

MINUTES OF ST. BARBARA FINANCE COUNCIL MEETING

MONDAY, MAY 23, 2011, CLW, 7:00-9:10 p.m.

Meeting Type: Regular - Lead Team

Attendees: Don Homerding, Bill Neral, Kathy Green, Joe Dolney, Roy Draper, Rheba Salac, Sally Caric, Fr. Ken Zaccagnini, Fr. Jamie Ozoa, Jan Shepherd

Purpose: Review action plans; reach consensus on financial documents

Meeting Objectives:

- Identify risk items on action plans for Compliance, Budget, Facilities, and Programs teams
- Reach consensus on recommendations regarding financial documents:
 - Annual Report review and signatures
 - BBC Promissory Note review and signatures (\$110K, 8 yrs., 4.00%)
 - FY 2012 budget
- Agree on plans for actions and meetings during next three months

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Opening prayer and Introduction

Fr. Ken led our prayer and then informed us that Ken Meyer will be retiring after 37 years. Ken will stay on until we find the right person. Fr. Ken would like to have a nice farewell gathering; FY 12 budget implications will have to be determined.

Budget Team

Budget expenses have been reduced by \$184,000, which is as far as we can go without cutting any services. Payments on the mortgage loan resume July 2011. On the BBC loan we are paying interest only this year, \$400 per month. We need a lean budget until December 2014 when our renovation loan is paid off. We need a game plan to make up for the deficit to avoid depleting the modest balance we have accrued in our checking account. The Revenue Team is challenged with making up the difference. We need to go further to get us to \$19,400 average weekly offertories. The group compromised with a budget adjustment of projected weekly income of \$19,000. Rheba moved to accept the FY2011-2012 budget with a suggested reduction of \$22,969 resulting in the \$19,000 projected weekly income. Roy seconded the motion.

Bill will attend the Pastoral Council meeting on June 13th to fulfill the requirement to secure the required review of the FY10 Annual Report by that group.

Compliance Team

Jan will work with Fr. Ken to develop procedures. The Compliance Team will review and hope to have the procedures in place by September. Regarding the Annual Report, since this Finance Council did not convene until October of 2010, Don and Jan will incorporate a qualifying disclaimer statement addressing the Finance Council oversight line items. The report was signed by the Council and given to the Business Manager for submittal. Joe crafted an initial draft a letter to request Queen of Angels financial information prior to the 2011-2012 school year, to be signed by Finance and/or Pastoral Councils. He will refine the draft.

Facilities Team

Marlene and Rheba will meet with Jan regarding facility management; this will probably be closed out after Labor Day. Walkthroughs need to be scheduled with Gary.

Regarding the BBC Promissory Note, the \$500,000 line of credit has been spent. We have already started paying interest only. This is a bill we have to pay whether the Promissory Note is signed or not. Rheba proposed the note be signed, we reached full consensus, and Don and Father Ken signed it. There are now five parishes involved (St. Edward's in Herminie is involved); our new ownership percentage needs to be determined for future debt.

Program Team

We want to bring back children's envelopes by Fall. Plans are afoot for a Cash Bash in September.

We are sending mixed messages by reporting a weekly dollar amount needed each week. Also, a recent bulletin cover featured photographs from the Fish Fry and did not include inside a financial reporting.

Roy requested that Knights of Columbus be recruited for participation in Electronic Funds Transfer for Sunday offertories; Don will do.

Round Table

Air conditioning issues were questioned . . . Century is scheduled to come on May 24th to make repairs. We have a one pipe system, which makes it impossible to switch from heat to air conditioning immediately . . . this was the cause of no air conditioning on Easter Sunday.

Documents Presented (Documents are incorporated into these minutes):

- Agenda for 5/23 Meeting
- Proposed FY 2011-2012 Budget, pre-read
- Comparative Income Statement, period ending 03/31/2011, pre-read
- Comparative Income Statement projection, period ending 06/30/2011, pre-read
- Balance Sheet Extract and Income Statement, pre-read
- Summary Review of the Parish Annual Report to the Diocese, 06/30/2010, pre-read
- Comparative Financial Data, 2005 to 2012, pre-read
- Summary of Forecast Changes, pre-read
- Promissory Note (BBC Loan) Line of Credit, dated 07/26/05; pre-read
- Catholic Institute Promissory Note, (BBC Loan), amount of \$110,232.01, pre-read
- Draft letters (2) to Q of A, pre-read
- Catholic Foundation June 16, 2011, Meeting Invitation, pre-read
- Annual Report, FY2009-2010, pre-read

Approved Decisions, Recommendations, Motions, Signatures:

- **FY10 Annual Report** approved and signed by members. The Internal Controls Questionnaire attachment will be amended to indicate that the Finance Council is not yet performing the oversight function required to certify, and so Don and Jan will work together to insert a statement to that effect.
- **The FY12 Budget** approved as submitted with one change: the offertory forecast will be adjusted from \$19.4K per week to 19.0K per week. Additionally, Bill Neral took an action to time-phase the budget so that the Council can monitor actuals vs. budget more closely.
- Reached 100 percent agreement to sign the **BBC Promissory Note**.

New actions for Actions Status Report:

- **Time-phase FY12 revenue** budget...Budget Team (Bill)
- Secure **review of FY10 Annual Report** by Pastoral Council...Budget Team (Bill)
- **Amend FY10 Annual Report** Internal Controls Questionnaire...Compliance Team (Don)
- Recruit **Knights of Columbus participation in Electronic Funds Transfer (EFT)** for Sunday offertories...Program Team (Don)
- Refine draft **letter to Queen of Angels** requesting 2011-2012 financial plan...Leadership

Team (Joe)

Next meeting is scheduled for Monday, June 20, 2011, at 7:00 p.m., Leadership Team, CLW