

**ST. THERESA of the CHILD JESUS
FINANCE COUNCIL
October 11, 2018**

Fr. Ray Higgins
Tom Hueholt-Absent
Kevin Olsen
Margie Pope
Steve Michaud
Jim Langeness
Paul Johnson-Absent
Paul Galloway-Absent

Mary Gisler
John McMichael

Tom Hueholt was absent for the meeting. Margie Pope led the meeting in Tom's absence and called the meeting to order at 5:02 pm on October 11, 2018.

Opening Prayer: Fr. Ray Higgins

Roll Call

All members of the Finance Council were present except Paul Galloway, Paul Johnson, and Tom Hueholt. Also present were Mary Gisler and John McMichael.

Reading and Approval of Minutes from Last Meeting

A motion was made to approve the minutes from the September 2018 meeting. Motion was seconded and approved.

Reports

A. Childcare Program

There was no report for the childcare program.

B. School Progress Reports

1. **Enrollment:** The actual enrollment for the 2018/2019 school year stands at 287 for pre-K to 8th grade and 247 for kindergarten to 8th grade. At the last Finance Council meeting, the kindergarten to 8th grade enrollment was reported at 242; however, John McMichael stated the number is in fact 247.
2. **FACTS Tuition:** Mary stated that they have been unable to generate a past due reporting from FACTS. The reporting capabilities of FACTS are not intuitive and more comprehensive training will be required to enable us to better use this system. FACTS was acquired by a different company several months ago; however, there is no information on how that may impact the users of FACTS.

3. Recovering from Flood: Mary reported that the Teachers' lounge is still under construction due to the work required to remediate a mold issue. The makerspace work space is currently on hold as the room designated for the makerspace is being used for the Teacher's lounge. Insurance checks for \$89,000 have been received; however, there is a \$65,000 bill to Service Master that is outstanding as Mary is attempting to validate these charges and make certain Catholic Mutual will cover these charges. Mary noted that the contact at Catholic Mutual has been responsive; however, the adjustor Catholic Mutual contracted to work on St. Theresa's claim has been essentially unresponsive. At this time, there are no material outstanding bills from the flood. Some of the flood donations from the parish may be used to cover of the flood damage at the rectory.

C. Annual Diocesan Appeal (ADA)

John reported that there was no material changes in the ADA campaign status. We are currently \$20,700 below the assessed amount. There have been only 379 contributors.

D. Diocesan Capital Campaign Funds Received and Plan Disbursements

Capital Campaign Receipts: Mary stated that a distribution for about \$6,600 is expected in October. The final distribution will be received in January 2019.

E. Report on Funds Transfers To and From Laddered CD Accounts

There was no activity to report. John moved \$35,000 to the money market fund after the receipt of the insurance payment related to the flood. There may be enough funds to take out an additional CD depending on the parish's cash needs in the near future.

F. Monthly Financial Reports

Mary distributed the monthly financial reports for September 30, 2018 prior to the meeting. Several questions were submitted by email and John McMichael provided a response via email. The questions and responses are being added to the minutes:

1. Will the Insurance claims due to water damage flow through here?

The money we have received from Catholic Mutual is the \$89,299.49 found under Extraordinary Income. In addition, we have received almost \$25,000 from parishioners that is in the Building Fund line item. All the income and all the expenses have been tagged with the project code "school storm damage." Most of the expenses have been posted to the Accounts Receivable account, number 1420. The biggest item and most contentious - the clean-up work by Service Master, has not been settled and thus not paid. So, we have a difference between income and expense on the school storm damage of around \$74,000. Once everything has been calculated, we will offset the "receivable" against the insurance amount. Whether we just net it all out or show the out-of-ordinary expenses on the financial statements, the result should be a wash.

2. Lunch room cafeteria fees are low current month. Timing?

The lunch fees are lagging and there is not an obvious reason why. Actual amounts for the last two years showed a total of around \$7,500 through September. There was only one regular deposit last month and only one so far this month, so it is not a matter of money not getting over here. There was the first big influx of RevTrak payments last month, but nothing yet from FACTS (last year over \$900 had been received through SMART in September).

3. Preschool Foundations/Grants are above budget - purchase related or early payments?

The amount we received under the Pre-K Grant of \$27,905.06 which we thought was just an early payment, until another deposit of over \$29,000 came in this month (October is typically when we get the first allotment). There was a thought that perhaps it was for another subsidy, like transportation, but the two transactions were coded the same way on the bank statement and Jennifer in the school office indicated the transportation reimbursement from Des Moines is nowhere close to this amount.

4. Parish Expense - Bank charges are there. Were they anticipated?

The amount had been budgeted for these ACH transaction maintenance fees had not been entered correctly. The total of \$2,100, \$175 per month, had been entered on the line above it, Annual Diocesan Appeal payment. This oversight has been resolved.

5. Parish Building and Grounds - Building Improvements. Rectory?

The Building Improvements expenses through September consisted of the initial payment of \$7,000 for the campus security cameras, \$16,671.92 for the rectory, and \$969.73 for pavement work on the west parking lot across from the rectory. The latter should really be in Contracted Repairs & Maintenance.

6. School Transportation - Auto Expense - repairs. What occurred?

A rock took out the windshield on bus #5. Two years ago a lot of work was incurred on #5 and that was enough to get it through last year relatively unscathed. However, this year there has been brake, engine, and windshield work on a bus that is over 112,000 miles and not getting any younger.

7. School Buildings and Grounds - Building Improvements YTD. What was this?

The Building Improvements expenses here consist of the school half of the initial payment for the campus security cameras - \$7,000, and \$3,449.93 for exterior lighting. Mary mentioned earlier this afternoon that a teacher thanked her profusely for the latter as it has made a huge difference.

The following items from the financials were discussed at the Finance meeting:

Page 1-Tithing: September MTD was \$11,000 below budget. Difference was not caused by timing. John also confirmed that the budget was for 4 Sundays in September. Tithing is simply below budget.

Page 2-Tuition and Fees: Tuition is tracking well against budget; however, fees are not tracking as well. It could be attributable to how FACTS is accounting for various fees.

Page 2-Bus Subsidy: Not all of the bus subsidy has been received. It was noted that the West Des Moines school districts is now disbursing subsidies through electronic deposits to families.

Page 2-Childcare Income: MTD close to budget but YTD is \$20,000 below budget. Expecting a \$5,000 grant from the state in the near future.

Page 6 -Teacher Exp: Teacher expense about \$11,000 below plan YTD. Received reimbursement for teacher St. Theresa is sharing with Christ the King. The reimbursement was a lump sum for the entire year.

Page 8-Lunch Room Exp: Food Supply expense is \$2,900 below budget YTD. Most likely not all of the food supply bills have been submitted for payment.

Page 9-Childcare Health Insurance: Above YTD budget by \$2,500. One of the staff members enrolled in a family healthcare plan which was not budgeted.

Page 12-Overall: The insurance funds that have been received distorts the YTD actual vs budget. If the insurance income is removed, the parish is \$20,000 below the budgeted net income/expense at the end of September. Expenses are tracking against budget; however, income is lagging.

New Business

A. Tithing Mailing

Mary Gisler reported that the tithing cards had been mailed out on October 11.

B. Entrances to School

Mary reported that the entrances to the school require significant repair as they are rotten and pose a safety concern. A rough estimate is \$5,000 to \$7,000 per entrance.

C. Parish Custodian

The parish custodian has elected to work in his family's pizza business and his last day was October 5. Mary will be looking to fill this position as soon as possible. In the meantime, she has contracted a cleaning service for the school gym and restrooms

D. Concrete Repair Rectory

Mary reported that the concrete repair work has been completed at the rectory. This work was required based on a finding from a safety audit. This may be an expense that would qualify for a safety grant from the Diocese. She added that the expense was more than originally anticipated as they extended the concrete to form a nice patio area behind the rectory.

E. Parish Marketing and Communications Position

Mary discussed the creation of a Parish Marketing and Communications position. This is expected to be a part-time position with an average of 10 hours per week with compensation of \$15 per hour. This position would help provide uniformity in the delivery of electronic communications including Facebook, Twitter, and web sites. The position would server both the school and parish. Emily Melcher approached Father Ray and Mary about creating this position and offered to fill the position.

Old Business

- A. **Parish Hall Kitchen Remodel:** Brian Tingleff joined the Finance Council meeting at 6:30 to discuss the kitchen remodel for the Parish Hall. Brian has been leading what is somewhat a grass roots effort to get the kitchen in the Parish Hall remodeled. Members of the Buildings and Grounds Committee, the Knights of Columbus, parish members, and others have helped create a kitchen plan. The next step is to engage an architecture firm to get a schematic design in order to define the project scope and anticipated costs.

There was significant discussion about specific items in the remodel plan such as the grease trap, appliances, layout, etc. In addition, there was discussion of possible alternatives to a full kitchen remodel. The St. Theresa Foundation had previously stated their support for this project; however, the Foundation had not explicitly voted on any funding. Mary agreed to send an email to the Foundation members with a proposal from the ID8 architectural firm to create the schematic design. The cost of the schematic design according to ID8’s proposal is \$4,700. The Foundation is expected to approve a motion for this expense. No action is required from the Finance Council at this time.

- B. **Business Conducted by Email**

The all parish budget which includes the school budget was approved by the Finance Council via email.

Next Meeting: The next meeting will be Thursday, November 8 at 5 PM.

Closing Prayer: Fr. Ray concluded the meeting with a prayer

Meeting adjourned at 6:50 PM.