

## Epiphany Finance Commission Meeting

Minutes for December 6, 2011

1. Chair Mikolich opened the meeting; Mike Lentz led the Fit by Fifty prayer.
2. In attendance were Chair Gail Mikolich, members Mark Hapka, Greg Mueller, Jeff Kearney, Debbie Hawkins, Tom Dreshar, and Jayne Taylor. Also present was Mike Lentz, staff liaison. No commission members were absent. Special guest Tim O'Donnell of Morgan Stanley was introduced.
3. Approval of November minutes were moved by Dreshar, seconded by Kearney. Motion passed.
4. Approval of December agenda was moved by Mueller; seconded by Mikolich. Motion passed.
5. Tim O'Donnell, from Morgan Stanley, was invited to attend to provide a financial update on the Epiphany Reiser Foundation. He first provided a brief overview of the investment funds. The funds are currently invested with approximately 40% in stocks and 60% in fixed income investments. They are considered to be moderately conservative investments. The investment policy is a living and breathing document; in other words, it can be modified as necessary. It is reviewed and re-allocated at least annually. It costs a little bit over 1% to manage the account. Due to the market and lack of new gifts, there have only been minimal distributions from the foundation to date and they occurred in years 2005 and 2006. Principal must be preserved (not distributed). No distribution will be made this year.
6. Old Business:
  - a. Lentz provided a progress report on the Business Office Assessment that he introduced last month. It has now started and will review money handling, controls, efficiency, and administrative processes. It should be completed in approximately one week and the assessment will provide recommendations for possible changes to consider.
  - b. Refinancing process was presented by Lentz. The Archdiocese has asked the Catholic Finance Corporation to work with us on this as an objective third party and they will begin the process in January by sending out Requests for Proposals to Northeast Bank, US Bank, M&I Bank, Wells Fargo, 21st Century, and First Advantage. There are no penalties for refinancing early. It was unanimously felt that, given the current market interest rates, this is an important step for us to take. The goal is to be able to make a decision in February and close on the loans in March.
  - c. Fit by Fifty Update. No report was provided other than noting that after the first of the new year, the campaign will be re-energized.
  - d. Budget preparation as it relates to school tuition. Lengthy discussion was held regarding whether tuition (initially Kindergarten tuition only) would be held the same as last year or be subject to an increase. It was noted that it has been increased by \$100 each of the last two years;

approximately a 3% increase. Some statistics have been offered that says a 2% increase generally does not result in drops in enrollment, but higher than that may affect enrollment numbers. After much discussion of the pros and cons of raising or not raising, Hawkins moved to keep tuition the same if parents enrolled their child(ren) by the registration date set by the school and paid their registration fee but raise it \$100 for "late enrollees" (after the registration date). Dreshar seconded it. Motion passed. Mueller followed with a motion to adopt this same no increase/increase structure for grades 1-8. Hapka seconded the motion. Motion passed.

e. Audit of Financials. Subcommittee meeting set for December 13 to review "where we're at".

7. Business Administrator's Report:

a. Lentz spoke to cleaning up the membership list of Epiphany. For quite some time, we have said membership was around 3500 active families. However this number included approximately 200 'no shows'. Contacts were made to try to determine if there was any interest. The approximate 200 families were then marked as inactive. The mailing costs to maintain a member is about \$15/year.

b. Lentz also announced that the last mail able bulletin will be the Christmas bulletin. Any member can "opt in" to receive it by mail, can sign up for email notification of its posting on the Epiphany website, and/or can pick one up at Mass or in the church office.

8. There was no Pastor's report.

9. Hawkins moved to adjourn the meeting; Mueller seconded it. Motion passed.

10. The next meeting will be in conjunction with the Parish Council meeting and will begin with dinner at 6:30, followed by Commission meetings and then Council meeting.

Respectfully submitted,

Jayne Taylor