

## St. Anthony on the Lake Catholic Church

Meeting Date: November 20, 2017

### Finance Council

**Shaun Weinfurter (Chair) & Brian Kieffer (Secretary)**

**Members Present:** Art Scheuber, Fr. Tony Zimmer, Shaun Weinfurter, Mike Smith, Andy Farris, Jim Hammes, Tom Brandt, Sheri, Schmit, Cheryl Oliva, John Hooyman and Brian Kieffer.

- 1) Brian Kieffer opened the meeting with a prayer of Thanksgiving.
- 2) The Finance Council reviewed and approved the minutes from the September and October meetings with no further changes.
- 3) Tom Brandt provided an overview of the parish's finances as of the end of October 2017. White envelope collections are on target. Blue envelope collections are lagging behind budget, year-to-date. Overall operating expenses are tracking closely to budget.

Art Scheuber and Tom Brandt noted that maintenance expenses are higher than anticipated largely due to necessary boiler repairs. In addition, they noted that one of the two boilers in the church will need to be replaced.

Tom Brandt noted that the funds in both the School and Faith Formation accounts are favorable and continue to grow. Art Scheuber noted that 10% of the funds raised from the annual Hot Summer Slice normally go to the school endowment fund.

Tom also explained that the amount due on the mortgage is now below \$1.5 M.

Tom Brandt made a proposal to move the School Committee revenue and expense accounts from the "Other" category to the Operating School Cost Center. This will provide better visibility, accountability, and control of all of the revenues being generated through school activity, as well as the distribution of these revenues for necessary expenses. After discussion, consensus of the Finance Council supported the proposed change. Tom & Art will work with Ellen Knippel to implement this change with the new budget cycle, as well as communicate this change to the Cabinet and Pastoral Council

Next, Tom Brandt made a proposal to discontinue the "allocation" of the Building and Grounds Cost Center (80-4400) expenses to the Church (80-4501), Christian Formation (80-4502), and Church (80-4503). Tom and Art shared that this includes all of the general

site and administration expenses like Maintenance SW&B, Utilities, General Building & Grounds Maintenance Expenses, Custodial Materials & Services, etc. Historically, all (or most) of these expenses have been allocated on a percentage basis to one of the three other cost centers. Not only does this add a significant amount of accounting complexity, but the allocation serves no apparent benefit. Eliminating this allocation will simplify the accounting (and budgetary) procedures and reduce the number of journal transactions, while at the same time improve the visibility, accountability, and control of these expenses. After discussion, consensus of the Finance Council supported the proposed change. Tom and Art will implement the change as a part of the new budget cycle, as well as communicate the change to Cabinet and Pastoral Council

Next, Art Scheuber noted that the budget process has already begun and he is soliciting feedback from the staff on income and expenses for next year. He also stated that the Finance Council will need to set the tuition rates in January prior to the school open house.

Tom Brandt explained that the current major maintenance budget (\$111,000) will be insufficient to cover expenses, largely due to the non-discretionary replacements of one of the school boilers and one of the church boilers. Already spent and committed expenses to date will exceed the budget for the fiscal year by well over \$10,000 Tom asked the Finance Council to consider increasing the major maintenance budget by \$50 K to \$100 K to cover other major maintenance expenses expected to be incurred yet this fiscal year. Tom noted that since our current fiscal budget reflects a sizeable surplus, the increase in expenses could be absorbed without compromising our "balanced budget" goal, assuming all other aspects of the budget are met or exceeded. After discussion, Jim Hammes made the proposal to allow up to \$89,000 of overspending for major maintenance projects. Consensus of the Finance Council supported this change, however requested that the project prioritization and projected spending be shared with the Finance Council.

- 4) Art Scheuber shared the Parish Festival financial results with the Finance Council. The final net profit from the festival is \$27,249.67. Art Scheuber and Fr. Tony Zimmer expressed their sincere thanks to all the volunteers.

Fr. Tony Zimmer also noted that the festival winner opted to take the car rather than the cash prize. Due to the way the grand prize rewarded, the sponsor (Boucher Auto Group) has asked if they can issue a check to St. Anthony's for \$15,000 (their portion of the grand prize car). In turn, they would ask St. Anthony's to issue a check for \$15,000 back to Boucher. This would allow Boucher to create an audit trail for the donation of the vehicle. The group discussed this request. Jon Hooyman and Jim Hammes felt this request is acceptable.

Shaun Weinfurter asked if anyone had objections to the request from Boucher. No one had objections.

- 5) Next, Art Scheuber discussed the issue of the church/office boilers. Art noted that the two church/office boilers have operated improperly for years, causing an incomplete burn and expelling unburned natural gas into the atmosphere at the church entrance. Many attempts and lots of money has been spent on an ongoing basis to keep these units running, however only one of the two units has been successfully repaired. The lead unit cannot be repaired and WE Energies has forced its shutdown. This unit needs to be replaced before winter. Competitive bids have been received ranging from \$37,000 - \$47,000. After assessment, the B&G Committee recommended moving forward with the low cost bid, and subsequently a proxy has been created for submittal to the archdiocese. After discussion, the consensus of the Finance Council authorized this spending, and Finance Council Chair became the final signed off on the proxy
- 6) In response to the current shortfall in the blue envelope collections, Fr. Tony Zimmer advised that Cheryl Oliva has reached out to the James Company for recommendations for how to wind down the debt reduction campaign. Fr. Tony noted that the campaign team will be reconvened to make recommendations on the campaign. Fr. Tony also noted that when the debt is eliminated that major maintenance will come back and that will help to build up the funds for major projects.
- 7) Next, Fr. Tony Zimmer provided an update on the Archdiocesan assessment.

Fr. Tony and Cheryl Oliva, Art Scheuber, and Tom Brandt attended a listening session at St. Monica's in Whitefish Bay. The meeting was on the assessment process. Each year St. Anthony's pays an assessment of 4% on any non-designated income to the Archdiocese of Milwaukee. The AD Milwaukee is proposing to increase the assessment by 2% over 5 years to 6% (Yr. 1 0.5%, Yr. 2 0.5%, Yr. 3 no increase, Yr. 4 0.5%, and Yr. 5 0.5%). The AD Milwaukee noted that Milwaukee is below the national average of 8%. They also noted there have been staff cuts and there is deferred maintenance on Cousins Center, as well as the need to increase stewardship.

Fr. Tony noted that many parishes are not paying the assessment and have not paid it in many years. The concern, on the part of some, is that this new higher assessment will create an additional burden on the parishes that are paying the assessment. Art Scheuber noted that when the new assessment is implemented that St. Anthony's current contribution of \$78 K per year would increase and that the parish would need to be prepared for this change.

Fr. Tony noted that the SAL team asked the Archdiocese about what the parishes would receive in return in the form of services from the AD Milwaukee in exchange for the higher assessment.

- 8) Next, the Finance Council reviewed and finalized their goals for the FY17-18 year.

The new goals include:

- To continue to achieve a balanced net income annual budget while considering the overall mission and goals of the parish.
- Work with the Building & Grounds Committee to budget and support the 5-year major maintenance plan of the parish.
- Work with the Capital Campaign Committee to review, revise and execute the debt elimination plan.
- Re-establish close involvement and reporting with the Personnel and Endowment committees through Finance Council liaisons.

Fr. Tony Zimmer, Cheryl Oliva and Tom Brandt also noted that a goal to be considered for next year should be to start building a reserve fund for the parish.

The Finance Council approved the goals listed above.

4) Next, Shaun Weinfurter asked for Subcommittee reports:

a) Buildings and Grounds (Tom Brandt chair)

Tom Brandt reported that no further update was necessary beyond comments made earlier. But, he will provide an update next time.

b) Personnel (Bruce Miller chair / Cheryl Oliva Liaison)

The Personnel committee met on November 1<sup>st</sup>. The team listened to a presentation from Ellen Knippel on the changing environment for teacher compensation and the challenges with attracting and retaining teachers. A subcommittee will meet to review data from Art Scheuber and Ellen Knippel on compensation levels. The subcommittee will make a recommendation in January on potential changes.

Then the committee reviewed the current practices for doing performance reviews. The committee will address the performance review issue in March. Future meetings have been scheduled for the upcoming year.

c) Endowment (Bill Hoile chair / John Hooyman liaison)

Fr. Tony Zimmer reported the Endowment Committee met and became reacquainted with the mission and purpose of the committee. An update was

provided on the financials. Then the group discussed the planned giving effort that is being organized through the Stewardship Committee. They also set dates for future meetings. Their next meeting is March 14<sup>th</sup>.

- 5) Cheryl Oliva reviewed the new operations binders for Finance Council members.

Cheryl presented a manual for the Finance Council that presents basic guidelines on the purpose and duties of the Finance Council. The information that Cheryl aggregated came from the parish financial management manual and the pastoral council manual. The binder also includes the appendix that has been approved by the AD Milwaukee that describes how the SAL Finance Council will be constituted. Cheryl noted that there is much more information available and she can provide additional details as necessary.

Fr. Tony Zimmer encouraged the Finance Council to review the new binder to understand the Council's duties. This will also serve as a check at the end of the year to ensure that the Finance Council has carried out its responsibilities.

Shaun Weinfurter proposed that the group should review the manual and note potential changes for the next addition.

- 6) Action items / Assignments

- a) Hot lunch program audit / follow-up mid-year – Andy Farris
- b) Hot Summer Slice audit – Brian Kieffer
- c) Men of St. Anthony audit – Mike Smith
- d) Athletics – Sheri Schmit (Christina Binagi handled the prior year)
- e) Scrip – John Hooyman (Michael Hofbauer handled the prior year)
- f) Gala (bi-annual) – Jim Hammes / Shaun Weinfurter

- 7) Brian Kieffer led the group in a closing prayer.

**Next Meeting: Monday, January 15, 2018 – Sheri Schmit to lead opening and closing prayers**