

Correspondence regarding building loan and additional debt to Diocese.

From: Chaudoin, Brenda **Sent:** Friday, September 7, 2018 11:37 AM

To: Purk, Ray

Subject: SPP Capital Campaign update

Hi Ray,

Here is a summary of our Capital Campaign activity:

Pledges - \$ 2,368,627

Pledge Payments Received- \$1,938,531

95 responses from our December 2017 Pledge drive (27 are new pledge or one time gifts)

42 families giving without pledging

Campaign Conservation Committee (CCC) developed in May 2018. Focus is to increase donations to pay the building loan.

CCC Actions:

1. Donor Tree in entrance to new building- all proceeds go to paying building loan
2. Scheduled Lay speakers at Masses to discuss giving to capital campaign. (response was limited, but overall giving to parish increased slightly)
3. Envelopes for school children- in efforts to teach tithing and increase donations from parents, students at SPPS and in the parish will be given envelope packets in September.
4. Began "Second Collection" on First Sunday of each month in July 2018 dedicated to paying building loan.
5. Investigation of "Calling Campaign." Since our project is complete, we do not need to complete a feasibility study, or send our letters, but need assistance with calling/visiting parishioners. Unfortunately, just making the calls is not something any professional fundraising/capital campaign companies (i.e. Kirby Smith) are willing to do.

Please let me know if you have any questions.

Thank you,

Brenda Chaudoin

From: Purk, Ray **Sent:** Monday, September 10, 2018 5:46 PM

To: Meredith, Fr. Richard

Subject: Outstanding Loan & Other Operating Costs

Fr. Richard,

I hope all is well. After getting Brenda's Capital Campaign update on Friday and receiving the \$110,000 loan payment in the mail today (nice surprise), the parish still has a significant amount in arrears, both in terms of operating costs, as well as payment towards the \$2.96M loan with the Diocese.

In the spirit of full disclosure, I will be presenting the attached to the Diocesan Finance Council at the meeting on Wednesday. I think it is important that the DFC get a fair representation of the state of affairs and a reasonable explanation. Therefore, my question to you and the parish pastoral/finance council, "What is the plan to get current on the operating costs (\$242,336) owed to the Diocese and to make significant headway on a capital campaign to pay off the \$2.96M loan?"

I am available to meet with you and/or your team at your convenience.

Thanks, Ray

Raymond T. Purk *Chief Financial Officer Diocese of Owensboro*

**DIOCESAN FINANCE COUNCIL
STS. PETER & PAUL PARISH**

LOAN PAYMENT ANALYSIS THROUGH 9/10/18

ORIG. LOAN BALANCE = \$3,136,596.14

RATE = 4.5%

TERM = 9 YEARS

Pmt. Date	Amount Due	Amount Rec'd	Principal Paid	Interest Paid	Balance	Explanation
Nov. 2017	35,373.25	0.00	0.00	0.00	3,136,596.14	No payment rec'd; billed int.
12/7/2017	35,373.25	30,000.00	6,475.52	23,524.48	3,130,120.62	Paid Nov/Dec int.+ partial Dec. principal.
1/2/2018	35,373.25	55,000.00	43,262.05	11,737.95	3,086,858.57	Paid Jan. principal & int. + addit'l princ.of \$19,626.75.
2/15/2018	35,373.25	21,500.00	9,924.28	11,575.72	3,076,934.29	Paid Feb. int. and partial pmt. of principal.
3/15/2018	35,373.25	8,400.00	0.00	8,400.00	3,076,934.29	Paid partial int pmt. but no principal pmt. Billed rem. Int.
4/24/2018	35,373.25	17,500.00	2,823.00	14,677.00	3,074,111.29	Pd. Mar.rem.interest+April int. + \$2823 of principal.
5/8/2018	35,373.25	15,000.00	3,472.08	11,527.92	3,070,639.21	Paid May int. and partial pmt. of principal.
6/18/2018	35,373.25	10,500.00	0.00	10,500.00	3,070,639.21	Paid partial int pmt. but no principal pmt. Billed rem. int.of \$1,014.90
7/6/2018	35,373.25	3,900.00	0.00	3,900.00	3,070,639.21	Pd. remaining int.for June and \$2,885.10 of July's interest.
8/20/2018	35,373.25	26,000.00	5,855.30	20,144.70	3,064,783.91	Pd. remaining int.for July and all of August interest.
9/10/2018	35,373.25	110,000.00	98,507.06	11,492.94	2,966,276.85	Paid regular pmt.+ extra principal payment.
Total	\$389,105.75	\$297,800.00	\$170,319.29	\$127,480.71		
	Underpaid -->	(\$91,305.75)				

CAPITAL CAMPAIGN:

Pledges To Date	\$2,368,627.00
Less: Pledges Received	<u>(\$1,938,531.00)</u>
Pledges To Be Received	\$430,096.00
Outstanding Loan with Diocese	<u>(\$2,966,276.85)</u>
Shortfall -->	<u>(\$2,536,180.85)</u>

OTHER AMOUNTS OWED @ 8/31/18:

Assessment	\$ 105,708.64	(Total for 2017-18 & 2018-19; no payments made)
Property & Liability/W	\$ 58,145.27	(Total for 2017-18 & 2018-19; no payments made)
Priest Med/Dent Ins. I	\$ 46,968.00	(Total for 2017-18 & 2018-19; no payments made)
Priest Retirement	\$ 5,000.00	2018-19 balance
Emps' Retirement	\$ 12,504.57	(3 mos. Ret.)
Emps' Medical/Dent II	\$ 4,166.43	(1 mo. Insurance) Note: Paid 9/11/18
Total Other Due -->	\$ 232,492.91	*

* Total Other Due includes \$133,831 for 2018-19, which is not all currently due. However, some parishes do pay these amounts upfront.

From: Meredith, Fr. Richard **Sent:** Tuesday, September 11, 2018 10:35 AM

To: Purk, Ray

Subject: Outstanding Loan & Other Operating Costs

Mr. Ray Purk,

Thank you for your e-mail of September 10th. Mrs. Brenda Chaudoin, our bookkeeper and office manager, will clarify or verify our numbers with yours.

We have been addressing our financial status and appealing to parishioners for their sacrificial support for weeks. On four successive Sundays recently parishioners have spoken to the Parish of the situation. The response while positive has had minimal impact on the bottom line. As late as Christmas 2016 we had drawn current with our operational debt to the Diocese. As you may be aware, the Parish historically has been at least a half year late on assessment in all but two years. Lately it has also been late on various insurances. As to the capital project, it was clear to me before the building was finished that a fifteen to twenty year mortgage would be needed to pay off the loan.

At this juncture the only recourse I can see for the Diocese to recoup the Parish's operational debt to the Diocese is for it to dissolve the All Saints Endowment. The only other assets we have that could be liquidated are two small parcels of near-by real estate which would realize a very small amount of cash. The Diocese is certainly welcome to take over the entire Parish operation and make the adjustments it deems necessary.

Upon my appointment as pastor in 2011, I became aware that my predecessors had made two promises to the Parish. The first was that the school would be given permanent housing so that it could continue its Parish mission. The second was that a plan and program to attain stained glass windows would be put in place. Both promises have been secured, but as on-going projects of an intergenerational work of the Catholic Church.

I acknowledge that a stalwart opposition to our parish/school facility exists despite all the stated values and purposes which were articulated and approved in the Parish and in the Diocese. This has a real though unmeasurable impact on all the Parish finances.

It has been my policy to be financially as transparent as possible with this and with every Parish I have served. It is well known that I have no financial training, but am rather trained as a systematic theologian and priest. For the sake of transparency then, your e-mail and my response will be published to the Parish as well as to the Diocesan Finance Committee. I have no other advice or wisdom to offer. Rev. Richard Meredith, Pastor