

Church of the Epiphany
Finance Commission
October 14, 2008

Meeting Minutes

Commission Member Present: Alan Savage (Chair), Debbie Hawkins, Joel Jacobs, Jeff Kearney, Miles Kennedy, Gail Mikolich.

Commission Member Absent: Doug Fischer (Vice-Chair), Mike Lentz (Ex-Officio and Parish Administrator) and Kent Rossler .

Others Present: Fr. Dennis Zehren (Pastor), Fr. Campbell (Assoc. Pastor) and Robert Breitbach (Council Trustee).

Meeting Minutes:

1. **Call to Order**

Chair Savage called the meeting to order at approximately 7:20 p.m.

2. **Opening Prayer**

Fr. Zehren led the commission in prayer.

3. **Approval of Minutes** - The minutes of the September 9, 2008 were approved at the end of the meeting.

4. **Old Business**

- Reminder that Church of the Epiphany Conflict of Interest Policy forms needed to be turned in. Gail Mikolich and Alan Savage had theirs with them to turn in that evening. The rest had already been returned.
- **Review of the Church of the Epiphany Finance Commission Recommendations Status Report & Action Plans Template**

Gail Mikolich, Mike Lentz and Alan Savage met prior to the Finance Committee to review outstanding items and make recommendations. Gail provided an overview of these recommendations which e-mailed to committee members on Monday, October 13, 2008.

Recommendations Status Report

Financial Relationships with Epiphany & Financial Transaction Disclosure:

Item #6 – All purchases over \$30,000 must be brought before the Finance commission for review and advice from the beginning of the process.

- Recent example of a State Fair expenditure that was approved at \$34k but was bumped another \$15k was used to show need for an expanded process. The question was posed on whether or not the Business Admin should have authority to make decision in order to keep efficiencies. Discussion on setting limitations, possibly a maximum percent of increase allowed. Immediate

discussion tabled to work on additional recommendations.

Budgeting & Stewardship:

Item #5 – Reinstitute volunteers filling some functions that are currently paid positions.

- *Mike Lentz will be providing this information to the committee.*

Item #13 – Explore marketing ACH more aggressively and point out that due to severe drop-offs during summer months, this puts extra pressure on the cash flow curve and budget challenges. *Added to Action Plan - objective 3, action step 2*

- Gail outlined the idea on offering incentives, possibly raffle tickets for Springfest as a way of encouraging ACH enrollment. *Discussion tabled for December agenda.*

Item #14 – Implementing a 10% reserve fund in the annual budget for unexpected or foreseen expenses or capital project to offset inevitable expenses during a fiscal year. *Added to Action Plan – Objective 1, action step 2.*

- Discussed implementation of a reserve fund beginning with the 2009/2010 Budget.

Robert brought up a good point that in theory this was a good plan; however, while the 1% could be budgeted in, the reserve should be applied to the equity line until no outstanding balance exists. This allows for the reserve since the amount paid off would still be available (if needed) for capital improvement. *There was overall committee agreement on Robert's recommendation and it was passed.*

Programs:

Item #1 – Scrip Program. Recommendation to add to December agenda.

Other items added to the Finance Commission action plan:

- **Objective 2, Goal 3, Action Step 4** – Promote the school marathon at mass and through the bulletin and websites. If the marathon is not something the church wants to support find another way of raising funds for the school. Committee agreement in the need to get more involvement from the church to make it a joint school/church activity.

Our group agreed that the event should not be just another form of tuition for parents. Look at making it more a community event with Parish involvement as well instead of just a school fund raiser. Alan Savage suggested we give this item to the Education Commission – *Action Item for Alan.*

- Auditor noted that our current accounting procedures do not include the use of standard accounting practices as it pertains to the depreciation of fixed assets over their lifetime. Following this practice would require setting up depreciation schedules which would be time consuming; probably requiring an addition ½ FTE. The question was raised as to whether or not this made sense to do given our tax-exempt status. Joel Jacobs noted that this topic had been discussed 4-5 years ago and a decision was made not to follow these standards because of our tax-exempt status.

This will need to be looked at further to determine if this is a boiler point recommendation and what other non-profit groups do. Discussion was tabled until

November to obtain more information.

- State Fair – Revenue of \$141,600 (\$30k more than last year.) \$158k in expenses of which \$35k was expensed prior; leaving approximately \$18k in profit. Note made that while very successful, the coupons offering a “buy one, get one free” was quite costly and will be discontinued (but replaced by something less costly) next year.

5. Chair Report

- Tailgating at Epiphany – this came up as a concern from a legal standpoint. Alan Savage researched this and determined that Epiphany decided to provide tailgating for televised games in the future, we would not be breaking any rules as long as the Parrish doesn't profit from the games themselves.
- Introduction of Zero-base Budgeting. The use of this new method came from a recommendation that was adopted last year. The goal of this new tool is to have more transparency for budgeting within the departments. Alan Savage provided samples of the departmental worksheets for the committee to see. Each department begins at \$0 and makes requests for items needed. Once completed, the Budget Committee will review, ask questions and make recommendations.

6. Business Administrator Report (provided by Chair)

- As of October 5th we are \$88,800 behind budget for weekly deposits.
- Line of credit approximately \$600k.
- Gift Acceptance Policy – John Awalt is setting up a preliminary meeting.
- Outstanding M&I Loan – currently at 5.89% fixed. While we do have the option to refinance, we are not going to at this time.
- A copy of the Delinquency Workout Agreement was provided to all Committee members present. Someone from the Archdiocese will be setting up a meeting with Epiphany to review how this loan could be repaid sooner. Since this loan is interest-free, paying it off sooner would probably not make sense.

7. Adjournment

Motion by Mikolich, seconded by Kennedy to adjourn the meeting at 7:30 p.m.. Motion approved.