

St. Dominic Finance Committee Minutes
Wednesday August 17, 2011
7:00 PM Aquinas Room

Present: Lyle Vander Wyst, Jerry Jorgensen, Al Jante, Jeff Pittner, Don Kamin, Fr. Al Veik, Karen Grupe

Absent: Vince Karls, Susan Sellars, Pat Lacey, Jim Schramm, Jason Martin

Guest: Amy Hinz Thiel, Tim Stielow

Fr. Al Veik led the opening prayer.

Old Business

After a quick review, the minutes from the June 15, 2011 meeting was approved Jerry Jorgensen motioned to approve the minutes. Motion seconded by Lyle Vander Wyst.

New Business

Financial review

St. Dominic - Notes to June 2011 Financial Statements

- June ended with a net operating loss of \$60,152, pushing the 2010-2011 fiscal-year to end in a net operating loss of \$20,483.
- Comparing June of this year to June 2010, Sunday/Holy Day Envelopes were down 23.95% (\$12,942).
- Comparing this fiscal-year to last fiscal-year, Sunday/Holy Day Envelopes were down by 15.39% (\$117,809).
- Comparing this fiscal-year to last fiscal-year, total operating expenses were down by 13.11% (\$164,034).
- With the exception of 62-Pastoral & 80-Buildings & Grounds, the departments performed within their budgeted amounts for 2010-2011. Pastoral saw an increase in total Salaries & Benefits due to the compensation of both Fr. Al and Fr. John for the months of April - June. Buildings & Grounds saw a slight increase in Salaries & Benefits, along with an increase in Buildings & Grounds expenses.
- On a positive note, restricted donations were up 144.3% (\$277,017) over last fiscal-year. With the help of these donations, the Parish was able to pay down the PAC loan from a balance of \$400,000 as of 6/30/10 to \$150,000 as of 6/30/11. The total interest paid on the PAC loan for this fiscal-year was \$14,984 compared to \$31,854 for last fiscal-year.

Discussion of Financial Review

Jeff Pittner reported that a \$5,000 check had bounced. Laura is in the process of getting another check from the issuer.

Jerry Jorgensen had a question about an Acct. 4695 Senior Ministry disbursement. Maureen Stoelb may be the person to contact. Amy Hinz Thiel will look into this.

Al Jante had a question about Account Payable Aging Detail for June 2011 of \$87,219.18. This was considerable higher than the previous May 2011 and July 2011. Amy Hinz Thiel explained the main reason was the bill for the air-conditioning repair. Amy also explained that Archdiocesan assessments are paid quarterly by Laura. This explained the three months of Archdiocesan assessments that appeared on the Account Payable report for June 2011.

St. Dominic - Notes to July 2011 Financial Statements

- July ended with a net operating loss of \$12,257, compared to July 2010, which had a net operating income of \$25,511.
- Comparing July of this year to July 2010, Sunday/Holy Day Envelopes were down 13.63% (\$7,836). It should also be noted that July 2011 had 5 weekends, whereas July 2010 had 4 weekends.
- July expenses were up 12.35% (\$8,007) over July 2010. This is due, in part, to the additional CFP position & pre-school teacher wages.

Additional Notes:

- In July, St. Dominic was credited \$771.16 in health insurance for Fr. John and \$372.28 in health insurance for Amanda Roeh. The credits were applied to account # 4050 - Emplr's Portion - Group Ins.
- Account # 4610 - Legal & Accounting Fees, is comprised of the following:
 - \$816.50 - July invoice from Green Cents Accounting (Amy Thiel)
 - \$101.00 - Copyright fees for Music & Liturgy
 - \$1,500.00 - Invoice from Schenck for the review
- Account #4671 - Copy Machine includes a fee of \$1,858.18 from Ross Imaging for the shortage of copies made on the machine. Last year the fee was \$1,705.63 and was billed in August.

Discussion of Financial Review

Al Jante questioned the Schenck review cost. It was explained that this cost is standard in that industry.

There was a great deal of concern over the fee of \$1,858.18 from Ross Imaging for the shortage of copies made on the copy machines. The Parish is in the second year of 5 year contract that started in 2009. Fr. Al Veik suggested looking at copier usage in the school, rectory, and sacristy. The contract is for all copiers with 175,000 copies annually.

Tim Stielow asked about the double payment for priests. It was explained that this cost ended at the end of June. The \$8,007 excess expense was for the new CFP position. Fr. Al Veik mentioned that he expects to be at St. Dominic until the beginning of November.

Amy handed out a chart showing Seasonal Factors Used for the 2011-2012 Budget. Jerry Jorgensen asked about the annual school fund drive which showed that 31% of the funds were raised in July. Karen Grupe thought that the fund drive started in the fall and thought that last year there was a donation that was received in July although this is atypical.

Karen Grupe also questioned having the Gala on Geele and the Annual Fund Drive with the school closing at the end of the year.

Nominations and elections of both chair and co-chair.

Jeff Pittner agreed to be Finance Committee chair for another year. Jerry will be the co-chair. Motion made by Karen Grupe. Seconded by Al Jante. Motion passed.

Building and grounds updates. Jeff

Jeff Pittner went over the two emails from Jim Mlsna regarding building projects

Al Jante asked if bids had been received for the gutter project. Several bids were received and the bid of \$4,664 was accepted. Jim Mlsna hopes that the sale of scrap copper from the old gutters will help offset the cost.

Al Jante also asked about the seal coating for the PAC. Jerry explained his understanding that the seal coating process was not done annually.

There was also discussion about building and grounds wanting to buy a used pickup for \$1000.00 to haul yard waste. Karen Grupe mentioned insurance costs and added liability with a used pickup purchase. Jeff Pittner will talk to the buildings and grounds committee and suggest some other options such as a trailer or a donation from a dealer for a new truck.

The Buildings and Grounds Committee was also interested in resealing the parking lots but are willing to wait a year.

There was discussion about using Faith in Our Future money for some capital improvement projects.

Restricted Funds

Amy Hinz Thiel reported that money is being deposited in the tuition assistance fund. Karen Grupe mentioned that Peggy Hensler has asked about the status of these funds when St. Dominic School is closed. Fr. Al explained that St. Dominic will have a school. It will be the north side cluster regional school. Karen Grupe asked about who decides what will happen to St. Dominic School restricted funds if it closes at the end of this school year. Fr. Al Veik responded that the new school core and finance committees will be looking into school funds that each Parish has acquired over the years to try to allow St. Dominic School funds will be used for Catholic education at this new school. Fr. Al explained that this process has been used when other parish schools in the Archdiocese have been closed and combined into new regional schools. The endowments, restricted funds, and bequests at the parish schools are examined to determine the specific intent that monies in these endowments, restricted funds and bequests were to be used for. When the donor is still alive, that person may be asked how they wish the funds to be used. When the donor is deceased or multiple donations have been made over the years, the written instructions for the use of funds is examined to see how the funds can be used to carry out the original intent of the funds' use for Catholic education if these can be moved to be used in the new school for Catholic education. Karen then pointed out that St. Dominic Parish Finance Committee or other St. Dominic Parish members should have a voice in how St. Dominic Parish and School restricted funds are used and not the new school committees. Fr. Al said that the pastor has the decision and ultimately the Archbishop makes these decisions.

Fr. Al Veik explained the need for more St. Dominic parishioners to serve on the five committees that will plan and develop the new school. He made a specific request for someone on the Finance Committee to serve on the finance committee for the new school. The core committee is looking for a minimum of 7 members from each committee. St. Dominic should have 3 representatives each. The next scheduled meeting will be September 14th at St. Dominic at 6:30 pm. There will be an orientation.

Jerry asked Fr. Al to provide the 10 years of Confidential Financial Statements from each of the three north side parishes that was to be sent to the pastors by the Archdiocese and then provided to the Finance Committee members who attended the joint Finance meeting for the new school back in May. Fr. Al replied that he doesn't recall receiving these and that he will follow up on it.

The new school becomes a new canonical entity and a new corporation.

Review risk concerns keeping all of our money in one basket (Community Bank) AL

Al Jante shared some recent information from Weissrating.com about Community Bank and National Exchange Bank and Trust. Community Bank is still listed with a "D" rating. A "D" rating means that the bank is weak. Weiss defines weak as: "The institution currently demonstrates what we consider to be significant weaknesses which could negatively impact depositors or creditors. In an unfavorable economic environment, these weaknesses could be magnified." The closest Wisconsin Bank with an "A" rating by Weiss with branches in the Sheboygan area is National Exchange Bank and Trust. This bank has an A- rating. An "A" rating means that the bank is excellent. Weiss defines excellent as: "The institution offers excellent financial security. It has maintained a conservative stance in its business operations and underwriting practices as evidenced by its strong equity base, topnotch asset quality, steady earnings,

and high liquidity. While the financial position of any company is subject to change, we believe that this institution has the resources necessary to deal with severe economic conditions.”

Tim Stielow explained that National Exchange Bank and Trust has once been the bank used by the Parish for its banking needs. When the PAC project was approved, Community Bank became the bank for the Parish.

Jeff Pittner motioned to have Al Jante contact both banks and invite them to send a representative to separate Finance Committee meetings (Community Bank in September, National Exchange in October) to explain their Weiss rating and educate us as to how the safety and security of St. Dominic funds and investments can be the most secure in their financial institution. Al was also asked to develop a set of questions regarding St. Dominic funds and investments that can be asked of each bank representative. Each bank' respective fee structure was also requested for inclusion in the discussion.

Parish Review. Fr. Al and Jerry

Jerry Jorgensen reported that Sue Sellars wants to compare this Parish review to previous reviews.

Financial Summary for Bulletin

Al Jante asked if a financial summary will be appearing in the bulletin. Jeff Pittner said one was being prepared.

Annual Parish Budget Meeting

Al Jante asked if there would be an annual Parish budget meeting to present the 2011-2012 budget to parishioners. Through discussion, Don Kamin said that this was a responsibility of Parish Council.

Health Insurance

Lyle reported that Maritime Insurance had recommended that a new Health Plan for parish employees be developed due to personnel changes.

Ushers Committee

Jeff mentioned that the Ushers have opened their books to him at a recent meeting. They want to have complete control over the disbursement of these funds.

The meeting ended with the “Our Father...”

Next meeting will be September 21, 2011.

Meeting adjourned at approximately 8:55 pm.

Respectfully submitted,

Al Jante