

**Diocesan Finance Council Highlights-Approved  
Thursday, January 14, 2021**

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

Bishop Vasa called the meeting to order and led the opening prayer. The minutes and highlights of the November meeting were approved as written. The agenda was approved as written. The Bishop welcomed the members to the meeting. The Bishop announced that there had been a search for a new finance officer, to replace Dave Adams, and that Deacon Joe Oberting had been offered and accepted the position. Deacon Joe, who has an extensive financial work history, is a CPA and the former principal at St. John School in Napa. Bishop Vasa also announced that the Ursuline Sisters have decided to sell their property in Santa Rosa. The Marian Sisters would like to purchase the property and have the needed commitments to sell the previous convent and some private funding. The Diocese could also loan the Marian Sisters \$500,000 at an interest rate of three percent per annum. This transaction requires consulting with both the Diocesan Finance Council and the Diocesan Priests Consultors and so the Bishop has asked both bodies for their opinions on the loan of \$500,000 to the Marian Sisters. Four of the five Consultors responded affirmatively via email to Bishop and the fifth expressed in person to Father Moses Brown his support for the loan and purchase. There was much discussion of the transaction. The Bishop asked for the opinion of the Council and the united consensus was that all were in favor of lending the Marian Sisters \$500,000 at three percent interest per annum.

1. **Report of Diocesan Finance Officer:** Dave Adams reviewed the accounts receivable balances of the parishes and schools. Some parishes will need financial support, but so far most are doing well. St. Helena Parish, due to their construction problems and lack of an occupancy permit, is falling behind. Our Lady of Perpetual Help Church in Calistoga and St. Mary School in Ukiah both continue to be of concern. Overall income in the parishes dropped 25 – 30 %. Dave also discussed the next wave of PPP loans. Dave believes that the Diocese, because of the flow through income for insurances and retirements, does not meet the requirement for a 25% decrease in income for a quarter. We will review and verify this information. With this new round of subsidies, there is also an Employee Retention Credit that may be available.
2. **Report of Legal Counsel:** Dan Galvin reported that the Diocese had been served by several claimants. The Northern California cases are grouped in Alameda. The Attorneys have filed a challenge to the constitutionality of the AB218 and they are cautiously optimistic as the law targets specific organizations rather than all organizations. Motions will be heard in late February. The attorneys have also been working on reviewing construction and other contracts. There is a suit by Harvest Church concerning Covid restrictions against holding services indoors that is ongoing, which could, if successful, allow for indoor services for all California churches. There was discussion of the Hanna claims and other suits in process.
3. **Committee Reports**
  - A. **Budget and Cash Flow Committee:** In the absence of Dan Prince, Dave Adams reported that the committee met Monday and reviewed activity for the period ending

December 31. There were positive variances for the half year and Dave said that this should continue for the second half of the year. The budget process for 2021-2022 will begin in February.

**B. Membership:** No report.

**C. Communications:** In the absence of Chris Lyford, Dave Adams reported that the North Coast Catholic had completed a year in the new format. The current plan is to publish every month for the first half of the year and then go to bi-monthly for the second half. They are also looking at changing to a smaller format in order to save money on postage and use a bulk mail process.

**D. Investment:** In the absence of Daniel Catone, Dave Adams reported that the portfolio has been very positive for the second half of the year. The Self Insurance and Chancery pool has achieved 9.4% return compared to 9.6% on the benchmark. The portfolio is currently 63% fixed income. The investment committee is looking at three portfolio management companies and will meet on Monday.

**E. Audit:** Steve Imboden said that the committee had not met, but the audited Financial Statements for the year ending June 30, 2020 has been posted on the Diocesan website.

**F. Property:** Bishop Vasa reported that Catholic Charities is moving forward with the Caritas Center \$40 million project, Cardinal Newman High School is in the midst of their 19 room, two-story classroom \$14 million project and will soon begin the \$16 million Student Center/Chapel project.

**G. Building and Construction:** Bishop Vasa dedicated the Holy Family, American Canyon new Hall and parking lot in December.

**H. Insurance and Human Resources:** Dave Adams reported that it is budget time. The Workers Compensation policy has been renewed with a six percent increase. We have not heard yet from Catholic Mutual concerning our Property and Liability rates, but it is estimated that there will be a 6-10% increase. We will be meeting with RETA the first week of February to discuss the health insurance renewal.

**I. Development:** Bishop Vasa reviewed the 2019 Annual Ministry Appeal with pledges of \$1,194,000 and payments of \$1,099,000 as compared with 2020 Annual Ministry Appeal, with pledges of \$997,000 and payments of \$935,000. In 2019 there were 4,600 pledges, as compared to only 3,700 for 2020. This is very positive and reflects much confidence in the Pastors and financial management of the Diocese.

**4. Other Business:** As required by Canon Law, the finance council is charged with reviewing financial information for the entities in the Diocese. In order to meet this requirement for the schools the School Financial Summary for the Fiscal Year Ending June 30, 2020 was reviewed. In Fort Bragg, they have started a one-room, K-6 school with 10-12 students, and a teacher and an assistant. This may be the future model for keeping Catholic Education in our parishes.

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