's Lutheran Church Annual Voter's Meeting

Saturday, June 21, 2025 – Church Sanctuary

Preliminary Meeting Minutes

(Minutes are approved at the Annual Voter's Meeting.)

Call to Order

- Nick Seierup, President called the meeting to order at 6:15 pm and opened with prayer.

Approval of Minutes – Gail Kanneg, Secretary

- Voter's Meeting Minutes from June 8, 2024 and March 29, 2025, were distributed prior to the meeting.
- **MOTION:** To approve June 8, 2024 and March 29, 2025, Voter's Meeting minutes as presented.
- ***A motion was made and seconded. No further discussion. All in favor. Motion carried.***

Election of Board of Directors

- Ballot & Nominee Information was distributed prior to the meeting. 99 ballots were cast and counted.
- Officers Elected
    - David Talmage – President
    - Paul Lavigne – Vice President (1-year term)
    - Secretary – Gail Kanneg
- Members-at-Large Elected
    - Robyn Strohschein
    - Beth Fitzgerald
    - Matt Wingert
- The Board of Directors for 2025-2026
    - President and Chairman – David Talmage
    - Vice President – Paul Lavigne
    - Secretary – Gail Kanneg
    - Treasurer – Pike Lambeth
    - Members-at-Large
        - Steven Aviles
        - John Borton
        - Beth Fitzgerald
        - Drew Hantula
        - Robyn Strohschein
        - Matt Wingert
    - Non-elected Director
        - Pastor Larry Stoterau

Treasurer's Report – Pike Lambeth, Treasurer

- General tithes and offerings are projected to be about $187K below our budget, and about $111K below last year as of May.
- Our school enrollment was significantly lower than we had budgeted, causing a drop in income.
- Our projected new income after our loan principal payment is a loss of about $343K. Using cash on hand from the last two prior year's budget surplus and some redesignated roof repair funds, the total cash loss outlay is projected to be about $194K.
- Our cash reserve prior to accounting for the loss is about $1.29 million, which is earning about 4% interest in a US Treasury Fund at Allspring Global Investments. We have not yet moved funds to recover for this year's short fall which will happen this month.
- We continue to use our Allspring account as an operating cash holding account so that we can earn interest when we have the opportunity.
- Our total financed debt is about $4.26 million at an average interest rate of 3.75%.
- We are in a challenging financial situation, and we need and appreciate everyone's continued support.

Budget Presentation & Vote – Nick Seierup

- The 2025-2026 budget was distributed prior to the meeting.
- Income:
    - Estimated school enrollment of 350 students.
    - ECDC enrollment is up year over year, they are opening an additional Pre-K classroom.
    - Tithing is down, reduction of budgeted income by 10% to reflect actuals.
    - Income from outside rental of facilities will decrease due to the completion of OUSD high school gymnasiums.
    - Income from Fireworks Stand conservatively estimated at $15,000.
- Expenses:
    - Staff reduction on the TK-8 campus with restructuring.
        - Non-replacement of middle school teacher (classes to be covered by current staff).
        - Elimination of Office Administrator positions (duties to be covered by current staff).
        - Current counselor position to be replaced by Assistant Principal.
    - DCE, Tasha Mahshi, not being replaced.
    - Health Insurance increased by 30% in 2025.
    - Retirement increases by 1% of gross pay per year for 3 years beginning 2025.
    - Freeze on conference expenses.
    - One week per month no additional musicians.
    - Removal of Outdoor Easter service from budget. Will look for donations.
    - No capital improvements.
    - Reduction of building maintenance budget.
- Considerations:
    - Investment in our success with the addition of a Director of Marketing and Communications who will be responsible for developing and executing comprehensive marketing and communication strategies to support the growth and engagement of St. Paul's Lutheran Church and School.
    - Streamline school admissions department for success, efficiency and growth under the leadership of the new principal.
- Deficit Funding:
    - The expected deficit of $310,087 for the 2025-2026 fiscal year will need to come from our reserves. We are also anticipating a deficit of $343,060 from the 2024-2025 fiscal year, which is mitigated by the $112K income remaining from the two prior years profit along with the 27K remaining from the estate gift designed to facilities, to be re-designated to operating costs, leaving a total deficit of $193,344.
    - Repayment will come from diverting annual investment of designated funds interest from budget to repayment. We are estimating that to be $67K this year. Subsequent years repayments will be approximately $50K per year. Anticipated payment to be completed in 8-10 years.
- Alternatives to deficit funding were considered and included a reduction of 3 school staff members that the Board deemed to be a determent to the future success of the school.
- **MOTION:** To approve the 2025-2026 Budget as presented.
- ***A motion was made and seconded. No further discussion. All in favor. Motion carried.***

Endowment Fund Report & Expenditure Recommendation – Paul Marlow

- The purpose of endowment funds is to create long-term financial support for the ministry.
- Past Endowment Fund Expenditures
    - 2024 - $6,000 – Missional Marketing
    - 2023 - $4,000 – Church Gym Tech Upgrades
    - 2022 - $6,000 – Live Scan Equipment (not completed)
    - 2021 - $10,000 – Church Tech Upgrades
- Bylaw 10.2.C states that the Board shall make at least one expenditure recommendation to the Voters.
- $9,800 of undesignated funds has been recommended by the Endowment Committee and approved by the Board of Directors.

- The recommendation is to fully fund online equipment upgrades ($8,000) and to provide seed money ($1,800) to begin a freezer fund for a new kitchen freezer ($7,000).
- **MOTION:** To authorize the expenditure of $9,800 of undesignated endowment funds to upgrade online equipment and begin a freezer fund to purchase a new kitchen freezer.
- ***A motion was made and seconded. Discussion. No further discussion. All in favor. Motion carried.***

School Ministry Update – Deryl Maxwell

- Deryl expressed that it is great to be back at St. Paul's!
- The theme for the 2025-2026 school year is "Made New" based on Isaiah 43:19. This theme will focus on renewal, restoration and moving forward in unity.
- Staffing Updates:
    - Skyler Hembree (soon to be O'Brien) will be teaching 4th Grade
    - Elise Shult will be teaching 5th Grade
    - Jillian Groves will be Director of Student Support (TK-8)
    - Jessica Palma will be ECDC Student Support
    - Krissy Erselius will be Health Aide
    - Wayne Waterman will be moving to 5th Grade
- We are currently searching for an Assistant Principal.
- Deryl is committed to creating a joyful, Christ-Centered culture.

Senior Pastor Update – Rev. Larry Stoterau

- Pastor Stoterau thanks everyone for their support and encouragement.
- It has been a joy to get to know everyone.
- An office has been established on the elementary campus. He will have office hours there one day per week.
- As we look toward calling a new Senior Pastor, he sees the following as areas to work on, strengthen, improve:
    - We are three ministries – but one church.
    - Define a unified vision.
    - Create a mission plan.
    - Meet our financial challenges.

Upcoming Development Opportunities

- Firework Stand – lots of volunteers needed to make this successful
- Parking Lot Lease to Orange Lutheran High School – talks are currently underway
- St. Paul's Thrift Store – possible idea
- Canal Field Development – idea to build housing for church workers (St. Paul's, Orange Lutheran, Concordia, etc) will create an income stream for ministry use.

Special Thanks

- Tasha Mahshi – outgoing DCE
- Robyn Strohschein – Principal Call Committee Chair
- Katherine Masterson – outgoing School Office Administrator
- Dr. Deb Mercier – Interim Principal
- Paul Marlow – outgoing Board of Directors Member-at-Large
- Nick Seierup – outgoing Board of Directors President

Adjournment & Lord's Prayer – David Talmage

There being no further business to come before the assembly, a motion was made, seconded, and approved to adjourn. The meeting was adjourned with the Lord's Prayer at 7:44 pm.

Respectfully submitted,
Gail Kanneg