

St. Mary on the Hill Catholic Church
FINANCE COMMISSION

Minutes

October 16, 2007

Members and staff present: Fr. Jerry Ragan, Pat Fair, Fred Allen, Harry Dolyniuk, Pat Douglas, Gene McManus, Jim Purcell, Ed Rhodes, Keith Darr, Joe McBride, Dori Thorstad

Members and staff not present: Matthew Nieman

Other staff present: Mary Davis, Development Director for the Church and School

The meeting was held in the school Computer Lab at 5pm. Fr. Jerry began the meeting with a prayer.

Minutes: The minutes from the September 25, 2007 meeting were approved with no corrections.

Audit: The finalized audit report, presented and approved at the September meeting, was mailed to each member prior to the meeting.

Financial Reports: The September, 2007 year to date Financial Reports for the school and church had been mailed to the committee prior to the meeting for their review. Dori pointed out that a few changes had been made on how entries are recorded. Tuition is posted as income when it is received rather than prorated over the 10 month billing cycle. This change reflected an increase of \$152,869 over the same period one year ago in tuition income. (Many families chose to take advantage of the 5% full pay discount and paid the entire tuition amount at the beginning of the year.) The committee felt this was an appropriate way to record the tuition since it is non refundable. Dori also pointed out that she transfers 1/12 of the budgeted parish stewardship amount to the school each month rather than transferring money as needed. This is done no later than 1 week prior to the 4th Thursday of the month (the school monthly payday). This has resulted in a higher ongoing balance in the school checking account and a lower one in the church checking account. A question was raised regarding the fact there was no entry yet for the property insurance for the church and school. The DOS changed insurance carriers effective July 1st and we had not received a bill until the day of the meeting. These will be paid in several payments to begin in October. The church bill is \$42,864 (budgeted amount \$45,230) and the school bill \$50,449 (budgeted amount \$65,000). Note that the DOS had instructed us to use a 10% increase for this line item when preparing our budget for fy2008.

Development Office Report: Mary Davis, Director of Development for the church and school made a presentation to the committee regarding the grants she has applied for (5) and the ones she knows about and will submit (6). She also informed the committee that she had mailed a letter to all parishioners 70 and over regarding IRA distributions for the Church – if done by mid December they would be non taxable. This has resulted in 4 responses with one possible gift of \$2,000 - \$3,000. She has reviewed the 19 active life insurance policies and plans to contact these individuals. She plans a letter regarding year end gift possibilities – gifts of stock, corporate match – to all parishioners.

Wachovia Bond Account: The committee voted to move the bond collateral account from Wachovia. To briefly give background information, it is a trust account with Wachovia, in the Bishop's name, required by the DOS at the time of the bond for the School Renovation and Gym in 2000. The reasons for the change were the constant change in the trust advisor and investment strategist of the fund, high fees, questionable investments and lack of reporting. These issues were discussed with Wachovia representatives at the March 21, 2006 meeting and to date have not been resolved. *After the meeting a copy of the trust agreement was obtained from Wachovia and it states the monies can be moved with 30 days notice. This has been discussed with the Bishop and members of his financial office staff. We are awaiting approval from the Bishop before proceeding.* Fr. Ragan also established an ad hoc investment committee to review church accounts. The committee will be Fr. Ragan, Rick Cundey, Pat Douglas, Pat Fair, Gene McManus and Dori Thorstad.

Old Business:

HVAC: Fred Allen had informed the committee that the changes requested by the parishioners who reviewed the final plan design resulted in an increase of about \$60,000. The changes included replacing the boiler and changing the control system from a two valve system to one with 4 valves. This will give us the ability to switch from AC to heat easily where the old system had to be manually changed every time and would take as long as 24 hours to go from heat to air and vice versa.

School Gym: There was no new information to report.

2563 Central Avenue: Pat Douglas told the committee that the current owner is reviewing the offer made by the church last summer. The committee again felt there was no urgency in acquiring this property.

The next meeting is scheduled for 5pm November 27, 2007 in the computer lab at the school.

There being no further business, the meeting adjourned at 6:20 pm.

Respectfully submitted,

Dori Thorstad