

College of Consultors
Thursday, June 10, 2021, 1:30 p.m.
St. John Board Room – Web Conference

Call to Order and Opening Prayer: Bishop Raica called the meeting to order at 1:39 p.m. and opened with a prayer.

Attendees: Bishop Raica, Rev. Bill Lucas (ZOOM), Rev. Bryan Lowe, Rev. Bob Sullivan, Rev. Vincent Bresowar (ZOOM), Rev. Msgr. Michael Deering, Rev. Joe Culotta, Rev. Bryan Jerabek, Rev. Jose Chacko

Excused: Rev. Msgr. Martin Muller

Quorum: YES

Staff present: Bob Sellers, CFO; Donna Mealer, Executive Assistant to the Bishop

Agenda: approved as submitted


Previous Minutes: The minutes of March 18, 2021 were amended; approved.

 **New Business**

Fr. John McDonald addressed the Consultors re: Sacred Heart of Jesus, Anniston parish. Fr. McDonald presented some history on the scope of the project presented before he arrived as pastor. Fr. McDonald asked for the actual cost estimate when he arrived, which came in over 3M. The footprint of the church is the actual land. The rest is "fill". Fr. McDonald is present to ask for approval of the new changes to the construction project – expanding the gym and office space, local architect, four options:

1. Expanding the gym and multipurpose office area. Office space and multipurpose room combined is \$1,000,050,000.
2. Making the building a two-story facility – provides more options. Second floor would be half the cost of the first floor. Enclosed stairwells (2); the youth room has no fire exit. An exposed stairwell can be installed. No plans for an elevator; it would cost another \$100k. All restrooms are located on the first floor. Second floor \$490,000.
3. To construct a 2-story office building and no multipurpose space: \$450,000 plus second floor \$250,000. Build out the second floor when financially feasible.
4. Cosmetically improve the gym – the gym is used a lot.

Fr. McDonald feels the first option is the best for the parish. \$1,376,000 in D&L; cash 65-75K in our building fund; the building fund brings in \$3500 per month. The school is doing well. The parish has consistent financial support but not a wealthy community. Cautious with the D&L funds – the church needs funds in the D&L to support the parish. Build something reasonable, useful, but not financially stress for the parish. Bob Sellers commented that he is comfortable with the conversations that he previously has had with Fr. McDonald; risk rating is 2. Fr. McDonald asked for approval for the two-story structure; the parish has been waiting for 22 years – they wish to build SOMETHING. The parish is not comfortable borrowing more than \$350,000. The larger project, \$1,540,000. Church was built in 1999. Church debt was retired while Fr. Bob Sullivan was pastor; \$1M debt with the school - reduced by Foley





by 500k (if the school is sold, the diocese will receive \$500k off the top). Fr. Jerabek asked about the larger facility would cost more to maintain. Weekly offertory 11-12k. Bob Sellers asked if there was any surplus from the weekly collection. The pastoral staff has been increased; cashflow increase 40K yearly; income statement is in the red. \$150,000 financial aid to students annually – this year an additional \$140,000 to the school. Would like the project completed by Christmas – plans were provided April 19, 2021. Still need to complete the bid process. **MOTION: to approve the plan provided two years ago, to include the modified plan provided today. All in favor. None opposed.**

Fr. Joe Lubrano, St. Joseph, Huntsville – introductions: Ginny Leahy, CPA; Christine Robbins and Mike Sprader, Chapman-Sission, Architects; and guests participating via ZOOM. Fr. Lubrano provided opening comments; \$3M loan to begin the project; financial package has been presented to Bob Sellers. Bruce Taylor - ZOOM, addressed the attendees. Jim Bell, Principal, (ZOOM), Mark Wigman, member of Holy Family School Board. The architects addressed the Consultants at this time with the masterplan, columbarium and school. New school 54K sq. ft., 19 classrooms; 350 students; storm shelter. Current enrollment is 209; with the growth in the Huntsville area, confident enrollment will grow; 1/3 each Hispanic, African American, Caucasian. PSR program will use the same school classrooms for Catechetical instruction. Approximately 600 families in the parish. Past 10 years growth? 200-250 families. Only three schools in the area. D&L \$2.8; 2.5 in pledges; Project - Phase 1 \$6.8M; Father Jerabek asked about the students requiring the support of SGO funds and any studies that indicate the trends. Fr. Lubrano noted that subsidies will most likely always be needed. Limit on SGO students? The school cannot take children who do not receive funds from SGO's. Fr. Bob suggested an endowment in the 2nd phase of the project so years from now, the endowment can support the school, ex: the endowment set up years ago for SFX School which is now over \$2M. Fr. Lubrano was very receptive to establishing an endowment. Phase One will take 10-12 months to construct. Fr. Lubrano is requesting approval of the project and to begin the project with a \$3M loan. Fr. Lucas asked if the Salvatorians are going to be providing financial support? Fr. Lubrano confirmed they are mission partners. The church and school just won an award from the City of Huntsville re: integration. Fr. Lubrano thanked the Consultants for allowing them to come and present to the committee. Guests were excused.

Open discussion followed. The Consultants should provide guidelines on required information on presentations to make the meeting more efficient and concise. Bob Sellers ran the full financial analysis on the parish; risk analysis is acceptable 1.66 (excellent); benchmark is 2.5; pledges are \$2.5M; groundbreaking will take place in first or second quarter 2022. Demographic studies? Three parishes are supporting this school. **Motion: To resubmit a document/information, if Phase 2 is delayed, indicate how Phase 1 will function with the existing school. Approved. Motion: ask the parish/architects to provide an updated proposal of Phase 1 in conjunction with the current facility were Phase 2 to be delayed, inclusions, and the impact on final cost. Approved.**

Fundraising and Building Policies – provide clarity so priests know what is require regarding projects. Should loans be limited to 10 years? Our loan ability is based on "everybody." **ACTION: Add a page in the Financial Best Practice guide. Bob Sellers will coordinate this effort.**