

The Plan to Eliminate the St. Olaf Deficit

(Father Patrick Kennedy, St. Olaf Church Pastor, speaks to the ongoing St. Olaf deficit and his plan for cost-effective renewal and financial buoyancy.)

Dear Members and Friends of St. Olaf,

I would invite you to sit down as you begin reading this letter. It was not an easy one to write, and it won't be easy to read.

A few months ago, I wrote in my Bulletin article that I was going to put a plan together to begin dealing with deficits that have plagued us for many years. We have been spending \$500,000 more than we receive each year. I remind you that we haven't gone into debt, but we have been using some large legacy gifts to meet the deficit.

I have consulted with the Trustees, the Parish Advisory Board, the Financial Advisory Board, the Vicar General of the Archdiocese, and legal counsel. After reflecting on the advice I have received, I am letting you know I intend to reduce the overall budget by \$250,000 for fiscal year 2017-18 and another \$250,000 for fiscal year 2018-19. We will then move forward with a balanced budget each year thereafter. This year I will cut \$150,000 in salaries/benefits and \$100,000 from day-to-day Operations. Departments will be asked to cut 25% from their budgets as part of that \$100,000 reduction.

Part One: Cutting Expenses

How do I intend to do this? The largest expense we have in our operating budget is staff salaries and benefits. The costs related to providing for our staff continue to rise. Therefore, I am reorganizing the staff and will reduce the number of people working here. Sadly, it may substantially alter our programming and the services we have been providing these last many years at St. Olaf.

Many of the employees working here have been here for a substantial number of years. My first goal is to offer a buyout to those working here 5 years or more. Depending on which employees choose to take the buyout offer, there will be layoffs as needed to reach our financial goal.

As you know, we have 23 Masses each week. This effort requires that we hire and pay added clergy to assist us. Beginning July 1, we will only have two Daily Masses, Monday-Friday. Masses will continue to be offered at 7:00 am and Noon. The 5:15 pm Mass will be eliminated Monday-Friday. The weekday Confession Schedule will not be affected by this change. On Saturday, the 8:00 am Mass and Confessions will be eliminated. We will continue to have both the Noon Mass and Confessions on Saturday. The 4:00 pm Mass on Saturdays will not change.

The Sunday Mass Schedule will not be affected in this change. However, on Sundays, hospitality after Mass will only be offered on the First Sunday of each month.

Our building will be open shorter hours. Each time we are open, we need employees to be present to provide hospitality and safety for those coming here in the evenings. Beginning in July, the building will only be open three nights a week, Tuesday, Wednesday, and Thursday. The building will close at 9:00 pm those nights. The rest of the evenings, Monday, Friday, Saturday, and Sunday, the building will close at 6:00 pm. Special consideration will be given for outside groups renting our space on a particular night. In the mornings during the week, the building and Skyway will open at 6:30 am. On Saturdays we will open at 9:00 am unless there is an event such as a funeral.

Part Two: Increasing Revenue

As many of you know, I have strived along with others to increase the engagement of parishioners, friends, and visitors over the last three years. Our efforts have increased the financial giving and participation since I became pastor. Unfortunately, the increase in our Annual Fund Appeal has still not been able to decrease the deficits we have had over the last many years.

This Fall, along with our Annual Fund Drive, we will have a new Fundraiser inviting you to consider supporting St. Olaf. Plans are being made to host a parish event, where people will be encouraged to give in extraordinary ways to help St. Olaf in promoting our mission. The details are still unfolding but will be shared when plans are finalized.

I will continue to meet and work with major donors who may be willing to help financially in significant ways. I am grateful to many of them who gave major gifts to our 75th Anniversary Capital Campaign to help renovate and refurbish our space.

You are aware we have many visitors who attend St. Olaf throughout the year. I will continue to invite them to consider giving financially to us when they visit. Again this Fall, we will offer an opportunity to encourage people to pre-plan their funerals and give them the tools to do that. Along with this planning, we will ask and outline ways these people may consider naming St. Olaf in their wills. Legacy Gifts have been vitally important to our financial viability over the last 75 years. For example, because of the generosity of one woman who named us in her will, leaving us 3 million dollars in 2012, we have not only been able to survive, but we have flourished these last five years. The reserve fund we set up with these funds has been used to strengthen the life of St. Olaf in many ways mostly covering the yearly deficit. There have been other people too, who have left us money in their wills. Their gifts have helped immensely throughout the years.

Over the last three years, many of you have given generously to my requests to help St. Olaf. Even with your increased giving and generosity, it is still not enough to reduce our yearly deficits and to continue "doing business as usual."

I am not pleased I have to pare back on staff, programming, and our daily Mass schedule. I know many of you won't be either. However, I am making these very difficult decisions now before the money in our reserve fund is depleted, and our deficit spending leads us to go into a debt we cannot afford to take on.

Please pray with me as we navigate through all of this in the hopes that through reorganizing we will be in a stronger financial position to minister in the ways we can, and with a balanced budget, continue to serve this downtown community going forward.

Sincerely,
Father Kennedy