



The Catholic Community of  
St. Francis of Assisi

## Finance Council Minutes

Date: 1/25/22

Time: 7:00 p.m.

Attendance:

Members	Present	Members	Present	Members	Present	Members	Present
Steve Vebber	X	Paul Fedorkowicz	X	Rob Neppel	X	Msgr. Michael Clay	X
		Heidi Hobler	X	Esperanza Neri	X	Fr. Jairo Maldonado	X
Delynn Alexander	X	Sarah Hoffman	X	David Nerz	X	Cong Le (Seminarist)	X
Jose Cahuayme		Reji John	X	Peter Russo	X		
Susan Debender	X	Steve Joseph	X	Kathy Sales	X		
Julio de la Rosa	X	Bill Laxton	X	Tim Thronson	X		
Steve Dilger	X	Tom Mense		Mike Watson	X		

### **AGENDA:**

Opening Prayer  
Accept Minutes of 11/30/21 Meeting  
School Updates – TFS & Pre-School  
Offertory Update  
BAA Update  
Columbarium Update  
Budgeting for 2022-2023 Fiscal Year Update  
Summer Maintenance Project Updates  
Closing Comments  
Closing Prayer

### **Welcome New Members:**

- Steve Vebber introduced and welcomed two new members to the Finance Council, Sarah Hoffman and Peter Russo.

### **OLD BUSINESS:**

- Steve Vebber requested feedback on the Finance Council Meeting Minutes of 11/30/21.
- There were no changes identified.
- **Vote Taken** – A motion to approve the Meeting Minutes from 11/30/21, was made and approved.

### **NEW BUSINESS:**

**School Updates:**

#### **TFS Update:**

- Mike Watson noted that the COVID guidelines from the North Carolina Department of Health & Human Services (NCDHHS) were recently updated. We follow all the rules with one caveat. We require unvaccinated students who have eaten with a student who tests positive, to be quarantined. Although, this is not required per the State guidelines, it is something we chosen to have as a policy here at TFS.
- Registration for school year 2022-23 is in process. As of this meeting, 114 applications have been started, 98 applications have been submitted and 62 students have been accepted. These numbers are more than the last 2 years at this point in time. We may need a waitlist in kindergarten.
- Mike reviewed our new school website which replaces the website that we have had for the last 3 years. He highlighted the improvements that have been made. He felt that the website has been a very valuable marketing tool for us and that the improvements will provide further benefits.
- Mike was asked what was driving the increase in enrollment. Mike felt it was several factors from the word of mouth support from the parents, to the quality education we offer, to the success of the website and also the marketing group we are using. He noted that these are just some of the reasons and not all of them.

#### **Pre-School Update:**

- Heidi Hobler provided an update to the registration for school year 2022-23. We currently have 148 spots filled. We have a capacity for 174. Last year at this time, we were at 141. Some of the classes are closed and have a waitlist. We are off to a good start.

#### **Offertory Update:**

- Rob Neppel noted that through December, we are \$131,524 ahead of last year, and slightly over 50% of the full year budget. At the end of November, we were \$180,755 ahead of last year. Our full year plan assumes that we will be \$300K over last year, which could be in jeopardy as Christmas donations were not as expected.
- December loose cash averaged \$4031 per week.
- Faith Direct represents about 59% of our offertory. We collected \$2.48M through Faith Direct in 2021.
- The first 2 weeks of January helped by adding \$11,160 more than last year, however we experienced a major hit due the weather in week 3, and expect the same in week 4.
- Rob noted that the Church normally runs 9 months in the red and Christmas and Easter bring us back to even.
- If offertory does not pick up, then Rob noted that we will have to focus on expense reductions. He will be meeting with Directors to review their budgets starting next week.

#### **BAA Update:**

- Rob Neppel noted that we closed the 2021 BAA on December 31<sup>st</sup>. Our Parish pledged \$513,752 which was 100.9% of our goal. This is the first time since 2008 that we have met the goal.
- The Diocese has already kicked off the 2022 campaign with mailings that went out January 15-16. They will send out follow-up mailing in March & May.
- We will kick off our campaign here at St. Francis on February 5-6 with messages from the pulpit & bulletin.
- Our goal will be \$509,088 which is the same as last year. It was stated that the kickoff should celebrate last year's success. This will make the people realize, that this year's goal is also attainable.
- A question was asked on what we did to be successful last year. Rob noted several factors such as Msgr. Clay's messages from the pulpit and his personally contacting people was key. We also did not have to compete against the Franciscan Challenge (about \$110K-\$115K annually). There was also no yearend ask. He also felt the messages conveyed on St. Francis T.V. helped.

#### **Columbarium Expansion Project Update:**

- Rob Neppel noted that the overall design is complete and that contracts have been signed with Eickhoff (responsible for niches) and Clancy & Theys (responsible for the construction).
- The cost for 620 Niches is currently estimated at \$208,327 (reduction of \$12K from prior estimates). We have made a down payment of \$74,476 on this.
- Clancy & Theys construction costs are estimated at \$881,863. We were directed by the Diocese to add an additional 10% (\$88,186K) to this estimate, for contingency.
- The overall funds approved for the project are now \$1,178,376 after adding in the contingency. Rob thanked the Finance Council for its flexibility in approving the Diocese's additional contingency request via email on 12/6/21.
- As of this meeting, project cost estimates and reviews have been completed. Procurement of materials is underway. We estimate long lead times in some cases. Obtaining final permitting is underway.
- We are targeting the week after Easter to start construction.
- Clancy & Theys estimates 180 days to complete after starting construction. There are penalties to the subcontractors if they run over this time frame.
- A question was asked on change orders and who has to approve. Rob noted that he would push back on any change orders. He would like to wait and see if that will hold true before commenting further.

#### **2022-2023 Fiscal Year Budgeting Update**

- Rob Neppel noted that we expect guidance from the Diocese around March 15<sup>th</sup>. This will contain all the Diocese assessments, guidance on insurance, stipends, salary plans and other important assumptions to build the plan.
- We will be reviewing the school budgets at the April 26<sup>th</sup> Finance Council meeting. Early approval of the school budgets is required in order to finalize teacher contracts before the school year ends. We will use the 5 year budget models as the base to build the school budgets. We will update based on the guidance and assumptions provided by the Diocese and latest enrollment estimates.
- We will be reviewing the Church & Columbarium budgets at the May 17<sup>th</sup> Finance Council meeting. We expect the Budget owning Directors to provide their inputs in March.
- Rob noted that about 85% of budgets is fixed with the major drivers being salaries, compensation and plant.
- As a follow up to a question asked in our last Finance Council meeting regarding whether our insurance covers us for replacement cost of our property, Rob noted that we are. He also noted that we will soon be inventorying all the assets on our campus to make sure we have enough insurance protection.
- It was stated that when building the school tuition budget, that we assumed the lowest tuition rate which is the Parish Steward rate and applying a sibling discount.
- **Follow up required** – a question was asked on what our Non-Catholic enrollment/rate is at the TFS. Rob said he would follow up on this.

#### **Maintenance Projects Update:**

- At our last Finance Council meeting, approval was provided for additional projects recommended by the Maintenance Committee for the current fiscal year ending June 2022 for \$163,600, and for projects for fiscal year 2022-23 which requires an initial 2022 amount of \$384,600. Rob provided an expected time line for those projects:
- For FY 2022, totaling \$163.6K he expects Columbarium and remaining Clare Hall roofs - to be done before Easter; painting exterior of Siena, Elizabeth - after school year closes; painting the Chapel - round Easter week; structural repair of Rectory crawl space – drainage starting this week and then we will begin the crawl space; and “smart” board replacements at school- will begin this week.

- For Fiscal Year 2022-23, \$384.6K of the \$527K of the FY funds for projects will be needed in 2022. These projects include: repairing, sealing, lining driveways and parking lots including the TFS parking lot – time to tbd; replacing floor tiles and painting in Jacoba - summer; replacing Siena lighting - summer; refinishing and painting the gym floor – painting during Easter week and floor in June; replacing the ballfield fence - tbd; drainage improvements - tbd; replacing basketball backboard in the parking lot before repairs - summer; replacing skirting around the modular buildings - summer.

#### **Discussion & Questions:**

- Msgr. Clay announced that Mike Watson will be retiring at the end of this school year and that a search committee is in place to find a replacement. He and other members, thanked Mike for the years of services and the sacrifices that he has made to make TFS what it is today.
- Msgr. Clay also noted that an organization called L'Arche approached him recently and expressed interest in the houses on our campus. L'Arche is an organization that supports people with and without intellectual and/or developmental disabilities and tries to place them together. The organization is looking for housing, as well as meeting space. Msgr. Clay said he wanted to engage both the Finance Council and the Pastoral Council on this request, as well as engage them about strategic planning on future needs for meeting space for the Parish.
- **Recommendation:** As a next step, it was requested that more detail be brought forward on what the real need is for additional meeting space for our Parish, with a listing of specific meetings that have been impacted.

#### **VOTES TAKEN:**

- A motion to approve the Meeting Minutes from 11/30/21, was made and approved.

#### **RECOMMENDATIONS:**

- As a next step, it was requested that more detail be brought forward on what the real need is for additional meeting space for our Parish, with a listing of specific meetings that have been impacted.

#### **FUTURE MEETINGS:**

- Remaining 2021-22 Schedule for Finance Council Meetings – All meetings start at 7:00 p.m.  
March 15, 2022; April 26, 2022; May 17, 2022;