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The Catholic Community of

St. Francis of Assisi

**Finance Council Minutes**

**Date:** **1/30/24**  **Time:** **7:00 p.m.**

Attendance:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Members** | **Present** | **Members** | **Present** | **Members** | **Present** | **Members** | **Present** |
| Steve Vebber | X | Heidi Hobler | X | Rob Neppel | X | Dawn Smith | X |
|  |  | Sarah Hoffman | X | Esperanza Neri |  |  |  |
| Delynn Alexander | X | Reji John | X | David Nerz |  | Msgr. Michael Clay | X |
| Lachlan Cox | X | Steve Joseph | X | Luke O’Rourke | X | Fr. James Singarayar | X |
| Julio de la Rosa | X | Arvie Lacson | X | Clare Pope | X |  |  |
| Graham Dixon | X | Bill Laxton | X | Peter Russo | X | Mae Villanueva | X |
| Paul Fedorkowicz |  | Tom Mense | X | Kathy Sales |  |  |  |

**AGENDA:**

**Opening Prayer**

**Council Membership Changes**

**Accept Minutes of 11/28/23**

**School Updates – TFS & Pre-School**

**Offertory Update**

**Phone System Replacement**

**Columbarium Update**

**Q&A**

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

**Closing Prayer**

**FINANCE COUNCIL MEMBERSHIP CHANGES:**

* + Steve Vebber noted that today was the last meeting for our long time Finance Council member, Julio De La Rosa. We are very grateful to Julio for his many years of service and contributions to the Parish.
  + He then introduced 5 new members to the Finance Council. Welcome to Lachlan Cox, Graham Dixon, Arvie Lacson, Luke O’Rourke and Clare Pope.

**OLD BUSINESS:**

* + Steve Vebber noted that the latest draft of the Parish Finance Council Charter (By-Laws) was sent out to the members by Rob Neppel on 1/25/24. It was requested that the members review and send any feedback or modifications in email to both Rob Neppel and Msgr. Clay by February 9th.
  + Msgr. Clay gave a status on the Strategic Plan for the Parish that the Parish Council has been updating. He said that they are very close to being done and that it will be communicated when completed.
  + Steve Vebber then requested feedback on the Finance Council Meeting Minutes of 11/28/23.
  + There were no changes requested.
  + **Vote Taken** – A motion to approve the Finance Council Meeting Minutes from 11/28/23 was made and approved.

**NEW BUSINESS:**

**School Updates:**

**TFS Update:**

* + Dawn Smith noted some of the major changes that have taken place during this school year. This includes: the addition of a Middle School Counselor and a Safety & Security Director; the addition of 4 new printers/copiers purchased through the proceeds of the Franciscan Experience; procuring new tables for grade K/1 and new desks for grades 2/3, also through Franciscan Experience proceeds; we are also in the process of evaluating our teachers’ technological needs in order to better support them and for their professional development.
  + She also noted that we have funded speakers for parent programs. We are looking to improve our courtyard and playgrounds. Our new bell and intercom system is being installed. K-2 teachers have completed a 30-hour Orton Gillingham Training program. Our Middle School students have been trained in the “Say Something Anonymous” Reporting System.
  + Regarding our staffing, “Letter of Intents” will go out to our faculty in February, and they will be due in March. At this time, we have not been notified of any people leaving.
  + We recently hired a fourth grade ITA to replace an ITA who left in December. Our Safety and Security Director started on January 29th.
  + Registration for new students is in process. To date, we have about 112 new student apps pending and 30 apps that are in process and are identified as incomplete. We are 14% ahead of where we were last year at this time in new student enrollment.
  + Re-enrollment registration for our returning students started January 29th. They have until March 20th to be guaranteed a spot. After this date we will make offers to anyone on our waiting list. We are about 25% ahead of last year in re-enrollment registrations.
  + A question on whether there were any headwinds, and none were noted. We are going to have a waiting list for kindergarten and some of the other grades.
  + A chart was shown with our tuition rates for the 2024-25 school year, which were already approved by the Finance Council. The rates are approximately 5% above last year’s rates. It was noted that our tuition rates are on the high end of the schools in the Diocese, with St. Thomas Moore only being higher. Part of this is due to the fact that we increased our teacher salaries so that we would be better aligned with Wake County teacher salaries and the scale they use. We expect other schools in the Diocese will have to eventually make the same adjustments soon.
  + We are expecting more of our families to apply for Opportunity Scholarships now that the state has dropped the requirement that a student must attend a public school in order to be eligible to apply. We won’t see the results of this for a few months.

**Pre-School Update:**

* + Heidi Hobler noted that even though registration for next school year just started, we already have 169 students that have registered. This compares against the budget that assumed 164. We have capacity for 182. Last year at this time we had 130 registered.
  + The new toddler class that was 1 day this year, will be 2 days next school year.
  + Heidi noted that we are aware of 1 teacher assistant that will not be returning next year due to health reasons.
  + She also said that she is currently researching design ideas and price points for refreshing the Exploration Station (playground by the front entrance). This will be funded from the proceeds from the Harvest Moon fundraiser.

**Offertory Update:**

* + Rob Neppel noted that from the last weekend of November though Christmas we were down by $81,915 year to year (down 1%).
  + Since weeks 27-30, we have recovered $38,520 and are back to being about 1.5% ahead of last year.

Our target is to be up 4% year to year. He noted the giving patterns are changing:

* + Weekly/monthly giving are moving to annual (IRA RMD) gifts.
  + Single donations to cover two years (alternating itemized deductions vs. standard)
  + Christmas Mass attendance was higher than recent years, however collections did not reflect that.
  + We are seeing some growth in Faith Direct enrollments. Some of this is driven by the school registrations that are in process as families that want to qualify for the Steward rate are registering. We do expect a slight uptick in Faith Direct donations in February.
  + Rob also noted that we are in the process of analyzing giving over the past three years looking for any trends. This may include follow-up phone calls to understand what is driving the changes.

**Phone System Replacement:**

* + Rob Neppel stated that the current Shoretel system was installed in 2017. It is one of our critical Infrastructure systems. This is no longer supported. There are problems in finding parts and there is no on-site server support for this system. In addition, there has been CenturyLink/Lumen local staff turnover and knowledge lost with the death of one of their key personnel. They actually had to send someone over to the garage of the deceased person to recover some key information.
  + We have decided to replace our current system with the “TrueIP” cloud-based network system. We have voice over IP infrastructure already in place.
  + This would require the replacement of the 150 phone sets with a cost of $13,220, which we can fund through our maintenance reserve.
  + The annual service and support will be $13,343 (operational budget). The current annual phone budget is $20,000. We will be able to eliminate the need for CenturyLink line costs of @ $12,000.
  + Rob noted that we did seek other bids, such as Spectrum Business.
  + **Vote Taken** – A motion to approve a onetime charge of $13,220 to procure new phone sets was made and approved.

**Columbarium Update:**

* + Rob Neppel noted that since our last meeting in November, sales have slowed to more of our historic rate of 2-3 per month, so the sense of urgency has diminished.
  + Strategic Question: “Whether or not to plan for future expansion?” After discussing this subject with the Finance & Pastoral Councils and the Columbarium Committee, general indications are there is interest in future expansion.
  + It was noted that when we would have to start the expansion depends on the rate of sales. We would need about 30 to 40 months from the beginning of the design phase to the completion of the project. If our rate of sales is about 2-3 per month, then we would need to begin the project with about 120 niches left. If our rate of sales is 5 per month, then we would need to begin with about 200 niches left.
  + Financially, we are already underway since we are making contributions to the endowment.

**Columbarium – Investment in the Endowment or Savings:**

* + Rob Neppel noted that we currently have about $206K in the Columbarium checking account. About $153K of this was carried over from the prior fiscal year in order to pay any remaining invoices that we thought would trickle in. Very little of this needed to be used.
  + Rob proposed transferring $150K from the Columbarium checking account to either (option1) the Columbarium Endowment or (option 2) use to pay down the internal loan we took out from Contingency Savings to fund the last expansion.
  + If we go with Option 1 and transfer to the Endowment, we will be able to use the funds for future expansion. In addition, the Endowment can grow with the market (target 6%). If we leave in checking, there will be no growth. The drawback if using the Endowment, is that funds will be restricted to use for expansion.
  + If we go with Option 2 to apply $150K against the internal loan taken from Contingency Savings Account, we will get about 2.5% in annual growth and have a little more flexibility in determining how the funds can be used within the Parish. The total balance due currently is $170K.
  + The impact of either option is that it will have a large negative net total on the income statement. However, we do have sufficient funds in the checking account, plus any additional sales of niches will contribute to covering our normal operating expenses.
  + There was discussion on both of the above options. There was also discussion on other options such as splitting the funds between the Endowment and Contingency Savings. Another option was to deposit the funds in the Columbarium Savings Account at the Diocese. Also, it was recommended we check whether the Diocese offers a CD of Money Market option. After much discussion, it was recommended to go with Option 2.
  + **Vote Taken** – A motion to approve using $150K from the Columbarium Checking Account to pay down the internal loan due the Contingency Savings Account, was made and approved.

**VOTES TAKEN:**

* + A motion to approve the Finance Council Meeting Minutes from 11/28/23 was made and approved.
  + A motion to approve a onetime charge of $13,220 to procure new phone sets was made and approved.
  + A motion to approve using $150K from the Columbarium Checking Account to pay down the internal loan due the Contingency Savings Account, was made and approved.

**OTHER:**

* + Msgr. Clay provided his approval and acceptance of all recommendations and votes taken during this meeting.

**FUTURE MEETINGS:**

* + Schedule for 2023-24 Finance Council Meetings – All meetings start at 7:00 p.m. on Tuesdays.

March 12, 2024 – Spring/Summer Maintenance Projects

April 30, 2024 – Approval of School Budgets for 2024-25

May 28, 2024 – Approval of Church & Columbarium Budgets for 2024-25