

BOARD OF DIRECTORS MEETING

October 20, 2021

Bishop's Common Room at the Holy Cross Diocesan Center

ATTENDANCE

Board Members Present:	Msgr. Mark Pierce, Charles Frenette, Fr. Thomas Krieg, Thomas Kieffer, Ellen Smith, William Heiting, and William Tehan (via conference call)
Absent:	Bishop William Patrick Callahan
Staff Present:	Dennis Herricks, Executive Director
Guests:	James Reider and Fr. William Dhein, Diocese of La Crosse

CALL TO ORDER

A meeting of the Board of Directors of the St. Ambrose Financial Services, Inc. was duly called on Wednesday, October 20, 2021, at 10:00 a.m. with opening prayer led by Msgr. Mark Pierce. Roll Call was conducted, and the meeting then called to order.

ORDERS OF BUSINESS

- I. Approval of the minutes from the July 21, 2021, meeting of the St. Ambrose Financial Services, Inc. Board of Directors.
- II. Audited Financial Statements for the fiscal year ending June 30, 2021, were presented by Sandra Jensen, CPA, and partner with Hawkins Ash CPAs. She stated the report reflect that the opinion is unmodified and reviewed a summary of the year end financials with narrative for each specific category and provided a year over year comparative.
- III. Review of Investments – Charles Frenette, Investment Committee (*[notes from conference calls provided](#)*)
 - BMO Global Asset Management (*[report provided](#)*)
 - The sale of BMO Asset Management to Ameriprise/Columbia Threadneedle continues to move forward with anticipated completion by December 15. The existing BMO Equity Team will move to Columbia Threadneedle, fees to remain the same as currently in place with BMO, as well as the Catholic screening guidelines. The decision on who the Fixed Income manager will be made soon. The Diocese has decided to move with the manager. The International Fund manager, Lazard International and Harding Loevner International, will remain.
 - U.S. Bank Private Wealth Management (*[report provided](#)*)
- IV. Director's Report -- Dennis Herricks
 - Interest Rates – Deposits / Loans (*[report provided](#)*)
 - Deposits Balances (*[report provided](#)*)
 - Herricks provided an update to the report that deposit balances have exceeded \$61.5 million.
 - Receivables Outstanding (*[report provided](#)*)
 - Herricks noted that contact continues with St. Bernard – St Hedwig Parish with little to no progress due to the parish waiting for assistance form Diocese in regard to how to properly proceed. Fr. Dhein committed to reaching out to the pastor for follow up.
 - Of note also was that St Paul Parish in Bloomer is now paid current after having been on this report for several years/

- Loans / Lines of Credit (*report provided*)
 - Herricks reported the loan balances continue to decline as the total portfolio is now at \$6.4 million due in part from significant payments over the prior quarter. Of note are the following:
 - St. Michael Parish – paid \$75k principal & \$15.7 interest.
 - Holy Name Parish - paid total of \$12k.
 - Holy Spirit - paid \$78.5k principal
 - St Paul Parish, Bloomer, paid off loan of \$48.8k
 - SAFS Grants (*report provided*)
 - Administration – LERP update
 - The Lump Sum payment offer has a response of almost 50%, with \$1.7 million to be paid. SAFS has handled many calls to clarify and provide additional assistance/guidance to participants.
 - Loans / Lines of Credit
 - Herricks reported on a loan for St. Maximilian Maria Kolbe Parish of \$150k, unanimously approved via email on 8/26/2021.
 - Msgr. Pierce provided update on the need for funds by St. Joseph the Workman Cathedral to be presented at the January 2022 meeting.
- V. Change of Counsel for SAFS
- Msgr. Pierce referred to Tom Kieffer for an update on the matter. Tom has been in contact with attorney firm of Husch Blackwell, specifically with attorney Arnold who has experience working with the Archdiocese of Milwaukee. Mr. Kieffer has provided some documentation to them and anticipates a summary report to be provided for the board meeting. Proposal was made to engage their services with a cap on the maximum amount not to exceed \$25k which was approved unanimously approved.
 - Additionally, Mr. Kieffer has been seeking an attorney locally to provide legal counsel/guidance for issues more specific to organizational processes and operation and will continue this pursuit.
- VI. Campus Ministry – FOCUS
- Msgr. Pierce presented a request from a group of campus pastors for looking for SAFS to donate funds for four locations for a three-year period up to \$1.126 million.
 - Due to the specificity of the request being for a group rather than the parishes/diocese as a whole and the position/legal perspective of SAFS' ability to provide grants, the matter was deferred until SAFS can review the information from Husch Blackwell.

ADJOURNMENT

There being no further business to come before the Board as a whole, the meeting adjourned. The Closing Prayer was led by Rev. Thomas Krieg.

FUTURE MEETINGS

The Board of Directors of St. Ambrose Financial Services, Inc. is scheduled to meet from 10:00 am until noon on the following dates:

- Tuesday, January 25, 2022
- Tuesday, April 19, 2022
- Tuesday, July 26, 2022
- Tuesday, October 25, 2022

Respectfully submitted,

Thomas J. Kieffer, Secretary