

Sacred Heart Cathedral Town Hall Meeting August 29 & 30, 2009

The meeting opened with prayer by Fr. Robert Busher.

Andy Trasowech introduced himself and added that he and his wife, Jane, have been Sacred Heart parishioners for ten years. He stated that the town hall meetings are taking place so the Finance Council can inform the parishioners about the state of the parish. Referral was made to the finance charts that have been included in past bulletins and mailings. He proceeded to explain the current charts.

Graph #1 – Income vs. Expenses, Six-Year History

This graph shows the fiscal information and explanation of where money comes from and where it goes, similar to how a person would understand a household budget of income and spending. He referred to what happened economically last year in the country's economy and the payout due to the sexual abuse lawsuits. The good news is that for the first time in a long while we, as a Parish, lived within our means last year. Giving was down last year but no major repairs or new projects were planned or executed.

Graph #2 – Net Gain/Loss, Six-Year History

In 2003/04 our fiscal-year budget ended with a \$3,435 loss. The loss increased over the next three years until the decision was made to reduce staff and spending to obtain a balanced budget.

Graph #3 – All Saints Catholic School Subsidy

These figures show why Sacred Heart Cathedral School was merged because if we continued our rate of spending the money was going to run out. The merger agreement was that the Parish would pay 6% of the endowment (the interest) to All Saints Catholic School for three years. Endowment balance has decreased dramatically so our subsidy has been decreased from \$180,000 to \$75,000 per year.

Graph #4 – Building Maintenance & Repairs (Routine & Major)

In 2006-2007 we had the major expense of replacing the church boiler. In 2007-2008 the major repair was the rectory roof. Other major expenses have been deferred and routine maintenance is now outsourced rather than by a salaried employee.

Graph #5 – Endowment Balance, Six-year History

On December 31, 2003 the endowment had a balance of \$2,938,548 and it increased slightly in 2004 and 2005. December 31, 2006 it was at its highest level during this six-year period at \$3,186,522. However, in 2007 money was spent and not repaid; \$1,000,000 was given for the sexual abuse case; and in 2008 investments, 401k, stocks and bonds eroded in value leaving the balance at \$1,047,216 on December 31, 2008. In an attempt to retain and rebuild the endowment, we have:

1. Reduced our subsidy from \$180,000 to \$75,000 to All Saints Catholic School per year.

2. Prepaid five years of our subsidy, about \$200,000, to Assumption High School. We have to plan now how we will come up with an additional \$45,000 each year when the prepayment runs out.
3. A letter was sent a year ago to all parishioners asking for an increase in financial giving. The response was light. Those families who have given less than \$50 in the past fiscal year received a letter last week asking them to please increase their contributions. Automatic contributions help our budget process.
4. A town hall meeting will be held every year to keep parishioners updated on our finances.

Questions from Parishioners:

(Answers given by Andy Trasoweck, Molly Schnell, Jim Carter and Carol Haines)

Q: What was the purpose of paying a lump sum to Assumption High School in November 2007 rather than earning interest in our account?

A: (Andy) The incentive was that for five years there would not be an increase in the amount we pay. Assumption High School took the risk.

Q: Was the same offer made to All Saints Catholic School?

A: (Andy) Yes, the offer was made but they declined the offer.

Q: How long do you think the endowment will be around?

A: (Andy) If we were to keep spending like we were, it would be gone in fewer than five years.

Q: If the remaining \$1,000,000 goes away, will the Diocese close Sacred Heart Cathedral?

A: (Andy) There is no plan to close Sacred Heart or change the Cathedral according to my understanding of what Bishop Amos has said in previous meetings I have attended.

Comment: Is this still the Bishop's church? Then every parish in the diocese should take up a big collection to help us as the Bishop's church.

Comment: Fr. Busher indicated he has asked the Bishop if the Cathedral could be eligible for a portion of the ADA collection but has not received an answer.

Q: How many Sacred Heart Cathedral students are enrolled at All Saints Catholic School?

A: (Molly) Last year, approximately seventy. I don't know the exact number this year but it has increased.

Q: What is the cost per student?

A: (Molly) From a support standpoint, Holy Family pays twice the amount per student than we do. St. Anthony's also contributes to the school, and the government supports the preschool program. As a result there have been improvements made to the playground and classrooms.

Q: Is there a formula where each parish supports the school on a per capita basis?

A: (Molly) No. There is no such formula.

Q: Are there any additional means of revenue available to us?

A: (Molly) I have always wondered why the diocese did not send support to the Cathedral when we, as a Parish, have always paid for expenses related to Diocesan events, the Bishop's vestments, etc. A letter of inquiry was sent to about twenty other cathedrals with a response received from about half. None of the other cathedrals receive monetary compensation from their diocese.

Comment: Fr. Busher stated that there is to be a Diocesan Capital Campaign and \$900,000 has been designated by Bishop Amos to be used at the Cathedral. There are about nine categories that you can earmark for your donation. If you don't earmark your donation, the excess is allocated proportionately among the categories. In addition, each parish will receive back 20% of whatever their parishioners contribute to the Campaign. Each parish will be given a goal, not an assessment, and if we reach our goal, we get 50% of every dollar beyond that goal amount. Two of the projects that the \$900,000 will be designated for are additional bathrooms and handicap access to the buildings. Parking is also an issue.

Q: Regarding Head Start, do we receive income from it and can we expect further association with them?

A: (Molly) Yes - \$500 per month and utilities, plus they are putting in a playground.

Q: What is the current use of the Manor House?

A: (Molly) It will be used for the youth meeting room. If we do not use the building as a 501c3, it will be taxable property.

Q: Are we able to break out the routine maintenance costs to the four buildings?

A: (Carol) Yes.

Q: What costs are Head Start responsible for?

A: (Molly) Head Start pays for increases in the utilities they use. If there are structural maintenance issues for the building where Head Start is a tenant, we are not required to do them. We can terminate the contract or Head Start can fund the repairs such as electrical wiring being brought up to code after inspection. The buildings are not metered separately so utility variances will be monitored by Carol.

Q: What is going to be done about the leak and water damage to the gym in the Parish Center?

A: (Jim) Like other issues of damage and needed repairs, it's on a list to be fixed.

Q: If it's true that subsidies for Catholic schools are decreasing, what does that mean for long-term Catholic education and specifically for All Saints?

A: (Molly) There is a commitment to continue All Saints because it is the primary means of Catholic education.

Comment: How can we invigorate, revitalize our parish? As a long-time parishioner, it seems like when we didn't have money we were more active. Maybe in our situation we can return to our roots as a poor parish and see that vitality again.

Q: Is anything being done about the declining enrollments in the pews?

A: (Andy) The Finance Council doesn't deal with that. It was top priority of the Stewardship Committee and regularly on the agenda of the Parish Council.