

Joint St Thomas More Parish Council & Finance committee Meeting

3-17-2014

This months meeting was attended by Vic Ivers, Kathy Hornschemeier, Jim Conrady, Sam DeBonis, John Duncan, Larry Bush, Tom Buchheit, Gloria Noday, John Trautman, Chris White, Chris Braun, Eva Grachek, Tony Schulte, Fr. Bill Wagner, Dick Berish, absent; Dick Schuler, Joan Cardone & Janet Tate has resigned from Parish Council

Called to Order and Fr. Bill Wagner opened with a prayer.

Fr. Bill chaired with Dick Berish giving the information on the STM debt.

We have been trying to go forward with a 5 year plan to increase the space and ability of the parish to control debt and expand programs.

Dick explained the spreadsheet with options to pay off all debt to the Archdiocese. We have been given permission to go to a bank and set up a regular loan for all the debt to the Archdiocese. Dick Berish approached the 2 banks, Park National and Guardian Savings. He prepared a spreadsheet with various options requested by Fr. Bill and finance.

The spreadsheet has 7 options as we approached discussions.

Lively discussion was on several options and the budget process. Finance personal gave varying scenarios of the proposals and the general concessus narrowed for 3 types if we were to change.

1. Park National 4.5% fixed 10 year at \$10,882.00 monthly and the impact on the overall budget and restrictions for the parish .(2024)

2.Park National 4.5% 15 year fixed at \$ 8,032.00 monthly and it's restrictions and delay of the completion timeline and cost over the added 5 year completion. (2029).

3.Guardian 5 yr arm; 3.5% then 5.5% remaining 5 years cost \$ 10,383.00 then \$ 10,901.00. (2024)

4 Remain with the Archdiocese with completion at approximately (2027).

Loan is at 6.5%.

The discussions all surrounded the Archdiocese forgiving/dropping the total payoff to them from \$ 1,385,276 to \$ 1,050,000.00 in an outside loan value and value of forgiveness with that scenario.

All proposals for the loan to Guardian or Park are proposed on the cost loan of \$ 1,050,000.00.

Discussion then followed with prepayment of the loan to any bank and restrictions involved. There would be no prepayment cost on the payment of principal to Park or Guardian.

The ability to prepay the principal would allow for the ability to pay down and shorten the timeline possibly to complete the loan at an earlier date. This provide the flexibility to budget and use the money directly from the envelopes currently available to complete this in a shorter timeline.

If we went to the Park 15 year we currently pay more than the \$ 8,032 currently budgeted. If the commitment from the finance budget was for \$9,000.00 monthly and augmented by added finance in the loan envelopes we could meet the 10 year instead of the 15 year timeline. Cost of the change would recapture even more of the Archdiocese discount for the payoff.

We discussed trying to shorten the timeline with Fr. Bill going directly to the parish to commit to the added amount through a monthly or yearly pledge in the current envelopes. Discussion was vigorous, also, on whether or not approaching some parishioners for the pledge of a lump sum monthly to be added to the payment.. Fr. preferred the discussion and information to be given to the entire parish to support this concerted effort to complete the payments in an early payoff.

Dick Berish spoke to trying to complete an analysis of more cost containments and possible negotiations to allow 2 times per year to make lump payments to the principal that makes all the cost of the finance for the debt completion in less time and less cost to the parish.

Discussion followed on different budget projections

Concessus was the 15 year loan with the treatment as a 10 year completion within the budget. How and when to make the added payments to the principal within the budget process. We would treat the 15 year loan as a 10 year for budget process.

We asked Fr. Bill to make the presentation to the parish for a campaign to raise approximately \$300,000.00 for the prepayment of the loan and the ability to shorten the loan timeline. Discussion became about the approval of the fund drive thru the Archdiocese. What would be the timeline and the completion of the loan with this process. The continuation of the parish to support the present items and budget process.

The consensus was that we could possibly complete the loan in the best scenario in 5 years but definitely less than 10 years. Even with downturn in the economy we think that the projections will be sustained by our parish. They are well informed and appreciate the continued information. Completion as a goal will be supported in general.

We then asked to have a motion to place the issues before the Archdiocese and the parish community.

Motion #1

Chris White motioned and **Kathy Hornschemeier** made the second motion to move the debt to the Park National 15 year loan fixed at 4.5% note with the approval of the Archdiocese.

1 abstain **Sam DeBonis** All others voted **Yes**

Motion passed

Motion #2

John Trautman motioned and **Gloria Noday** seconded the stated goal of the joint committee of focusing on achieving a loan balance less than \$400,000 within 5 years including a \$300,000 fundraiser to make prepayments to the loan.

1 abstain- **Sam DeBonis** All others voted **Yes**

Motion passed

Motion to close the meeting made by

Kathy Hornschemeier

second **Vic Ivers**

All voted **Yes**

Fr Bill closed with a prayer.