

ST. MATTHEW PARISH
MINUTES – FINANCE COMMITTEE MEETING
March 11, 2008

Present: Rev. Steve Stradinger, Joe Weiss, Tom Schneider, Bill Ahlstrom,
Jeff Slusar, Mike Kuick, Janice O'Connor, & Jim Habanek

Excused: Debbie Yost

Absent: Glenn Margraff

Meeting called to order: 7:02 P.M.

1. Meeting was called to order by Bill Ahlstrom Tom Schneider presented the Question of the Week, which was discussed by the Committee. He then led the Committee in the Prayer of Gratitude.
2. Review of Minutes from the February 19, 2008 meeting. Janice O'Connor noted that the \$80,000 CD that was reinvested on January 10 for 13 months at a rate of 4.80% was with Wauwatosa Bank, and not with Johnson Bank as stated in the minutes. With that exception, they were approved as submitted.
3. Review of the February 2008 Financial Statements and Schedules. Tom Schneider presented a brief overview of the financial statements, and Janice O'Connor discussed the various departmental schedules. Items of note included:
 - a. Excluding two major gifts, Financial Stewardship is 2.9% (\$12,375) ahead of last year, but \$14,996 below this year's budgeted level for this point in the year.
 - b. The Phase II Building Fund had a gain of \$10,313 in February. The YTD gain is \$104,025. The outstanding loan balance is \$468,446, and the Building Fund has \$143,343 in short-term cash-equivalent investments.
 - c. Budgeted Programs realized a loss of \$14,465 in February. The total of all programs, excluding the Building Fund, realized a gain of \$28,902. The YTD gain in budgeted programs is \$135,065 versus \$125,102 last year.
 - d. Now that the Parish Council has approved the fundraising plan for a new gym, a new schedule will be created for this activity, and the Committee agreed that any funds that are raised should be kept in segregated accounts.
 - e. Unavoidably, Snow Removal expenses are already \$4,500 over budget for the year.
 - f. A new Water Heater has been installed in the Rental Property. The tenant graciously and unexpectedly contributed \$500, which was 72% of the cost.
 - g. Scrip Program inventory was \$19,365 at the end of February. We started the year at \$10,000. \$3,000 was transferred to Home & School in February.
 - h. Hot Lunch Program financial and reporting issues appear to be under control, but we still expect a deficit for the year that will need to be covered, probably by the surplus in the Extended Care program. Some compensation for benefits for January and February has not as yet been recorded.

Old Business

1. The Committee spent a considerable amount of time discussing the Second Draft of 2008-2009 Budget. In addition to those detailed in last month's Finance Committee meeting minutes, issues of most significance or concern are as follows:
 - a. The Second Draft projects a surplus of \$3. The First Draft projected a deficit of nearly \$14,000.
 - b. The Administrative Expense formula which for years, and as a matter of policy, has been used to allocate administrative, stewardship, and pastoral care costs will be maintained.
 - c. Julie Barber and the Board of Education have revised the School budget, bringing it within compliance of Finance and Personnel Committee requests. The School budget assumes 220.5 full-time equivalent students and a 9% increase in tuition revenues (\$39,608). Health and dental insurance costs remain uncertain. The Board of Education and the School Principal have decided that we will enforce the policy that previous year's tuition must be paid in order for a student to register for the next year. Those

in arrears will be placed on a waiting list. This policy decision could impact the budgeted enrollment level.

d. The Hot Lunch Program budget is balanced due to a \$0.25 per meal increase.

e. The Committee unanimously approved the Second Draft of the budget, and requested that it be forwarded to the Parish Council, and then to the Parish Pastors for their approval.

2. Some expenses related to the School Auction have not as yet been recorded. When they are, the auction should net approximately \$46,000, which is about the same as last year.

3. The Athletic Association's Calendar Raffle is expected to realize a loss of between \$1,000 and \$2,000.

4. Tom Schneider and Mike Kuick reported to the Committee on the March 8 Parish Town Hall meeting. In summary, they stated that it was an impressive overview and presentation of all of things that are going on in the parish.

5. Mike Kuick reported to the Committee on the Parish Council's action with respect to the Proposal for raising funds for a new gymnasium. Parish Council's approval is for the raising of funds; not an approval to proceed with construction, which will be dependent upon the success of the fund raising effort.

New Business

1. Fr. Steve informed the Committee that a Transition Team to assist/educate/help our new parish pastor will be formed, and asked for a volunteer to represent our Committee on that team.

2. Mike Kuick shared with the Committee a detailed and very informative graphical display which he had prepared. It depicted the absolute levels and year-to-year changes in costs for each of the parish's seven main departments for the most recent twelve year's including the 2008-2009 budget.

3. Due to the level of interest rates in recent years, the parish has realized a rate of return on CD's and money market accounts in excess of the cost of our construction and rental property debt. Therefore, it has been in the parish's best financial interest to minimize debt reduction. Interest rates on short-term cash-equivalent investments are now, and likely to remain, below the cost of our debt. After discussion, the Committee agreed to accelerate the reduction of our outstanding debt, including the immediate payoff of the \$81,000 rental property mortgage, as cash reserves build and our current CD investments mature.

Next Meeting: Tuesday, April 15 2008

Meeting Adjourned: 8:47 P.M.

Respectfully submitted by Jim Habanek, Secretary

Distribution:

Bill Ahlstrom, Chairperson

Rev. Steve Stradinger, Pastor

Rev. William Stanfield, Pastor

Tom Schneider, D.A.S.

Mike Kuick, Trustee

Janice O'Connor, Accounting Assistant

Tom Marciniak, Parish Council Representative

Finance Committee: Glenn Margraff, Jeff Slusar, Joe Weiss, Jim Habanek, & Debbie Yost

