

Church of the Resurrection
Finance Council
Date: Tuesday, December 10, 2019
Time: 7 pm
Place: Upper Class Room

Members Present: Father Thomas Dragga, Dennis Bodziony - Chair, Marilyn Emshoff, Debbie Jira, Janice Margheret, Tina Milano, Herb Wilson, Kevin Young, Janice Zeller

Members Absent and Excused: Scott Welker

7:02 p.m. – Meeting called to order. Father Tom joined soon thereafter with a prayer of blessings.

A. Progress Report, Restricted Fund, Rooted in Faith (RIF) Campaign and Investable Funds

Dennis reviewed the Progress Report from 7/1/19 through 10/30/19 noting that total donations were up 15% from last year (and up 28% in October alone), with operating expenditures up 1.2% over the same period last year. Total revenues of \$321.4K are up 5.3% over last year's \$305.3K.

Operating income of \$29.2K in FY 2019 compares favorably to a \$95.2 loss last year, while last year included \$118K more in building maintenance & repair expenditures. This year, most R&M is on hold waiting the outcome of a decision on the parish center building.

Cash on hand up \$47K from 6/30/19 due to scholarship funds received.

The loan from the restricted fund is up \$10K to \$63K from 6/30/19. There was a \$5k advance from the Music Funds plus a \$10K advance from the Charity and Justice Fund offset by loans to the operating fund of \$35K. The operating fund owes the Building Fund \$88K (up \$25K this year) plus \$9K of special gifts received, which will be put in a special subaccount (within the Building Fund) called Future Parish Center. Any special gift of \$3K or more will go here.

The composition of the restricted fund was reviewed as well as the maturities/rates of CD investments, and the status of the RIF campaign. The restricted fund is at \$486.8K with loans from restricted to operating at \$88K at 10/30/19 compared. The Restricted Fund is invested in a combination of CD's, equities and cash. CD's total \$254.4K @ 2.32% and \$163.6K is invested in the Diocesan Equity Fund, (created in February '19 with \$100K investment and added another \$50K in May '19), plus cash of \$67.8K. The \$50K CD that matured on 12/6/19 was converted to a new 13 month CD @ 2.17%, with a \$25K portion invested in the Diocesan equity fund. This fund has earned 9% or \$4.4K since open in Feb. '19. The schedule of investable funds will be update as of 12/31/19.

Beginning in 2020, 100% of dollars collected on outstanding RIF pledges are sent to the respective parish via check in January 2020. Resurrection has \$37K in outstanding pledges at 12/31/2018 and in 2019 the Diocese received \$19.2K in pledges from our parish. From FY 2013 through 10/30/19 Resurrection received \$506.2K in RIF distributions; the use of RIF funds totaling \$407.1K (through 10/30/19) was also reviewed. Our pledge to the Thea Bowman Center is 10% of whatever is collected on pledges representing \$50.6K.

B. Offertory Enhancement Program

A review of the Offertory Enhancement Program implemented in Sept. gives a preliminary indication of the potential increase in donations. Another 300 requests were sent out to include those who may only contribute to special funds and a special letter was sent to non-donors in December. At this point, it is too early to tell with certainty what the increase will be, but it was noted that October donations were up 29.9%. We'll look to November, December and Christmas donations to get a better feel of the programs results.

C. Repair/Replace Parish Center

The committee went over 3 potential scenarios that are being discussed:

1. Repair existing building with no additional space, (does not meet program needs). \$1M - \$1.3M
2. Keep existing Parish Center shell w/ repairs, rebuild interior based on expressed program needs, build new admin wing. (Total ~ 19,000 sq. ft.) \$3.8M - \$4.7M
3. Demolish Parish Center, build new including classrooms and admin offices; add lost parking. (Total ~ 20,700 sq. ft.) An “All-In” cost estimate needs reworked considering value engineering, reduction in fees, etc.

Included in the materials sent out prior to this meeting were three proposals for a feasibility study and a potential capital campaign for the parish center:

- I. John Kearns & Assoc. (New York)
- II. Our Sunday Visitor (Indiana)
- III. Changing Our World, Inc. (Elyria, OH)

Father Tom interviewed each Company and also checked references with other parishes based on project work each has done or is in process. Kearns & Assoc. has the most positive reviews and the most professional proposal.

Kearns has more than 30 years experience and has assisted over 200 Catholic organizations with fundraising needs. Their proposal includes a Feasibility and Planning Study of 6-7 weeks duration, which would inform parishioners of a planned fundraiser and seek their input, conduct 40-50 confidential interviews of parishioners who demonstrate generous financial support, as well as those active in parish ministries. Per their proposal, feedback received can help determine the strength of the case, a campaign plan, goal and eventual number of contributors. It could also include a series of focus groups, plus in-pew, online and direct mail survey. Kearns explains this would allow them to analyze how parishioners feel about the need to build a new parish center, including a projection for how much money could be raised, identification of potential major donors, plan of development activity and timeline recommendations. The fee for the feasibility study portion is \$12K plus expenses of ~\$3K.

Kearns capital campaign proposal indicates Resurrection has the potential to raise \$3-\$4M based on preliminary information of 1,000 registered households and \$1M annual offertory. This portion of the proposal details five phases spanning roughly 4 months, for a fee of \$80K plus expenses of ~\$9K.

After discussion, it was decided to pursue Kearns & Associates further, contacting them to determine if fees could be negotiated any.

Also reviewed was a simple mortgage amortization schedule to get a feel of potential payment requirements. The schedule shows monthly payments of \$13.3K with assumptions of:

- \$2.2M loan
- 20-year term
- 4% interest

Meeting adjourned 9:10pm

**Next two meetings: January 21st @ 7pm
February 4th @ 7pm**

Respectfully submitted,
Janice Margheret