**ST. THERESA of the CHILD JESUS**

**FINANCE COUNCIL**

**November 10, 2016**

Fr. Mark Neal Mary Gisler

Tom Hueholt John McMichael

Kevin Olsen Ellen Stemler

Margie Pope Sergio Loch

Steve Michaud

Paul Johnson

Jim Langeness - Absent

Paul Galloway - Absent

Tom Hueholt, called the meeting to order at 5:30 pm on November 10, 2016

**Opening Prayer: Fr. Neal**

**Roll Call**

All Finance Council members were present except Paul Galloway and Jim Langeness.

**Reading and Approval of Minutes from Last Meeting**

Margie Pope motioned to approve the minutes from the October 13, 2016 meeting. The motion was seconded and was unanimously approved.

**Reports**

1. **School Progress Reports**

Ellen reported that school enrollment was stable at 304. Will be working with Strategic Marketing regarding Governor’s Stem Advisory Council advertising campaign. Received $1000 award from Innovation Catholic Education (ICE). Catholic Tuition Organization (CTO) has corrected errors in the award process. These corrections will not impact awards for fall 2016 but will impact those for second semester. Project Hope allocated St. Theresa $10,300.

**Smart Tuition –** The past due for 2016/2017 is $1056.74. Uncollected from 2015/2016 stands at $3758.61. The amount for $2815.85 went to Small Claims but the party did not appear so St. Theresa received an automatic award. There is a potential that the party will be declaring bankruptcy.

1. **Latch Key/Pre-K Program**

Maria Calhoun attended the meeting to provide the Finance Committee with an overview of the Latch Key and Pre-K programs. The 3 year old program has 16 children and is considered at full enrollment. The 4 year old program has 2 sections with 10 in one section and 11 children in the other which is also considered as full enrollment. Although St. Theresa is licensed for 19 children in the 3 year old program and 15 for each section of the 4 year old program, the enrollment is managed below these licensed maximums to better manage the program and provide flexibility to accommodate new families. Latch Key averages 18 to 20 in the morning and 35 to 40 in the afternoon.

Maria also provided a summary of the staffing and staffing challenges. Now that the programs are licensed under Department of Human Services (DHS) there are regulations regarding staffing levels, age requirements of the staff, continuing education, etc. These regulations have added to the staffing expense. In addition, there has been unplanned sick leave this year which has increased the staffing expense.

There was a discussion of St. Theresa’s pricing and how it compares to other programs in the city. St. Theresa is at the lower end of the pricing scale. Given the increases in staffing expense, there was a consensus within the Finance Committee to start planning a rate increase. The current fee agreement does not explicitly state the fees can be changed during the current school year; therefore, the rate increases would be effective with the fee agreement for 2016/2017. The Childcare Advisory Council is meeting later in November and will be discussing this issue.

1. **Security Cameras**

Dave Linkletter provided the Finance Committee with background on why the Security Committee is pursuing installing security cameras on the St. Theresa campus. Dave has a contact through his profession that is willing and able to provide insight on the requirements and appropriate solutions for a camera security system. The cost of the solution will be dependent on the number of cameras, the use of wired and wireless technology, and the required software and server hardware. The purpose of Dave’s presentation was to garner preliminary support by the Finance Committee so the Security Committee had some assurance of support before investing resources designing and pricing a solution. The Finance Committee gave its support to pursue this project.

1. **Annual Diocesan Appeal (ADA) Progress**

Mary Gisler reported the parish is now in a refund status meaning we will be receiving a refund from ADA this spring. The Accessible Income used to calculate the ADA goal is up slightly for St. Theresa over the prior year. It is unknown how this compares to other parishes; therefore, the impact of this increase is not known.

1. **Diocesan Capital Campaign Funds Received and Plan Disbursements**

Mary reported that at the end of September 2016 the campaign delinquency rate was 9% which equates to $94,000. There were 15 people who made a pledge but never made a payment which accounts for $11,000 of the delinquent payments. There are $356,000 in pledges remaining. Assuming the 9% delinquency rate continues, we can expect to collect about $324,000 of the remaining pledges.

1. **Monthly Financial Reports**

Given the unexpected staffing expenses in the Childcare program, there was a discussion about modifying the 2016/2017 budget. The committee decided to take no action so the budget will not be modified.

INCOME:

Collection - Envelope (Page 1): John attributed variances to difficulties in building a budget that accurately accounts for annual/semi-annual payments, number of collections in the month, and timing of deposits. Expects YTD variance to narrow as the year progresses.

Miscellaneous Income (Page 2): Recording Art Teacher recovery of expenses from Christ the King and St. Joes.

Lunch Room (Page 2): Below YTD budget by $2800. State forms are being submitted and paid in a timely manner. No known issues causing this variance.

Latch Key Totals (Page 3): Above YTD budget by $2000 but below prior YTD actual by about $13,000. Budget variances are being impacted because a straight line budget method is used.

EXPENSES:

Contracted Repairs and Maint (Page 6): $2200 carpet cleaning expense

Teachers (Page 6): Adjusted expense for Art teacher shared with Christ the King and St. Joes.

Latch Key: Contracted Repairs and Maint (Page 8): Paid 2 bills from prior fiscal year.

Band (Page 11): Annual budget is $3000 which is posted in budget as quarterly amounts of $750 in the last month of each quarter. Variance is a timing issue.

Overall total income is above budget by $39,000 while total expenses are below budget by $14,000. Net income/expense is $50,000 above plan on an YTD basis.

1. **Report on Funds Transfers To and From Laddered CD Accounts**

There was a discussion on whether longer CD terms should be considered to obtain a higher return. Rather than extending the term there was a suggestion of looking at other institutions such as a credit union. However, no specific decisions were made from this discussion.

**New Business**

1. **Transitional Housing Account**

Mary reported that the St. Theresa Transitional Housing account had been closed and transferred into the parish’s account. There will be separate reporting of Transitional Housing balances; however, expenses and income will flow through the parish’s account in compliance with the parish’s accounting policies and procedures.

1. **Cash Handling Policy**

Mary has the Cash Handling Policy from the Diocese. It is recommended that parish’s follow these policies. The policy will be emailed out to the committee members.

**Old Business**

1. **Update on Donation of Antique Car**

Fr. Mark has discussed the car with the person storing the car. The car may remain in storage with him indefinitely and stated the car does belong to the parish. The parish may dispose of the car as they see fit. Margie Pope will follow up to see if her work contact would like to make an offer or if they know of someone who would like to make an offer.

1. **Business Conducted by Email**

No business was conducted by email since the last Finance Council meeting.

**Closing Prayer:** Fr. Mark led the closing prayer.