

Diocesan Finance Council Highlights-Approved
Thursday, May 10, 2018
Chancery Office – 4:00 p.m.

Present were Bishop Robert Vasa, eleven members of the Finance Council and three staff members. The minutes and highlights of the March meeting were approved without exception.

1. Bishop Vasa **called** the meeting **to order** at 4:00 p.m. and led an **opening prayer**. The Bishop thanked Gene Senestraro for his ten years of service to the Diocese of Santa Rosa Finance Council. Bishop Vasa remarked on the positive changes over the past ten years due to the presence and diligence of the members of the council.
The Bishop then spoke of the property at 547 B Street and passed around the floorplan drawings that architect Chris Lagos had made for a Priests Retirement home. The home will have five apartments for retired priests, two apartments for Religious Sisters, who will manage the home. There will be a single target Capital Campaign for the Priests Retirement home construction and possibly an endowment.

2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the Monthly Finance Officers Report and noted that the balances overall had increased by \$360,000, mostly from workers compensation and insurance receipts. Dave also reviewed the Accounts Receivable Summary- Balances Over 60 Days. He mentioned he had requested information on collections for Our Lady of Perpetual Help in Calistoga. This parish was under evacuation for several weeks due to the October fires and would likely need some financial assistance. Dave has also emailed Father Kalil at St. Helena Parish. They have problems with the construction project cost, their contractor and closing the school. Bishop Vasa also mentioned that with St. Helena School closing there would be a residual pension liability for the former school employees. Dave has also been in contact with the Pastor and Principal at St. Mary School in Ukiah. They have been making sporadic payments on their insurance and are falling further behind. The Bishop mentioned that St. Mary School in Ukiah may have also been affected by the fires. Dave has also been working with St. Vincent High School on their lay defined contribution plan payments, which until this week, were behind by three months.
At the request of Bishop Vasa, Dave also reviewed the status of the debt from our diocese to the other (arch)diocese over the past several years. In 2013 the debt was \$4,685,000. It is now \$2,685,000. The only loan without a forgiveness or repayment plan is the \$1,410,000 owed to the Archdiocese of San Francisco. Much progress has been made in decreasing the debt load. The Archdiocese, along with our other lenders have not charged interest on the debt.
At the March Finance Council meeting Dave was asked to present a resolution concerning parish investment and cash reserves. The draft resolution was reviewed and amended slightly. **Dennis Magatelli put forth the motion, seconded by Joe Barrera that: The Finance Council of the Diocese of Santa Rosa hereby resolves that as described in the Parish Services Agreement, Article 24, the parishes are authorized to keep cash reserves available to cover normal operating expenses for a six-month period. The pastor, in accord with the Code of Canon Law and with diocesan policy is required to obtain the permission of the bishop in order to invest those funds over what is needed for normal daily operations. All investments must be in accord with Catholic socially responsible investment principles adopted by the Diocese of Santa Rosa. The Parish**

Finance Council should work with the Pastor annually to determine operating reserves, the risk tolerance of the Parish and ensure investments are aligned with the determined risk tolerance. All approved.

- 3. Report of Legal Counsel:** Dan Galvin reported that there are major problems with the contractor at St. Helena Parish Center. The Hanna and Ochoa cases are in discovery. In the St. Francis Solano School class action case, Adrienne had filed a demurrer. Dan reported that forty people attended recent the estate planning seminar at Star of the Valley Parish. Dan had attended the National Diocesan Attorneys meeting in Washington DC last week. There is another California bill to reopen the statute of limitations on misconduct. The parish corporations have been formed and the next step is to start transferring properties into the new corporations.

4. Committee Reports

- A. Budget and Cash Flow Committee:** Dan Prince reported that the budget has increased due to an additional accountant to assist with implementing Quickbooks in the cloud in the parishes and other slight payroll increases. **Dan Prince put forth the Budget Committee motion to approve the Budget for 2018-2019 as outlined in the handout with a total subsidy of \$1,083,000. All approved.**
- B. Membership:** No report.
- C. Communications:** Chris Lyford reported that at the request of Bishop Vasa, and the concurrence of the Communications Committee, the process of re-tooling the North Coast Catholic has begun. The new objectives are to investigate the feasibility of sending the publication to every registered parishioner of the Diocese (approximately 40,000). Our target is the 80% of Catholics who are not engaged in their faith. A survey is planned for the NCC, online and as a social media share. New content will focus on local parish and Diocesan news with emphasis on personal stories and evangelization, through short articles that explain the basics of the faith. A proposal for new website for the Diocese from ECatholic is \$600, versus \$2,400 annually from Faith Catholic. Dan Prince asked how we know what is most effective for communication with parishioners. Chris replied that in a recent survey most dioceses are successful first with email, then social media and then the website.
- D. Investment:** Dave Adams reported that the committee had met with Hirtle Callaghan last week and that the company earnings reports are still good and there are tax incentives for companies to repatriate cash. Global events are unstable leading to a risk increase overall. Daniel Catone added that in our more conservative portfolio, the return had been a negative 1.2%.
- E. Audit:** Steve Imboden reported that the Audit Committee met and requested proposals from five auditors. Responses were received from three firms and two firms did not respond. **The Audit Committee unanimously put forward the recommendation that the proposal from Boden, Klein and Sneesby of \$20,900 for the audit of the fiscal year ending June 30, 2018 be accepted. All approved.**
- F. Property:** Dave Adams said that the only property item at this time was attempting to sell the Snake Ranch property.

- G. Building and Construction:** Dave Adams reported that there are many smaller projects such as roofs and restrooms. Holy Family in American Canyon has a loan to build their parish hall/church and is hoping to start this Summer.
- H. Insurance and Human Resources:** Dave Adams reported that open enrollment has begun for Health Insurance. Dave has been working with the insurance company on the claims for Cardinal Newman High School and St. Rose School. At St. Rose the hope is to have the kindergarten and first grade classrooms completed this Summer. The preschool building should be completed in the Fall. Cardinal Newman will be more difficult as they need a master plan and to replace all portables.
- I. Development:** Monsignor Whelton reported that the Annual Ministry Appeal for 2018 had a target of \$1,020,921, current pledges of \$843,831 and payments of \$542,783. For the 2018 Appeal, 85% of target is required from each parish. For the 2017 Appeal pledges of \$1,197,388 were made and payments of \$1,096,434 received. All payments over targets are returned to the parishes. The Capital Campaign summary sheet was reviewed and there was discussion of St. Francis Solano Parish, with no participation as they were in a parish capital campaign when this diocesan campaign began. St. Helena Parish, who self-reports pledges and payments, was also discussed.
- 5. Other Business:** Dave Adams asked if there were questions concerning the School Financial Summary for the Fiscal Year Ending June 30, 2017. Gene Senestraro asked why St. Bernards High School was not listed on the report. Dave will request this information.
- 6. Tentative Dates for meetings** were set and the meeting adjourned.