

# ***Pax Christi Collaborative Finance Council Meeting Minutes***

September 8, 2016

6:15-8:00 p.m.

Fr. Chris Rhodes, Facilitator

Council Members: Lisa Baxter, Jerry Raque, Paul Moon, Jeff Korfhage, Joe Germain, Jim Laemmle, Bob Malloy, Bob Schroeder, and Carl Heger

Excused: Frank Craven

Recording Secretary: Clare Vize

The meeting was called to order at 6:05 p.m. and opened by Fr. Chris with a prayer.

Father Chris stated that the purpose of the Finance Council was to give honest opinions regarding the finances of the three parishes. What happens in one parish affects the other two, as all are connected financially. Father told the Council that it was OK to disagree with him, and he encouraged dialogue within the whole group. The minutes are being recorded for the permanent record, including Archdiocesan audit. Canon law states that the Finance Council should meet regularly, so when the Archbishop's office reviews the files in an audit situation, the information is well-prepared. Father then introduced Lisa Baxter, Business Manager. He stated that she belongs on the Council because it is important to know financially what is going on in our three parishes.

Lisa informed the St. Elizabeth representatives that in addition to the e-mailed Capital Campaign numbers, an insurance recovery also needed to be backed out of the income numbers, so the final operating deficit for 2016 was around \$300. The fiscal year closing paperwork was presented on site to the Council if they wished to review it; including bank reconciliations and gaming reports. Lisa asked Council members to continue to respond to her email when she sends reports so the auditors will know that the Council has received the reports. There are new categories in the financial numbers. Since Father lives on-site at OMOS, his expenses are not run through payroll like the previous pastor was. Expenses are noted in June since Father Chris started on June 23, but it was not previously budgeted because they did not know he was coming when the budget was set. Father's household item expenses are in the numbers too, since he had to put his house together when he moved in. Those expenses are reflected in the June numbers. All are unbudgeted. The fiscal ending parish accountability reports are being put together and will be released soon. The final picnic report numbers are in and will also be released very soon. She noted that all three picnic numbers are down this year.

Lisa handed out a chart regarding how administrative expenses for the last 4 years have been handled. When the three parishes clustered, the Archdiocese Finance Office, in an effort to avoid pitfalls experienced by the previous cluster, instituted a plan for OMOS to pay all invoices in specific categories (see chart) and all Admin payroll expenses except the Administrator who was split equally. The business manager, bookkeeper, and previous secretary's salaries were paid 100% by OMOS. The other two parishes would pay a monthly "office fee" to OMOS to cover their share. Other categories of expenses, such as utilities and office janitorial, were completely excluded and paid fully by OMOS. The previous pastoral associate and maintenance

man were paid in thirds. The current pastoral associate is paid 45% from OMOS, 45% from St. Elizabeth, and 10% from St. Therese.

She also explained, for anyone not aware, that the Elizabeth & Therese Ledgers that were transferred to her were un-auditable and unworkable. After consultation with the Archdiocese Finance Office the ledgers were closed out fiscal ending 2012 and brand new ledgers were built from the ground up using the same framework already used by OMOS to keep them as consistent as possible across all 3 parishes.

As the chart shows, in the first year the Admin fees paid to OMOS left that parish covering 68% of the administrative costs the first year and anywhere from 47% to 55% in the following years. The Business Manager's complaints to the Administrator regarding this inequity and lack of transparency, to even the Finance Council, went unheeded; she was told by the Administrator that the Archdiocese was in full agreement with the situation and she was compelled to uphold her supervisor's stance.

Father Chris asked that everyone please be a vocal participant on this Council going forward. It is everyone's job to make sure the business manager and the bookkeeper are accountable, so please ask questions and raise concerns when necessary. Mistakes do happen and Father Chris needs to be aware of it, so please pay attention to the reports and speak up from now on.

This chart showing expenses among all three parishes was done by Lisa in anticipation of Father Chris' arrival. Once he was appointed and became aware of the situation, a meeting was called with Bob Ash, CFO of the Archdiocese. During that 07/08/2016 meeting Mr. Ash claimed he didn't realize it was happening this way. He advised Lisa to change it where everything is split into thirds and at the end of the year if OMOS wanted to "gift" money to the other 2 parishes it should be recorded that way. Fr. Chris wanted everything left as it was until the Finance Council could meet, review and come to a consensus on the future method.

A review of the chart ensued and was discussed. There is a benefit to having the office on their campus. A question was raised regarding the number of families per parish – how many would draw from the parishes? Fr. Chris answered with a question – was that a good enough reason to hold on to those set percentages? There are other factors to consider other than just number of parishioners, such as ministries, bingo, funerals, etc. that all factor in. Based on the workload however, the numbers are pretty even. OMOS and St. Therese each have a bingo, and St. Elizabeth has more weddings. For example, St. Therese has the lowest number of families, but they have bingo and card party revenue, which equals a lot more staff involvement. The databases are being cleaned up now, as there are a lot of discrepancies being discovered and corrected so right now membership numbers are muddled. Council members stated they were not aware of the amounts and percentages. A discussion ensued on what constituted benefit; whether revenue, ministry, bingo, card party, weddings, mass intentions are all taken into effect. All agreed that this needs to be adjusted for fairness and equality but staff should not be cumbered with splitting their time coincidentally with the percentages; that will balance out as you go from month to month.

Office planning and utilities are now split into thirds as of July 1<sup>st</sup>. The OMOS rectory expenses are a separate entity because if it is put into thirds, it would skew the numbers. The office fee for the other two parishes has been increased this year to bring it in-line with the expenses, and it was previously approved in the budget by the Finance Council. The second half of the fiscal year should have the percentages into play. Fr. Chris asked for comments on all this information regarding percentages, increasing/decreasing fees. Carl Heger said the real issue is keeping the parishes open. St. Therese cannot afford to pay a third of the expenses. Lisa stated that OMOS is in the red by \$45K and savings went from \$215K to \$65K within the last four years. OMOS budgeted to be \$25K ahead this year but finished \$45K down instead; this year is budgeted for 19K. Jerry Raque stated that budgets shouldn't be in the hole; with proper planning the Finance Council needs to find a way to cut somewhere to get the budgets in line. Fundraising numbers budgets are inflated and all the picnics fell this year. We had two new picnic chairpersons at two of the parishes and Therese Chairs have resigned. Lisa stated that the picnic numbers are down across the board, and this is widespread everywhere – not just in our three parishes. Could we possibly join up for 1 picnic only, and would the Finance Council members feel out their fellow parishioners to get feedback? Some expenses can be controlled better and will be reduced this year. Several programs like KidZone and Lighthouse will be discontinued. Fr. Chris promised that we will be more conservative this year.

At this point Fr. Chris had to leave to attend visitation at two funeral homes. He reiterated that he will support the Council and asked each member to own your parish. He will listen to everyone, and will even meet privately if needed.

Lisa stated that OMOS bingo is struggling. The volunteers are dwindling in numbers, and they are down to just one bingo caller each week, where previously there were three. How do we deal with this? Trivia Night is an option but not as successful last time since most of the income was from the previous pastor calling on corporate sponsors to get donations. Without fundraisers, we will not be able to stay open. We need to explore new fundraisers with the younger people getting involved. The real money is made in the advertising vs. the actual fundraiser itself. Lisa stated that as an example of the budgeting issues, St. Elizabeth budgeted \$20K in school rental income, but it never materialized. Financial information on all three parishes needs to be shared with the entire Council. A statement was made that we are three parishes with 3 separate financials. Are we meeting together but focusing on our own parishes? Previously the Council met together but then broke into separate parish meetings. Lisa stated the Council needs to see all the information together because we are all invested with the same goals. She asked if quarterly reports would suit everyone? It was agreed that monthly financials will be issued by parish but the end of each quarter the Council will receive all 3 parish reports. FYE 2016 Reports will be sent to all Council members tomorrow in the Chancery's format showing 2016 info and budget info all in same report. She then asked if everyone would be available to meet next month to discuss fundraising.

A Council member suggested that office staff be allocated with 40% going to OMOS, 34% to St. Elizabeth, and 26% to St. Therese. This would be effective after the first of the year. They asked Fr. Chris to consider this suggestion and respond. A comment was made that the Council needs to step up and get more involved and less reliant on fundraising as we have done in the past. The St. Elizabeth rectory is unused and is not currently livable. This creates a financial

conundrum: do you spend the money to fix it up, hoping to find a use, and if so, how long before you recoup your money? And will you be able to recoup your money?

With time drawing to a close, Lisa then switched to a handout regarding the roofing issues. OMOS and St. Therese need new roofs for the gym, and St. Elizabeth needs a new flat roof on the church. The bids are quite varied and we would like some guidance, so if any Council members know of anyone in the roofing industry, please let Lisa know and she would be asking for consultation of parishioners Tom Ruxer and Robby Cashen who are both in the construction industry. In consulting with the Archdiocese, Bob Ash, CFO, said there are several financing options. If the Finance Council approves OMOS' Educational fund can be used toward their roof. Another option is the Parish Assistance Fund which are grants from the Archdiocese, and it's possible that each parish could apply for assistance. The process is that Fr. Chris would write to the Archbishop and asking for permission, giving him bid information and a plan for funding the costs. It is then reviewed by Bill Zoeller, Facilities Manager for the Archdiocese, and hopefully it will be approved in a timely manner. Another option is an appeal from the pulpit, with putting an envelope in the back of church where donations can be made. A suggestion was made that Fr. Chris look into the Archdiocesan option as soon as possible so we could get a quick response. An offer of help was made by Jerry Raque to help with roofing bids.

Items to cover for the next meeting included fundraising suggestions, including who will run them, logistics, cost, and other information such as date/location. Also, the Council was asked to get parishioner feedback about the 2016 picnics, including any changes that could be made. Lisa will set a date for next meeting and when reports are sent out tomorrow.

Meeting adjourned at 8:00 p.m.