

February 28, 2013 Finance Council Meeting Minutes

The following Finance Council members were present: Chairman, Cary Evans, Father Jim Northrop, Diana McDevitt, John Phillips, and John Vandenberg. Absent were John Fogliani, Paul Konrady, and Pastoral Council Liaison, Ken Elliott

1. Meeting was called to order at 7:10 by Cary.
2. John Phillips led the Council in prayer with the 2/28/13 KofC Prayer for Pope Benedict XVI.
3. The Minutes of the January 24, 2013 meeting were accepted.
4. John Phillips presented a request from Principal Lunn to utilize Lower Brendan House for a second pre-kindergarten class. The Council appreciates the thoughtfulness of the proposal. However, it is decided that operational considerations of such a plan take precedence over any financial opportunity – and are better evaluated by Staff and Fr. Jim. Questions were raised about the financial calculations in the proposal which seem to indicate a possible current excess in School staffing and materials.
5. John Phillips presented the Archdiocese of Seattle Parish Financial Operations Report findings and his response. There was some dissatisfaction with the Review in that the findings were not discussed with Staff before the auditor issued the report. Fr. Jim, Parish and School Staff will be meeting to review the findings and to outline plans for improving the joint areas of concern. Council commented that the recommendations appeared to be reasonable and appropriate.
6. Council reviewed the revised Balance Sheet and commented that the new classified presentation is very much improved, and in-line with requested changes. It was noted that the balance sheet account reconciliations/analysis identified in the February 1 ad hoc meeting, must still be completed and accounts adjusted - planned for the **March Council meeting**. Individual council members are requested to review the Balance Sheet and Notes in detail, and provide further comments to John Phillips no later than **March 11**.
7. Council reviewed the Information Requirements recommendations proposed by Paul and Diana last quarter. The Council voted to accept the requirements #1 for Quarterly Financial Reporting packages and #2 for Budget Cycle information, but determined that items #3 and #4 are not flexible enough or appropriate to the size of the Finance Council. (See attached Information Requirements Recommendation). It should be noted that these standards require that financial reports are distributed the Friday before the subsequent Thursday's Council meeting. This will necessitate attention to agendas, etc. on a timely manner if John is to meet the distribution schedule.
8. The 2012 ACA campaign is expected to result in a \$35K rebate – which is planned to be utilized to for the Narthex bathroom remodel as prioritized by the Facilities Commission and GPS. The Council voted to support the use of any 2013 ACA campaign rebate for sound system improvements also prioritized by Facilities/GPS.
9. 2013 Sacrificial Giving Campaign is proceeding well with 30% of Parish families committing to sacrificial giving.
10. The request by the Facilities Commission to be consolidated as a sub-committee of the Finance Council is approved by Council. Council looks forward to the change and awaits any suggestions from Facilities as to how best to realize the consolidation.
11. Council's next meeting is scheduled for **March 21 at 6:00** (please note the time change) to review the 1st Draft of the 2013-2014 Budget and is planned as a Joint Meeting with Pastoral Council. The draft budget is to be distributed to Council on **March 15**.
12. Cary asked that Council identify/invite possible new members to discern joining Finance Council. Formal "Discernment Day" is **May 11**.
13. Council prayed in closing and meeting was adjourned at 9:45.

Recommended Finance Council Information Requirements – Paul Konrady, Diana McDevitt

The following information is necessary for the Council to spend its time as productively as possible, with the best use of Staff time and energy.

1. Quarterly Financial Statements – including quarter-to-date accruals, restricted fund entries, construction-in-process entries and reconciliation/correction of balances. Council needs current, reliable and accurate information about available restricted and unrestricted funds to make actionable recommendations to Father or other Councils.
 - a. Balance sheet – classified for current, restricted and unrestricted.
 - b. Income Statement – Monthly year-to-date comparison to budget (12 month Income Statement format)
 - c. Timing – the Quarterly package should be distributed to Council members by the Friday before the Finance Council meetings in October, January, and April. For the Council's meeting in September the year-end reconciled financial statements are to be presented.
2. Budget Cycle – commencing in November
 - a. Labor cost analysis – comparison to prior year budget (ie current budget), estimated cost and impact of new hires/positions, estimated cost of proposed changes – ie raises, etc.
 - b. Benefits – proposed benefit costs for upcoming budget year
 - c. Initiative or program changes – estimated costs of new initiatives or program changes, eg facilities requests, School subsidy or initiatives, etc. These should be brought to Council with estimates of costs fairly well-developed.
3. Ad Hoc – as Staff, Father or other Councils and Commissions identify issues, or propose initiatives
 - a. Analysis of the issue – prepare an estimate of the impact of the cost, or revenue shortfall, etc. so that Council can see the impact upon budget. For example: in presenting an estimated shortfall in collections, prepare an analysis of the run rate of collections to-date, comparison of run rate to prior years, and compared to total. Or, if Council has inquired about paying off Rectory mortgage, prepare an analysis of the cashflow impact of the payoff, such as cash available for payroll or other upcoming expenditures.
 - b. Other information - prepare other information necessary to support a decision by Council. Feel free to contact individual Council members in advance to inquire as to what information might be necessary for unusual issues or needs.
4. For meetings other than the Quarterly financial statement meetings, it is our thought that the Council would consider the Budget (November and December) or Ad Hoc issues. Currently, the fund raising plans Scott has worked on might be the discussion, or, bulletin reporting of collections. It would be useful for the Council to identify the agenda for the next meeting and if Staff does not have input to these items, please request that the Council or Chair appoint a representative or Committee to prepare a proposal or analysis with Staff support, which that person(s) should be expected to present.