

**Diocesan Finance Council Highlights-Approved**  
**Thursday, November 12, 2020**

**Present** were Bishop Robert Vasa, seven members of the Diocesan Finance Council and four staff members. All participated via phone.

1. Bishop Vasa called the meeting to order at 4:00 p.m. and led the opening prayer. The minutes and highlights of the September meeting were approved as written. The agenda was approved as written. The Bishop welcomed the members to the meeting. He reviewed the Tier status of our counties. He stated that the financial impact on our parishes causes an extreme hardship. We hope all will stay healthy and well. Bishop Vasa mentioned that three cases had been settled with some insurance coverage. Julie Sparacio has been working with Hanna Boys Center on their cases. Hanna should be separately responsible as they have a high degree of autonomy but are located within the geographic boundaries of the Diocese.
2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the account balances of the Diocese. Overall, cash has decreased by \$250,000 since the end of September. Considering the impact of Covid, the Diocese is doing well. Some parishes will need financial support, but so far most are doing well. The operating assessment for this year was decreased to an average of 70% of last year. Some parishes are better and some are much worse, depending on the area and parish demographics. Dave also mentioned that Kim had been working on implementing the new accounting program. When this is completed the Council should be able to receive actual balance sheets and financial statement information on a regular basis. Concerning the search for Dave's replacement, Dave mentioned that candidates would be interviewed by a panel over Zoom next week. The Bishop would do second interviews.
3. **Report of Legal Counsel:** Dan Galvin reported that the Diocese had been served by claimants in what is now called Northern California Clergy Cases. There will be a coordinating judge chosen in Alameda to hear motions, set-up document depositories and ultimately schedule the methods of resolution for all of the Northern California cases. Bishop Vasa asked Dan about the Certificate of Merit review of cases. Dan explained that if a Judge does not see merit in the complaint it opens the way for various motions. The attorneys have also been working on reviewing construction and other contracts. Dan has provided information to the bankruptcy trustee's attorney for the contractor of the St. Helena Parish Center.
4. **Committee Reports**
  - A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee met and reviewed activity during September and October. There were positive variances for the month of October of \$31,800. **The Budget Committee put forth the motion that the budget for the second half of the fiscal year with an overall subsidy of \$793,998 as outlined in the Budget handout be adopted. All approved.**
  - B. **Membership:** Bishop Vasa asked members to provide suggestions for future members to Kim, Dave or himself.
  - C. **Communications:** Chris Lyford reported that the North Coast Catholic had completed its sixth issue in the new format. Chris has been working with Trinity Direct to develop a direct mail campaign that would target new donor subscriptions and advertisers. The Diocesan website migrated to eCatholic on November 1.

- D. Investment:** In the absence of Daniel Catone, Dave reported that since inception, in January 2016 the more conservative portfolio return had matched the benchmark at 5.9% and since January 2020 the fund had beat the benchmark of 3.3% with a return of 3.6%. Fiscal year-to-date and during October the portfolio has missed the benchmarks by .2% with a return of 1.7% and -.9% respectively. Bishop Vasa asked about the request for proposal process. Dave replied that before the Finance Council meeting in January the committee should decide to remain or transfer assets to another fund manager.
- E. Audit:** Steve Imboden said that on October 28, the committee had met with the auditor, Bruce Sneesby and reviewed the draft financial statements page by page. All was found to be in good order. The Chairman of the Committee, Deacon Frank Dahl, had written a letter concerning the financial statements, which Steve read to the Council. **The Committee put forth the motion that the financial statements for the Diocese of Santa Rosa for the fiscal year ended June 30, 2020 as drafted together with the revisions/corrections offered during the October 28<sup>th</sup> Audit Committee meeting be approved.** Bishop Vasa asked about the pension discount rate. Dave replied that the pension footnote was drafted by the actuaries and that he would research this information. **The committee motion for approval of the June 30, 2020 financial statements as put forth in the letter from Deacon Frank Dahl passed unanimously.** Bishop Vasa asked Marty McCormick if the Attestation Letter signatures could be facilitated by a DocuSign type program. Marty said he would have his son assist with this project.
- F. Property:** Marty McCormick reported that the property in Lake County, which currently has a tax lien, has little or no value. Dave will research what process might be needed return this property to Lake County ownership. There are actually two lots in an unimproved area. The tax lien is approximately \$1200. Our Lady Queen of Peace Church in Clearlake also owns St. Joseph Mission in Lower Lake. The mission building, off Highway 20, is being used by St. Vincent de Paul Society.
- G. Building and Construction:** Bishop Vasa mentioned that the Holy Family Church in American Canyon construction was completed and scheduled to be dedicated in December. Bishop Vasa said that there is a \$16 million construction project in process at Cardinal Newman High School, with another \$15 million project in planning. The Catholic Charities Caritas Center is also moving forward.
- H. Insurance and Human Resources:** Dave Adams reported that Lori Norcia in Human Resources has been spending time on training and documentation. Insurance renewals are coming up in the new year. Bob Fish, who had been Chair of this committee is quite busy and a new Chair is needed.
- I. Development:** Bishop Vasa reviewed the 2020 Annual Ministry Appeal, with pledges of \$949,000 and payments of 870,000. This year the parishes were supposed to reach 95% of target, but pastors will not be asked to make up the shortfall.
- 5. Other Business:** Steve Imboden asked if Dave would be attending the January meeting. Bishop Vasa said that he would expect Dave to be present and that we will have a farewell event, hopefully a live gathering, to show our respect and gratitude. The Bishop thanked Dave for his diligence and good work.
- 6. Tentative Dates for meetings** were set and the meeting adjourned.