



Finance Council Minutes

Date: 5/30/23

Time: 7:00 p.m.

Attendance:

| Members | Present | Members | Present | Members | Present | Members | Present |
|------------------|---------|----------------|---------|-------------|---------|--------------------|---------|
| Steve Vebber | X | Reji John | X | Peter Russo | X | Msgr. Michael Clay | X |
| | | Steve Joseph | X | Kathy Sales | X | Fr. Alex Gonzalez | |
| Delynn Alexander | | Bill Laxton | X | Dawn Smith | X | | |
| Julio de la Rosa | X | Tom Mense | X | | | Chris Damico | |
| Paul Fedorkowicz | X | Rob Neppel | X | | | Jacob House | X |
| Heidi Hobler | X | Esperanza Neri | X | | | | |
| Sarah Hoffman | X | David Nerz | X | | | | |

AGENDA:

Opening Prayer
 Accept Minutes of 4/25/23 Meeting
 School Updates – TFS & Pre-School
 Presentation of 2023-24 Church & Columbarium Budgets
 -Church - Vote
 -Columbarium - Vote
 Offertory Update
 Closing the Books on 2022-23
 Diocesan Security Initiative
 Options for Application of Surpluses
 Meeting Schedule for 2023-24 Fiscal Year
 Closing Prayer

OLD BUSINESS:

- Steve Vebber thanked all the Council members who attend the May 10th meeting for prospective parishioners going through the RCIA program. The session went well and was well attended
- Steve requested feedback on the Finance Council Meeting Minutes of 4/25/23.
- There were no changes requested.
- **Vote Taken** – A motion to approve the Finance Council Meeting Minutes from 4/25/23, was made and approved.

NEW BUSINESS:

School Updates:

TFS Update:

- Dawn Smith noted that there are 3 open positions at the elementary school level. All of these are in 4th grade where we are searching for 2 teachers and 1 ITA. As noted before, the teacher pool is limited.

- The teacher contracts were sent out in mid-May. The teachers were appreciative of the salary increases. The average increase was 12.6% with our goal to get teachers up to 97% of the Diocesan teacher scale.
- As of the meeting, we have 661 students enrolled for next year. The breakeven is 658 for next year's budget. We are losing 92 students to graduation and so far have 101 new students (72 of these are Kindergarteners). We did have 19 students that did not re-enroll, the majority of them are relocating out of the area.
- There was a discussion on opportunity scholarships and whether more people could apply for them. Dawn noted that in order to qualify, the student must have at least 1 year in the public school system.

Pre-School Update:

- Heidi Hobler noted that the Pre-School currently has an enrollment of 171 students. For next year, the budget assumes we will have 160 students. To date, we have filled 154 of these slots. We have capacity for 174. She noted that the new toddler class is full and openings are primarily in the 4 year old classes.

Budget Process Overview:

- Rob Neppel provided an overview of the budget process.
- We used the latest Diocese guidelines for school assessments, salary increase guidelines (5%), and insurance rates.
- We used a "bottoms up" approach in building the Church budget. The various Ministry Directors worked with their teams to develop their plans for income and expense.
- These inputs were then consolidated to develop the full church budget. Msgr. Clay reviewed the budget line by line. Any changes or tweaks were the result of the discussions between the Directors, budget owners and Msgr. Clay.
- The Columbarium budget is similar to past years, however, it assumes that niche sales will now average 3 per month versus 2 per month that we used in prior budgets.

Church Budget for 2023-24:

- Rob Neppel reviewed the Church budget and noted that in order to meet the planned expenses, Offertory has to increase by 3.1% from the current year end forecast. This year's budget had a budget for Offertory of \$3875K. We are forecasting to come in around \$4071K. The budget for next year assumes Offertory will be \$4198K.
- The total Church revenue budget for next year is \$5205K. This is slightly above where we are projecting to end this year at \$5192K
- Shown below is a summary of the Church Budget for fiscal year 2023-24. For more detailed numbers, see Rob Neppel's note sent to the Finance Council on 5/25/23.

| Accounts | Annual Budget (This Year) | Year End Forecast | 2023/2024 Proposed budget | |
|-------------------------------------|------------------------------|-----------------------|------------------------------|---|
| Revenues | | | | |
| Ordinary | | | | |
| Total Offertory | \$3,875,054.32 | \$4,071,054.32 | \$4,198,243.06 | 3.1% |
| Total Donations | \$87,700.00 | \$48,559.77 | \$44,500.00 | |
| Total Investment income | \$0.00 | \$13,824.32 | \$11,673.35 | |
| Total Facilities Fees | \$25,800.00 | \$26,250.00 | \$25,200.00 | |
| Total Sale of Literature/Goods | \$0.00 | \$1,500.00 | \$0.00 | |
| Total Ordinary | \$3,988,554.32 | \$4,161,188.41 | \$4,279,616.40 | |
| Non-Ordinary | | | | |
| Total Special Collections | \$7,700.00 | \$90,522.00 | \$6,500.00 | |
| Total Priest Welfare/Retirement | \$20,000.00 | \$32,997.00 | \$25,000.00 | |
| Total BAA Rebate | \$0.00 | \$16,158.31 | \$0.00 | |
| Total Non-Ordinary | \$27,700.00 | \$139,677.31 | \$31,500.00 | |
| Restricted Donations | | | | |
| Total Restricted Donations | \$125,000.00 | \$90,621.00 | \$85,000.00 | |
| Fees | | | | |
| Total Word | \$427,865.00 | \$479,666.54 | \$483,245.50 | |
| Total Service | \$500.00 | \$18,593.00 | \$15,500.00 | |
| Total Parish Operations | \$305,588.08 | \$298,282.27 | \$307,033.24 | |
| Total Fees | \$733,453.08 | \$777,948.81 | \$790,278.74 | |
| Fundraising | | | | |
| Total Fundraising | \$2,500.00 | \$4,031.31 | \$2,000.00 | |
| Total Revenues | \$4,877,707.40 | \$5,192,059.84 | \$5,203,895.15 | |
| Expenses | | | | |
| Word | | | | |
| Total Formation of Children & Youth | \$35,950.00 | \$31,753.86 | \$60,350.00 | |
| Total Formation of Adults | \$7,650.00 | \$4,662.47 | \$9,200.00 | |
| Total Formation of Families | \$256,649.00 | \$268,360.47 | \$252,060.00 | |
| Total Word | \$300,249.00 | \$304,776.80 | \$321,610.00 | |
| Worship | | | | |
| Total Music | \$25,300.00 | \$95,320.02 | \$34,300.00 | |
| Total Parish Ministers | \$5,300.00 | \$18,457.66 | \$7,000.00 | |
| Total Liturgical Seasons | \$10,400.00 | \$8,424.13 | \$10,300.00 | |
| Total Sacraments | \$8,950.00 | \$11,578.10 | \$10,850.00 | |
| Total Committees & Commissions | \$750.00 | \$1,105.25 | \$1,000.00 | |
| Total Worship | \$50,700.00 | \$134,885.16 | \$63,450.00 | |
| Service | | | | |
| Total Pastoral Ministries - Charity | \$9,400.00 | \$4,996.32 | \$6,900.00 | |
| Total Peace & Justice Ministries | \$244,783.67 | \$248,641.24 | \$243,009.43 | |
| Total Service | \$254,183.67 | \$253,637.56 | \$249,909.43 | |
| Administration | | | | |
| Total Personnel | \$2,132,365.00 | \$1,995,832.97 | \$2,311,632.26 | |
| Total Parish Operations | \$198,200.00 | \$192,348.40 | \$181,650.00 | |
| Total Plant | \$756,631.80 | \$593,464.57 | \$1,036,303.29 | |
| Total Assessments & Subsidies | \$1,169,177.93 | \$1,138,000.93 | \$1,039,340.17 | |
| Total Administration | \$4,256,374.73 | \$3,919,646.86 | \$4,568,925.72 | |
| Total Expenses | \$4,861,507.40 | \$4,612,946.38 | \$5,203,895.15 | |
| Net Total | \$16,200.00 | \$579,113.46 | (\$0.00) | Includes \$425,000 Balance sheet deposit to Maint. Res. |

YTY Budget Comparison

| Fiscal Year 2022 - 2023 | | | Fiscal Year 2023 -2024 | | |
|-------------------------|----------------|--------|------------------------|----------------|--------|
| Faith Formation | \$406,674.04 | 8.3% | Faith Formation | \$531,769.05 | 10.2% |
| Liturgy | \$440,609.83 | 9.0% | Liturgy | \$457,922.95 | 8.8% |
| Pastoral Ministries | \$391,011.02 | 8.0% | Pastoral Ministrie | \$467,219.31 | 9.0% |
| Justice & Peace | \$383,716.96 | 7.9% | Justice & Peace | \$407,105.44 | 7.8% |
| Tithe/Subsidies - Sc | \$579,181.91 | 11.9% | Tithe - Schools | \$407,105.43 | 7.8% |
| Community Center | \$419,197.10 | 8.6% | Community Cente | \$373,749.49 | 7.2% |
| Pastoral Care | \$88,514.79 | 1.8% | Pastoral Care | \$102,285.03 | 2.0% |
| Stewardship | \$111,300.00 | 2.3% | Stewardship | \$102,917.42 | 2.0% |
| Finance and Office | \$413,711.04 | 8.5% | Finance & Office | \$445,541.20 | 8.6% |
| Operations/Facilitie | \$823,794.68 | 16.9% | Operations/Facilit | \$853,045.09 | 16.4% |
| Assessments | \$589,996.02 | 12.1% | Assessments | \$632,234.74 | 12.1% |
| Maintenance Reser | \$230,000.00 | 4.7% | Maintenance Res | \$425,000.00 | 8.2% |
| | \$4,877,707.40 | 100.0% | | \$5,205,895.15 | 100.0% |

- Much of the discussion centered on Faith Formation and why it is significantly increasing year to year. Part of this is t driven by more confirmation students, and plans for Mercy Camp and more involvement with our altar servers. But we also are putting a major focus on involving and engaging with middle school, high school and young adults.
- Leading that effort to get more involvement of our youth, is Tim Hetzel, who was recently named as the Director of Youth and Young Adult Ministry. This is a newly created position. Both Kathy Sales and Msgr. Clay noted that Tim is developing his plans and needs resources and time to succeed, and that he is off to a great start.
- There was a question on the year-to-year reduction on the Community Center budget. Specifically, since the Faith Formation budget is increasing year to year because of more youth and young adult engagement, “why we shouldn’t expect a similar year on year increase in the Community Center and summer camps due to the same increased youth and young adult engagement in the parish.” The response was that It’s possible this could happen, but the Community Center budget was developed based on input from Ashly Watson, the Coordinator of Community Programs who has historically been very accurate in projecting their needs.
- **Recommendation** – It was requested that we invite Tim Hetzel to a future Finance Council Meeting so that we could get a better understanding of his plans to get our youth and young adults more involved in the Parish.
- **Vote Taken** – A motion to approve the proposed Church budget for the 2023-24 fiscal year as presented, was made and approved.

Columbarium Budget for 2023-24:

- Rob Neppel noted that next year’s budget for the Columbarium was built assuming a 20% niche price increase from this year’s budget. Columbarium prices are only increased every 5 years. The latest price increase occurred after we built the new extension.
- We also assume that we will now sell 3 niches per month versus past budgets assumed 2. We feel that this is a more realistic number based on the actual demand we have seen over the last year.
- The Columbarium budget contains 30% of the Parish landscaping (TFS covers 30% and SFA covers 40%).
- Other operating expenses were increased to support the higher sales volume.
- We plan to contribute 20% to the Endowment for Perpetual Care (versus the Diocesan requirement of 15%).
- We also have added an internal loan payment to pay back money used during the building of the new extension. The budget also assumes with we will contribute to the maintenance reserve.
- Shown below is a summary of the Columbarium budget for 2023-24 fiscal year. For more detailed numbers, see Rob Neppel’s note sent to the Finance Council on 5/25/23.

| Accounts | 2022-2023 Budget | 2022-2023 Annual Budget Forecast | Proposed 2023-2024 Budget |
|--|---------------------|--|---------------------------------|
| Revenues | | | |
| Ordinary | | | |
| Investment income | | | |
| Columbarium:Sav. Acct Interest | | | |
| 4A1010 - Interest Earned:Columb Gral Sv 5214 | \$0.00 | \$1,200.00 | \$1,300.00 |
| 4A1012 - Interest Earned:Columb Mnt Sv 5967 | \$0.00 | \$28.00 | \$0.00 |
| Total Columbarium:Sav. Acct Interest | \$0.00 | \$1,228.00 | \$1,300.00 |
| Total Investment income | \$0.00 | \$1,228.00 | \$1,300.00 |
| Total Ordinary | \$0.00 | \$1,228.00 | \$1,300.00 |
| OPERATING INCOME-COLUMBAR | | | |
| COLUMBARIUM:INCOME FROM SALES | | | |
| 4A9000 - Columbarium:Income from Sales | \$84,000.00 | \$225,680.00 | \$142,560.00 |
| 4A9003 - Close/relinquish administrative fee | \$0.00 | \$300.00 | \$0.00 |
| Total COLUMBARIUM:INCOME FROM SALES | \$84,000.00 | \$225,980.00 | \$142,560.00 |
| Total OPERATING INCOME-COLUMBAR | \$84,000.00 | \$225,980.00 | \$142,560.00 |
| Total Revenues | \$84,000.00 | \$227,208.00 | \$143,860.00 |

3 Sales per month

| Accounts | 2022-2023 Budget | 2022-2023 Annual Budget Forecast | Proposed 2023-2024 Budget | |
|--|--------------------|----------------------------------|---------------------------|--------------|
| Expenses | | | | |
| OPERATING EXPENSES-COLUMB | | | | |
| 5A1001 - Columb:Administration & Labor | \$17,994.27 | \$17,137.40 | \$17,994.00 | 5% increase |
| 5A2001 - Purchase of Urns | \$2,500.00 | \$7,724.24 | \$4,000.00 | |
| 5A2002 - Inscriptions | \$6,400.00 | \$6,200.00 | \$6,000.00 | |
| 5A3001 - Columb:Maintenance | \$5,000.00 | \$0.00 | \$1,000.00 | |
| 5A3002 - Columb:SFA&TFS Landscaping | \$22,000.00 | \$30,000.00 | \$30,000.00 | |
| 5A9001 - Columbar:Miscellaneous Expense | \$550.00 | \$24.89 | \$550.00 | |
| New 5A9XXX - Columbarium Maintenance Reserve | \$0.00 | \$15,000.00 | \$15,000.00 | |
| New 5A9XXX - Contribution to Perpetual Care End. | \$0.00 | \$45,136.00 | \$28,512.00 | 20% |
| New 5A9XXX - Payback internal load | \$0.00 | \$100,000.00 | \$30,804.00 | |
| Total OPERATING EXPENSES-COLUMB | \$54,444.27 | \$221,222.53 | \$133,860.00 | |
| Total Expenses | \$54,444.27 | \$221,222.53 | \$133,860.00 | |
| Net Operation Total | \$29,555.73 | \$5,985.47 | \$10,000.00 | |
| Balance sheet transactions | | | | |
| Investment Perpetual Care End. | | | | 15% of sales |
| Maintenance Reserve | | | | |
| General Savings | | \$5,000.00 | \$10,000.00 | |
| Net Total | | \$985.47 | \$0.00 | |

- The new section houses 616 niches, to date we have sold about 30 in the new section. So we have about 584 left as of end of April.
- **Vote Taken** – A motion to approve the proposed Columbarium budget for the 2023-24 fiscal year as presented, was made and approved.

Offertory Update:

- Rob Neppel noted that after week 47 of the current fiscal year, we are about \$223,000 ahead of last year's week 47 (@ 7.0% increase). We are projecting to that we will finish the year \$179,000 ahead of last year, which is a 6.3% increase from last year.
- There are 5 weeks remaining for this fiscal year.
- Faith Direct is averaging @ \$8,500 more per month over last year.
- The tithe for next year is based on the final actual offertory total this year.

Closing the books on 2022-23:

- As reported earlier, all budget areas are on track to close with healthy surpluses.
- Most will still close in a positive manner even if we don't make the planned withdrawals from reserves and endowments. Instead of making the withdrawals from reserves and endowments, and then putting the funds back into those accounts because they were not needed, Rob is proposing we only pull funds out only if we need for cash flow for June and July.

- The final determination for potential withdrawals will be made as we near the end of June, after our expense cutoff (6/16).
- Surplus funds not required to ensure positive cash flows for June and July will be allocated to the General Savings Accounts, Maintenance Reserve, and Endowments.

Diocesan Security Initiative:

- Rob Neppel notified the Council that he has received some information regarding the creation of a new Diocesan position to oversee and direct security initiatives across the Diocese, with an initial focus on Parishes with schools. The information we have received is very limited, but we have been told to expect a formal announcement soon.
- Our Initial understanding is that there is going to be a recommendation for Parishes/Schools to add a position focused on security, similar to Security Resource Officers in public schools.
- We have been approached to possibly participate in a pilot program on this.
- A potential candidate has been identified if the pilot comes to fruition. This individual has a law enforcement background and is familiar with our Parish. He also has previous experience in a similar role and is certified under state law for concealed carry on school property.
- Many details still need to be formalized and worked out, including funding and scope of responsibilities.
- **Recommendation** – It was requested that we review the Diocesan Security Initiative once the details are more solidified and possibly invite the Diocese’s lead for this Security initiative to a future Finance Council meeting.

Other:

- Msgr. Clay accepted all the recommendations and votes taken during this meeting.

RECOMMENDATIONS:

- It was requested that we invite Tim Hetzel, the Director of Youth and Young Adult Ministry, to a future Finance Council Meeting so that we could get a better understanding of his plans to get our youth and young adults more involved in the Parish.
- It was requested that we review the Diocesan Security Initiative once the details are more solidified and possibly invite the Diocese’s lead for this Security initiative to a future Finance Council meeting.

VOTES TAKEN:

- A motion to approve the Finance Council Meeting Minutes from 4/25/23, was made and approved.
- A motion to approve the proposed Church budget for the 2023-24 school year as presented, was made and approved.
- A motion to approve the proposed Columbarium budget for the 2023-24 school year as presented, was made and approved.

FUTURE MEETINGS:

- Schedule for 2022-23 Finance Council Meetings – All meetings start at 7:00 p.m.
August 22, 2023
November 28, 2023 – Approval of School Tuition Rates for 2024-25
January 9, 2024
March 12, 2024
April 30, 2024 – Approval of School Budgets for 2024-25
May 28, 2024 – Approval of Church & Columbarium Budgets for 2024-25