

OUR LADY OF MOUNT CARMEL

Finance Council Meeting

February 5, 2025

Minutes

The members of the Finance Council of Our Lady of Mount Carmel Catholic parish met on Wednesday, 2/5/25 from 3:00 to 3:50 in the parish hall meeting room. The meeting was called to order by Alex and a quorum was established.

Council members present:

- Alex Gray (Chairman)
- AB Introcaso
- Ed Quinnan
- Jack McAleer
- Jim Rice (Secretary)

Ex-officio members present:

- Fr. Jhonnatan Carmona
- Rebecca Bayless (Bookkeeper)

Fr. Jhonnatan offered an opening prayer ["Thank you for rain . . . Help us to strive for what is better . . ."]. Alex then stated that the principal purposes of the meeting were:

- (a) to assess how well the parish is tracking to budget -- as reflected on a balance sheet, income statement and statement of restricted funds as at and for the four months ended 12/31/24 [copies attached] -- which was prepared by Rebecca; and
- (b) to consider reallocating and reclassifying certain maintenance and repair funds; and
- (c) to consider diverting a portion of the 2025 AMA rebate to a fund for modernizing the ceiling of the sanctuary of the church building.

Accordingly, Alex walked the meeting through various key line items of the forementioned financial statements and, along with Rebecca, responded to members' questions, comments and concerns. Such line items included:

- (i) from the balance sheet, the vast majority of the funds ascribed to savings (\$118,000) were restricted funds carried as current liabilities on the balance sheet (\$112,000);

- (ii) from the income statement, approximately \$20,000,000 of over-budget maintenance items are more correctly reclassified from current year operating expenses to the grounds maintenance and repair fund;
- (iii) from the income statement, utilities expenses shown to be well below budget probably reflect a delay of conversion into an auto-pay system with PG&E;
- (iv) from the income statement, according to Fr. Jhonnatan, the budgeted profit from the three upcoming Lenten dinners (\$4,700) probably understates that amount by more than \$1,000 as he intends to discuss with Bernie Aiello raising the price of such dinners to closer to current market;
- (v) from the restricted funds statement, Fr. Jhonnatan reported that it was his and the pastoral council's intention to raise the profile of the scholarship award by naming some recipients this year and listing their accomplishments; and
- (vi) from the restricted funds statement, Alex noted that \$7,000 in the music/choir fund would partially absorb the fees of the newly hired music director.

Fr. Jhonnatan then related that because of an administrative error the first and second (special maintenance) collection for Christmas Day were commingled with the result that no allocation to the grounds & maintenance fund was made with respect to that collection. Alex suggested that the council remedy this situation by allocating \$1,500 of the combined collection to such fund. This, he said, was consistent with recent historical experience regarding the scale of that collection. Accordingly, upon motion duly made and seconded, the council unanimously approved such allocation.

Then, after Alex walked the council through a series of expenditures detailed on a transaction report September – December 2024 [copy attached] and having to do with repairs to the rectory church and hall, on motion duly made and seconded, the council voted unanimously to reclassify the amount of such expenditures, being \$20,386, from the grounds & maintenance fund to ordinary income.

The council then took up the matter of a proposed set aside of a portion of AMA rebate funds to be earmarked for the long-delayed modernization of the sanctuary ceiling to improve lighting, acoustics and appearance. Alex explained that any such set-aside would increase dollar-for-dollar the amount of the projected net operating loss as the full rebate was budgeted to support operating expenses. Jack, who will be heading the annual AMA appeal, however, pointed out that it has long been the goal of the council to cover operating expenses with operating income -- primarily consisting of plate collections -- while using the AMA funds for capital purposes.

After discussion, upon motion duly made and seconded, the council unanimously directed that any AMA rebate would be allocated in equal parts to the checking account and to a restricted fund up to \$19K to each. If there is more than \$38K (the budgeted amount) in rebate, still only \$19K would be restricted. Moreover, a fund called the Building Fund would be reconstituted, to receive the restricted funds and the proceeds of any related capital campaign.

Attendees agreed that their next meeting would take place on Wednesday, May 7, 2025, at 3:00 PM.

Then, after Fr. Jhonnatan offered a closing prayer [“Be with us as we work for the community . . . “], Alex thanked the attendees for their time and entertained a motion to adjourn the meeting.

/s/ James A. Rice
James A. Rice, Secretary

February , 2025
Date