

**Diocesan Finance Council Highlights-Approved
Thursday, May 9, 2019**

Present were Bishop Robert Vasa, ten members of the Finance Council and three staff members. The minutes and highlights of the March meeting were approved without exception. The Agenda was approved as written.

1. Bishop Vasa called the meeting to order at 4:02 p.m. and led an opening prayer. The Bishop mentioned that John Collins, our former Superintendent of Schools, had passed away due to cancer on Tuesday. He worked in our Diocese from 1999 to 2016 serving our schools. Please remember John in your prayers. The Bishop also mentioned that the Church cannot seem to stay out of the press. This attention is disconcerting and distracting, placing pressure on the Chancery offices. The Bishop also mentioned that Dave Adams has been the Diocesan Finance Officer since 2013 and has now been reappointed for another five-year term. The Bishop thanked Dave warmly for all of his work in moving the Diocese forward.
2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the Monthly Finance Officer's Report and noted a slight change in the balances between March 31 and April 30. Dave also reviewed the Accounts Receivable Summary – Balances over 60 days. He mentioned that St. Elizabeth Seton in Guerneville was behind in their operating assessments and priests' stipend billings. Both St. Mary Ukiah and St. John Napa Schools were making payments on their past due balances.
3. **Report of Legal Counsel:** Dan Galvin reported that the Hanna case with two victims had settled. There are other new claims and it is likely that between now and the next Finance Council meeting in September there will be another settlement conference. There was much discussion of the Canonical obligation for the Bishop to consult the Diocesan Finance Council and the Diocesan Consultors when worsening the patrimony of a Diocese by \$250,000 or more. The consensus reached was that Dan Galvin would draw up a template for a consultation with both the Finance Council and the Diocesan Consultors to be used by Bishop Vasa via email before or during mediation or negotiations. The California Attorney General's Office has now requested that the twelve California (Arch)Dioceses retain their documents as well, and further requested that six of the twelve voluntarily surrender the files. The (Arch)Diocesan attorneys, together as a group, plan to meet with the Attorney General to obtain more complete information on the request to bring back to their respective Bishops. The Diocese of Santa Rosa is in compliance with the Charter and has disclosed all "Credibly" accused priests. The St. Helena Parish Life Center contractor has filed a claim, but we have not yet been served. The attorneys recently attended the National Diocesan Attorney meeting in Portland and reviewed school and contract issues.
4. **Committee Reports**
 - A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee met and there was a positive variance through April 30th. The committee also reviewed the proposed budget in detail. Dan stated that the main changes in the budget were due to the cost of living adjustment of 4% and some wage parity adjustments. The departments with the greatest increases were Catholic Schools, Development/Appeal, Sonoma State Newman Center and Victims Assistance. The main decrease is in Seminarians, driven by the number of seminarians budgeted, from nine for 2018-2019 to eight in 2019-2020.

Bishop Vasa mentioned that we had underspent against budget this year and these funds are available to the ministries. The Diocese is also working toward a pastoral program for the victims of misconduct, adding staff so that the Director, Julie Sparacio, with a good counseling background, can assist victims rather than doing fingerprinting and background checks. As Fran de la Forest is retiring, our new HR person will also have compliance responsibilities. **Dan Prince put forth the Budget Committee motion that the Budget for 2019-2020 as outlined in the handout with a total subsidy of \$1,202,867 be approved. All approved.**

- B. **Membership:** Bishop Vasa said that the membership seemed stable.
- C. **Communications:** In the absence of Chris Lyford, Dave Adams reported that the NCC was transitioning to a 16-page publication with less color and increasing the circulation from around 8,000 households to approximately 40,000 households. Another goal is to use the same, up to date, database for the AMA and the NCC as well as other Diocesan needs. The website will likely be moved to E-Catholic and the hosting costs should decrease.
- D. **Investment:** Daniel Catone reported that the committee met and portfolio performance had been good, with a rebound of 6 to 10 percent. Daniel also cautioned that past portfolio performance is not a predictor of future performance although all of the indicators are currently positive.
- E. **Audit:** Steve Imboden reported that the Audit Committee had received a proposal from Boden, Klein and Sneesby for the audit at \$20,900, unchanged from last year. Steve reported that this year we did not go out to bid, but last year the bids received were quite high at \$48,000 and \$85,000. Deacon Frank Dahl, Chair of the Audit Committee wrote a letter with the motion: **The Audit Committee put forth the recommendation that the proposal from Boden, Klein and Sneesby of \$20,900 for the audit of the fiscal year ending June 30, 2019 be accepted. All approved.** Dave Adams added that the chart-of-accounts subcommittee had been meeting and the next step is standard financial statements for parishes.
- F. **Property:** There was a discussion regarding the transfer of the Snake Ranch property to the other owners. There was also discussion of the property transfers to the parishes. At least one transfer will be done in each county to make sure there are no issues and then the remaining transfers will start.
- G. **Building and Construction:** Dave Adams reported that there are various roofing projects. St. Bernard Parish is redesigning their parish hall and adding ADA bathrooms with an approximate cost of \$500,000. The rebuilding of the Cardinal Newman High School Humanities building is under way and should be ready for occupancy in the Fall. Holy Family began construction of the new church on April 8 and the project should take twelve to fourteen months.
- H. **Insurance and Human Resources:** Dave Adams reported that open enrollment for health insurance had started. Employees that do not go through the enrollment process will be defaulted to their previous coverage.
- I. **Development:** Bishop Vasa reviewed the Capital Campaign spreadsheet showing pledges paid of \$17,035,000, \$3,587,000 written off leaving an outstanding balance receivable of \$1,131,000. The Bishop would like to end the Campaign by December 31,

but does not want to leave significant pledges uncollected. The Bishop also commented how successful the Campaign had been with a portion designated to Catholic Charities as an "Operational Support" account. When timing differences on grants received created cash flow problems, Catholic Charities "borrowed" from the account (interest free) and then "repaid" the fund.

The 2019 Annual Ministry Appeal has pledges of \$931,000 and payments received of \$594,099. This appeal requires payments at 90% of the target. The 2018 Annual Ministry Appeal had pledges of \$1,171,985, payments of \$1,086,525 and refunds to parishes over target of \$134,640. Bishop commented how positive and encouraging the AMA information is from St. Joseph Parish in Middletown. St. Joseph has already received payments in excess of their target for both 2018 and 2019 appeals.

5. Tentative Dates for meetings were set and the meeting adjourned.