

ST. MATTHEW PARISH
MINUTES – FINANCE COMMITTEE MEETING
August 19, 2008

Present: Fr. Pat O’Loughlin, Tom Schneider, Bill Ahlstrom, Jeff Slusar, Mike Kuick, Janice O’Connor & Deb Yost.

Excused: Joe Weiss, Glenn Margraff, & Jim Habanek

Absent: None

Meeting called to order: 7:01 P.M.

1. Meeting was called to order by Bill Ahlstrom. Debbie Yost read the week’s gospel. 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 June 17, 2008 meeting. They were approved as submitted along with and an addendum related to finance committee approval of a proposal for a K-4 aid for ten hours per week that was handled via email since the June 17th meeting.
3. Review of the June 2008 Year End Financial Statements and Schedules. Tom Schneider presented an overview of the financial statements along with a walk through of June 30, 2008 designated funds. Janice O’Connor discussed the various departmental schedules. Items of note included:
 - a. Financial Stewardship ended 3.6% or \$22,596 ahead of last year, The total was \$20,368 below the year’s budget.
 - b. The Phase II Building Fund had a gain of \$17,779 in June with the YTD gain at \$156,261. The “Building Fund Reserve Impact” schedule shows the Project to date loss of (\$266,093). The outstanding loan balance stands at \$152,256, with \$113,837 “pre-paid” from the parish reserves.
 - c. Budgeted Programs realized a loss of \$49,501 in June with the year ending at a surplus of \$9,620. The total of All Programs, excluding the Building Fund, realized a loss of \$43,191 in the month and a full year gain of \$89,165. With the “Unbudgeted” category surplus at \$79,545 for the year, it was noted by the committee that the majority of the surplus is due to timing of funds raised vs. the spending in these special purpose schedules and is therefore the source of many of the designated fund adjustments that will occur in July.
 - d. Tech Teacher designated fund. Debbie Yost raised a question that was left open for resolution. Tom will review correspondence and get back to the committee. The question was whether the Home and School surplus was budgeted in 08/09 to be the direct source of funds for the Tech Teacher for 2008-09 or if only a contingency had been pledged pending other unknown items at budget time such as new teacher salaries and health insurance.
 - e. Scrip. It was noted that scrip inventory and activity was reconciled at year end. Scrip generated income of about 3.4% for the year. \$11,000 was transferred to H&S with the surplus of \$7,510 being used fund a desired increase in inventory. New tracking software will be used going forward with weekly inventories taken to enhance visibility to status and activity.
 - f. School. School came in favorable to budget for the year when excluding the unique items of auction proceeds and Tech Teacher expense funded separately. Also lower administration expenses were the result of Pastoral Care/Stewardship & Administration being favorable to budget. Also of note related to the school is 08/09 school is budgeted with 223 students and the current actual enrollment is at 215 including 24 in K-4. There is currently 8 families delinquent on tuition totaling \$12,786. Approximately \$3k of collections on this is probable with 2 families on a plan or schedule. The remaining will be a challenge.
 - g. Building & Grounds. It was noted in the utility expenses that the energy improvements we have been making seem to be appearing in spending. Despite the challenge of rising rates, most notably electricity for the church/school was under budget for the year and was over \$2000 lower than last year.
 - h. Rental Property. The rental property had a small surplus. Janice raised the question if the surplus needs to be reconciled with reserves used to pay down the mortgage. The committee felt no action was

necessary as the rental property is part of normal operations. While we are always interested in increasing reserves, no separate reconciliation should be needed.

i. Little Brick Church. Tom updated Fr. Pat related to the charter of the Fish Boil being operated with the intention of funding the Little Brick Church reserve to provide funds for on going maintenance.

New Business

1. Tom updated the committee on progress of investigating if there is opportunity on banking charges. We are currently with M&I and their initial proposal had items related to our banking behavior that could save fees, but did not initially offer any real improvement in rates. M&I has since indicated they will have a new proposal for us. Johnson Bank was comparable to M&I. Tri-City indicated they may be able to save us about \$2,800 per year. Tom plans to take a closer look to understand the details. He also intends to contact Glenn to see if Chase could benefit us.

2. Tom presented a proposal that summarized the functional surplus from the year just ended and high lighted \$14k of known budget savings related to staff turnover that have occurred since the budget was prepared. Additionally the health insurance increase came in at 4.7% vs. the 10% increase assumed in the budget which is about \$24k to the positive. With these favorable developments, the committee voted to recommend to the Parish Council and the Personnel Committee that an average 3% payroll increase be enacted retro active to July 1. Assuming action by the Parish Council, the committee recommends a revised "Management Budget" be prepared for monitoring 08/09 against known changes since the budget was prepared.

3. CDs: With CDs coming due, it was recommend that we hold off any further pay down of the mortgage until we can take a closer look at the impacts of the known the items discussed in #2.

4. Fr. Pat shared some reflections and concerns he had with his understanding of the parish's Phase I and Phase II Generations of Joy campaign and the Archdiocese's approvals in light of the Faith in our Future Archdiocesan Capital Campaign that will be held here at the beginning of 2009. There was some discussion.

Next Meeting: Tuesday, September 16, 2008

Meeting Adjourned: 8:50 P.M.

Respectfully submitted by Jeff Slusar, substituting for Jim Habanek, Secretary

Distribution:

Bill Ahlstrom, Chairperson

Rev. Patrick O'Loughlin, Pastor

Tom Schneider, D.A.S.

Mike Kuick, Trustee

Janice O'Connor, Accountant

Jeff Menz, Parish Council Liaison

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