

**ST. THOMAS MORE PARISH
PARISH COUNCIL MEETING
Monday, October 20, 2008**

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

Council Members Absent: None

Others in Attendance: Mike Gennett, Miss Jewel (Office Manager)

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.

Parish Web Site - Two weeks ago, our parish web site went down. The follow up service we received from our Internet provider was poor. The web site came back up within 30 hours, but not without a lot of problems. We have not been happy with the provider for some time. We are in the process of starting to build a new web site hosted locally that will include the latest state of the art and have the capability to contain a lot more information. The work will take place as time permits with a goal of having it on line by early 2009.

Jim Conrady asked about the cost to build the web site. Mike said little or nothing because he hopes to build it as time permits. The fees to host the site will rise by \$30 a quarter.

Fr. Bill stated he did not want volunteers working on the parish web site. Volunteers do not keep parish web sites up to date. Mike pointed out that in a contractor review of various diocese parish web sites one site has 40 volunteers responsible for keeping the site up to date. Many pages have

pictures or data missing, links are typed in, or the information is outdated. A major issue throughout the diocese is outdated parish web sites.

Finance Update - Currently, we have a number of issues that is contributing to a large deficit for this year. This year we will spend \$180,000 more than we will be bringing in. We will be using our savings. There is no issue this year in meeting all the planned obligations. Some of the expenses are not reoccurring and are one time only capital projects. They include:

Parking Lot repairs - \$28,000 - Our parking lot was starting to crumble in the back and needed major repairs that were completed in August. The lot should not need any extensive work for at least three years.

New Freezer in the Cafeteria - \$35,000 - We have long outgrown our cooler & freezer combination and work will commence shortly to add a freezer. The current freezer/cooler will be converted to just a cooler. This will double our capacity along with additional dry goods space. When the cafeteria was built in 1998, we had 240 kids in the school. This year we opened with 316. Work should commence in just a few days.

Church Sound system update - \$15,000. This upgrade will complete the sound system and resolve the various issues we have experienced from time to time. Fr. Bill stated this will fix most of the problems that we have been having. He discussed the specifics of the upgrade.

These three capital projects total over \$78,000.00 and will not reoccur next year.

However, from an operating standpoint, we will have a \$100,000 operating shortfall this year. These are the issues contributing to this shortfall:

- Planned Parish and School Staff salary increases this year over last year: \$51,753.00.

We knew about these increases and were able to cover them. However, the following additional costs have been added in since July 1:

- Extra teacher with benefits added at the last minute not in the original budget: \$33,359.00.
- Health care premiums for additional employees and those employees who lost insurance after the fiscal year began from other sources: \$29,568.00. These employees qualified for health care under the diocese policies.
- Additional financial aide over last year for school families that proved through a professional background check they were in need: \$22,575.00.
- JulyFest had a profit shortfall to last year and plan of \$19,329.82 or a drop of 29%. Revenue was down by \$5,658.53 or 3.73%. The biggest decrease was in sponsorships (this was true all thru the diocese.) Expenses were up \$14,286.67 or 16.6%. Expenses were up the most for security, midway, food, and beer. The Cincinnati Enquirer recently had an article describing the tough environment for Festivals in 2008. The article was very accurate.
- The state of Ohio has informed us just this month our State Administrative Cost reimbursement will be reduced by 4.5% or \$4,181.62. The school's auxiliary fund is being cut by a like percent.
- Our Fingerprint costs will exceed more than last year by \$4,200 over plan due to increased costs from the diocese and our recent blitz.
- The school Latch Key program will fall short by \$5,000. The school did not increase fees this year plus layered in a multiple family discount without asking how it would impact the budget. The costs of running the program are going up with reduced revenue coming in.

Other than planned parish staff changes, all of these issues came up after the budget was approved and implemented. This has clearly put us behind the eight ball for this year and all came during the first quarter. We did include the planned increases in health care premiums of 5% and pension cost increases of 20%. However, our health care costs are not so

much from the premium increases this year but from adding additional families to our plan. We will spend well over \$200,000 on health care premiums this year. The health care policies we follow are those set by the diocese.

All of these issues have to be factored into next year's budget. We can not continue to operate with this kind of deficit.

No impact from the current world-wide economic crisis is factored into our current project projections. We have yet to see any impact to the Sunday collection or the ability of our school families to meet their tuition obligations. Our Sunday collections are only down an additional \$1,000 to plan through October 19 which is insignificant. We are ahead of last year by \$19,152 due to an extra Sunday. However that could change as the year goes on. If this happens, it will increase the deficit. Traditionally, our collections take off in December and do well until early May when PSR ends. It is too early in the year to know how this will play out.

We are obligated to funding this year and will not make any major changes although we have asked for a Latch Key fee increase to be effective January 1. All the staff has been asked to curtail non-payroll expenses as much as possible. Our annual energy plan has been put into place. This curtails the use of electricity and natural gas when the buildings are not occupied.

The budget for 2009-2010 will have to address these issues since this operating deficit can not continue into the future. Some of the considerations and issues are:

- A larger increase in school tuition than in the previous years. The cost of operating the school keeps increasing rising faster than the tuition rate.
- We will need to aggressively register more kids or the impact of an increase in the school tuition could negatively impact our enrollment. We have 39 in the 8th grade this year and their loss will be felt. We will need 39 new kids in Kindergarten just to break even.
- COLA for the previous year has been announced as 5.8%. We have always tried to increase salaries by this amount. We probably will

- not be able to afford it next year. The good news is gas prices are dropping which will help. (Jim Conrady stated this large of a salary increase was not realistic and probably can not happen.)
- There needs to be a tougher cut off date for school registrations. Last year, we had people registering and pulling their children out until school started. Once the cut off date has passed, the final budget should be prepared and the school staffed accordingly without any last minute additions without the funds to pay for it.
 - The concept of small classes may have to be reviewed. The costs of keeping class size small are soaring.
 - Coupled with the current economic situation, next year will be different...one way or the other. We can not continue as we are currently structured without an increase in revenues and/or a decrease in expenditures. Only time will tell how this will play out.

Mike said he was working on various budget scenarios that will be presented to finance soon. We can set tuition in January, but won't know the finalized budget until late-spring at the earliest. We need to hold the line to get our budget back into balance. Everyone will not be able to have what they want in the future.

Fr. Bill stated we are heading into tough times. If we do not register more children in the school for next year, we have a serious problem that has to be addressed. We can not operate with this kind of deficit in the future.

Jim Conrady warned we had to be careful and not better be putting "all our eggs in one basket."

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

Fr. Bill announced he was the new Dean of the St. Martin Deanery. There were a number of issues in the deanery at this time.

On the Connector Project, Fr. Bill stated we need to have the architect proceed on the issues that came out of the feasibility study. This includes the location of the elevator, the connector/breezeway piece, and

combining the offices. Kathy Hornschemeier asked to be involved in the meetings. She does not work on Wednesdays and is available. Kathy also suggested we find out the condition of the sewer line that runs in front of the gym to see if it will hold up another 50 years or repairs can be made now. This might allow us to build over that line. Fr. Bill said we also need to look at building the connector project in phases if necessary.

Neil Kamphaus stated we need continual communication to the parish at large on what is going on. Fr. Bill stated he communicated in the Oct 19 bulletin and will continue to do so.

Bishop Dennis Schnurr has been named as the new Archbishop of Cincinnati. He is currently Bishop of Duluth, Minn. He has a finance and canon law background. The feedback on his appointment has been very positive. This appointment casts the diocese in a very prominent position for the future.

New Business – Kathy Hornschemeier asked that all the organizations file an update report with council for the next meeting. Everyone agreed with the request.

The issue of the air conditioning running in the church this past weekend with temperatures outdoors in the 50s was brought up. The matter has been addressed with maintenance and our contractor.

It was reported that the bullying in the school, especially Jr. High, was a problem this year. Fr. Bill stated this needed to be addressed by the School Board.

It was also stated the ushers recently did not handle a visitor in a wheelchair appropriately. The person was move around and not as warmly treated as they should have. Fr. Bill suggested maybe some training for the ushers may be needed.

The meeting was adjourned at 8:15 PM. Fr. Bill let the group in a prayer.

The next meeting is Monday, November 17th, at 7 PM.