

**ST. THERESA of the CHILD JESUS**  
**FINANCE COUNCIL**  
**September 12, 2019**

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

Mary Gisler  
John McMichael  
Ellen Stemler

Tom called the meeting to order at 5:33 pm on September 12, 2019.

**Opening Prayer: Fr. Ray Higgins**

**Roll Call**

All members of the Finance Council were present. Also present were Mary Gisler, John McMichael, and Ellen Stemler.

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

A motion was made to approve the minutes from the previous Finance Council meeting which was May 9, 2019. Motion was seconded and approved.

**Reports**

**A. Childcare Program**

There was no report regarding the childcare program.

**B. School Progress Reports**

1. **Enrollment:** The 2019/2020 school year stands at 288 for pre-K to 8<sup>th</sup> grade and 248 for kindergarten to 8<sup>th</sup> grade.
2. **Diocesan Strategic Plan:** There was a discussion of the current status of the Diocesan Strategic Plan. Ellen and Fr. Ray do serve on one of the central committees. Transparency and communication is lacking thus far in the implementation plan. The entire plan rests on financing and little is known at this time how that task will be achieved.
3. **FACTS:** Ellen distributed a report from FACTS listing a Balance Summary and Delinquencies Detail. The Delinquencies Detail report showed only \$58.36. There was a discussion regarding 2018/2019 delinquencies and how those were carried forward into 2019/2020. This involved 3 families. One family did not return. Two families are enrolled this year.
4. **Tuition Assistance:** Ellen explained the process followed to distribute funds from Project plus the STS Foundation so that funds are distributed on an equitable basis. She also noted that CTO had covered 60% of tuition but in 2019/2020 it is only covering 50%. This change plus increase in tuition has created additional burdens on families. As has been the

historical practice, any tuition agreements above and beyond the Project Hope and Foundation grants would require the approval of the pastor.

5. **Chromebooks/Buses Sustainable Funding:** Given the recent funding requests for Chromebooks and school bus, there was a discussion about the need to create sustainable funding for large purchases such as these. Ellen stated that the School Board has similar concerns and has discussed this topic at its recent meetings.
6. **Air Conditioning for School:** Mary stated that this project is somewhat back to square one. The engineering report proposed a solution that was quite expensive as it proposed replacing virtually the entire system. Mary is going to consult with the HVAC person that maintains the current system to determine if there is a lower cost approach to addressing the air conditioning issues.
7. **Financial Review:** Mary reported that there will be a financial review performed by the Diocese. This review focuses on internal controls, policies, procedures, and processes related to finances.
8. **Flood:** Mary noted that the 2018 flood was a significant event for the parish and plans on providing a recap to the parish.

**C. Annual Diocesan Appeal (ADA)**

John reported that the current shortfall is about \$8,500 out of this year's goal of \$155,331.

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

No report for this meeting.

**E. Monthly Financial Reports**

The monthly financial reports were distributed by email and questions were submitted prior to the meeting. The responses to those questions were provided by John McMichael and are documented below so they can be included in the minutes. There was no additional discussion on the monthly financials at the Finance Council meeting.

**Profit & Loss Statement – All Detail:**

- Page 1: What is the \$2,235 in designated donations for?  
The parish designated donation amount of \$2,235 was primarily the grant for the office food pantry remodel (\$2,000).
- Page 2: What is the \$4,864 in designated donations for?  
The school designated donation amount of \$4,864 consisted primarily of \$3,055 from Wells Fargo employees as part of the YourCause campaign. Also included was \$1,000 for staff appreciation items and \$250 as a memorial for Tim Hughes.
- Page 2: School tuition outpaced estimates by about \$7,000. Any reason as to why?  
School tuition is up due to payments for the year made by or for school families.
- Page 2: Government bus subsidy came in about \$3,500 higher than expected

It was a pleasant surprise to have the bus subsidy money come in as it did. We received nothing from Des Moines last year, only from parents who lived in the school district, so the \$11,519 we received in August could be for two years.

- Page 2: Child Care fees are \$6,000 higher than expected, why?  
It is not known if there was a particular reason for the child care income being over \$6,000 above budget. It is likely that just a few families paying their summer bills was the difference. One payment alone was \$3,828!
- Page 4: We estimated \$2,213 for custodial workers and the actual is zero. Is this because we are currently looking for someone?  
When the budget was set up originally, the thought was a custodian would be in place. Another factor is that Pat Driscoll, our maintenance director, is supposed to have his salary apportioned 70:30 to school and church, in that order. I did not have that set up that way until recently; an adjustment is pending.
- Page 4: Health Insurance is negative, why?  
Health insurance (and dental insurance) is negative due to timing. When we get billed from our insurance carrier, LMC, and when we withhold is often different if there is a change in an employee's coverage. In this case, we had been billed for a staff member's insurance in July, but that staff member had gone on their spouses insurance. Our August billing reversed those charges, resulting in the negative amounts.
- Page 5: Liturgy has actuals of zero in all categories and we expected activity. Is this a timing issue or we just don't have the activity expected?  
The lack of activity in Liturgy is due to just not spending anything. One example is our communion hosts. We had a backlog, so the July order (which would be paid in August) was canceled.
- Page 5: Adult Faith Formation – Program Services is over by about \$2,000, why?  
The Adult Faith Formation expense is for the Renewal Ministries program we may have talked about recently. Barb requested and was approved for a grant from the Foundation to cover this cost. The total amount came to \$2,734; a transfer from the Foundation for the grant will be made later this month.
- Page 5: Building and Grounds the first three lines under here have actuals of about \$7,500 of activity and we estimated zero, why?  
For the Buildings & Grounds items, the first two – the equipment for the hog roast and premium payment (\$1,375) and the vehicle insurance for the parish SUV (\$741) – we either paid sooner than expected or just budgeted in the wrong month. The building improvements, most of it related to the parish office remodel (paint and carpet), was budgeted by quarter. Not knowing for sure what the year held when we first put the budget together, allocating the total by quarter made more sense than monthly (though still imperfect).
- Page 6: School Administration – Custodial Workers is over by about \$1,300, is this tied to my question above? Allocation?  
See the question above about the custodial pay. (Page 4: custodial workers)

- Page 7: Transportation – Bus Drivers is about \$1,700 less than expected. Should we expect that to increase to our budgeted estimate?  
The bus driver difference is due perhaps to budget estimate and not having a driver in place until just before school began.
- Page 10: Computer Supplies – Is the \$5,700 related to Chromebooks?  
The computer expense of \$5,742 was I-Pads for Pre-K. It is above what was budgeted, mitigated by the coverage of the state grant.
- Page 10: Program Supplies – This is about \$2,000 more than expected, why?  
The budget for program supplies for Pre-K is straight-line, \$3,500 divided by 10 (August through May). It should be adjusted to reflect the fact that most years a big order (like this one from School Specialty) is made before the year begins. Again, these will be covered by the state grant.
- Page 10: Building Improvements – About \$1,100, what is this for?  
The building improvement of \$1,140 was for the new wall on the west side of the Pre-K room, the work done by Mike Tigges. Earlier in the summer the bricks with the cross cut-outs were filled in; combined with the insulated wall the room should be much more comfortable when the weather gets colder.
- Page 10: Small Equipment Purchases – What is the \$1,950 for?  
The small equipment expense of \$1,950 was for a fire AES system/antenna from Midwest Alarm Systems.

**2019-2020 Budget:**

- Where are we at with tithing? Do the cards received support \$1,018,095? Our actual was less than this number.  
The tithing is doing OK for the first two month of the fiscal year. The actual is lower than this time last year but so is the budget. We will have to see how the activity in September goes (five weekends).
- For Lunch Room fees we had about \$69,000 last year. How are lunch room fees looking right now?  
It is too early to tell on the Hot Lunch fees. The actual last year was a little over \$69,000.

**New Business**

**A. Annual Report to the Parish**

As done in the past, an annual report to the parish that includes both a balance sheet and income statement will be provided. Mary is working out the details on how to best present the information.

**B. 2019/2020 Budget**

The full budget for the 2019/2020 fiscal year was disbursed by Mary Gisler prior to the September Finance Council meeting. A motion was made to approve the budget. The motion was seconded and approved.

**C. Electrical Bills Outstanding**

Mary reported that St. Theresa had recently received billings from Glass & Sons Electrical for work completed during the 2018/2019 fiscal year. This covered over 10 projects from the last year. Some of the work is funded under the project to update the parish office. Mary will be reviewing the bills to determine which bills are funded and those that are not.

**D. Snow Blower**

Mary stated that last year a \$4000 donation was made towards the purchase of a tractor to be used primarily for snow removal. That purchase was deemed too expensive given the parish finances. In spirit with the donation, Mary is proposing that the parish purchase a new snow blower as the parish is currently using one actually owned by Mary and Mark Gisler. This was brought up for the awareness of the Finance Council so no action was requested at this meeting.

**Old Business**

**A. Stove Replacement**

Mary reported that a committee is being formed led by Mary McConville regarding upgrading the kitchen in the Parish Hall. The first concern is replacing the stove as it is a safety risk.

**Business Conducted by Email**

- A. Carpet and Stair Treads:** In May, a motion was approved by email for \$14,844 to carpet 6 rooms in the school (rooms 210 to 215) and \$9,987 to update the stair treads in the west and central stairwells plus the stairs to the gym. Funding to come from flood donations and insurance funds.
- B. Asbestos Remediation:** In May, a motion was approved by email for \$14,400 for asbestos removal and \$2,000 air quality testing with funding to come from flood donations and insurance funds. Asbestos was discovered in the floor tiles in some of the rooms that were being re-carpeted.
- C. School Bus:** In August, a motion was approved by email for the purchase of a used school bus for about \$16,000 with \$9,000 of the cost covered by a trade-in of the previous bus and \$7,000 from anonymous donations.
- D. Chromebooks:** In August, a motion was approved by email for \$14,503.20 for the purchase of 40 Chromebooks with a 3 year warranty with \$7,503.20 funded from technology fees collected from students and \$7,000 from anonymous donations.
- E. Freezer for Parish Hall Kitchen:** In September, a motion was approved by email for \$545 to purchase a new freezer for the kitchen in the Parish Hall with funding coming from STARS.

**Next Meeting:** The next meeting will be Thursday, October 10 at 5:30 PM.

**Closing Prayer:** Meeting ended with prayer led by Tom Hueholt.

Meeting adjourned at 7:31 PM