

**Finance Council Minutes
December 5, 2007
Church of the Resurrection**

The meeting was called to order at 7:30 p.m. In attendance were: Dennis Bodziony, Len Castelli, Fr. Mark Hobson, Norm Perney, Bob Sorin and Herb Wilson.

Review of August Financial Statements

Dennis Bodziony reviewed the financial results for the four months ended October 31, 2007. Offertory collections are up 6.8% compared with last year while operating expenses are 11.6% higher than last year. At October 31, operating cash was low at \$18,000 with outstanding bills of \$40,800. The cash balance in the building fund was \$155,000. The capital account loaned \$10,000 to the operating fund to pay operating expenses.

Our long-term debt is coming down. We reduced our principal by \$88,600 in the four months ended October 31, bringing long-term debt from \$1.852 million to \$1.768 million. The capital campaign is almost completed.

Progress Report

For fiscal year 2008, all major contributions which are not designated by the donor will be split with 60% going to operations and 40% to debt reduction. We need to compare debt contributions with debt requirements on a periodic basis. The weekly bulletin will compare once or twice a month actual collections to goal for both operating and building accounts.

As of November 26, 2007, offertory collections were under goal by \$65,500 and debt reduction collections were under goal by \$19,300. Operating expenditures are under goal by almost the same amount as collections. This helped cover the potential cash flow shortage. It is hoped that the Christmas collections will cover the operating and debt reduction shortfall.

The debt reserve fund includes \$40,000 as a general maintenance reserve to be used to paint the exterior of the parish center. There has not been a strong push to initiate this project. The \$40,000 will be kept available to cover future unknown needs.

Off balance sheet stock holdings total \$76,200. The debt reserve fund is at \$200,000, or 12 months of debt service. A motion was made and accepted to reduce the reserve from \$200,000 to \$150,000 so that an additional \$5,000 per month can be paid on the mortgage. The advantages of paying \$5,000 more each month were reviewed. The additional payments will reduce the length of the loan to approximately 12 years and reduce total interest paid by another \$295,000. Should this happen, the total interest reduced by additional payments will be close to \$799,000. A motion was made and approved to pay \$5,000 more in principal payment per month until the debt service reserve balance reaches \$150,000. Thus far, additional principal payments have taken 51 months off our debt term and reduced total interest to be paid by \$544,000. The fixed rate on our long-term debt is 5.9%, and interest income on our investments is 4.9%

St. Jude's Land and Buildings

Additional discussions were held with the Diocese finance office to determine the potential net proceeds to Resurrection upon the ultimate sale of St Jude's former property. Other religions are not interested. Sale of the land and buildings to commercial developers will generate less money. Property in Chagrin Highlands is selling for roughly \$250,000 an acre. St Jude's is not as favorable a location. A more likely scenario will generate to Resurrection approximately \$370,000 after cost of demolition, commissions, and amounts owed to the Diocese.

It was agreed that we would not consider a debt reduction campaign until the sale was finalized. Once the net proceeds on the sale are known we can identify what is needed to retire the remaining balance of the mortgage. With that information we can go the parishioners with a specific goal.

Retirement Benefits

Dennis Bodziony suggested that 1% or 2% of compensation be given to employees each year with the understanding that it be put into the individual's IRA account. The cost of a formal plan set up by Paycheck would be \$1,500 plus administrative cost of \$150 per month. After discussion it was concluded that even though the benefits might be low they are more than what many receive. Rather than paying more in compensation it was recommended that the staff would put a portion of their paycheck into an IRA account. It was also agreed that Dennis Bodziony would review alternatives with any of the staff that was interested.

Contributions

It was noted that 412 parishioners have not used their envelope so far in 2007. Last year the non-contributors totaled 354. Letters were sent to all but 14 special situations.

After discussion it was agreed that if no donations were made over a three-year period, envelopes would not longer be sent to the parishioner. This will save roughly \$3.60 per parishioner per year.

We will send a letter to the parishioners in November 2008 if no contributions have been made in the current year asking if they are still parishioners of Resurrection.

Next Meeting

The meeting adjourned at 9:00. The next meeting is scheduled for Wednesday, May 14, 2007 at 730 pm at the Parish Center.