St. Joseph Church  
Finance Council Meeting Minutes  
November 13, 2018

**Present:** Fr. Jorge Roman (President ex Officio), Tom Altenbach (Chairman), Joe Price (Vice-Chairman), Maribel Castillo (Member), Olga Avila (Member), Kathy Cage (Parish Hall Project Manager by phone), Helen Shepherd (Business Administrator), Sonja Bush (Offertory Increase Committee Representative)

**Absent:** Ralph Obenberger (Member, Excused)

**Quorum**
The meeting was called to order at 5:07 PM. A quorum was present.

**Status of the Parish Hall Construction**

Kathy Cage (via telephone) provided an update on the Parish Hall construction and fielded numerous questions from the group. The project is nearing completion. Most of the remaining work involves the installation of plumbing fixtures, bathroom stalls, a refrigerator, and some HVAC equipment. The goal is to secure a temporary occupancy permit by December 10. This would allow the Parish to have the annual Guadalupe celebration in the Hall on December 12. Kathy is also planning a party for all those who have worked on the construction, to be held the following week.

The details on the parking lot repaving work have not been finalized yet, but it is expected the work will be finished in the spring at no additional cost to the Parish. A change order will be added to the contract to extend the final date, and withhold payments to the general contractor amounting to the value of the repaving work, until that work is completed.

Kathy also presented a proposal for the immediate purchase of some of the items needed to make the Hall more usable for parties and CCD classes. These items include various tables and chairs, a gas range, hood and backsplash for the kitchen, and a wall mount for a TV. Helen pointed out that there are other high-priority items needed soon that are not on the list. These purchases could be made from a projected surplus of about $12,000 that remains in the construction account. However, due to the uncertainty of this projection, and the possibility of last-minute change orders taking priority, the Finance Council did not endorse the immediate purchase of the listed items.
Old Business

The meeting minutes from September 5, 2018, were approved.

Review of Financial Reports

The Finance Council reviewed the following reports as of October 31, prepared by Helen.

- FY19 Actuals Compared to Budget
- FY19 Actuals Compared to Prior Year
- FY19 Offertory Income

These first two reports are summarized in the table below.

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<thead>
<tr>
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<th>FY19 Actual</th>
<th>FY19 Budget</th>
<th>FY18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$67,600</td>
<td>$84,800</td>
<td>$73,200</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$66,200</td>
<td>$71,000</td>
<td>$69,200</td>
</tr>
<tr>
<td>Net Op Revenue</td>
<td>$1,400</td>
<td>$13,800</td>
<td>$4,000</td>
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Offertory Revenues are underbudget by 13.5% and below FY18 by 7.1%. This is partially due to the delay in the implementation of the Offertory Increase Program discussed later.

- FY19 Operating Revenue Projection

Helen projected our net operating revenue for the full fiscal year. New known expenses were included, and the previously assumed budgeted increases in offertories for November and December were removed. When adhering to the remainder of the budget, the result shows a final deficit of about $23,000.

- Construction Contract Financial Review

Helen produced an extensive analysis of the Parish Hall construction finances. The total general contractor cost remaining to complete
construction, including approved change orders, is $294,000. Estimates of known other costs total $9,000. The total of remaining funds restricted for Parish Hall construction is $315,000. This leaves an estimated balance of $12,000, as noted previously.

Offertory Increase Program

Sonja Bush presented the status of the Offertory Increase Program to the Finance Council. This is a new program for all parishes, mandated by the Diocese and formulated by a consultant. The Parish was charged a fee of $2,400 to participate in the program. It contains a sequence of structured actions, that were to begin in October. However, our Parish was given permission to delay implementation for about two months due to the Pastor’s vacation and the expected low church attendance during the shoulder season. Major activities include announcements at Mass, a drive to increase the parish membership list, a mailing to all parishioners asking for the return of offertory pledge cards, with follow-ups at Mass and additional mailings.

Although the Offertory Committee had not met yet to make key decisions, Sonja projected that the program might start in December, with the major mailing to go out in January.

The Finance Council expressed several concerns with the program features and expected timing.

- The Finance Council usually issues a Christmas letter under Fr. Jorge’s signature to parishioners and other donors. While not overtly appealing for donations, the direct response to that letter has averaged a return of about $11,000 per year in donations over the last three years. If the offertory appeal coincides with this letter, both efforts will suffer.
- The Diocesan Bishop’s Ministry Appeal (BMA) begins every February, and our Parish has only been able to meet the required assessment by conducting frequent second collections throughout the year into November. To parishioners, the Offertory Increase Program will seem very similar to the BMA. Both have multiple in Mass appeals, with home mailings asking for pledges, and follow-up mailings. Helen pointed out that the cost for us to send out one of these mailings is about $900, depending upon the size of the addressee list. Also, many parishioners refuse to accept any mail from the
church. If the offertory appeal overlaps with the BMA, the BMA will likely suffer.

- The offertory program as presented is fundamentally designed to appeal to parishioners using weekly envelopes. Our Parish offertories have prominent peaks in December and July, when church attendance is dominated by visitors. They contribute a significant, though unquantified, portion of our offertories over the year. But visitors are not a primary target of the offertory program. Secondly, the use of envelopes among parishioners is very low and declining. The offertory program does not consider the option of online donations. That mode is steadily increasing in the 21st century.

The Finance Council hopes the Offertory Committee will be able to deal with the above concerns successfully.

**Christmas Letter**

Since the Offertory Committee had not set a date for the implementation of the program, the Finance Council decided to go ahead with its annual Christmas letter. The goal is to get that letter into the mail by December 1, or as soon as possible thereafter.

**Next Meeting**

The next meeting of the Finance Council was set for January 22, 2019, at 5:00 PM. This meeting was adjourned at 7:08 PM.

Submitted by Tom Altenbach, Chairman