

5454 ST. MATTHEW PARISH
MINUTES – FINANCE COMMITTEE MEETING
November 18, 2008

Present: Fr. Pat O'Loughlin, Jeff Slusar, Mike Kuick, Joe Weiss, , Debbie Yost & Jeff Menz and staff:
Tom Schneider and Janice O'Connor.

Excused: Bill Ahlstrom, Jim Habanek, & Glenn Margraff

Meeting called to order: 7:00 P.M.

1. Meeting was called to order by Mike Kuick filling in for Bill Ahlstrom. The week's gospel was read by Joe Weiss. Tom Schneider presented the Question of the Week, which was discussed by the Committee. Tom then led the Committee in the stewardship prayer.
2. Review of Minutes from the October 21, 2008 meeting. Minutes were approved as submitted.
3. Father Pat then addressed the committee on the following:
 - a. Parish Meeting – Two dates were selected for the annual parish meeting. The first session is scheduled for immediately after the 9:30am mass on Sunday December 7th. The second session will be Tuesday December 9th at 7:00pm.
 - b. The Faith in Our Future campaign will be an element of the parish meeting. Citing that the Archbishop's position that we cannot have multiple major fund raising campaigns underway simultaneously, Fr. Pat shared his decision to inform the parish of a March 31, 2009 target date for suspension of the Phase II building campaign.
 - c. With the launch of the Faith in our Future campaign scheduled for January 2009, the parish must develop a case statement for use of the 60% share retained by the parish in this fund raising effort. Fr. Pat suggests the case could include a larger capital item, a list of smaller projects focused on Christian education and faith formation and possibly a restoration of parish reserves component. A draft of the case will be due by December 5th so ideas for the small project list will be solicited through parish committees.
 - d. Father Pat then excused himself to prepare for a funeral.
4. Review of October Financial Statements – Tom and Janice led the review of the October Balance Sheet and Income Statement. Highlights and items discussed by the committee include:
 - a. The construction mortgage has been paid off per direction of the Finance Committee with the Parish Council's approval with the understanding that future contributions from donors of the Phase II Campaign would be used to replenish the \$226,542 of pre-payment from parish reserves.
 - b. Per the Archdiocesan financial review, the "Restricted" and "Designated" funds have been separated in the Liability section of the balance sheet to incorporate the donor restrictions of Phase II Building contributions and perpetual care of cemetery funds.
 - c. Receipts and Disbursements – Subsidized operations resulted in a loss of \$24,887 in October with total for all operations (excluding Building Fund) resulting in a \$16,748 loss. YTD the subsidized operations shows a \$92,914 gain compared to \$106,982 in 2007. Total all programs YTD is a gain of \$132.7k (w/o Building Fund) vs. \$174.3k gain in 2007. The reduced gain is mostly explained by the special one time gift (Bob Johnson) in 2007.
 - d. Financial stewardship is +1.6% (\$3.2k) ahead of last year but \$17.6k behind budget.

- e. Tom reported we terminated the Kansas Surety policy that insured our deposits in excess of FDIC coverage at Peoples Bank (they served us notice that they were going out of this business). With the use of cash to pay the mortgage and the recent increase in FDIC coverage, the policy is no longer needed.
- f. Pension and Life in all schedules reflects two quarterly payments at one quarter of the year. The Archdiocese is catching up on premiums which were delayed historically as it converts to a new system. We may have more than four quarters of pension payments this year.
- g. The committee discussed the enrollment figures for youth ministry and child formation. Janice will provide more detail at next month's meeting.
- h. School schedule – Janice reported that 22 families are delinquent a total of \$19,791. Several of the families are approved “hardship.” There is still \$11,987 outstanding from last year from 7 families. Three families are with us and on payment plans with \$2,500 estimated to be collectible. The remaining families from 2007 have either moved or are in bankruptcy.
- i. Hot Lunch Program- 2/3 of the cost of a recent refrigerator repair will be transferred to the Hot Lunch Program. Tom also noted that research shows there has been no increase in rent to the program since 1997.
- j. Athletic Association – The “calendar raffle out” will continue through December. There will be no calendar raffle in 2009.

Old Business

- 5. Boiler Proposal – The formal proposal for Boiler Replacement from Buildings and Grounds to Jeff Menz was shared with the committee. Jeff asked the Finance Committee for their recommendation. The committee commented that although the project is one that actually presents a payback and is good environmental stewardship, we could not recommend the use of Parish Reserves considering the current reserve position resulting from retiring the mortgage and the pending suspension of the Phase 2 building campaign that has been used to restore the reserves.

New Business

- 6. Scrip –the Parish Council minutes state that it approved a proposal that will allow school families to earn a credit towards tuition based on 50% of the scrip profits they generate. The committee expressed concern that a proposal that has potential financial impact or impact to the business office who oversees and records the financial transactions for the parish were not consulted for an opinion on the proposal. The committee has questions as to the procedures for application of the credit, is there an impact school contracts, timing of the use of the credit and whether the scrip program and Home and School still commit to deliver the same level of revenue to the school beyond the tuition credit shared. The committee feels this should be brought to the attention of the Parish Council that the Finance Committee should not be bi-passed for an opinion on such proposals in the future.
- 7. Stewardship assumptions for budget planning. Tom shared a draft of a proposal for stewardship assumptions for the next budget year. The committee concurred that with reservations, we could recommend a stewardship assumption no larger than the current budget. Issues of concern include: we are currently below the budget level of stewardship in the current year, the current state of the economy, past history of reduced stewardship (3% or \$15,000) in years where capital campaigns are commenced and it is the committees understanding that the requirement for school families to maintain a minimum stewardship level to qualify for discounted tuition will be eliminated which if history repeats itself, we could lose \$5 per week per family on average which would be a total of \$36,000 per year.

8. The report from the Administrative Services / Community Building Committee was shared with the group. Jeff Menz, Parish Council liaison, recapped the meeting as having a theme of an interest in investing in our infrastructure such as technology to solidify our future while he's questioning whether a new building focus is our best option at this time.
9. Archdiocesan Financial Review - Tom shared the formal report from the Archdiocesan Financial Review. He also shared with the group a draft of the staff response to items highlighted in the report. A formal written response to the Archdiocese will be written up and sent to the Archdiocese from Fr. Pat, Mike Kuick as Trustee-Treasurer, and Bill Ahlstrom, Finance Cmt. Chair. As stated at last month's meeting, the corrective actions were constructive in nature and did not present any significant negative findings. The report stated that "The financial condition of St. Matthew Congregation is good." Tom and Janice will complete the target improvements in the suggested areas before our next meeting.
10. The December meeting is scheduled for December 16. Consistent with tradition, the committee will plan to stay for a little Christmas Cheer at the conclusion of the formal meeting and everyone is asked to bring something.
11. Meeting was adjourned at 9:07.

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

Distribution:

Bill Ahlstrom, Chairperson
Rev. Patrick O'Loughlin, Pastor
Mike Kuick, Trustee
Jeff Menz, Parish Council Liaison
Finance Committee: Glenn Margraff, Jeff Slusar, Joe Weiss, Jim Habanek, & Debbie Yost
Tom Schneider, Dir. of Adm. & Stewardship
Janice O'Connor, Accountant