

**Diocesan Finance Council Highlights-Approved
Thursday, January 9, 2020**

Present were Bishop Robert Vasa, nine members of the Finance Council and four staff members. The minutes and highlights of the November meeting were approved as written.

1. **Bishop Vasa** called the meeting to order at 4:03 p.m. He said that the financial stability of the Diocese is better than ten years ago but still precarious. The opening of the statute of limitations is disheartening and discouraging. Canon 1277 of the Code of Canon Law mandates that the Diocesan Bishop “needs the consent of the finance council and of the college of consultors to place acts of extraordinary administration”. Acts of the Bishop which involve an expenditure of amounts exceeding \$250,000 constitute an act of extraordinary administration. On December 11, 2019 the Bishop, in consultation with the Finance Officer, our insurance carrier Catholic Mutual and Legal Counsel entered into a Sexual Abuse Settlement Agreement toward which the Diocese contributed \$350,000. We have previously understood that such actions would be approved after the fact and that general authorization for completing these negotiations had received the consent of the Council. At this time the Bishop is asking for a motion at the Council to approve this expenditure. **Be it resolved, that we approve the expenditure of \$350,000 on December 11, 2019 from Diocesan Insurance Reserves for the Settlement of a Sexual Abuse Claim involving a deceased priest who has a well-established history of such abuse. Anna Hickey brought forth this motion, Richard Cuneo seconded the motion and all approved.**
 2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the Monthly Finance Officer’s Report which had no significant change. Dave also reviewed the Accounts Receivable Summary and mentioned that he would follow up with some of the Pastors at the Priests workshop next week concerning past due balances, AMA shortfalls and pension liabilities.
 3. **Report of Legal Counsel:** Dan Galvin reported that the attorneys had been working on a discrimination complaint with the EEOC. There was the settlement previously mentioned last month. There is also contract work for Cemeteries. The property transfer project is continuing. There are weekly calls with the Diocesan Attorneys concerning the production of files and documents requested by the Attorney Generals’ office in Subpoenas it served on six of the dioceses.
4. **Committee Reports**
- A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee met and through December 31 there was a positive variance from ministries and from administration.
 - B. **Membership:** Bishop Vasa asked for suggestions for new members.
 - C. **Communications:** Chris Lyford reported that the North Coast Catholic has completed its renovations and has now transitioned to the new magazine format. The 16 page paper is being sent to the list of 37,000 addresses provided by the development department. Now

that the NCC transition has concluded, the committee will be investigating email and direct mail marketing plans, as well as social media campaigns.

- D. **Investment:** Daniel Catone reported that the committee had met and were continuing the informal search of available portfolio managers and the cost. The portfolios had been doing very well, but that this was in part due to how low the markets were at the beginning of 2019. Bishop Vasa commended Daniel Catone for his interest in the details and adherence to Catholic SRI.
 - E. **Audit:** In the absence of Steve Imboden, Dave Adams reported that he would contact the auditors to review the financial statement formats and the Audit Committee would meet before the next finance council. Dave will be presenting at the clergy workshop to assist the priests in understanding the need for internal controls and approvals.
 - F. **Property:** Marty McCormick reported that a Quit Claim deed had been drawn up for the Bishop to sign for the Snake Ranch property. Bishop Vasa thanked Marty for his help in resolving this problem.
 - G. **Building and Construction:** Dave Adams reported that the following projects were underway: HVAC in Oakmont, Parish Hall in American Canyon, two story class room building at Cardinal Newman High School, general cleanup at Sonoma State Newman Center and the Priests Retirement Home.
 - H. **Insurance and Human Resources:** Dave Adams reported that our insurer for the Crime policy had declined to renew our coverage. Catholic Mutual is looking for other carriers for the Diocese. Health insurance experience so far this year has not been good. Our claims are at 106% of premium and so these rates should go up. Property and Liability insurances should also increase. The Kincaid fire loss from smoke was just under \$500,000. We anticipate an increase in 10 to 15% for property insurances. Dave mentioned that a new Human Resource manager Lori Norcia had been hired.
 - I. **Development:** Bishop Vasa reviewed the Capital Campaign spreadsheet showing pledges of \$21,848,000, payments of \$17,391,000, with \$4,063,000 written off. This is effectively the end of the campaign. There will be final reports in the NCC. The campaign was a success, strengthening the parishes, ministries and the Catholic Community Foundation.
The 2019 Annual Ministry Appeal has pledges from 4645 families of \$1,175,000 and payments of \$1,057,000. There are currently rebates accumulated for sixteen parishes of \$100,113. St. Vincent was short and made an extra effort and is now at 99% of target.
8. **Other Business:** Bishop Vasa reported that as called for by the Code of Canon Law there are summaries of the parish and school financial information to be reviewed. **Richard Cuneo made the motion that the Parish Financial Information be accepted. Marty McCormick seconded the motion and all approved. Ricard Cunio made the motion that the School Financial Information be accepted. Marty McCormick seconded the motion and all approved.**
9. **Tentative Dates for meetings** were set and the meeting adjourned.