

**ST. THOMAS MORE PARISH
PARISH COUNCIL MEETING
Monday, March 16, 2009**

Council Members in Attendance: Fr. Bill Wagner, Vic Ivers, Kathy Hornschmeier, Larry Bush, Janet Tate, Jim Conrady, John Duncan, and Neil Kamphaus, Jr.

Council Members Absent: None

Others in Attendance: Mike Gennett.

The St. Thomas More Parish Council meeting was called to order by Vic Ivers at 7:00 PM EDT. Fr. Bill Wagner opened with a prayer.

Business Manager Report: Mike Gennett gave the report.

Finance Update for this fiscal year from July 1 through today - our income is up \$45,000 and our expenditures are up \$185,495 over last year. We are still in the black at this point year to date but by \$140,495 less than a year ago. The biggest reasons for this change are the three capital projects that cost nearly a combined \$87,000 (the sound system update, the new cafeteria freezer, and the parking lot repairs.) But we also have some operating costs that are increasing at a very rapid rate: Health Care premiums \$30,078, Pension funding \$10,639, and Utilities \$4,537. The staff is doing a good job of controlling their expenses but we have these operating costs that are getting higher and higher. There is nothing we can do about the health care or pension costs without relief from the diocese. We keep adding employees to our plan that loses coverage from other sources.

On the income side, our Sunday collections continue to make plan and we are ahead of last year. Most parishes can not make that claim. This is good news. School tuition dollars are flat and up slightly to last year. There is no delinquent tuition as of today.

The Finance Committee met since the last Council meeting and agreed to table next year's final budget until late May. We want to plan the budget on the actual number of school registrations and the results of the "valid" requests for financial aide. In addition, the exact cost for health care for next year was still unknown at that time. Other parishes have made budgetary decisions without knowing their actual school enrollment for next year. We felt it was better to wait and look at everything in late spring as all the pieces come together. St. Veronica is taking the same approach and has stated their final budget will be based on their actual enrollment numbers. IHM, St. Andrew/Elizabeth Ann Seton have already announced no salary increases for next year.

We have since learned there will be no relief on the cost of health care for the parish next year. We believe there was a good chance employee contributions were going to be implemented at a very modest level and tier pricing would be available. Both were not approved by the Archbishop. We are faced with a 5% increase in health care and if the current mix of employees are enrolled next year the total cost will exceed \$227,600. This is over four times what the cost was nine years ago.

Next year's budget more than likely will be very challenging. Programs pending in Washington that could negatively affect our finances include cap and trade and a reduction in the charitable contribution rate. One recent development may include taxing at ordinary income health care benefits paid by an employer. This could cost our employees anywhere from \$1,000 to \$5,000 in additional federal and state taxes depending on their total income and benefit level. Hopefully, card check will not become law.

School registrations are slowly coming in. 117 have registered through Friday, March 13. This is not unique to us....other locations are reporting the same trend.

Mike said he will be off site this week a couple of days for diocese Business Manager meetings. One topic at the meeting is to discuss some recommended benefit policy changes for the parishes. If any major changes need to be discussed, they will be brought to Council for approval. Some pieces of our policies are mandated by the diocese such as health care and other benefits. Others are voluntary for each location.

Other than a cost increase for health care, there are no other anticipated cost increases at this time. The diocese lay employee pension fund, like most pension funds since the stock market meltdown, is under funded. How this will be resolved in the long term is still unknown. We also expect some clear direction on the stimulus bill and any impact on the schools will be presented. However, it is believed that no religious affiliated school will be entitled to any stimulus money.

There have some inquiries regarding the free tuition for the 8th grade at Mary Queen of Heaven in the Covington diocese. This was researched and the following was learned:

Their tuition is higher than ours. In parish for one child is \$3,758 compared to \$2,895 here. Their out of parish tuition is \$5,084 compared to our \$4,195. Their registration fee is \$125 per child plus an \$85 family cafeteria access fee. To receive free tuition for the 8th grade, a family pays (at today's rates) an additional \$6,300 from the first to seventh grade to receive \$3,758 free in the last year. That is a loss for the families. Plus, we would have to save and invest money each year to cover free 8th grade here. Based upon a cost analysis, we would have to have saved \$245,000 (\$104,220 in today's dollars and enrollment) to cover the incoming Kindergarten class for free tuition in nine years. This parish also stated they came up with this idea to stop their falling enrollment and have not really looked at the long term implications. The first year will not cost them that much since there are only 17 going into the 8th grade and most of the families are approved each year for financial aide anyhow. You also have the factor that Pastors, Business Managers, and Principals come and go. There would have to be assurances the money was kept safe for use 9 years later. Plus there are all kinds of other issues on how to handle those who leave before they reach the 8th grade and how to handle those who come in during the 9 year span. This may be one of those programs that sounds too good to be true.

The recent article in the Cincinnati Enquirer regarding school tuition increases was not correct. The article implied that tuition rates have been frozen or are only going up a very small amount. The following information was previously communicated to Parish Council and our school families on EdLine:

There was an article in March 1 Cincinnati Enquirer about school tuition increases being kept down due to the economic conditions. The article states increases are averaging \$162. This does not accurately reflect what is going on in the eastern Cincinnati area Catholic schools

The eastside Business Managers have been in the process of gathering all the tuition rates for 2009-2010 from area schools. This is what has been reported so far:

SCHOOL (Ranked in order by in parish 2009-10 tuition fees for one child)	In Parish One Child 2009-2010	Increase over 2008-2009	In Parish Tuition-2 Children
1. Guardian Angels	\$3,550	\$225	\$7,100
2. All Saints	\$3,435	\$245	\$6,770
3. IHM	\$3,384	\$229	\$6,487
4. St. Vincent-Kenwood	\$3,225	\$125	\$6,450
5. St. Elizabeth Ann Seton	\$2,920	\$180	\$5,840
6. St. Andrews	\$2,920	\$250	\$5,840
7. St. Thomas More	\$2,895	\$270	\$5,495
8. St. Columban	\$2,800	\$200	\$5,510
9. St. Veronica	\$2,785	\$175	\$5,397
10. St. Bernadette	\$2,660	\$200	\$4,900
11. St. Louis-Owensville	\$2,650	\$225	\$5,000

A couple of points:

- 1) Our tuition fees are in the lower-middle of the group when comparing us to the other east side locations. In fact, our rates for 2 and 3 children are lower than most of the area parish schools.
- 2) Our in parish Kindergarten tuition is the second lowest in the area.
- 3) Our out of parish tuition for next year is also one of the lowest in the area.
- 4) We have kept our tuition lower than most other locations over the years. Our costs are rising far faster than our income. Our tuition went up more than usual this year for two reasons: we are adding a part time Spanish teacher in the Jr. High next year and we have added five school employees to our health care plan this year that we did not have in the past in with either single coverage or conversion to full family coverage. Our health care costs next year are projected to be \$227,600 including another 5% increase. This is more than four times what it was ten years ago. Our energy costs this winter are averaging \$12,000 for the last three months.....a record.
- 5) The parish Finance Commissions approves the fees for the entire parish including the school after reviewing a preliminary budget.
- 6) We raised our registration fee to help ensure commitment to the registration. Some area parishes charge less in some cases for registration but more for tuition. Everyone has the same health care and other benefits costs since they are set by the diocese.
- 7) St. Veronica still has a very large profitable bingo that helps to subsidize their school.

Our position at this time is not to finalize next year's budget and make any final decisions until we have firm registration numbers and know the impact of the tuition aide requests.

That is why registering as soon as possible is so important this year.

Neil Kamphaus stated that the registration fee increase might be a reason our families are not returning their registration forms for next year. It is also not clear where the registration fee actually goes.

Mike stated both the registration fees and tuition all go to cover the expenses of running the school. None of the money is channeled anywhere else.

Fr. Bill stated this change was initiated by the School Board. Mike stated there was a small committee representing the school board and finance that met in December to discuss the matter. The purpose of the change was to get families to remain committed to the school once they are registered. Last year, too many families withdrew at the last minute and forfeited their \$200 deposit. Losing \$200 was not a big issue to most of them. We had already hired the teachers and had them under contract. Therefore it was felt we needed to increase the registration fee. The initial recommendation was to go to a 10% registration down payment on a combined tuition and registration fee. Fr. Bill took a look at those numbers and rightfully stated a 10% down payment was just too much to expect during these economic times. The matter went to Finance. Finance receives a spread sheet with all the east side parish's tuition and registration fees for the current year. Mike further stated that if the \$350 registration fee was not approved and we had remained at \$200, another \$150 would have been added to the tuition. We were looking at an initial in-parish rate of \$2,995 for one child and a \$200 registration fee. Then, the school asked to add a part time Spanish teacher. Thus, the extra \$50. In the end, both requests were incorporated into the fee structure for 2009-2010. There is no additional cost to the school family with this higher registration fee. You have to look at the two fees combined. Either way, the total dollars would be the same no matter how it was structured.

The bottom line is we just can no longer cover all the cost increases we are incurring. Our tuition has remained lower than most area parishes over the years. Setting all the fees each year is tricky because you do not know the actual enrollment numbers.

Neil further stated that not everyone on the Finance Committee was comfortable with this decision. Mike recalls no one voted against it and if there were major concerns, they should have expressed it and voted no. This decision was very difficult for them. There were a lot of concerns and discussion about fee increases.

Neil further stated the registration fee increase may be viewed as a negative to register. Many families may now be waiting until the last minute to do so. Rather, we should be doing something positive to encourage families to register with something like an early bird discount or some prize giveaways. Mike stated any tuition reduction would mean a corresponding expense reduction.

Jim Conrady asked if there has been any discussion about this. Mike Gennett stated he and Fr. Bill discussed capping registrations at a certain number per grade and everyone that registers late goes on a waiting list. Mike further stated we can no longer afford two very small classes that require two teacher salaries and with full benefits. We can still do two small classes per grade if we have enough registrations to justify the cost. Neil pointed out that IHM always has a waiting list and they accommodate everyone who is on it.

Mike stated registrations are slow everywhere and there are other issues resulting in slow registrations. Fr. Bill and Mike stated they will keep an eye on this and will react at the appropriate time. It still is too early. Many families still registered late last year when there was no registration fee increase.

Pastor's Report – Fr. Bill gave his update.

Fr. Bill stated he addressed splitting Brown County into two Pastoral regions in the most recent Community Connection. The current pastoral region structure in our deanery remains a concern for some parishes.

Fr. Bill asked Council what should be the next steps regarding the Connector Project. Council decided that an email should be sent to the Connector Project Committee and ask for their feedback considering what

has happened to the economy and to see if a meeting is even necessary. Mike Gennett was asked to issue this email as soon as possible.

4th Grade Modular update – Fr. Bill gave a detailed accounting of all the things that have been done regarding the concerns in this building.

The parish has just completed an exhaustive study regarding the 4th grade classrooms. The concerns expressed were regarding suspected odors and potential environmental issues. The work and inspections have been completed by professional contractors and for the most part, took place when school was not in session in order to minimize disruptions. We also conducted many of the same inspections and studies in the 5th grade classrooms to ensure there were no problems in that building.

Here are the steps we have taken. This also includes the facts on some of the questions that have been raised:

- It has been stated the problem in the building has been going on for one to two years. This is incorrect. In April of 2008, one of the school teachers reported an odor in her classroom. Our HVAC contractor investigated the matter and reported that no animal presence was found. What they did find was the exhaust fan in the attic was not working. They found a short in the wiring system and repaired it.
- When the first report of suspected animal intrusion in the 4th grade building was received, a professional firm licensed by the Ohio Department of Natural Resources was immediately hired. Traps were set and the visitors were removed within a few days. At no time was any animal in either of the classrooms.
- A review of the outside of the buildings took place by the licensed animal professional. He also has extensive experience on identifying any unwarranted access to the building. All suspected and potential entrances to the building have been permanently blocked off.

- Furthermore, nearly six weeks ago, we hired the same qualified animal professional to conduct an exhaustive study of the building to determine if any more animals were in the building and if anything of concern was left behind. The building was opened in four critical locations and a camera equipped with infrared lighting on a 12' pole was pushed into to each location about 20 feet each. The areas reviewed found no physical animal related evidence other than the original abandoned location which was inhabited for a very short period of time. We were told in a written report, "No urine or fecal matter was seen nor could be detected by smell" in the building. The reported abandoned location was cleaned and permanently sealed off. This inspector reported that the insulation had a distinct odor of its own when up close to it.
- The school teachers also reported a concern regarding suspected mold and mildew in one of the ventilation systems. The owner of our HVAC Company came within four hours of the reported concern and both verbally and in writing stated the substance was just common dirt.
 - As a side point, we have a comprehensive maintenance contract to service every heating, refrigeration, and air conditioning system on the parish grounds on a regularly scheduled basis including replacing every air filter.
- Incorrect information has circulated that the children in the 4th grade modular are ill and not attending classes. An exhaustive study since the beginning of the school year of all reported illnesses in the school was conducted. The results show there are no discernable differences in the modular classrooms than in any other classroom in the school. Furthermore, the absence rate for this year's 4th grade class compared to last year while in Heider Hall is even lower.
- When we received reports of odors in the classroom, maintenance sprayed a deodorizer into a number of locations in the 4th grade room ceiling.

- The Clermont County Board of Health has reviewed all the documentation and the building. They concluded we have been proactive in addressing the concerns. In fact, we have a number of impromptu Board of Health inspections every year and each time, the inspector finds our facilities in a good environmental state. Our school is also audited by the Board of Health for compliance to the Ohio Jarrod's Law governing school operations and we received high marks during our last inspection.
- The Board of Health suggested two additional voluntary steps we might consider to address the concerns:
 - Remove the two stains in the ceiling in the south classroom. This has already been completed plus we removed and replaced all the insulation in both areas. No evidence of any environmental concerns was found. Some small, dried stains were found in the insulation.
 - Hire a duct cleaning company and have the ducts cleaned. Vendors have been on site and bids have been received. It is our intent to have this done at the earliest opportunity when school is not in session.
- Our roofer conducted an extensive review of the condition of the roof. He reported the roof appears to be in good condition and shows no signs of blister, open laps, or erosion. They repaired one almost invisible split in the roof membrane and it was not in the immediate area of some of the small stains in the north classroom. He could not state for a fact if water had even come in. The roof flashings show no open laps, splits or punctures.
 - Our roofs are regularly inspected by a qualified roofer as required by the Ohio Jarrod's Law. If any roofing problems are reported in between inspections, our roofer is immediately contacted to inspect and make the required repairs.

- Regarding the small stains in the ceiling, our plans are to cut out the ceiling and replace those small stained areas with new ceiling and insulation as soon as feasible.
- An exhaustive environmental study of the building has been completed by licensed professionals:
 - Air samples to determine the level of spores were taken from the classrooms in both buildings and measured to the outdoor air. The data from the test shows the air as “normal” in both buildings.
 - The distribution of the spores was measured indoors and compared to the outdoors. The data suggests there is nothing other than “normal” conditions in both buildings.
 - Cultures were taken from inside the air duct in the 4th grade modular and no large contaminations were found. The data from the test shows there was no indoor source of mold in the building.
 - The humidity level in both buildings was taken and was between 39% and 40%. Normal conditions inside a building should be between 30% and 60%.
 - There was a very slight elevated moisture level in one of the small ceiling spots, but the source of the moisture was reported as unknown. It was stated that ceiling material gets wet and can bleed through.
 - We attempted to test for allergies, but were unable to do so because insufficient particle samples were unable to be collected from the air filtering system. The air filters were clean and had insufficient particles trapped for analysis.
- In conclusion, based on the collected data and with a visual analysis by the environmental professionals suggest no mold or mildew in the building. All these environmental conditions have been reported as “normal”.

In addition, as required by the Ohio Jarrod's Law, we just conducted a thorough test for radon in all our school buildings. Laboratory analysis confirmed that all of the test locations had radon levels well below the EPA Action Level of 4.0 pico curies per liter. Based upon the results, no further action is warranted. More specifically, the results for room 4F (north) was <0.3 and for room 4L (south) was <0.3. The result for both rooms is 13 times under the EPA action level of 4.0.

Lastly, we plan to complete the last two steps regarding the concerns: clean the ducts and replace the small ceiling stains. We did not complete these two projects until all the information regarding the environmental study were known.

Fr. Bill stated the safety of all our parishioners is of the utmost importance to him and the staff. We have been assured by a number of professionals there are no environmental concerns in this building.

Fr. Bill then asked Mike Gennett to list the costs of all the work we have completed:

- Environmental study - \$1,800.00 (estimate)
- Duct cleaning - \$800.00
- Trap setting, capture, and removal of animals - \$540.80
- Building opening and investigation plus report - \$561.25
- Repair of stained ceiling spots and insulation replacement - \$640.00
- Repair of small ceiling stain spots - \$300.00 (estimate)

ESTIMATED TOTAL COSTS - TO DATE - \$4,642.04

These costs do not include a number of our vendors that donated their time and effort to the concerns including the diocese. Staff has spent an extraordinary amount of time on the issue. If a cost would be added to this work, the totals would be even higher.

The work also at times got bogged down as someone was anonymously contacting some of the contractors and officials raising concerns and issues. This resulted in concern by some of our contractors and a more

Careful analysis of their work to ensure accuracy causing further delays in getting their reports to us.

Council members gave the following feedback to Fr. Bill's presentation:

- Everyone felt that everything has been done to get to the bottom of the concerns. No one was certain what else can be done.
- It appears that some of the school employees have not been supportive of the parish during this matter. It was pointed out that a few teachers were communicating to the children in their classes to go home and tell their parents about the problems.
 - Council suggested that Fr. Bill meet with the faculty as soon as possible to discuss all the steps that have been taken even though they each received the written communication last week.
 - Council further suggested Fr. Bill send a letter to the 4th grade parents outlining the facts and alleviate any concerns.
- It was reported that one of the teachers in the modular building could have also involuntarily contributed to the issue by bringing in small animals for show and tell.
- The environmental study also reported that a Yankee Candle was found burning on an electric plate near the cold air return with the odor going up into the ventilation system.
- One member of council stated he is allergic to mold. He recently spent some time in one of the classrooms doing some volunteer work. If there was anything present, he would have gotten sick.

The meeting adjourned at 8:18 PM. Fr. Bill led the group in a prayer.

Next scheduled meeting is Monday, April 20th.