

St. Anthony on the Lake Catholic Church

Finance Council Meeting

Meeting Date: March 18, 2019

Members Present: John Hooyman (Chair), Art Schuebert, Tom Brandt, Fr. Tony Zimmer, Mike Smith, Sheri Schmit, Cheryl Oliva, Shannon Dakovich, Jim Hammes

- 1) The meeting opened with a prayer by Jim Hammes at 6:33pm.
- 2) John then read the Finance Council goals to remind us of how we need to keep our Council's business focused on them.
- 3) Review Minutes From Prior Meeting - Art distributed the minutes of the last Finance Council held on January 21, 2019. Because most of the members had not yet had a chance to review them, John suggested they be received and instructed members to review them and send any comments to Art. Tom noted that he was not listed as present even though he was.
- 4) January & February Financial Statement Updates - Shannon led us through the Monthly Financial Report for the 8 month period ending February 28, 2019. The following observations were made by her and other members:
 - Generally, there has been a downturn in income.
 - Art said that management has made great efforts to control spending.
 - It was speculated that the debt retirement campaign may have caused some of the fallout in standard giving.
 - Art informed the Council that debt collections are booked as other income as debt collections.
 - Pledges are not booked, only cash when it is received.
 - \$95,000 was paid down on the debt during this last period.
 - All debt collections are used for pay down of the actual debt except \$21,000 in campaign consulting costs to the James Company and printing costs were also paid from campaign funds.
 - Cash in hand includes debt collections though church income does not include debt collections.
 - Some discussion on possible new tax law implications took place.
 - This year's CF income is down by \$135,000 due to the Gala only being held every other year.
 - The 11th grade retreat is another factor in it going down.
 - Still another variable is the fact that CF had \$8,000 in NCYC income last year but not this year.
 - Father Tony noted that other parishes are also running behind in income.
 - The debt retirement campaign though is running well.
 - Art said that he is concerned about the fact that for a number of weeks, we were asking people to contribute to many different things.
 - Though electronic giving this year is stable with last year's, the budget projections were too high and not enough new people signed up.
 - Art is trying his best to hold down expenses in various ways including but not limited to:
 - o The gas bill went down because we were able to run almost all year (except for two extremely cold weeks) on one boiler.
 - o All departments are being asked if they do not really need something, do not spend the money.
 - o Steve, the food service staff person, has been a good addition and able to hold down some of the hospitality costs.
 - However, the plowing costs for February are still unknown but expected to be high. Keith, Ben and Art have been doing the salting themselves rather than having the contractor do it because the contractor was using too much salt. They are more conservative with the amount of salt used but balancing it with the fact that we need to keep our property safe.

- AV system improvements still need to come out of expenses as well as the installation of the playground equipment.
- Since the end of December, we have improved from being \$120,000 down to \$82,000 down.
- Art commented that due to the lateness of Easter this year, we may have a good income from that day and he also said that because of the harsh winter, some of our older folks that are regular givers may not have been able to get to church.

Tom then distributed a Financial Performance Comparison document which was compiled using data as of March 2019 with projections through June of 2019. He pointed out the projected variances to actual budget in most of the categories.

The subsequent two pages of the document indicating the % Trend Basis and the % Trend Basis Revenues & Budgeted Expenses were also attached to further illustrate the variances.

The last page of the document was a chart depicting St. Anthony Financial Performance – Cash Flow Analysis for the period from January 2017 through the end of the 2018-2019 fiscal year. The chart indicated the total amount of cash on hand for various periods and the number of months it equated to in operating expenses. Discussion ensued regarding the target for what we should have on hand versus the amounts we have had and are currently projected to have on hand at the end of the fiscal year. The fact that the amount we had on hand in January 2017 compared to what we now have on hand and are projected to have on hand at the end of this fiscal year has steadily declined, was discussed at length.

- 5) Budget Committee Update - Art stated that he has staff projections for their departments back from them and now he needs to enter them. He will then set up a Budget Committee meeting. It is anticipated that he will have the budget ready by next month.
- 6) Update on Capital Campaign – Father Tony distributed the most recent Summary of Grand Totals by Fund for Fund 4. He pointed out that 348 families have pledged \$528,074.68 and already \$121,726.68 of that has been received. He is encouraged by that number and speculates that more pledges will be coming in. Some big donors have not yet been contacted because they are “snowbirds” and still out of town, so some of them may help close the gap. 18 out of 200 families who were contacted because they never contributed anything, have agreed to pledge. Most recently, \$95,000 more has been paid down on the debt leaving a balance of \$773,000 yet to be paid. The next meeting of the Capital Campaign Team is scheduled for Thursday where next steps will be discussed.
- 7) Archdiocese Feasibility Study – Father Tony reported that he had received an email from the Archdiocese informing him that all future capital campaigns for building or debt reduction will be put on hold as of March 1, 2019. The reason is that the Archdiocese is studying whether or not to begin their own campaign similar in nature to the previous Faith in Our Future Campaign. He was told that the case study will look at matters such as a renovation of the Cousins Center, seminary repairs, the SETON School System and compensation for retired clergy. It is anticipated that if such a campaign is initiated, 60% of the funds may stay at the parish but each parish would need to present their own case indicating what the funds are needed for.
- 8) Closing of St. Paul School in Genesee Depot – Art stated that our school is picking up a few more students due to the closing of St. Paul’s School but that we are already at capacity for most of our lower grades. In seeking guidance for what policy we should establish for tuition of St. Paul students, he recommended the same policy we used for Queen of Apostles students which is that they be granted the same tuition as our parish members but that St. Paul’s will pay the parish subsidy. This policy was approved by the Finance Council. He mentioned that we will be able to expand our bussing area due to this situation. Father Tony commented that Father Dan Volkner who was previously assigned to St. Anthony on the Lake is currently the Pastor at St. Paul’s.

- 9) Combined Fund Raising Update – Father Tony reported that although the team originally started out with a lot of “territorialism”, the meetings continued and now they have reached consensus enthusiastically planning for a single fund raiser each year. The first one will be held on February 15, 2020 at the Ingleside. A goal of 400 people in attendance with \$175,000 to \$200,000 profit has been set. The event will feature a dinner, an auction and recognition of young adult parishioners who have become successful as a result of their education here at St. Anthony on the Lake. Dave Grunwaldt and Lindsay Schweikert have agreed to lead this event which will be branded as “Come Together” featuring the American Beatles Tribute Band. It is anticipated that there will be unusual prizes for bidding and an underwriting event for sponsorships is being planned. Mike Paten will be the MC and host 2 days of talks here at St. Anthony in conjunction with this event. An official kickoff meeting will be held Wednesday and anyone who wants to join this team is free to attend. John questioned whether or not this could be considered a campaign. Father Tony and Art responded that it was not a campaign but a benefit of which a certain percentage will go toward the Endowment Fund (which would be restricted) and other percentages to the school and faith formation. Father Tony mentioned that a raffle will be held as part of this event and that the picnic planned to coincide with our Patron Saint’s Feast Day will simply be a “thank you” to parishioners with no fund raising conducted.
- 10) Archdiocese Parish Council Congress – Tom shared a summary report for Parish Finance Councils as presented at the Archdiocese of *Milwaukee Councils Congress held in February*. *Key points relevant to the Finance Council included as follows:*
- 1) Each parish is governed by a legally bound Board of Directors made up of 5 members, including, the Archbishop, the Vicar General, the Pastor, the Trustee/Treasurer, and the Trustee/Secretary.
 - 2) Key actions on behalf of the church that require unanimous vote of all 5 Board of Directors include:
 - a) borrowing money,
 - b) selling, mortgaging, or leasing assets,
 - c) extraordinary expenses greater than \$30,000 (or 4% of prior year revenues),
 - d) establishing any endowment,
 - e) entering into any building or renovation project, or
 - f) initiating any capital campaign.
 - 3) For budgeting and reporting financial statements, the most common areas of concern include:
 - a) Unrealistic revenue projections... must be conservative, based on actual history and monthly projections, and include contingencies;
 - b) Major maintenance & capital expenditures must also be planned, budgeted, and expensed in the Income Statements;
 - c) Reserves for major maintenance & capital expenditures should be created... consider a policy of using 4-7% of weekly collections to build this reserve;
 - d) Goal should be balanced budget in Net Income... expenses do not exceed revenues;
 - e) Deficit budgets acceptable, but are to be rare and short term (2-3 years) and must include plan of correction (including timing);
 - f) Clarification that "Restricted" funds are only legally restricted if *specifically designated as such by the donor in writing*;
 - g) Fixed assets on Balance Sheets across the Archdiocese are likely to be overstated as depreciation is rarely used, thus it is emphasized that major maintenance and capital expenditures are to be 100% expensed; and
 - h) Affiliated organizations (i.e. Home & School, Christian Women, etc) are not exempt from following parish and Archdiocesan guidelines for planning, budgeting, accounting, or financial control.

Cheryl reported that her attendance at the Congress included two sessions entitled “Personnel Issues and the Role of Trustees” and “Personnel Committee – A Subcommittee of Finance Council”. She will be distributing handouts to the Personnel Committee for review and discussion at its next meeting.

11) Personnel Changes – A confidential personnel related discussion was held. Father Tony reported on the status of efforts to fill Laurie and Barbara’s position. Art reported on a recent personnel related issue that has come to light recently.

12) Subcommittee Reports –

- a) Buildings and Grounds – Tom had distributed the minutes of the most recent meeting to the Pastoral Council prior to the meeting. He said that unless there were any questions, the minutes spoke for themselves.
- b) Personnel – Cheryl reported that Martin Demmeter will be replacing Bruce Miller as Chair of this Committee effective May 8th, its next regularly scheduled meeting.
- c) Endowment Committee – No report.

The meeting was adjourned after closing prayer at 8:45pm.

Respectfully submitted,

Cheryl Oliva, Trustee Secretary