

March - 2019

TO: GOOD SHEPHERD PARISHIONERS

FR: DAVID GADBOIS, BUSINESS COORDINATOR

In response to the Capital Campaign Feasibility Study – Interviews & Surveys of parishioners, I am providing this communication to hopefully clarify some of the questions and concerns that came from you. Especially, as it relates to Stable Patrimony or the proceeds received by the parish from the sale of property since 2010.

Briefly, let me speak to the checks and balances both at the Parish (local) and Diocesan (Chancery) level which mitigate the chance that funds will be misappropriated.

The parish Finance Council generally meets 7-10 times per year to review parish financial information, provide guidance and advise the Pastor. The council is comprised of a diverse group of parishioners from all over Good Shepherd Parish (GSP). The Chancery in Portland also keeps a check on the local level. For example, policy requires all non-routine expenditures above \$2500 to be approved by the parish Finance Council and then the Director of Property Management at Chancery, before going forward with the purchase. All capital Improvement projects greater than \$2500 must also go through the same process. Multiple quotes ensure the cost is reasonable and vendors are qualified and insured. This is mostly common-sense stuff, but there was a time before business managers were on staff that this was not standard operating procedure.

I take very seriously my responsibility to ensure that the donations entrusted to us by parishioners are spent wisely and judiciously. I recognize many parishioners are struggling to make ends meet and their weekly giving to the parish reflects a true sacrifice.

That being said it does not mean our communications can't improve. From time to time, Msgr. Mathieu announces in his bulletin message what projects are in progress and how they are being funded. All bulletins are archived on our website so if you haven't been reading his "weekly message" you may want to go back and review some of them.

Selling properties was very challenging over many years because of the difficult economy and unique nature of church structures. The proceeds from those sales are regulated by Canon Law and are characterized as Stable Patrimony. Please take time to read the formal definition on our parish website: <https://goodshepherdparish.us>. Since Fiscal Year 2010, GSP has sold land and buildings generating net sales proceeds of \$3.3 million. Listed below in the order of their disposition are the properties that comprise that total:

- Our Lady of Victory Hall at Camp Ellis \$388K, sold in 2009
- St. Mary rectory \$182K, sold in 2010
- Notre Dame Convent \$189K, sold in 2011
- St Andre Church campus \$271K, sold in 2014
- *Notre Dame School \$394K, sold in 2014*
- St. Joseph rectory, \$237K, sold in 2014
- St. Luke Chapel, \$545K, sold in 2015
- St. Mary Church, \$270K, sold in 2016
- Notre Dame Church & rectory, \$270K, sold in 2017

I can attest that each transaction during my tenure (2011-present), I worked with an attorney that acts as general counsel for the Diocese, to complete the sale. Generally, when the property sale closed, the proceeds are deposited directly to a new Good Shepherd Parish account at the Diocesan Savings & Loan. The account number assigned is given a description of the building name (e.g., St Joseph rectory Sale Proceeds) and we record the proceeds received on the parish books. Again, use of these funds are restricted and require multiple levels of approval (Parish and Diocese) before monies can be withdrawn.

In 2010, after I was hired to replace Paula Moses, GSP encountered building and grounds needs related to our Clustering effort. Many of those needs, along with some strategic expansion opportunities, I believed warranted use of Patrimony Funds. On those occasions, after consultation with the Parish Finance and Pastoral Council, Msgr., Mathieu requested I seek Diocesan Finance Council approval to pursue these initiatives with the use of Patrimony Funds. Effectively, we invested in several important building/grounds renovations, replaced functionality or improved efficiencies within our existing parish buildings. The transactions which were in part or completely funded with Stable Patrimony were as follows:

- Renovation of the MHT hall kitchen in 2010. Cost: \$36K.
- Relocation to and renovation of the MHT offices upon closing of the Catholic Center in Biddeford in 2010. Cost: \$56K.
- Renovation and expansion of the SJC Hall, in order to replace what was lost upon the closing of St Andre Church and hall, 2011- 2012. Cost: \$300K.
- Acquisition of the former People's Choice Credit Union, @ SJC in May 2012 - in order to retain control of a significant area of property and parking. Cost: \$313K.

- Renovation of MHT rectory to accommodate our parish priest and allow us to vacate and sell the oversized and much too costly to operate St Joseph rectory in Biddeford. The priest relocated to MHT October 31, 2013. Cost: \$100K
- Acquisition and demolition of 26 St Joseph St to expand the SJC parking lot in November 2014. Cost: \$86K.
- Demolition of the St Margaret rectory in order to improve and expand the existing parking lot in November 2015. Cost \$88K.
- Replace defective roofing shingles at St Philip (STP) & St Margaret (SMRG) Churches, well ahead of their useful life. The manufacturer filed bankruptcy and is now defunct so there is no recourse. STP September 2017, cost: \$100K; SMRG October 2018, cost \$68K.
- Install Surveillance Cameras at MHT Property due to vandalism, growing concern for safety and the daily activity in this high use facility, December 2017. Cost: \$20K.
- Grotto relocation to SJ Church / St Anne Chapel, January 2019. Cost \$7,500.

As of February 28, 2019 GSP, has a remaining Patrimony balance of \$1,920M, not including the proceeds from the sale of Notre Dame School (\$266K) which is Stable Patrimony for the benefit of St. James School (SJS). In fact, last year the school completed installation of a building wide sprinkler system, a major building safety feature that was approved to be paid with Patrimony funds.

In summary, I hope I have provided you with enough financial information at least as it relates to Property Sale funds, to satisfy the questions and concerns you have had to date. Please remember all parishioners are welcome to contact me at any time if you should have any questions about parish operations and finances. We do our best to balance the level of financial details published with the appetite for it from parishioners.

Sincerely,