

St. Patrick Pastoral Parish Council
Official Meeting Minutes
January 17, 2006
Submitted by Misti Cave, member

The PPC meeting convened on January 17, 2006 at 7:00 p.m. in the Rectory basement meeting room. It was called to order by the Vice President, Shawn Piers, with an opening prayer by Fr. Donton. Those in attendance were: Fr. Donton, Deacon Jim Maubauch, Shawn Piers, Paul Leary, Morrie Franz, Misti Cave, Vern Mall, and Loran Hoffman. Excused were John Bremenkamp and Jodi Bearce Mello. Mark Redden, Linda Thomas and Jessie Johnston were absent. Guests present were Don Dempsey, Chairman of the Board of Washington State Bank, and Joyce Underwood, Manager of Underwood and Associates.

The floor was given to Vern Mall to introduce our guests and discuss their involvement with our meeting tonight so that they may be excused if they so wished.

BUILDING AND GROUNDS COMMISSION

Please refer to Addendum 1 for Vern's report in detail, but to sum things up:

1. The actual cost of the church renovation came in at \$102K, whereas we had budgeted \$100K. All bills have been paid and all grants have been received.
2. Vern has asked Joyce Underwood to represent the parish with any future property pursuits, and she has agreed to do so.
3. All is in order for the acquisition of the property located at 101 Harvey (grassy knoll). The property will be purchased for \$19K. We are currently waiting for Diocesan approval because any purchase that the parish makes that exceeds \$15K must first be approved by the Bishop. Once we receive that approval, all will be resolved. There were concerns with the property (ie. leakage concerning the gas station and tanks that used to be adjacent to the property), but we have received documentation that no tanks exist and no leakage damage is evident, with which Vern is 100% satisfied with and says there is no cause for further concern. We will not have to pay property taxes on this piece of land. Joyce Underwood will be donating back to the church the profits made from the sale of 101 Harvey. Thank-you Joyce!
4. Our guests have been invited to tonight's meeting to help us form an educated decision on whether or not the parish should purchase 109 Harvey. Vern asked Morrie to look into the financial impact of the purchase, and Morrie in turn recruited the expertise of Don Dempsey. Don has established a cash flow for the parish in the event we purchase the property (see Addendum 2).
 - a. The current owner has agreed to sell 109 Harvey for \$95K, no less, and is waiting for us to make a decision before he begins to renovate the property; he would like to start his renovation ASAP
 - b. Several options were discussed with the acquisition of the home: tear the house down but keep the garage, rent the house, move the house and purchase the land only, find a willing parishioner to purchase the property to sell to the parish at a later date
 - c. Future plans for the property would include: playground, parish hall, parking
 - d. The biggest benefit to purchasing 109 Harvey would be our eventual ownership of all property on Harvey St., giving us sole access to the school front
 - e. If we were to borrow funds for the acquisition of this property, it would have to be through the Diocesan Loan Fund

- f. The consensus amongst the group was that we would probably not be given a tax break on this property and would be forced to pay the real estate taxes applicable

It was Joyce's opinion that better to buy the property now and pay relatively little to fix it up to rent out or the price will continue to rise as the years pass.

Joyce and Don were excused from the meeting for the council to discuss and resolve. Thanks to Joyce and Don for attending and for their much appreciated advice in the matter at hand.

Fr. was of the opinion that we would not have any trouble getting funds from the Diocese. There are several options when it comes to paying off the debt: make it part of the ADA this year, commit auction monies to it, use the excess that we have received through the Rooted In Faith Campaign, etc. But we also must keep in mind that our next two major projects for the parish should be 1) parking (est. cost \$150-200K) and 2) windows for the school (est. cost \$100-125K).

All were agreed that renting the property would not be ideal for the parish. But most were open to the idea of someone taking ownership of the home, moving it, and buying the land only.

A motion was made by Vern Mall to buy the property located at 109 Harvey for \$95K, with no intent to rent the current structure. The motion was seconded by Morrie Franz. The floor was opened for discussion and Paul Leary was of the opinion that we should not purchase the property at this time because: 1) our other improvements are more important, 2) \$95K is too much for a piece of land, and 3) he feels we need more time than what we've been given to dedicate to such a decision.

The motion was not passed by a 1:3 vote. The council's recommendation to Fr. Danton is that we not acquire the property located at 109 Harvey at this time.

There were a couple of corrections that needed to be made to the meeting minutes from our November 15, 2005, meeting:

1. Loran Hoffman's name is misspelled throughout, as is Deacon Joe Venzon's.
2. The last line of the President's Remarks: Bill DeBoeuf is not in the 22-45 group, he should be listed in the 46+ group.
3. In the Buildings and Grounds Commission Report, fourth sentence: Please make it clear that it is Vern's personal guesstimate that it would cost the parish approximately \$500K to purchase the property adjacent to the school's front.

A motion was made by Vern Mall to approve the minutes as amended, and was seconded by Misti Cave. Motion passed unanimously.

Pastor Remarks

Fr. has made a proposal to the Education Commission re: the location of the installment of playground equipment on school grounds. He has proposed three locations and has given the Commission two weeks to discuss. The locations are:

1. The newly acquired grassy knoll
 - a. We would need to install fencing and surfacing, in addition to the equipment. The fencing would most likely be solid to the N & E of the property, and partial to the S & W of the property for privacy and line of sight purposes.
 - b. Initial concerns were that crossing the street may pose threats to our children and that we would need additional supervision for the equipment during non-school hours. But Fr. has been paying close attention to the area and says there is little traffic during school

hours and that he would propose to use the equipment only for recess and would fence and lock it when not in use.

2. Behind the convent where pre-K is held
 - a. Driveway would have to be moved
 - b. There is a power line issue that would need to be resolved
3. Sell the shed to the N of the gym and replace it with the new playground equipment. It currently houses our old folding chairs, which we're getting rid of. There has been talk of receiving some round tables from OSF, and if we did, they could be stored in Fr.'s garage.

Fr. has heard back from only two members of the Education Commission and Sharon Weiss regarding this proposal. He is still waiting to hear from the remainder and for an ultimate decision. But, this equipment will be installed this summer. If for no other reason than our own integrity, Fr. will accept any advice, but will be installing the equipment somewhere this summer.

PRESIDENT'S REPORT

None

FINANCE COMMISSION

Please refer to Addendum 3 for Morrie's report in detail, but to sum things up:

1. We are a little low on pledges, but we are currently exceeding our pledge amount by about 8%. So his thoughts are that we will be okay, but keep praying for continued support.
2. Fr. will be starting the budget earlier than usual this year on Feb. 1. Hot items for the Education Commission include tuition, transportation and the cafeteria.
 - a. Raise tuition
 - b. Eliminate transportation
 - i. The public bus system would have to bus our students if we were to eliminate our buses
 - ii. We currently pay bus fees and they were raised for the first time in a decade when Fr. Donton got here
 - c. The cafeteria is currently operating at a deficit (by \$3-4K)
Fr. is looking to pull these things together, conserve our resources, and save money where we can. He believes we need to be cautious and is a bit worrisome with the future monies, or lack there of, that may be coming into the school.

EDUCATION COMMISSION

None

LITURGY COMMISSION

The next Liturgy meeting is on January 25, 2006, at 7 p.m. in the Rectory basement meeting room.

PARISH MINISTRIES

None

BUILDING AND GROUNDS COMMISSION

Vern had nothing further, but he did want to comment on the upcoming Parish Auction in March. Check out the parish website. All the items that are to be auctioned off are listed there. He's also very aware of the hard work all the chairpersons are putting into the auction. They are working, working!! Thanks to them!

He also wanted to let us know that the prayer chain is running very smooth and he's been told that it's much appreciated by many.

Vern is also in need of someone involved with the school to upkeep the school's part of the parish website.

SPECIAL COMMITTEES STEWARDSHIP COMMITTEE

Morrie reported that the Stewardship Committee is moving along and will report to us in May. Refer to Addendum 4 for further details.

STRATEGIC PLAN COMMISSION

Morrie reported that because of the great expense involved in hiring someone to execute a formal Strategic Plan for the Parish, he is vetoing the idea. However, he would like to revisit the issue in and of ourselves, clear the air that's resulted from the last attempt, and pave the way for further work to be done for the church and school.

A motion was made by Morrie Franz to revisit the 2003 School Strategic Plan, revise, and bring a recommended action plan back to the Council by May 2006. This motion was seconded by Vern Mall. No discussion was necessary. Motion passed unanimously.

The old school plan is available on the parish website, except for the administration and financial details due to confidentiality reasons. Refer to Addendum 5 for further details.

ELECTION COMMISSION

There have been four new members elected to the Parish Council: Matt Gorman, Scott Gonia, Bill DeBoeuf, and Loran Hoffman. Fr. will draft a letter to notify them of their membership.

Shawn thinks that new officers should be elected at our next meeting, Tuesday, March 21, 2006.

OLD BUSINESS

None

NEW BUSINESS

None

There was no open forum, nor was there a need for executive session.

A motion was made by Vern Mall to adjourn. Paul Leary seconded the motion. The motion passed unanimously and the meeting was adjourned. Fr. Donton closed with prayer.

ADDENDUM 1

Building and Grounds Report

Vern Mall

January, 2006

All of the bills have been paid and the lighting grant received for the renovation of the Church. The total cost of \$102,000 is approximately 2 % over the estimated cost for this project.

The possible purchase of the property located at 109 Harvey St is being considered. The owner told me she would like to get \$85,000 for it and that it required about \$30,000 to upgrade the house. The property sold the day before I talked to Joyce Underwood. It sold for approximately \$91,000 to a party who intends to upgrade it and resell. In discussions with Joyce, I asked her if the new owner would be interested in selling to the Parish for a small profit. She said she would investigate this and report back to me. Joyce Underwood will be at the Parish Council Meeting to make a short presentation and answer questions. A separate log sheet is attached with further details.

The purchase of the vacant lot located at 101 Harvey St is in the final stages of completion. The Parish office has documentation that the 4 USTs (underground storage tanks), have been removed from the old Washington Oil property located at 811 E Walnut street and that there is no contamination from these tanks to the surrounding soil. The verbal offer of \$16,000 was neither accepted or rejected before the lot was placed in the hands of a realtor at a list price of \$21,900. A formal offer \$19,000 was made thru Underwood and Associates and accepted by the owner, Jerry Wienzierl. A resolution was prepared by Father Danton and sent to the Diocese of Peoria for approval to purchase the lot. When this approval is received, the deal will be closed. Funds are available for this project.

During the negotiations for this lot through Underwood and Associates, I told Joyce Underwood that the Parish is interested in any and all properties East of Harvey Street and across from Saint Patrick School. I asked her if she would represent the Parish in this long term goal. She said that she would be glad to do this for the Parish and we shook hands on this verbal agreement.

Log Sheet Details re: 109 Harvey:

Notes of Vern Mall

109 Harvey St. Washington, IL

11-16-05 Property consists of an older 2 story house and 88.3' x 100' lot located on the corner of Harvey and Jefferson St. This property was discussed at the Nov 15 PPC meeting and it was decided to pursue the subject further.

I phoned Libby Mitchell, 444-4355, owner, and told her that Saint Patrick Church was interested in the property. She stated that another couple had expressed interest and has secured some estimates to make needed improvements amounting to approximately \$30,000. But that they had abandoned the idea because they were moving out of the area. She asked me if we would fix the house up or tear it down. She stated that there were some roofing issues (flat roof portions) and that several rooms needed updating. That the structure was basically sound. She called the basement a "cellar" and that it would not be suitable for making into living space. She had talked to a realtor friend and that they felt that \$85,000. would be a fair asking price. She stated that she wanted to get what she had in the property out of it. There is a mortgage on the house with GMAC. Libby will phone me early next week so that I may have a tour of the house and property.

11-23-05 Met with Joyce Underwood today and told her I was doing some groundwork on this property. She said she wished she and known as the property sold yesterday. She said the buyer was going to fix it up and resell. I ask her how much it sold for and she stated that she could not say and the deal doesn't close for 2 weeks. I ask her if financing would be a problem for the buyer and she said no. She did say, I can tell you that it sold for more than \$85,000.00

Maybe we should consider buying the house when it comes up for sale again with the thought that the Parish could rent it, which would help pay for it.

12-1-05 I phoned Joyce on her cell phone and we discussed 101 Harvey, the vacant lot; and 109 Harvey, the house. She thought it might be possible to buy 109 Harvey from the new owner for a small profit to him without doing anything to restore the property. I phoned Father Donton about both properties and after discussion, we decided to hold off on 109 Harvey until spring of 2006 and to make another offer on 101 Harvey vacant lot of \$19,000.00.

1-06-06 Joyce Underwood phoned today and she said the person who bought the house at 109 Harvey would consider selling it for \$5,000 more than he had paid for it. She thought he paid \$91,000 for it so that would make the price at about \$96,000. She thought that after it is fixed up the value would be around \$140,000 to \$150,000. I asked her what it would rent for and she said in the neighbor hood of \$850.00 per month. I told her I would talk to Father Donton and get back to her the first of next week.

1-08-06 I talked to Father Donton about Joyce's comments of 1-06 and asked him if I could pursue the purchase of this property further. He agreed but said that he was concerned about being a landlord. I phone Morrie Franz, gave him the above numbers and asked him to prepare a projection using the above values + guesstimates for taxes, insurance, routine maintenance. He will do this and have it ready for the Council meeting on January 17.

1-09-06 I phoned Joyce Underwood and invited her to the Council meeting on January 17 to give the Council her thoughts on this property. She agreed to come to the meeting. She also informed me that the back door to the house was open and that I was welcome to tour the house. I went to the Church office, got Judy Volk and she and I toured the house in about 20 or 30 minutes.
The garage is a double garage and by viewing the interior through a window, seems to be in good condition.

I estimate the house to be 75 to 100 years old. The exterior of the house is in good condition except for the roof over the "porch" (flat) and the roof over part of the kitchen (flat). The back porch floor and wooden steps are in poor condition. The exterior has aluminum siding on it and replacement windows have been installed except for the enclosed porch windows. The foundation is made of brick and seems to be in good condition except that the exterior masonry is cracking off in places.
There are 3 bedrooms and a partial bath upstairs. The bath is under construction and the space was provided by adding a partition in one of the bedrooms with access to the bath from that bedroom. The walls, wood work, exposed duct work, exposed piping make for a "cut up" arrangement and generally in poor condition.

Downstairs consists of a kitchen, bath room, 3 other rooms and a porch that has been closed in. There is no hall way and each room is accessible from another room.

The kitchen is in a state of partial remodeling. The floor has many spongy spots in it which in my opinion is due to the plywood under flooring separating. What has caused this I do not know but could have been extensive water damage. When viewed from the basement the joists and sub floor seem to be in good condition. There are very few electrical outlets and the wiring in the kitchen seems to be in poor condition. It is a good size room but would take extensive work to make it into a livable kitchen.

The other rooms are in poor condition, with plaster separating from the wood lathe, water damage apparent in the flat roof section of the enclosed porch. Pocket doors which could be used to close off 2 of the rooms are in poor condition and not operational at this time. Wood hard wood floors in all rooms are in poor condition. The wood work is in poor condition giving the appearance of many coats of paint and chipping badly.

The basement is cut up into several rooms and is more a "cellar" than basement. The main electrical panel is relatively new with circuit breakers and room for expansion. The gas furnace is relatively new and is of the high efficiency design and was installed with a lot of new ductwork. The water heater appears to be in good condition. In the stairwell going into the basement there is a wooden box with several fuse holders in it. I don't know if these are "live" but I am sure this does not meet code. In general I would say that the electrical system in the whole house is in poor condition.

ADDENDUM 2

The following is my estimate information that you requested on the purchase of property located at 109 Harvey St. by St. Pats:

| | |
|----------------------|---|
| Purchase price | \$96,000 (Basic appraisal would equal purchase of \$96,000) |
| Materials | 15,000 plus materials & labor of \$30,000 = \$126,000) |
| Sub Total | \$111,000 |
| Parishioners labor | \$15,000 |
| Est. Final Appraisal | \$126,000 |

90% Loan of \$126,000 X 90% = \$113,400
Since \$15,000 is figured into appraisal as parishioners labor the actual loan could be made for
\$111,000 or 100% of purchase price & materials.

Estimate R. E. taxes = \$96,000 X 33% X 7.5% (tax rate) = \$2,376 per yr or 198 per mo.

Estimate insurance (rental property) \$800 per yr or 67 per mo.

Annual maintenance should be less considering home has been completely remodeled.
Estimate 600 per yr. or 50 per mo.

Rental income \$800 per mo.
-198 R.E. Taxes
- 67 Insurance
- 50 Maintenance
= \$485 per mo. to service debt

Interest rate = 6.0% (Rental property)
Amount borrowed \$111,000 (no down payment)
10 Years = 1,226 per mo.
25 Years = 711 per mo.
Net income per mo. \$485 plus \$226 from other source = \$711 per mo payment

For a payment to equal net income of \$485 per mo a borrowing would be for a loan of \$75,650 over 25 years. Therefore the \$111,000 less \$75,650 or \$35,350 would have to equal a cash down payment from outside source.

For a payment of \$485 per mo for 10 years the loan would have to be for

\$43,900 or a cash down payment of \$67,100 from an outside source.

There is a web site of www.bank2000.com (unknown loan variables) that is available to calculate other payment terms etc. if you would like to try it.

I will plan on making the parish council meeting Tues. at 7:00 unless you see otherwise.

Thanks - Don Dempsey

ADDENDUM 3

Finance Commission Report to the Parish Council for January 17, 2006

1. At the November Parish Council meeting we reported that we were behind in weekly income, and we had unpaid bills exceeding \$20,000. We concluded that we needed to have faith. Well, that faith paid off. The parish income increased significantly in December. The average weekly income in December was \$22,125 vs. a goal of \$16,727 or 32% over the goal. Excellent and thank you to our faithful parishioners!!

The year to date for the first 6 months of the fiscal year average weekly income was \$16,584 vs. a goal of \$16,727, or less than 1% under the goal. This means we are only about \$3,700 under the goal for 6 months, which is great. We currently have \$2151 in unpaid bills. We will have to see how the next few months shake out, usually the income in the first few months of the year is good. I am optimistic but cautious.

2. The Parish Support Drive was held in November, 2005. We currently have 451 pledges for a total of \$15,317 per week, which is 8% short of the goal. This is very close to the number of pledges and the total amount that we had last year.

We are somewhat concerned that the pledges amounts did not go up, but last year the actual income exceeded the pledge by about 5.5%, so if that remains true this year, our income will fall short by about 3.4%. However we are already exceeding the pledge amount by about 8%, or very close to the budgeted goal. I guess we just have to have faith, however, I would encourage restraint on expenditures.

3. I have not updated the Parish Capital Spending spreadsheets since April 1, 2005. I just have not had the time.

4. The ADA has been excellent again this year. The goal was \$49,003 and the amount paid at last report was \$64,220.94. We will get 100% of the amount over goal, so we stand to get over \$15,000 back. Thank you to all our faithful parishioners.

5. The Rooted In Faith Campaign has reached a milestone for us. Parishioners have now paid in \$436,239 which is over the original goal of \$431,448. Thus from now on any returns will come to us at an 80% rate rather than a 20% rate. Our pledged amount was \$729,662 from 395 donors. We have received about \$90,000 back so far. If the pledged amount is actually paid, we stand to get an additional \$235,000 back yet. The Diocese sends returns on a quarterly basis after they receive actual payments. As you recall we said that we would spend these funds on the church renovation, on improving the music programs, on parish mission programs, and on the Sister Mary Ann School Endowment.

Submitted by Morrie Franz, preliminary version sent to council 1/6/06.

ADDENDUM 4

Report for the Special Committee on Stewardship - submitted by Morrie Franz 1/6/06

1. This Special Committee was formed at the November Council Meeting. Morrie was assigned as the communicator from the Council and organizer of the committee.
2. Morrie has gotten some volunteers for the committee:
John and Peg Hafner
Ken and Karen Gisleson
Mike and Julie Tarantino
Aaron and Diane Faivre
Morrie Franz (currently chairperson)
3. Morrie has ordered 5 more kits from the Diocese.
4. Preliminary time lines are:
Read/study the information in the kits by March
Meet to discuss impressions and recommendations in March and April
Report to the Parish Council in May, 2006.

ADDENDUM 5

Parish Strategy Proposal Jan 17, 2006

Prepared by John Bremenkamp and Morrie Franz

Facts:

1. School Strategic Plan completed 2003- summary on the Parish web site, see School/Strategic Plan.
2. Some School Action Items were completed, some in process, some not yet started.
3. Some dissatisfaction with lack of follow-thru on some School Action Items.
4. Diocese no longer providing School Strategic Planning Expert (formerly Vern Carr)
5. Diocese now encouraging parishes to do Parish Strategic Plans
6. Father Tony Lee, former St Pat's Parishioner, now Pastor of Lincoln Holy Family Parish has utilized Catholic Development Associates from Houston, Texas. Costs about \$3,000 per month for a full fledged planning effort, \$1,500 for a reduced effort. For Holy Family Parish, it was a 14 month and \$42,000 total cost.

Proposal:

1. Do NOT do a full fledged parish strategic plan at this time because a full fledged plan too expensive for us, ie cost around \$42,000. Even a reduced effort plan is too expensive, ie \$21,000.
2. Revisit the 2003 School Strategic Plan - Start Feb 06, complete May 06
 - A. Evaluate each plan area to determine what recommended actions have been completed
 - B. Summarize what actions have NOT been completed, whether any are now irrelevant.
 - C. Determine/recommend what actions should be planned, who should do them.
Make this a motion at the January Council meeting. No Morrie will not lead the effort.
3. Form a committee to evaluate the need for a Parish Strategic Plan - Start Sept 06, complete Nov 06
 - A. Evaluate where holes exist in school plan

- B. Evaluate where holes exist in parish plan
- C. Recommend a follow-on plan, ie do a fill-the-gaps plan or do nothing.
- D. If a fill-the-gaps parish strategic plan is agreed to - Start Jan 07, complete May 07.
Delay motion of this effort until after #2 is completed.