

OUR LADY OF MOUNT CARMEL

Finance Council Meeting

August 22, 2024

Minutes

The members of the Finance Council of Our Lady of Mount Carmel Catholic parish met on Thursday, 8/22/24 from 3:00 to 4:00 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 (by telephone)
- Jack McAleer
- Jim Rice (Secretary)

Ex-officio members present:

- Fr. Jhonnatan Carmona
- Rebecca Bayless (Bookkeeper) (by telephone)

After Fr. Jhonnatan offered an opening prayer, Alex stated the principal purposes of the meeting, namely:

- (a) to review and approve changes requested by the diocese to the preliminary budget reviewed at the last meeting of the council;
- (b) to review certain outlays since that meeting for equipment and for work preparatory to projects involving the physical plant of the parish;
- (c) to review certain initiatives designed to enhance parish cash flow going forward; and
- (d) to discuss how better to utilize a vacant lot constituting part of the parish campus.

Accordingly, Alex walked the meeting through various key line items affected by the diocese's comments and, along with Rebecca, responded to council members' questions. Such line items included primarily outlays related to some \$35,000 of outlays projected to be made in respect to rectory and hall work and the related reclassification of repair and maintenance fund monies expected to pay for such work. Alex pointed out that the proposed changes to the budget did not change the bottom line of the budget, namely, a small (~\$5,000) deficit.

After a through discussion and upon motion duly made and seconded, the council unanimously approved the revised budget, in the form of the "2024 Budget Planning Document"

attached to these minutes, and authorized Rebecca to submit the same to the diocese on behalf of the parish. [Note: budget document already submitted to Diocese and acknowledged by them.]

Alex then briefed the council on recent and imminent outlays, including for a new office computer, which Rebecca and Father confirmed was working well; and for enhancements designed to improve acoustics in the hall consisting primarily of panels of sound-absorbing material deployed mainly in the ceiling and costing approximately \$10,000 for materials and \$4,000 for installation (and partially offset by a donation of \$5,000). Alex also reported that the projects committee decided to defer to a later time any work on the church ceiling as preliminary modeling by our regular architect indicated an extensive and expensive project best funded by a separate capital campaign.

The cash flow enhancements, as reported on by Father, consisted of an increase (to \$1,000 and the first such increase since 2015) in the fee for a wedding at the church and new laminated cards to be deployed in the pews displaying a QR code to encourage on-time and recurring donations. Such cards will be referred to in the opening greeting at Mass.

Finally the council engaged in an extensive discussion concerning the vacant lot. Jim, supported by Rebecca, reminded the meeting that the parcel was carried on the parish balance sheet at \$767,000 reflecting the cost of acquisition in approximately 2003 and subsequent demolition and removal of a structure on the property; that there was an annual cost to carry the property consisting of property taxes (~\$6,000), insurance and maintenance.

He suggested that an appropriate use would be for affordable housing; that the property ideally would be off loaded to a developer in an outright sale of the lot, subject to certain strict conditions as to what could be done with it and with proceeds creating an endowment for the parish, or by sale of a ground lease for, say, 99 years and subject to the same strict conditions, for a lesser amount plus a share of rental income when such became available, which would fund an endowment and operating expenses of the parish. He also mentioned that the regulatory environment for such a transaction was good with the passage last year of SB4 in California. SB4 exempts developments of affordable housing on church land from many review requirements. He stated that he understood that the diocese had already facilitated at least one such development in Santa Cruz.

Father cautioned that the availability of water on the vacant lot should be ascertained before taking the matter up with the bishop as such would materially affect valuation and use. The council, of course, agreed with this sentiment. Accordingly, the council authorized Alex to spend up to \$5,000 on attorneys' fees to attempt to elicit the appropriate written advice from the water management district.

Attendees agreed that their next meeting should probably take place on Thursday, 10/3/24 at 3:00 PM.

Then, after Fr. Jhonnatan offered a closing prayer, Alex thanked the attendees for their time and entertained a motion to adjourn the meeting.

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

August 24, 2024
Date