

SJP Finance Committee Meeting
July 27, 2020

Present: Kathy Luczynski, Deb Wooley, Father Steve, Joe Truskowski, Mike Koperniak, Gary Bellows

The meeting was called to order at 6:06 with an opening prayer by Father.

Mike reported that the last statement review was completed in January; Covid restrictions have limited office access. Deb suggested we have Laura securely scan the statements to Mike / Joe for review in the meantime. Kathy will reach out to Laura to request.

Deb reported that Kuhn Riddle Architects informed Larry Clairmont that the report on the SSK Steeples was complete and they would like to schedule a conference call during the second week of August to review. Initial feedback was there are no major issues however the committee questioned their definition of *major*. Larry will request a copy of the report in advance.

Deb reported a significant amount of cancellations occurred with Manor rentals beginning in March with the onset of Covid. Given the health & safety risks, the volunteers cleaning the Manor wisely elected to discontinue their services. The committee acknowledged the stellar job they have done for several years preparing the rental for guests and the revenues generated for the Parish that are invaluable during these challenging times. It was noted that given the extreme need for income at this time, Jill questioned whether there was an option to continuing rentals. She ultimately arranged for outside services for cleaning, linens, etc. so rentals were resumed effective July 1st. She has also been addressing any issues that occur during stays. The committee expressed appreciation for her efforts. As noted during the last meeting, given the Parish financial projections for an almost \$200,000 deficit in FY'21 and the very hot real estate market, the Committee feels now is the perfect opportunity to gather more information and move forward with the sale of the Manor. Given the market, the sale could generate a significant windfall for the Parish that could be invested, creating a recurring revenue stream for the Parish with no additional effort required. Father has had conversations with the realtor to discuss various obstacles and options to resolve them. In addition to the sale of the Manor, the realtor will explore sale of the Mill Street / Polanka grounds. Parishioners have historically expressed concern with the amount of real estate owned by the Parish so the decision to sell non-essential properties to ensure our churches remain opened will be the direction taken.

The committee discussed outstanding balances due to the Diocese. Although the majority of overdue assessments (\$252,424) were from prior to Father Steve's arrival, \$43,354 have accumulated through June 30, 2020. These past due assessments result from the failure of the Diocese to recognize arrangements Father made with Bishop Rozanski to have Manor revenue and Special Collection exempt from cathedraticum calculation. Despite numerous attempts to resolve the discrepancy by both Father and the committee, there has been no response from the Diocese. The Committee agreed we would continue to deduct the difference monthly and considering Bishop Rozanski's departure, include a letter of explanation so our position can be on the record. It was noted that the Diocese has not invoiced any parishes for cathedraticum since March; Father believes given Covid, the Diocese may be considering the right action related to the billings.

The committee reviewed the recent property / liability insurance summary provided by the Diocese and expressed disbelief in the property values (\$37 million) and annual cost (\$68,208) to the parish. On multiple occasions discussion of these exorbitant values were discussed with the Diocese with no resolution. It was decided with FY21 given the impact of the pandemic and failure of the Diocese to address the valuations, the Parish will begin paying \$2500 per month and include a letter explaining and documenting the committee's objection to the valuations and assessment to the Parish.

Kathy noted changes in the St. Vincent DePaul account oversight and changes to account signers due to a resignation. The account has more than \$8,000 balance. Father will review the process with new members and will stress the importance of disbursing the funds especially during these desperate times for many.

The committee discussed an energy efficiency evaluation for the properties. Gary cautioned that these can result in locked in pricing that can work against a commercial property. The committee agreed not to pursue.

Kathy reported that Colebrook had a non-profit prospect that inquired into the ND School rental. Father reminded him of building restrictions due to Religious Education and the Fall Festival.

The committee reviewed the list of possible fundraiser ideas submitted by Parishioners. It was noted that the Cash Calendar portion of the Fall Fest will be pursued. Another attractive option is the SJP Annual Club whereby Parishioners contribute monthly to a "club" with monthly drawings. It requires a minimum of 150 participants to generate \$6,000 each year. Several other suggestions were made however there is no one willing to Chair / Spearhead the Fundraising efforts and some initiatives require a lot of work. Kathy will put a thank you in the bulletin for the suggestions noting if among those suggestions someone is willing to carry them out to contact her for assessment.

The committee reviewed the final year financials noting they require some very clear explanations for parishioners as they can be misinterpreted. The income statement reflects a profit of \$38,538.56. However, revenue is down by \$19,713 over last year. Also, FY 20 includes SSK Steeple and ND Painting project collections not expended during the year; split salary with St. Mary's for Father Steve which is now eliminated; non-payment of three months of cathedraticum assessments as noted previously and government payroll protection grant reflected as income per the Diocese. Gladly, subsequent to the mailing to parishioners regarding concerns with our projected financials for FY'21, significant contributions were made closing the gap reported previously for period ending 5/31/2020, down 9% from last year and 8% from budget to 5% and 4% respectively for 6/30/2020. Our cash position remains strong due to prior strong years of revenues and expense control. Joe questioned the small out-of-balance item with assets / liabilities that still has not been resolved for \$255 between the Parish and Cemetery financials. Deb will reach out to Lary again for correction.

Greater concerns remain with FY21 when project expenditures are anticipated, salary split no longer exists, fundraising initiatives are limited, increased Covid-related expenses and uncertainty of collections. With some minor adjustments considered, we face a deficit of approximately \$195,000 in FY21. The committee agreed that we must continue to closely manage all expenses. Kathy will send along the Parish Expenditure Policy to the Property Committee as a reminder.

SSK cemetery financials were reviewed and observations noted on how nice the Cemetery looks.

Memorial Account details were reviewed noting account total of \$105,780 with \$64,065 in SSK Steeples memorial fund and \$4900 for ND painting project.

The Committee will prepare a communication for Parishioners to be included with the final financials and Annual Report when published.

Meeting was adjourned at 7:55 p.m.

Respectfully submitted by Kathy Luczynski

July 27th minutes moved to accept the minutes as presented via email on July 30, 2020 by Deb, second by Joe minutes, all approved.