

## Cluster 22 Finance Committee

Notes from January 19, 2006

Present: Sybil, Pam, Donna, Jim, Dick, Chris, Fr. Mike

Absent: all present

The meeting was held as a part of the overall monthly Cluster 22 meeting. We were asked to report back to the group after meeting for one hour on the purpose/charge of our committee, what we need to do our work and to do an analysis of how Model 1 might fit our needs.

Dick is working on gathering info about each parish's expenses and income breakdowns. We also need to know the net assets and the cash position of each parish. We confirmed that each parish is on a July/June fiscal year.

We need to establish the minimum income we can function with.

Debt is a concern. HC owes approx. \$465,000. St. Max's owes approx. \$1.6 million. However, all is expected to be paid off within five years. St. Max's has two pieces of property that can be sold to pay down the debt as well. We established that the debt is owed to the diocese, but they will not negotiate. We can ask for a pay-off amount.

Once we have a clearer financial picture, we need to determine future needs/expenses. We need a better understanding of the current staffing—job descriptions and payroll records.

We also need to determine what services we need to provide based on the needs of the parishes and the community at large, especially in the area of elderly and youth services. What will that scenario look like five years from now (population and aging)?

We agreed that the purpose of our finance committee is to: find/manage the resources to support the people and places we need in order to provide the evangelization of our cluster.

We need to deliver a clear message as to how the parish income is now spent, and then show how it will be spent in the Model 1 merged parishes cluster—how will it change? What additional benefits will there be?

We have consensus on some priorities of the cluster.

- Keep all four worship sites open
- Holy Cross School is a high priority, and is the responsibility of the cluster
- The cluster is comprised of five entities: four parishes and the school.
- In order to function, the cluster needs qualified and trained staff
- Church does not equal building—how do we communicate that?
- If we don't merge, one or more of the entities may not be able to survive financially.

- If we do merge, then we can pool resources to deliver better services, and we can recognize joint assets.

If we are successful

- We will be able to provide more services, and better quality of service within the cluster.
- We will have a healthier fiscal situation in the cluster
- We all will have a better sense of ownership within our community of faith, and a great sense of our responsibility toward it.
- Although we may lose attendance at first, we will eventually increase mass attendance.

Next steps for our subcommittee:

- Gather information as to how each income dollar is now spent (allocation of expense as a percentage of income). Then, project how the spending (allocation of it) may change with the cluster model. We'll create a "before" and "after" pie chart.
- Gather information on assets and liabilities.
- Make inventory of current staffing, job descriptions, pay scale, labor hours used.
- Review plans to pay down the debts.
- Next meeting on February 6<sup>th</sup> at St. John's.