

Finance Council
St. Martin de Porres Catholic Church
April 27, 2011 Meeting
MINUTES

The regular meeting of the Finance Council (“FC”) was called to order and opened with prayer by Fr. Ed at 4:40 pm. Members present: Rev. Ed Koharchik, Glenn Rosilier, David Boone, Judy Tixier and Mary Armatta. Geoffrey Unger, Pastoral Council President, was also present later. The previous meeting’s minutes from March 22, 2011 were not read.

Review and Approval of the Finance Council Norms

The attached *Finance Council Norms* were reviewed by the members and approved with Fr. Ed’s signature this date. They will be posted on the St. Martin de Porres (“SMdP”) web site.

Financial Review and Outlook

David Boone presented the attached financial reports (amounts rounded):

1. Cash Balances:
 - End of Fiscal year 6/30/10 SMdP had a Cash Balance of \$222,300. At the end of the 3rd Quarter 3/30/11 the Cash Balance was \$51,500 – representing a \$170,800 decrease in the cash position.
2. Cash Flow and 4th Quarter Forecast (updated 4/29/11):
 - An analysis of the cash flow shows a Starting Balance of \$222,000, Receipts through 3/31/11 of \$513,000 and Expenditures through 3/31/11 of \$684,000 resulting in a Net Deficit of \$171,000 bringing the Cash Balance to \$52,000 at the end of the 3rd Quarter 2011. It was noted that non-recurring expenditures in this fiscal year totaled \$120,000.
 - 4th Quarter Forecast shows a Starting Balance of \$52,000, Receipts of \$149,000 and Expenditures of \$172,000 resulting in a Net Deficit of \$22,000 bringing the Cash Balance to \$29,000 at the end of the fiscal year.
3. Cash Issues:
 - Rectory Loan – the forecast includes the payment of principal and interest for the rectory loan based on the Diocese 10 year term, fixed interest rate of 6.98% for the first three years starting in May 2011. Glenn Rosilier had discussed various options with the Diocese. The Diocese stated SMdP could submit a hardship request for a longer payout (15 years) with a higher interest rate (7.14%). The FC recommended that Glenn Rosilier and Mary Armatta request the Diocese to convert the loan to the 10 year term to secure the interest rate. However, they will request the first payment not be due until July 2011 and continue paying the current interest rate of 4.5% until the first payment. It was noted that the total

Principal & Interest Payments for all three loans will be approximately \$9,500 per month.

- Social Outreach Bank Balance – It was noted that \$5,000 of the funds in the Social Ministry account were transferred to the newly formed St. Vincent de Paul Society of SMdP, and that the April and May collections would go to the Society. This leaves a balance of approximately \$12,600 in the account. It was stated that \$1,600 has been committed for a new roof. The FC recommended that no money be spent on the mobile home until it is moved and secured in its new location. The FC also recommended that a meeting be scheduled Friday, April 29th, with Sister Yvonne, Patsy Ward, Fr. Ed, David Boone and Mary Armatta to discuss the disposition plans and expense for the mobile home.
- Discussion will also include there should be no further expenditures/payments processed through the Social Ministry account with SMdP since the outreach ministry has been transferred to the SMdP St. Vincent de Paul Society. FC recommends the Parish Council discuss how the balance in the SMdP Social Ministry account be handled.
- A/C Unit Repair and/or Replacement – Roof Repair and/or Replacement – \$30,000 for the A/C and \$75,000 for the Church & Chapel Roofs were submitted by Mark Spelman, Facilities Manager. The FC recommended the Pastoral Council do a thorough evaluation, getting estimates and options from a minimum of 3 qualified vendors. Geoffrey Unger will address this with the Pastoral Council. A meeting with Mark Spelman, Fr. Ed, Mary Armatta, Geoffrey Unger, Marcello Rodriguez and David Boone will be scheduled to discuss options and costs. As appropriate, and with Diocese approval, such expenditure will be addressed in the FY12 Budget.
- Final Payment to Encino Homes for Clearing – FC recommended that the \$7,500 outstanding balance be paid out \$1,000 per month with a \$2,500 hold back until all work on the land and punch list items for the Rectory are complete. Mary Armatta will coordinate with Marsha Garces the punch list items open for the rectory and will discuss with Encino homes the payment schedule.

Internal Control Questionnaire Evaluation Form

Judy Tixier presented the attached Internal Control Questionnaire Evaluation Form and the two page Comments. This is a work-in-progress and in the interest of time the following items were selected to address this evening:

- Fiscal Operating Budget – The FC must review and approve the FY12 Budget prior to the beginning of the budgeted fiscal year. David Boone will be the point person to work with Mary Armatta in submitting a FY12 Budget to the FC at the June 10th meeting scheduled for 10:00 am in the Education Bldg. It was recommended that salaries be flat for the next fiscal year and that Mary

Armatta obtain detailed schedules from everyone/committee having input into the budget.

- Tighten Up Purchase Spending / Authority – The FC recommended that Mary Armatta, as Business Manager, be the one person responsible for approving ALL expenditures. Fr. Ed will address this with the Staff at the next Staff meeting on May 4th.
- Debit Cards – The Diocese discourages the use of parish credit cards and if absolutely necessary should be kept to a minimum usage. The FC recommended that the Mary Armatta collect all SMdP debit cards and credit cards. If the card needs to be used, the purchase must be approved first and then the card given and returned. Mary Armatta will look into obtaining a SMdP credit card and discontinue the use of debit cards.
- FC review of extra-ordinary purchased - The FC Norms state that the FC is to be consulted on all expenditures other than normal operating expenditures. Any expenditure outside the 4th Quarter Forecast is considered extra-ordinary and needs to be presented to the FC.
- Reimbursement Requests – Mary Gomez will develop a Reimbursement Form for Fr. Ed’s personal reimbursements. It was recommended that all business related documentation be provided, reimbursements for personal items follow the Diocese “Accountable Reimbursement Plan”, and the check be signed by the Business Manager.
- Organizational Chart – FC recommended that an Organizational Chart and Job Descriptions, with lines of reporting authority clearly delineated, be prepared and documented. Fr. Ed and Mary Armatta will be responsible for this task.
- Code of Conduct - This is required to be signed by all volunteers handling money or advising on financial matters. The FC volunteers have signed the form and submitted to Mary Gomez who will be responsible for the file. Judy Tixier will be responsible for collecting the forms from the Count Team, and Mary Armatta will be responsible for collecting the forms from the Ushers.

The FC is requested to review the Internal Control Questionnaire Evaluation Form for any suggested recommendations in addition to those already noted.

FC Address to the Parish

Glenn Rosilier will make a presentation to the Parish at each of the Masses scheduled on May 7th & 8th. Copy of the presentation is attached. There is a conflict with a scheduled Missionary visit for that same weekend. Fr. Ed will contact the Sister to reschedule her trip for another weekend, offering to cover the airline rebooking fee. At this presentation Pledge cards will be distributed. The FC recommended that in addition to distributing the cards at each Mass, the cards be mailed to every parishioner. Mary Armatta is preparing the Pledge cards.

Other Business

Fund Raising – The two year plan for Growing with God Preschool was to cover the Director’s compensation through the operating revenue. A review of the financials also shows that the salaries for elementary, middle and high school programs are not covered by program receipts. Therefore, the FC recommended that all Fund Raising in the Parish be directed to Religious Education Programs, with the exception of St Vincent de Paul fund raising for social ministry.

Building Fund/Debt Reduction Collections – FC recommended that Fr. Ed request these funds be classified as “Exempt Building Fund Contributions” to the Diocese. Fr. Ed will schedule a meeting with the Bishop.

Cavan Report – Fr. Ed reported that SMdP is proceeding with this program which is targeted to help increase the offertory for the Parish. The Diocese is covering all the expense associated with this program. Geoffrey Unger will be the point person for this project. It was noted that better communication overall was needed with the parishioners.

Minutes – Fr. Ed appointed Judy Tixier to be the Recording Secretary for the FC.

There being no further business, the FC adjourned at 6:40 pm. FC was invited to stay for dinner and the Pastoral Council meeting.

*Respectfully Submitted,
Judy Tixier*

Attachments:

Finance Council Norms

Financial Reports – Cash Balances, Cash Flow, Cash Issues

Internal Control Questionnaire Evaluation Form & Comments

FC Parish Presentation Outline