

Church of the Epiphany
Finance Commission
March 10, 2009

Meeting Minutes

Commission Members Present: Alan Savage (Chair), Doug Fischer (Vice-Chair), Debbie Hawkins, Joel Jacobs, Jeff Kearney, Miles Kennedy, Gail Mikolich, Kent Roessler, and Mike Lentz (Ex-Officio and Parish Administrator).

Commission Members Absent: None

Others Present: Dr. Robert Breitbach (Council-at-Large Member) and Michael Kraft (Operations Commission Chair)

Meeting Minutes:

1. Call to Order

Chair Savage called the meeting to order at 7:25 p.m.

2. Opening Prayer

Chair Savage gave an opening prayer.

3. Approval Of Minutes

The minutes of the February 10, 2009 Finance Commission were reviewed by the commission. **Motion by Jacobs, seconded by Roessler to approve the minutes – motion passed.**

4. Special Meeting Presentation – Skilled Nursing Facility – Michael Kraft

Operations Commission Chair Kraft gave an overview of a discussion that the Operations Commission and Epiphany Senior Citizens, Inc. (ESCI) have been having with the Parish Council with regards to a new skilled nursing facility located on Epiphany parish grounds. ESCI has asked the parish council to evaluate what land might be available for the construction of a new skilled nursing facility. Many seniors of the parish are requesting that this facility be considered as part of the existing senior living complex. It seems that there would be a natural need and desire to have this added component to complete the senior housing, assisted living and then nursing facility all on one campus. Anoka County does have a need for an additional facility of this type.

In addition, the parish has its own facility needs and limited resources for making much needed improvements. The parish has land that the nursing facility would need, but limited financial resources at this time for making any major capital improvements. The Operations Commission has been evaluating whether or not there could be a “win-win” opportunity to expand the ESCI with the addition of a skilled nursing facility AND

provide for a mechanism to perform much needed improvements to the existing parish buildings and campus.

It is anticipated that the facility would have 40 to 60 beds, would be funded independently of parish funds similar to Epiphany Pines and Epiphany Assisted Living (although a gap loan was provided), a separate management company would run the facility, and the location being proposed does not conflict with the parish campus growth plans. A two-phase proposal is being contemplated at this time.

Phase 1: ESCI would take over and demolish the garage area and build on that location and on adjacent senior housing land. They would rebuild the parish garages and contribute funds for a separate parish capital improvement fund.

Phase 2: ESCI would take over and demolish the office/admin area and provide further seed money for the capital improvement fund for the rebuilding of this existing complex to include new parish offices, meeting rooms, and a funeral lunch space. It should be noted that the nursing facility would not provide all of the funding for this new parish improvement – it is anticipated that a capital campaign would be required to fund this phase of the project.

It is anticipated that the Parish Council will allow ESCI to prepare a feasibility study and will make further decisions and recommendations upon completion of that study. The study previously prepared by Volunteers of America for a similar venture does not apply as it considered property on the south-east portion of the parish property occupied by wetlands and would not be suitable for this type of facility.

5. Old Business

- a. Strategic objectives and action plan – Mikolich.
 - Commission member Mikolich noted that the strategic objectives and action plan was completed at last month's meeting and we should be reviewing these items at each meeting. It was recommended that the commission begin with the action goal of increase our ACH participation for Sunday collections.
- b. Selection of 2008-09 Auditors – Lentz, Mikolich.
 - Administrator Lentz noted that he interviewed three firms from various auditors (including our current auditor Froehling Anderson) for auditing services for the 2008-09 budget year. Others involved in the interview were commission members Kennedy and Mikolich, and staff members Jenny Heiling and Pat Johnston. Based on the information presented during the interviews, review of the firms qualifications, and evaluation of the costs submitted by the firms, it was the recommendation of the panel to hire Froehling Anderson for these services. **Motion by Roessler, seconded by Kearney to retain the services of Froehling Anderson for independent auditor services for 2008-09 - motion passed.**
- c. SCRIP Program Update – Kennedy and Hawkins.
 - Commission members Kennedy and Hawkins are still researching how other parishes and schools handle the service fees associated with credit card transactions on their SCRIP sales. **Action Item: Commission Members Kennedy and Hawkins to bring back information at the next commission meeting.**

- d. Website Construction and Information - Savage.
 - Chair Savage noted that he is still working with parish staff on the development of the Finance Commission webpage. **Action Item: Chair Savage to coordinate the development of the Finance Commission website with Libby Huebner.**
- e. Pace-Prism Update - Lentz.
 - Administrator Lentz noted that the Parish Council approved the credit/background checks of money handlers in the Parish. It is anticipated that the insurance incentive for implementing this program could result in annual premium savings of \$12,000 per year.

5. Subcommittee Reports

- a. Budget
 - Chair Savage noted that meetings of the budget subcommittee and the department heads are forthcoming and draft budgets will follow.
- b. Audit
 - Administrator Lentz handed out a “Weekly Deposits” summary for the week ending March 8, 2009 for the commission to review and a consolidated income statement for the commission members to review. **Action Item: Bring back monthly update.**
- c. Education
 - No report.
- d. Development
 - No report.
- e. Cemetery
 - No report.
- f. Reiser Foundation
 - No report.

6. Vice-Chair/Secretary Report

No report.

7. Chair Report

No report.

8. Administrator Report

Administrator Lentz noted that he expects revenues to be down approximately \$150,000 for the fiscal year and he is already taking appropriate actions to reduce expenses. With regards to future staff/teacher costs, the council is considering a “Rule of 75” (age plus years of employment) voluntary buyout proposal to reduce personnel costs.

The parish received a \$50,000 gift dedicated to the repair of the church bells, and for the next two highest priority capital improvements.

The parish has received almost \$31,000 for the repair of the air handler in the gym. It was decided that this unit should be refurbished in lieu of being replaced and the extra money received would go towards carpeting (insurance risk issue) and air handler controls.

Finally, he will be meeting with the Archdiocese in an attempt to get them to reduce the parish's annual archdiocesan assessment.

9. Pastor Report

No report.

10. New Business

a. Long Range Planning Review – Savage, Lentz

- Administrator Lentz noted that the Operations Commission has met with the executive staff and they have a goal of updating the parish's facilities master plan.

11. Open Discussion & Announcements

None.

13. Adjournment

Meeting was adjourned at 8:35 p.m.