

**St. Thomas More (STM) Parish
Finance Council (FC)/School Board (SB) Meeting
Minutes: December 11, 2007**

Present: Fr. John Durbin, Carlos Lima, Delynn Dolan Alexander, Dennis Egan, Sr. Catherine Fee, Donna Olsen, Dale Dickerson, Nancy McGuire, Margy Schmidt, Matt Sullivan, Beth Gunn, Natalie Dekle, Doug Zinn, Gwen Eldred, Scott Remy, Gregg Davis, Mary Ann Fallon, Michele O'Donnell

Fr. John opened the meeting with a prayer.

Presentation of the School Budget 2008/09

The purpose of the meeting was to review the school budget. Scott Remy proceeded to review the school board budget handout. Tuition rates for 2008/09 will be \$4,620 for PreK, \$5,430 for parishioners and \$7,060 for non-parishioners. Carlos stated that the school board plans its costs and determines the number of students to arrive at the budget. The multi child discount was discontinued in 2006. Non-parishioners pay a 30% premium over the parish rate. There is a \$98,000 tuition increase over 2007/08 with an enrollment of 440 students vs. 450 students used in last year's budget. Delynn asked if there is anything happening that might change the 440 number such as school redistricting. Sr. Catherine feels that 440 is a realistic number considering that there will be 10 elementary schools in Chapel Hill in 2008.

Open Discussion of the School Budget 2008/09

Gregg wanted to know where the school budget is for the current year. Carlos noted that the school will run a deficit and will use contingency funds of ~\$140,000 to offset it. The school board has built in a 1% contingency into the 2008/09 budget instead of a 2% to keep tuition down. The school has allocated any surplus to various things over the years. \$38,000 from the 2006/07 surplus went to contingency savings for this year.

Nancy asked why tuition has increased by 6.4% while expenses have only increased by 4%. Carlos explained that the 2007/08 budget was based on 450 students while the 2008/09 budget is based on only 440 students. The diocese controls the rate of increase in salary and benefits. Salaries and benefits make up 77% of the budget. The school gets endowment income of \$48,000; \$12,000 goes to tuition assistance, the rest to salaries.

There was discussion of ways to keep tuition rates down. If the model stays the same every year, tuition will increase by 4-7% and there was concern that families might leave. There is a feeling that the middle income families are getting squeezed out. Delynn noted that the school is a good deal compared to the cost of daycare.

Scott stated that we need to fill the school through marketing. Michele noted that marketing the PreK might draw additional families to the school. Mary Ann cautioned to

be careful about increasing the class size in the lower grades. There has been discussion of class size due to the large kindergarten classes last year. The policy is 25 students per class and there has been some talk of lowering class size in K-3rd grade while increasing class size in the upper school. Nothing has yet been finalized.

Scott also mentioned the Midwest model where there is no separation of parish and school. Tuition rates there are lower. However, there may be additional expenses to parents in these schools such as a required donation that must be made to the parish.

Nancy asked if we were open to radical things such as outsourcing staff to Manpower to reduce benefits?

Carlos mentioned that he has been asked if we should review the subsidy from the church to the school? Currently, the church subsidizes 100% of the mortgage, ~\$84,000 in tuition assistance to 37 families, and ~\$47,000 for operations and capital investment. It is unlikely that the parish may be in a position to change the subsidy in light of the upcoming New Building Project. Perhaps we should give more families access to tuition assistance. We need to advertise this program more and better.

Nancy noted that school enrollment is not growing, yet the parish is growing. Carlos stated that there are 2500 families in the parish. There was 5% growth from 2000-05; however, growth has been less lately.

Carlos stated that we might need to create a group to look at ways to increase enrollment and control tuition increases.

There was a move to approve the St. Thomas More School Budget for 2008/09. All were in favor.

Fr. John closed with a prayer and the meeting was adjourned at 8:08pm.

Respectfully submitted,
Michele O'Donnell