

Minutes of the regular monthly meeting of the Saint Cecilia Parish Finance Committee

January 13, 2004

Location: Saint Francis Room, Saint Cecilia Parish

Members Present: Joel Thilges, John Nelson, Clint Steele, Arlene Stacy, Anne Clem, and Randy Dalhoff (chairperson)

Others Present: Jeff Witt and Al Joensen

Meeting started at 7:05pm

John reconciled the bank statements for December.

Clint clarified his position on the Continuing Campaign Committee as a member of such a committee but not available to chair it. Randy will attempt to put together a list of uncontacted parishioners based on information left behind by Walsh. A volunteer chairperson or a hired person still needs to be found to keep this committee going.

At this time there are 50 donors using ACH for their campaign payments, and about 45 or so paying school tuition through ACH.

Arlene will pursue a training session conducted by Siemens Corporation in teaching some staff at the parish how to run the computerized heating/cooling system in the Education Center. Many were trained when it was installed, but at this time probably only Pete Lelonek and Randy (to a lot lesser degree) are aware of its workings. If a session cannot be held or is not fruitful, some manual method of overriding the automation may be employed.

W2 and 1099 forms will be printed on January 14 and distributed.

Randy will be setting up a method for Joan to use to produce campaign pledge notices that will be mailed to the donors as reminders and progress reports of their pledge payments.

Much time was spent looking at different scenarios concerning how to fund the building project. Different starting dates for Phase 1 and 2, use of endowment funds, use of operations fund surpluses, and possible loan amounts from the archdiocese were examined. Three scenarios were developed as possible ones to present to the archdiocese. The scenarios would payoff the archdiocesan loan in less than 20 years, and result in the total building project being completed by early 2009 or early 2010 depending upon the chosen plan.

Meeting adjourned at 9: 15pm. Submitted by Randy Dalhoff

St Cecilia Parish Financing Plan Assumptions

Initial Fundraising Campaign

- Fundraising raised \$3,270,000 as of January 1, 2004
- \$525,000 in fundraising cash available January 1, 2004
- Pledges begin in February 2004.
- Fundraising pledge period of 5 years.
- Only 85% of pledges are actually collected
- Pledges are received in equal monthly amounts of \$38,750

Extension of Fundraising Campaign

- At the time of completion of the Narthex construction in early 2006 we would contact existing fundraising contributors about extending their pledges for 5 years.
- We would also contact parishioners who are not contributing in an attempt to obtain pledges from them as well.
- We estimate that we will receive 75% of the initial pledges for the first 3 years and 37.5% of the initial pledge for years 4 and 5.
- After completion of pledges, 10% of the total pledge drive is still being collected by those that continue to give.

Endowment Funds

- Estimate a 5% annual income from existing endowment funds. All of this income will be committed to the project to help with cash flow and to pay off the debt

Archdiocesan Funds

- Any funds in savings with the Archdiocese will receive interest of 3%.
- Any funds borrowed from the Archdiocese will be charged interest of 3.5%
- Archdiocese interest rates are assumed fixed for the term of our planning.

Use of Parish Operating Funds

- The parish will contribute operating funds for the project continuously. The amount contributed will begin at \$250 per month and will increase periodically, eventually up to \$4,000 per month by the year 2016.

St. Cecilia Parish Comparison of Financing Plans

Option 1 -Construct Narthex in 2005 and Church in 2008

- Cashflow 1 - Use \$1.0 million from the endowment
 - Narthex construction completed in 2005 without borrowing from Archdiocese by using \$1.0 million from endowment.
 - Endowment funds are withdrawn from Sep 2005 -Feb 2006
 - Begin to borrow from Archdiocese in Jul 2008
 - Max Archdiocesan loan of \$2.685.803 in Feb 2009
 - Loan paid off in Apr 2025
 - Overall loan term of approx 17 years

- Cashflow 3 - Use \$1.5 million from the endowment
 - Narthex construction completed in 2005 without borrowing from Archdiocese by using \$1.0 million from endowment
 - Endowment funds of \$1.0 million are withdrawn from Sep 2005- Feb 2006
 - Additional endowment funds of \$500,000 are withdrawn in Jul and Aug 2008 to support church construction
 - Begin to borrow from Archdiocese in Aug 2008
 - Max Archdiocesan loan of \$2,189,964 in Feb 2009
 - Loan paid off in Sep 2022
 - Overall loan term of approx 14 years

Option 2 -Construct Narthex in 2005 and Church in 2009

- Cashflow 2 - Use \$1.0 million from the endowment
 - Narthex construction completed in 2005 without borrowing from Archdiocese by using \$1.0 million from endowment.
 - Endowment funds are withdrawn from Sep 2005 - Feb 2006
 - Begin to borrow from Archdiocese in Aug 2009
 - Max Archdiocesan loan of \$2,347,538 in Feb 2010
 - Loan paid off in Nov 2023
 - Overall loan term of approx 14 years

- .Cashflow 4 - Use \$1.5 million from the endowment
 - Narthex construction completed in 2005 without borrowing from Archdiocese by using \$1.0 million from endowment.
 - Endowment funds of \$1.0 million are withdrawn from Sep 2005- Feb 2006
 - Additional endowment funds of \$500,000 are withdrawn in Aug and Sep 2009 to support church construction
 - Begin to borrow from Archdiocese in Sep 2009
 - Max Archdiocesan loan of \$1,850,938 in Feb 2010
 - Loan paid off in Jan 2021
 - Overall loan term of approx 12 years

St. Cecilia Parish Comparison of Financing Plans

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		Project Costs				Archdiocesan Financing			
		Total Project Cost	Archdiocesan Interest Paid	Pledge, Savings and Endowment Income	Net Cost to Parish	Max Archdiocesan Loan	Begin to Borrow	Debt Paid	Term of Debt
Option 1 - Narthex Const in 2005, Church in 2008									
	Cashflow #1 - Use \$1.0 million from endowment	\$7,020,418	\$647,968	\$6,104,246	\$1,564,140	\$2,685,803	Jul-2008	Apr-2025	17 years
	Cashflow #3 - Use \$1.5 million from endowment	\$7,020,418	\$414,105	\$5,685,495	\$1,749,028	\$2,189,964	Aug-2008	Sep-2022	14 years
Option 2 - Narthex Const in 2005, Church in 2009									
	Cashflow #2 - Use \$1.0 million from endowment	\$7,149,805	\$487,065	\$6,185,108	\$1,451,762	\$2,347,538	Aug-2009	Nov-2023	14 years
	Cashflow #4 - Use \$1.5 million from endowment	\$7,149,805	\$286,624	\$5,659,821	\$1,776,608	\$1,850,938	Sep-2009	Jan-2021	12 years