

**Diocesan Finance Council Highlights-Approved  
Thursday, November 21, 2019**

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

1. **Bishop Vasa** called the meeting to order at 4:02 p.m. He expressed his gratitude to the Council for their on-going work towards maintaining the financial stability of the Diocese. He also reported that Phil Myer had resigned from the Council due to illness and was moving to Sacramento. The statute of limitations on misconduct will be re-opened effective January 1, 2020. There are currently five Hanna cases, some with insurance coverage. As reported previously, Julie Sparacio has been reaching out to victims and has assisted in arranging settlements with twelve victims of historical priest misconduct from insurance reserves. Julie works with the victims and assists in arranging counseling.
2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the Monthly Finance Officer's Report and the increase in balances of \$300,000 between August 31 and October 31. This is due to receipt of insurance premium revenue from the entities. The decrease in the Chancery balance was in part due to the offices being closed for the last week of October during the Kincaid fire. Dave also reviewed the Accounts Receivable Summary and discussed Our Lady of Perpetual Help, St. Mary School in Ukiah, Catholic Charities and St. Vincent Parish. Dave had spoken with Father Donahue at St. Vincent Parish and he is working on improving the Appeal receipts and has requested a payment deferral until January. Dave will call Father Angelito to discuss the financial difficulties at Our Lady of Perpetual Help Parish. Dave also reviewed the Annual Parish Report Summary for the fiscal year ending June 30, 2019. He also presented the School Financial Summary for the fiscal year ending June 30, 2019. Dave asked that the Council members review this information and email him any questions prior to the next Council meeting on January 9<sup>th</sup>.
3. **Report of Legal Counsel:** Dan Galvin reported that the attorneys had been reviewing contracts and construction projects. St. Elizabeth Seton Mission in Philo has an easement issue with a neighbor. The California Attorney General's Office had requested clergy files from six of the California dioceses, not including ours and is now requesting other documents and information. The Attorney General has been accessing the information provided. Our Lady of Good Counsel Parish in Fort Bragg would like to re-open their school. Brian Kearney asked about the parish title transfer project. The title company has had a long delay, has not performed as promised and seems to be charging more than anticipated. In 1962, when the Diocese of Santa Rosa was formed, a blanket deed granting all property owned by the Diocese of Sacramento and the Archdiocese of San Francisco to the Diocese of Santa Rosa within each of the six counties. No property descriptions were used. Brian also asked about the value to be used for the transferred properties. Dave replied that he was considering using the insurance appraisal values, which may be low, for the parish property values.

#### 4. Committee Reports

- A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee did not meet and was scheduled to meet in January.
- B. **Membership:** Bishop Vasa mentioned that Phil Myers was no longer on the Council and had recommended a woman from Lakeport as a replacement. He asked the Council members if they had suggestions for new members.
- C. **Communications:** Chris Lyford reported that the North Coast Catholic will transition to its new format in January from a 24-page tabloid to a 16-page "Fearless Flyer" type publication, increasing distribution from 10,000 to 40,000 via direct mail. He had samples of the front page and mentioned that the name could be changed also. The publication will have an envelope for those that want to donate towards the subscription which would likely cover the increased cost.
- D. **Investment:** Daniel Catone reported that the investment committee is in discussions regarding sending out request for proposals to several financial managers. The dissatisfaction results from a turnover in upper management, lack luster adherence to Catholic SRI, drift as opposed to benchmarks and asset allocation not at targeted percentages. Brian wanted to know why the title on the account summary was Self-Insurance. Dave said that the majority of the funds, but not all, were from Self-Insurance reserves.
- E. **Audit:** Steve Imboden reported that the Audit Committee had met and reviewed the financial statements. Steve explained that Deacon Frank Dahl, the Chairman of the Committee wrote a letter to the Council dated November 15, 2019 and Steve read the letter with the **committee motion to approve the Financial Statements of the Diocese of Santa Rosa for the fiscal year ending June 30, 2019. All approved.** Dan Prince asked Dave Adams to explain about the pension plan information. Dave said that some other Dioceses reported their defined benefit pension plans as multi-employer plans. This change spreads the liability for the plan among all of the entities rather than leaving the liability with the Diocese only.
- F. **Property:** Bishop Vasa asked Marty McCormick about the Snake Ranch. He replied that we would have to draw up a Quit Claim deed as the title company did not have an accurate description of the property.
- G. **Building and Construction:** Bishop Vasa reported that the project for a Priest Retirement Home at 547 B Street was moving forward. A lot line adjustment is needed.
- H. **Insurance and Human Resources:** Dave Adams reported that the Kincaid fire had less impact than the 2017 fires. There is smoke and soot damage at St. John the Baptist Parish and School in Healdsburg and at Our Lady of Guadalupe in Windsor. The cost for this to be cleaned is between \$500,000 and \$700,000. Dave said that with the trend of fires in our Diocese our insurance rates will likely increase as the reinsurance market dries up.  
Dave also reported that he had met with RETA, our health insurance carrier, and that they are predicting a 6 – 7 % increase in rates.

Bishop Vasa mentioned that a new Human Resource manager, Lori Norcia, had been hired. Dave said that we would introduce her to the Council early next year.

- I. **Development:** Bishop Vasa reviewed the Capital Campaign spreadsheet showing pledges of \$21,851,000, payments of \$17,353,000, and \$3,998,000 written off leaving an outstanding balance receivable of \$500,000. The Bishop plans to end the Campaign by December 31. Sister Caritas Marie has put summary information on the Campaign in the North Coast Catholic and will update that with the ending totals. The 2019 Annual Ministry Appeal has pledges from 4480 families of \$1,128,000 and payments of \$959,000. Bishop would like to increase the percent of donating households and hopes to achieve this by mailing the North Coast Catholic to all households. Bishop plans to start a targeted campaign for the Priests retirement home in June 2020 and then the following year a campaign for Seminarian support.

**5. Other Business: None**

**6. Tentative Dates for meetings** were set and the meeting adjourned.