

## What Goes into a Parish Budget?

When you drive by Saint Joseph's, or come into the church or school, one of the things that strikes you is the beauty of the campus. Situated atop a hill on over 20 acres, the building is well maintained, and you are struck by how clean the campus is not to mention the beauty of the sanctuary and the size of the school with striking classrooms, a great gym, a playground and even more space for future growth.

What might be lost though is the cost of running not just Saint Joseph's, but any parish for that matter. A number of people come once a week for Mass; some come less than that. And sometimes I think folks think the building has been here a while, they have Mass once a week, so what all is there to pay for?

The budget of any parish is quite complex. And as a priest, it's certainly not my area of expertise. That's why each parish has an administrator, a bookkeeper, trustees, a finance council and staff to help create a budget each year. The pastor certainly gives input to it, but I think both the reader of this column and the author can agree that it's probably not a good idea for a priest to sit down with a ledger and set an annual budget.

That being said, I do think an understanding of a budget is important because somethings can't be communicated enough. The problem is communication can be confusing. For instance, we are putting in solar panels. This will save our parish a boatload each year - in the neighborhood of \$15,000 to \$20,000 on our electricity. But you still may have people see those panels being put in and think we are paying for it (we are not). The same is true when a parish makes purchases. As another example, we have a beautiful sign out front and are nearly ready to add an electronic component to it. There are some who may ask why is a parish that is running a deficit buying a sign (we aren't, the folks who were kind enough to purchase pavers and get behind the project voted with their pocketbooks for it). Each parish has projects, donations, sales, purchases that are sometimes paid for by the parish, a private donor, or a group of people. So it begs the question when you set a budget each year, and are taking in quite a bit of money, where does that money go and what is it that causes a budget shortfall?

For starters, when a person gives to Saint Joseph's, that money is spread out. A large percentage of that - \$1,685,000 or 66.2% for this fiscal year - goes to staff salary and benefits. We run a pretty tight ship in terms of our staffing levels, which have not grown over the last decade. The school also has one grade for each level, so is also not overstaffed. And due to our budget constraints, unfortunately no staff salary raises are planned for next year's budget either. Staffing is the largest part of any parish budget and we are no exception. As pastor now for 4 years, I have to say how proud I am to work with such great people. They really care. We have a great team that supports one another and really loves serving the community, making it a real joy to come into the office each day. They are such dedicated and amazing people.

For this past last fiscal year, maintenance took up \$466,800 or 18.3% of the budget. As I said in this space last week, we're an aging building. It still looks great, but stuff breaks and needs fixing. Our geothermal system for instance that heats and cools the school needed leaks fixed which required digging into the ground and fixing the wells. The church roof was replaced. And then you have to have to plow snow in winter in winter, cut the grass in the spring and summer, and inevitably other repairs come up during the year. We also have two cemeteries to maintain.

About \$192,400 of our budget, or 7.6% goes to utilities. We have to heat and cool the building. We need water, sewer, communications, internet and electricity. This will go down thanks to our solar panels, but as you can see it takes a lot to just heat and cool our building.

Lastly, we have ministries. The school is one such ministry. Faith formation is a ministry. These take up \$199,600 or 7.8% of our budget. We want to keep tuition at a reasonable rate that families can afford so children can learn the faith and get a great education. This is made possible by a dedicated staff who keeps costs low, who works for salaries less than what they might make in the public schools or private sector, and the fundraising done by volunteers and the staff with our School Gala each year.

Besides this, there is of course the payment on the campus itself. After our current capital campaign ends, about \$4 million in debt will remain on the campus. This requires annual principal interest payments too.

The budget itself would be about 30 pages, and goes into great detail on many line items. These are reviewed by the trustees, the parish director, the staff who submits their budget requests, the finance council and myself. Look for brief updates on the budget in the weekly bulletin. We also share a comprehensive financial update with parish members on an annual basis.

I wanted to share some of these numbers with you again because while we do communicate them in a yearly financial report, I think there can still be some confusion about what goes into a parish budget, and about all that a parish has to pay for.

Last week, we had two listening sessions to talk about the budget, take questions and answers, and discussed our options as we head into the upcoming fiscal year facing a shortfall of \$133,000. We will find a way to balance this budget (as we have no other choice) and are looking at cutbacks on the services we can provide as a parish.

I do believe people are generous and truly do care. In fact, a few weeks ago the parish raised \$27,000 in one weekend for support of the diocese of Mandeville in Jamaica. (Way to go!). And I am also aware people are all over the map where they are at with respect to what they can give.

And so with that in mind, I wanted to again 1) thank you as a parish for being generous and caring so much and taking ownership of Saint Joseph's; 2) reiterate that a lot of

time and care goes into keeping the books and holding expenses in line; 3) communicate to you that the budget has many items that can't be cut and that running a parish of nearly 2,000 families requires many resources to provide for the needs of the people and 4) state again that we can't base a budget on "hope" but must base it in reality. As we approach the new fiscal year, we'll take a hard look at final projections and giving and plan accordingly. This may very well mean a reduction in services we provide or even staff. Nothing is finalized yet. And my hope is that giving may increase in the upcoming fiscal year, and this added to cost-saving measures we are doing as a parish, plus the hard work of those involved in the Harvest Festival and School Gala, will have an added positive effect on our final numbers.

Thank you again for looking at what you give to our parish, and for your love of Saint Joe's. As was suggested at a listening session, get the word out about our wonderful church and school on the hill. Invite people to take a school tour if they have school-aged children. Invite people to Mass. Let them know about a ministry or way to get more involved knowing they are always welcome.

And as always, if you have thoughts or suggestions, let us know as a staff too.

Thank you for your prayers, support and love of your parish!

God bless,

Fr. Paul