

**ST. SUSANNA CHURCH  
FINANCE COMMISSION  
MINUTES  
MAY 18, 2008**

**Attending:**

Fr. Kevin  
Barb Buschman  
Kevin Cassidy  
Al Czyzewski  
Chris Kelly  
Katie Kuka  
Joe Sandifer  
Joe Schembre

**Absent:** Gloria Costello, Lance DeNardin

Fr. Kevin opened the meeting with a prayer. Joe Sandifer led the meeting.

April minutes were approved.

Finance commission members reviewed the proposed 2008-2009 budget. Joe Sandifer reported that he attended the parish council meeting and asked for 10% cuts in all 2008-2009 budgets. This request was met with some resistance by commissions who believe that overspending by the school should not negatively impact other budget areas. However, in general, the request was received with approval.

Fr. Kevin provided revised parish and religious education budgets, noting that the religious education budget would not be finalized until the upcoming meeting (on Thursday, May 22, 2008). Open items in their budget include questions on salaries. Religious education is also working to cut their budget, in-line with the request of the Finance Commission. Fr. Kevin commented that their budget has “no fluff.” However, the parish budget has approximately \$40,000 of built-in “fluff” in capital improvements. Kevin Cassidy raised a question about projected revenues for the parish festival, noting that they are significantly higher for next year. Fr. Kevin replied that difference is due to netting vs. grossing differences in the various versions of the budget. This error will be corrected in the final budget.

Finance commission members noted that the school has made “as many cuts as possible” in their 2008-2009 budget. Al Czyzewski expressed concern that the school only cut \$6,000, which is not 10%. Fr. Kevin noted that school salaries cannot be changed, and salaries comprise nearly 70% of the budget. The school is still waiting for final textbook numbers to finalize their budget.

The finalized budget must be completed internally by June 30<sup>th</sup>. Then, it must be sent to the diocese in July. Commission members resolved to finalize and approve the budget at the June 29, 2008 meeting. All comments and questions regarding the budget must be submitted to Barb Buschman by the end of May.

Commission members discussed the need for a contingency plan for dealing with cash deficits. The suggestion was made to set aside \$20,000 per month in ADLF funds. No final decision was made.

Commission members discussed the implementation of ongoing monitoring and communication with the “owners” of budgets. One option presented was to send monthly financials with budget to actual comparisons to budget owners. Joe Sandifer will review an older proposal to assign commission members to various budgets for ongoing monitoring purposes. These assignments will be discussed at the June meeting.

Fr. Kevin suggested a new format for ongoing reporting of financial status to the parish. He suggested disclosing consolidated actual vs. budget data for: year-to-date revenue, expenses, and net gain(loss). Fr. Kevin believes parish staff can be responsible for compiling and reporting that data monthly. Fr. Kevin will ask Jackie to begin those monthly disclosures on July 1, 2008.

Fr. Kevin provided an update on the building project. The parish has been approved for a \$334,000 bridge loan. These funds will address timing differences between the receipt of pledge payments and payments due to the builders. Commission members asked about the interest rate and the need to include line items in the 08/09 budget for the loan. Fr. Kevin will find out the terms of the loan, including the interest rate and payment plan, and communicate to commission members. The builders will be knocking out the wall in two to three weeks, which indicates they will be 85-90% complete at that point.

Fr. Kevin also discussed the projected deficit for the current fiscal year, which is approximately \$140,000. The archdiocese can loan us the funds to cover this deficit; it would be a separate loan from the building bridge loan discussed above. Fr. Kevin will find out the terms of this loan, as well, and communicate to commission members for purposes of updating the budget.

Commission members discussed the need to change how tuition rates are set in future years. Potential revisions would include adding a parishioner vs. non-parishioner tier to the payment schedule, in addition to the stewardship vs. non-stewardship tiers. Adjustments could also be made to the discounts provided for multiple children. Al Czyzewski presented tuition data he had reviewed for 38 Catholic schools. Of those 38, five set tuition rates by income and three use tithing. Of the remaining thirty, 26 have different tuition rates for parishioners vs. non-parishioners. Only two of the thirty use stewardship vs. non-stewardship rates. The discount St. Susanna provides for multiple children was in-line with the reviewed schools. The suggestion for the 2009-2010 school year is to have a four-tier tuition schedule: stewardship, non-stewardship, parishioner, non-parishioner. No final decision was made.

Al Czyzewski raised a question related to an annual 8<sup>th</sup> grade trip to Chicago. The teachers would like to start fundraising for this trip in the 6<sup>th</sup> grade. They would like to set up an ADLF account for these funds. Commission members resolved that this was an appropriate solution. Al will notify the teacher that s/he can move the suggestion through the appropriate channels (principal, school board, back to Finance Commission).

Commission members discussed the extraordinary expense form. The form has been distributed within the parish. No extraordinary expenses are expected until after July 1, 2008.

Closing Comments:

Chris Kelly noted that the technology funding issues will continue to grow. Joe Sandifer commented on the unfortunate reality that currently we need to choose between computers and teachers. Barb Buschman requested a 5-year projection of technology needs and suggested possibly starting a second collection for the technology fund. Chris will create a 5-year projection and potentially present it at the June meeting.

Al Czyzewski noted that the question of bus service is unresolved. Bus service will be offered for the 08/09 school year. This service is questionable for the 09/10 school year. The primary issue is the \$40,000 cost of a new bus. Commission members raised the possibility of purchasing a smaller bus. No final decision was made.

Barb Buschman commented that she has questions on outdated accounts remaining on the balance sheet for the school construction. The balance sheet is getting "cleaned up," with no impact to the income statement.

Joe Schembre commented positively on Fr. Kevin's recent call for increased donations. He also noted that he had gathered examples of how other parishes report their financial status. He will share these examples with the commission.

Kevin Cassidy commented that the potential for increased donations exists, but we need to inform parishioners of our financial status and not be afraid to ask for donations. Kevin also noted the need to prepare long-term projected budgets going forward. He also raised the issue of the feasibility of our junior high. The school has formed a committee to market the junior high. Joe Sandifer agreed with Kevin's comments on the junior high. Joe Sandifer also concluded that we need to accumulate information about what motivates families to send their children to our junior high and what motivates them to not send their children to our junior high. We need to put dollars to this decision. No final decision was made.

Katie Kuka asked why there are not fixed assets on the balance sheet. Commission members explained that the archbishop owns all fixed assets in the archdiocese.

Joe Sandifer noted that the updated School Board bylaws will add a member of the Finance Commission as a voting member to implement an archdiocese recommendation.

Commission members expressed interest in knowing how pledges for the church construction are coming in vs. how much goes out each month. Al Czyzewski will ask Mary for the report about building funds.

Joe Sandifer informed the commission that Rich Sinks will be the new school board chair, effective July 1, 2008. Joe Sandifer will take over as parish council chair, effective July 1, 2008. Barb Buschman will chair the Finance Commission, effective July 1, 2008. Joe Sandifer will continue to serve on the Finance Commission and serve as the liaison to the school board; he will roll off effective July 1, 2009.

**ACTION ITEMS:**

All:

- Submit budget comments and questions to Barb Buschman by May 31, 2008.

Fr. Kevin:

- Ask Jackie to compile data for updated financial disclosures in the bulletin, as of July 1, 2008.
- Find out terms of the \$334,000 bridge loan and communicate to commission members for purposes of updating 2008-2009 budget.
- Find out terms of the \$140,000 loan to cover the current year deficit and communicate terms to commission members for purposes of updating 2008-2009 budget.

Barb Buschman:

- Update budget reports and distribute to commission members. Eliminate "version 1" and update only "version 2" going forward.

Al Czyzewski

- Notify interested teacher that establishing an ADLF account for funds raised for 8<sup>th</sup> grade trips is acceptable to the Finance Commission.
- Request building funds report from Mary to understand the inflow/outflow of pledge payments.

Chris Kelly

- Create a 5-year projection of technology expenses. If possible, this projection will be discussed at the June 29, 2008 meeting.

Joe Sandifer:

- Review the former proposal to assign commission members to various budgets for ongoing monitoring purposes. Address this issue at the June meeting.

Joe Schembre:

- Accumulate and distribute examples of how other parishes communicate financial status to their parishioners.