****

The Catholic Community of

St. Francis of Assisi

**Finance Council Minutes**

**Date: 8/22/23 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.James Singarayar |  |
| Delynn Alexander | X | Bill Laxton | X | Dawn Smith | X |  |  |
| Julio de la Rosa | X | Tom Mense | X |  |  | Chris Damico |  |
| Paul Fedorkowicz | X | Rob Neppel | X |  |  | Mae Villanueva | X |
| Heidi Hobler | X | Esperanza Neri | X |  |  |  |  |
| Sarah Hoffman | X | David Nerz |  |  |  |  |  |

**AGENDA:**

**Opening Prayer**

**Accept Minutes of 5/30/23 Meeting (Revision 8/8/23)**

**School Updates – TFS & Pre-School**

**Summary of the 2022-23 YE Closings**

**Offertory Update**

**Maintenance Project Update**

**Endowment Update**

**Columbarium Update**

**Q&A**

**Meeting Schedule for 2023-24 Fiscal Year**

**Closing Prayer**

**OLD BUSINESS:**

* + Steve Vebber requested feedback on the Finance Council Meeting Minutes of 5/30/23 (Revision 8/8/23).
  + There were no changes requested.
  + **Vote Taken** – A motion to approve the Finance Council Meeting Minutes from 5/30/23 (Revision 8/8/23), was made and approved.

**NEW BUSINESS:**

* + Mae Villanueva was introduced to the Finance Council. She is the Chairman of the Pastoral Council.

**School Updates:**

**TFS Update:**

* + Dawn Smith noted that as of the meeting, there are 665 students that are enrolled for this new school year. Our budget assumes 660 students.
  + We have 16 new staff members of which 10 are Teachers or Teacher Assistants. We also have 4 new Bridges Program staff members. Overall, the year is off to a good start.

**Pre-School Update:**

* + Heidi Hobler noted that the Pre-School currently has an enrollment of 156 students. The budget assumes 160 students. We have capacity for 174 with openings primarily in the 5-year-old class.
  + She noted that the new toddler class has started and is at full capacity and has a waiting list.
  + All staff positions are filled including the newly created Community Outreach Coordinator role.
  + She also notified the Council that sealing the playground is on the agenda for consideration by the Maintenance Committee at their next scheduled meeting. Even though the playground is only 2.5 years old, this is something that needs to be done to maintain the life of the playground surface. It is estimated that this will cost around $20K.

**2022-23 YE Closing Summary:**

* + Rob Neppel provided summary charts on how we finished the fiscal year.
  + He noted that we used a different approach to the close from prior years. Previously at year end, we would pull funds from our Maintenance Reserve Savings to cover maintenance projects we had expenditures on during the year. We would then return these funds back into savings if we had excess funds. However, this year, we decided we would only withdraw from savings if our cash projections for June and July required the funds. Our projections showed that it was not necessary to pull from our savings in June in order to close the fiscal year.
  + Revenue & Expense Summary for Fiscal Year July 2022 to June 2023:



Other Financial Highlights:

* + At year end we had the following combined account balance for the Parish’s 4 entities: Checking $871K; Savings $3,199K; and Endowments $4,783K.
  + We completed payments on the $1.5M Sienna loan. The TFS internal loan from the Student Endowment has an ending balance now of $601K. The Columbarium took out an internal loan from our Contingency savings and as an outstanding balance of $170K.
  + As mentioned earlier, there were some things that we could have used our savings to cover but were able to contain in our operational budget. Instead of pulling from the Maintenance Reserve Savings, the Church was able to contain $369K, TFS $226K and the Pre-School $16K of maintenance project costs. The Church was also able to cover another $32K and avoid withdrawing from the Lay Ministry Education Endowment. We also could have withdrawn another $29K for Fr. James’ car from Capital Savings, but we did not. Father James will now buy the car and will pay us back in loan installments over the next few years.
  + In addition to avoiding pulling funds for the above, we generated enough surplus to make the following deposits into our savings and endowments accounts:



* + We transferred funds into the new fiscal year for specific projects that we were not able to complete during the year (TFS $54K; Pre-School $38K).
  + Rob then showed the year end Savings Account balances for the 4 entities:
  + Church $1,741.853 in Savings Accounts:



* + TFS $910,769 in Savings Accounts:



* + Pre-School $533,758 in Savings Accounts:



* + Columbarium had $12,596 in their General Savings Account.
  + In July, the Church took out $500K from the Parish Maintenance Reserve of which $331K was transferred to TFS for the parking lot project. In addition, both schools withdrew their funds from their Registration Savings that were identified for the 2023-24 school year (TFS 297K and Pre-School $98K).

**Offertory Update:**

* + Rob Neppel noted that through week 7 of the current fiscal year, we are about $12,875 ahead of last year’s week 7 (3.9% increase). We finished last year up 5% from the prior year. The Diocese in total was up about 6% last year.
  + Msgr. Clay will kick off this year’s Offertory Appeal the weekend of September 9-10.
  + Steve Vebber will provide a financial update to the Community the weekend of September 16-17.

**Maintenance Update:**

* + Rob Neppel provided a status on all the Maintenance Projects completed or in progress during the summer.





* + As of June 30, 2023, there was $1,140,637 in the Parish Maintenance Reserve Savings Account. We withdrew $500K in July and will be depositing $690K during the next few months. This will give us a working balance of $1,330,637 in the account for this fiscal year.
  + A question was asked on when we were planning to update the Giles report. At this time, we are not sure when we will do that. The report has over 370-line items and the Maintenance Reserve Committee uses it as a guide and not necessarily as a must do list. They maintain their own list which is more current.

**Endowment Update:**

* + Julio de la Rosa put together a detailed chart showing our Endowments totaled to $4,783,220 at the end of the second quarter 2023. The return for the quarter was 2.6%.
  + A question was asked on when the Corpus value changes. Rob noted that if we get new donations then the Corpus will increase. Transfers into the Endowments from an existing savings or checking account normally does not increase the Corpus, however, the exception to this is the payments for the Student Assistance Endowment internal loan, which will increase the Corpus.

**Columbarium Update:**

* + Rob Neppel noted that the Columbarium niche sales continue at a very fast pace, so fast that at this rate, we would be full in 4 years. This compares against our assumption of 2-3 niches per month which we planned would take us out 17 to 25 years.
  + We have sold 91 in the last 7.5 months, which is an average of 12 per month.
  + The intent here was to make the Finance Council aware of the issue, and not to make any decision at this time. But in the very near future, we will need to have the Columbarium/Maintenance Committee get together to answer some very strategic questions regarding future expansion. This includes whether we should increase the price of the niches this coming year instead of waiting another few years.

**Other:**

* + Msgr. Clay shared the following two items.
  + First, he wanted to make sure the Council knew that Kathy Sales was going in for surgery next week and wanted to make sure that she knew that we were sending her our best wishes and prayers.
  + Second, he noted that it has been almost 5 years (2019) since the Pastoral Council put out its priorities, goals, and objectives for our St. Francis Church. He wanted it known that the Council is now focusing on the next 5 years from 2024 to 2029 and those discussions have begun and are starting to ramp up.

**VOTES TAKEN:**

* + A motion to approve the Finance Council Meeting Minutes from 5/30/23 (Revision 8/8/23), was made and approved.

**FUTURE MEETINGS:**

* + Schedule for 2022-23 Finance Council Meetings – All meetings start at 7:00 p.m. on Tuesdays.

October 3, 2023 – Approval of Maintenance projects

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