

**ST. MATTHEW PARISH**  
**MINUTES – FINANCE COMMITTEE MEETING**  
**January 20, 2009**

Present: Father Pat O'Loughlin, Tom Schneider, Bill Ahlstrom, Jeff Slusar,  
Mike Kuick, Janice O'Connor, Joe Weiss & Jim Habanek  
Excused: Debbie Yost, & Glenn Margraff

Meeting called to order: 7:04 P.M.

1. Meeting was called to order by Bill Ahlstrom. Tom Schneider read the week's gospel. Tom then 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 December 16, 2008 meeting. They were approved as submitted.
3. Review of the December 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. Financial Stewardship is \$2,498 (0.7%) behind that of last year, and \$2,408 below this year's budgeted level for this point in the year.
  - b. The Phase II Building Fund had a gain of \$32,862 in December. The YTD gain is \$84,884. As of 12/31/08, we have applied \$181,209 of parish reserves as a "loan to the project".
  - c. Subsidized Operations realized a loss of \$18,503 in December. Total Programs, excluding the Building Fund, realized a loss of \$13,702. Our YTD gain in Subsidized Operations is \$61,345, compared to \$108,383 in 2007. Our YTD gain in Total Programs, excluding the Building Fund, is \$93,016 compared to \$175,350 in 2007. The difference is largely due to the one time gift of \$32k received last year and \$48k of designated reserve spending from carryovers recorded in Capital Improvements. We are about \$25,000 behind last year's experience, pointing more closely to a break-even performance.
  - d. On the balance sheet, the copier reserve of \$522 was applied against the \$6,500 purchase of a copier with the remainder reducing the H&S Designated to \$9,585
  - e. Child & Family – The committee had a brief discussion on a series of accounts with small budget amounts that remain unspent to determine the nature of the expenditures and the likelihood of the expenses being incurred. This was more of an informational discussion on the programs the accounts are intended for.
  - f. School – Janice reported that for the current year at this time there are 29 families delinquent for a total of \$39k. This amount relates to tuition only.
  - g. Rental Property – Tom reported that the current tenant's employment at the power plant project has ended and that he is seeking employment in the area, but also has options in other cities. The lease runs through May and we may be at risk of losing the tenant at that time.
  - h. Little Brick Church – The maintenance expenditure was for concrete work completed to fix a crumbling sidewalk. Tom indicated that the committee has stated they want to use some of their income on continual updates/maintenance to demonstrate progress, and not allow all of the net income to build up in the reserve.
  - i. Scrip – Janice reported she and Tom have access to the new scrip software giving her visibility to inventory balances and in-transit purchases to improve the reporting on the program. The committee discussed the observation that it appears the overall profit appears to be about 2%. Tom informed us that the parish council approved a proposal that the software will be used to track the profit (by individual families) for use in the new tuition credit program. He has not yet seen this in action but is told it works well. We will find out more in future months.

Old Business

1. The budget process is on the track of the plan. At this time, no extraordinary projects have been presented to the Finance Committee. Staff projections that affect the budget are due to Tom Schneider and Janice O'Connor by February 6<sup>th</sup>. The Committee will be presented with the first draft of the 2009-2010 budget at its next meeting on February 17<sup>th</sup>. The Committee was informed that a wage freeze, employees now eligible for benefits, a 10% increase in insurance costs, and an increase in pension contributions of 1% would require a \$26,000 increase in the budget over current levels. The Committee was also informed that every 1% increase in salary levels is equivalent to approximately \$10,000. Given the level of financial stewardship and increasing costs, the Committee discussed the potential need to freeze next year's salary levels. Additionally, the Committee was informed that the Archdiocese has told the parish to expect a 6% - 7% increase in lay-person pension contributions.

2. The Parish Council has approved the Christian Formation Committee's proposal to implement a 50% Scrip Tuition Credit to families that participate in the Scrip program. The profit on Scrip sales will be split 50/50 between St. Matthew school and the eligible family. The credit program, which will be applied to tuition due beginning in July, 2010, begins immediately. To qualify for the credit, families must be current on their tuition and fund-raising responsibilities. We have not as yet been informed whether the H & S revenue contribution from Scrip needs to be first met before tuition credits are granted.

#### New Business

1. The Committee discussed what to do with an \$80,000 Certificate of Deposit(CD) that is maturing on February 10, 2009. It was agreed that the proceeds should be reinvested in another CD for a term of six to twelve months, depending upon the relative attractiveness of rates, laddered along with other funds in money market accounts.

2. Mike Kuick presented the Committee with a histogram analysis of departmental costs and financial stewardship. Financial stewardship has been relatively flat over the past 11 years, while costs continue to escalate. If current trends continue, school costs will soon outstrip financial stewardship.

3. While no one has as yet asked the Committee to act on this matter, the Committee discussed the Home & School Association bylaws with respect to the retention and use of surplus funds. It was the consensus of the Committee that any change in the current H&S bylaws is a Parish Council issue, and that the Board of Education should have oversight. Nonetheless, it is the consensus of the Committee that any material relaxation of the bylaws pertaining to the retention and use of any fiscal year surpluses would set a bad precedent for other parish associations.

Next Meeting: Tuesday, February 17, 2009

Meeting Adjourned: 8:20 P.M.

Respectfully submitted by Jim Habanek, Secretary

#### Distribution:

Bill Ahlstrom, Chairperson

Rev. Patrick O'Loughlin, Pastor

Tom Schneider, Director of Adm. & Stewardship

Mike Kuick, Trustee

Janice O'Connor, Accountant

Jeff Menz, Parish Council Liaison

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

