

ST. MATTHEW PARISH
MINUTES – FINANCE COMMITTEE MEETING
February 17, 2009

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

Meeting called to order: 7:05 P.M.

1. Meeting was called to order by Bill Ahlstrom. Tom Schneider led the Committee in prayer for all parishioners, especially for those dealing with health issues and the loss of loved ones.
2. Review of Minutes from the January 20, 2009 meeting. They were approved as submitted.
3. Review of the January 2009 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 \$1,179 (0.3%) behind that of last year, and \$9,958 below this year's budgeted level for this point in the year.
 - b. The Phase II Building Fund had a gain of \$10,001 in January. The YTD gain is \$94,885. As of 01/31/09, \$171,208 of parish reserves is still on "loan to the project".
 - c. Subsidized Operations realized a loss of \$3,887 in January. Total Programs, excluding the Building Fund, realized a gain of \$1,627. Our YTD gain in Subsidized Operations is \$57,458, compared to \$110,447 last year. Our YTD gain in Total Programs, excluding the Building Fund, is \$94,643 compared to \$201,754 in the prior year. The gap between the two years is largely due to the one time gift of \$32k received last year and \$49k of designated reserve spending from carryovers recorded in Capital Improvements. Bill Ahlstrom asked if we will have sufficient liquidity to carry us through the summer. Tom Schneider responded in the affirmative, in part due to the proceeds from the school auction. Tom also remarked that fiscal operations for subsidized programs for the year will be very close to break even.
 - d. Janice O'Connor commented that she continues to work on timing issues related to the Scrip program in an effort to improve the accuracy the reporting on the Scrip schedule.
 - e. Certificates of Deposit in the amount of \$150,000 were purchased in January at rates that are very attractive relative to general CD market levels.
 - f. Janice O'Connor informed the Committee that 28 school families (approximately 20% of the total) are delinquent in paying tuition, in the amount of \$28,465. She continues to work diligently on collecting these delinquent funds.
 - g. The school auction was once again a success. Final numbers are not yet available, but net proceeds of approximately \$35,000 are expected.

Old Business

None

New Business

1. The Committee discussed policies and procedures pertaining to Phase II matching contributions. With the Phase II capital campaign becoming suspended and Faith in Our Future fund raising beginning on March 31, 2009, the question has arisen about how to treat Phase II designated employer matching contributions. The issue is complicated, and no conclusion was reached. Tom is checking with the Archdiocese.

2. Bill Ahlstrom reported on a special meeting of parish leaders that was held on February 10, 2009. Among other issues, the budget process was discussed. There are some who would like to streamline the budget process by creating a "Budget Committee" that, in addition to the Finance Committee, would work on the budget. This year's budget process is on schedule. We have offered to orientate the Parish Council at an upcoming meeting on how best to interpret the current reports used by the Finance Committee (shared with Parish Council quarterly) to monitor fiscal performance.

3. Prior to this meeting, Fr. Pat had sent two e-mails to the Committee members which shared his personal goals and priorities for next year's budget, and offered suggestions for diminishing pay disparities that exist at the parish, as well as suggestions for working towards fair and just wages for all parish employees. Fr. Pat wished to have the Committee incorporate them within Its budget considerations. While the Committee does not ordinarily become involved in discussions about individual salaries and benefits, It believed it necessary and important that Fr. Pat's goals and suggestions be discussed at length. Further discussion of these issues will occur within the context of budget deliberations at next month's meeting.

4. Tom Schneider presented the assumptions of the First Draft of the 2009 - 2010 parish budget. The Committee spent most of the meeting time in consideration and discussion of this first proposal. The First Draft projects a deficit of \$71,883. Even without any parish employee salary increases, the projected deficit would be approximately \$45,000. Financial stewardship is budgeted at the same level as this year's budget (\$676,830). The budget also assumes a 10% increase in health and dental insurance costs. The Committee searched for ways to narrow the gap, both on the revenue and expense sides of the ledger. Some recommendations were made in this regard. The Committee also discussed Archdiocesan requirements with respect to submitting a balanced budget, and the consequences of not doing so. Some risks to this year's budget include:

- the school budget assumes enrollment of 217 students
- we do not know the extent to which the Faith In Our Future fund raising campaign may diminish financial stewardship
- the mandatory \$20 per week stewardship requirement for school families has been dropped, which is likely to diminish their giving
- the economy remains in a recession

With 10:00 P.M. fast approaching, the Committee members were charged with the responsibility of further studying the First Draft proposal and of coming up with ways to narrow and/or eliminate the proposed deficit. Fr. Pat will provide input to Tom and Janice on decisions he intended to work on so that the second draft would be readied for recommendation to the Parish Council.

Next Meeting: Tuesday, March 17, 2009

Meeting Adjourned: 9:55 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

