

BOARD OF DIRECTORS MEETING

April 28, 2021

Virtual Meeting via MS Teams – Various Locations

ATTENDANCE

Board Members Present via phone/virtual:	Msgr. Mark Pierce, Charles Frenette, Fr. Thomas Krieg, Thomas Kieffer, Ellen Smith, and William Tehan
Absent:	Bishop William Patrick Callahan and Fr. William Dhein
Staff Present via virtual:	Dennis Herricks, Executive Director
Guests via virtual:	James Reider, 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, April 28, 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. Ellen Smith was introduced as the newest member of the Board. She will complete the term (January 2022) of the board member who recently resigned.
- II. Approval of the minutes from the January 26, 2021 meeting of the St. Ambrose Financial Services, Inc. Board of Directors.
- III. Review of Investments – Charles Frenette, Investment Committee (*notes from conference calls provided*)
 - BMO Global Asset Management (*report provided*)
 - BMO announced April 12, 2021 it is in the process of selling their US asset management business to Ameriprise Financial, Inc., subject to regulatory approvals and other customary closing conditions. BMO asset management business would become part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial, Inc. The transaction includes the opportunity for certain clients in the U.S. to move to Columbia Threadneedle Investments, subject to their consent, and is expected to close by the end of the calendar year. This means the Diocese may be faced with a decision of whether to move with the manager or determine what investment managers to use for these funds. The managers for the International Funds, Lazard International and Harding Loevner International are not of this change.
 - 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 \$57.5 million and increased by 17.4 million since June 30, 2020.
 - Receivables Outstanding (*report provided*)

- Herricks noted that contact continues with St. Bernard – St Hedwig Parish regarding working toward a way to payoff the past due amount though nothing additional to report.
 - Loans / Lines of Credit (*report provided*)
 - Herricks noted the loan balances continue to decline as the total portfolio is now less than \$7 million due in part from significant payments over the prior quarter. Of note are the following:
 - St. Michael Parish – paid \$70.5k principal & \$16k interest.
 - Holy Name Parish - paid total of \$50k which included paying off one of their loans.
 - St James the Less Parish– paid total of \$88.8k which included paying off one of their loans.
 - St Joseph the Workman Cathedral – paid off their loan of over \$140k.
 - Catholic Schools – Regis paid \$78.8k and Columbus paid \$60.6k on their lines of credit to now be at \$0.00 balance.
 - Diocese paid \$1.421 million line of credit to now be at \$0.00 balance.
 - Financial Statements (*report provided*)
 - Balance Sheet Highlights:
 - Investments increased by \$14 million due to the Deposits increasing by \$9 million and A/R decreasing by @\$400k.
 - Net Assets increased by over \$14 million.
 - The under/over due to/from DOL at quarter end was \$542k.
 - Income Statement Highlights:
 - Revenue is tracking to be similar to 2020.
 - Interest paid on deposits will exceed \$1.3 million – as a comparison from 2011 – 2018 the amount paid to depositors for those years combined was just over \$1 million.
 - Expenses are slightly higher due to administrative costs of new staff and their enrollment in health plan.
 - Net Assets or income for the first two quarters of fiscal year is over \$7.7 million.
 - Administration
 - Health Plan update – ACA 1095 reporting/statements completed and submitted 3 weeks ahead of deadline.
 - Herricks has been part of the Insurance Committee evaluating the broker relationship.
 - Diocese of La Crosse Lay Employees Retirement Plan statements have been mailed out to participants (Actives=264 / Deferred Vested=437)
- V. Loans – All Saints Parish (Stanley) – previously approved via email on April 12, 2021.
- VI. Corporate Resolution
- Herricks presented a Corporate Resolution which provides documentation of the specific authorities aligned with the Executive Director position
 - After discussion, the document was approved as presented without dissent.
- VII. SAFS Grants (*report provided*)
- The amount paid out for the quarter increased by \$53.7k for the following entities:
 - Holy Name Parish - \$6.2k interest forgiveness
 - St. Michael Parish - \$19.2k interest forgiveness
 - St Joseph the Workman Cathedral - \$28.3k increase to total amount of matching funds.
- VIII. Special Meeting
- The topic was presented and discussed by Monsignor Pierce to conduct a special meeting to have conversation on Strategic Planning for SAFS. It was suggested that this could be discussed either after or before the next board meeting. Additional information to be provided at a later date.

- This prompted additional discussion on the Wisconsin Attorney General matter with the pursuit of information from the Dioceses of Wisconsin. It was suggested that SAFS needs to engage legal counsel that is not the current legal counsel due to the Diocese attorney (Kirschner) and the SAFS attorney (Stickler) being at the same law firm. It was concluded that Herricks would follow up with Attorney Stickler to get his perspective and then report this to Monsignor Pierce.

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:

- Wednesday, July 21, 2021
- Wednesday, October 20, 2021

Respectfully submitted,

Thomas J. Kieffer, Secretary