

DEFICIT STUDY COMMITTEE INTERIM REPORT TO THE ST. SPYRIDON CATHEDRAL SPRING 2000 GENERAL ASSEMBLY

The members of the committee, appointed by the Fall 1999 General Assembly, are:
George Fotiades, Arthur Lagadinos, Steve Maminakis*, Manny Miliias and Nick Moudios.
* Parish Council President

At its first meeting, the committee named Arthur Lagadinos and Manny Miliias Chairman and Secretary of the Committee, respectively.

The Fall 1999 General Assembly charged the committee to develop and recommend ways to eliminate the annual deficit of our Cathedral Parish.

The committee met a number of times to discuss ways to accomplish the task at hand. It also met on Thursday, March 30, 2000 with Fr. Nicholas Triantafilou, the founder of Stewardship in our Archdiocese, and presently the Director of the Diocese of Boston Camp and Retreat Center. At that meeting, the Committee invited the Cathedral Stewardship committee, which indeed participated in its entirety. Fr. Triantafilou stated that "over 80% of the Parishes in our Archdiocese have some form of stewardship" and that "stewardship works!!!". He is willing and eager to help our Cathedral meet its expectations. We believe that with his proven Stewardship record, we can succeed, assuming we are willing to put in the needed effort.

As an introduction to this interim report, the Committee makes the following observations:

1. There is an urgent and immediate need to increase income and/or decrease expenses, as available funds to cover annual operating budget deficits are practically depleted - *a fact that the members of the Cathedral should be made aware of*. For a number of years, monies from Endowment Fund interest and from Grecian Festival proceeds - originally intended for major maintenance and renovations and other extraordinary expenses - have been routinely used to cover operational deficits. Having said that, we believe that our annual expenses are not high, but rather that our annual receipts are low.

2. We have missed opportunities in the 90's to substantially increase the value of our Endowment Fund by not aggressively investing in the bull stock market. This is due to the conservative investment guidelines of the Cathedral. A balance of stocks and bonds is necessary, if there is to be growth. We should also add that growth assumes a certain amount of risk.

3. It is important to note the distribution of the Stewardship income of our Cathedral. The following are based on the 1999 contributions of 1000 members:

- 20% of our members contribute less than \$100/year, about 7% of the Stewardship income
- 30% of our members contribute between \$100-149/year, about 18% of the Stewardship income
- 40% of our members contribute between \$150-299/year, about 50% of the Stewardship income
- 10% of our members contribute \$300 and more/year, about 25% of the Stewardship income

The average yearly Stewardship contribution/member is about \$150. In order to eliminate the annual deficit, this average needs to increase by at least \$50.

4. We have looked very carefully at our expenses - other than personnel. It is difficult to see where **substantial** changes can be made that would have a major impact on the deficit.

The Committee makes the following interim recommendations:

1. BUDGET

a. As a general statement, THE PARISH COUNCIL SHOULD NOT EXCEED LINE ITEM BUDGETED AMOUNTS! And for this year, in particular, it should try to reduce or delay expenses, wherever possible.

b. The Committee recommends the following budgetary changes:

- Increase wedding and baptismal fees by \$50; a gain of \$3,000
- Increase Greek School tuition by \$50/child; a gain of \$5,000
- Consider developing an afternoon session of our Nursery School; a gain of \$5,000
- Reduce telephone expenses by going from an "unlimited" service to a "measured" service; a gain of \$1,000

This would result in increasing our annual income by about \$14,000.

2. STEWARDSHIP

a. The General Assembly should elect a 3-year Standing Committee on Stewardship, of not more than 7 members - 5 members at-large, the President of the Parish Council and the Chairperson of the Parish Council Stewardship Committee - , to provide stability and continuity to the process.

b. This committee should invite Fr. Triantafilou to conduct an in depth workshop on Stewardship, within the next 30 days, to a group of committed parishioners from all walks of the parish, who want to make Stewardship a huge success. Follow his proven plan of attack.

c. Begin immediate implementation of the process to substantially reduce/eliminate this year's projected deficit.

3. ENDOWMENT FUND

a. The Parish Council should appoint a committee of knowledgeable people to consider changing our Endowment Fund by-laws, to allow for the hiring of a "Financial Manager" to manage our funds. His task, for a preset fee, will be to annually generate a predefined income, according to investment guidelines set by the General Assembly of this Cathedral Parish. This committee is to report to the General Assembly within six months.

It is important to state that if all these efforts do not eliminate the annual operating deficit and indeed create a surplus, the alternative will be to decrease expenses by reducing personnel.

The Committee will make its final report at the Fall 2000 Annual General Assembly.

May, 2000

Copies sent to: Fr. Dean Paleologos and Committee Members