

## *Diocesan Finance Council Highlights*

**Thursday, September 15, 2005**

Present: were Bishop Daniel Walsh, all nineteen members of the Finance Council, three staff members and two guests.

### **1. Call to Order:**

Following an opening prayer and approval of the agenda and minutes, Bishop Walsh delivered his comments.

### **2. Bishop Walsh:**

Newly returned from a bishops' meeting in Washington D.C., reported on the devastation from Hurricane Katrina in the dioceses in Biloxi and New Orleans, and on task forces being set up to provide assistance. The bishops from that region noted that it is extremely difficult to keep cash flowing in the region, and the poor are the most vulnerable to the devastation. The Bishops are urging the relief efforts be done in a moral framework, considering the dignity of each individual. As of this date, about \$200,000 collected so far in our Diocese to send to Catholic Charities USA for direct relief to individuals in the affected areas.

Bishop also reported that the Newark Diocese will be paid \$350,000 that is owed them when the Orchard Property is sold. Bishop Walsh reported that the last pending case was settled. Bishop is planning to focus on the program for Permanent Deacons and also priestly vocations. He is interested in establishing a House of Discernment, possibly at the Newman Retreat Center.

### **3. Report of Diocesan Finance Officer:**

Deacon Mike Urick reported that the sale of the property in Lakeport should close in October. The move of the Chancery Office is scheduled for the week of December 12th. There will be no new furniture except for the Bishop's Office and for his Administrative Assistant. He also reported that the receipts for the capital campaign should allow for a distribution of approximately \$250,000 to \$300,000 to schools and parishes at the end of this quarter. Joe Schunk mentioned that the Capital Campaign has about 18 months left. There is about \$2.4 million still owed to schools and parishes.

It was noted that the St. Eugene's building project for \$1.9 million and St. Vincent's project for \$2.5 million for a total of \$3.9 million, are being financed by the Knights of Columbus. This requires the Diocese to guarantee those notes. The motion was made to allow the encumbrance of existing diocesan property for the notes for the Knights of Columbus. The motion passed with two "no" votes.

### **4. Report of Legal Counsel:**

Mr. Dan Galvin updated the Council on the settlement of the last case.

### **5. Cash Flow and Budget Committee:**

*Cash Flow:* Kim Sampietro reviewed July and August 2005 Budget versus Actual Cash Flow. She noted a 13% decrease in health insurance for employees. Kim reported that all parishes but one are current with their operating assessments. There is a positive variance for the year to date.

*Budget Report:* The Budget Committee has asked whether the parishes that are not meeting their goals for the Appeal will be pursued. Bishop Walsh said he will refer that question to the Presbyteral Council. Deacon Hercher suggested that the Annual Ministry Appeal Committee have members with staggered three-year terms so that they are not starting over every year. He would like to see the committee focus on education throughout the year rather during the Appeal push.

### **6. Committee Reports**

#### *A. Property:*

Clem Carinalli reported that the Lakeport property should close escrow on October 10th. The Orchard Property is being reviewed for rezoning. He also reported that Burbank Housing is looking at some excess land owned by St. Elizabeth's Parish in Guerneville.

**B. Building/Construction:**

Bill Cornelison reported that Our Lady Queen of Peace in Clearlake wants to expand the parish hall, and has the available funds, the project was approved. Holy Spirit needs a new roof and they have the funds. They also want to build a chapel in the rectory, and will seek funding and solicit bids. The new Chancery project was discussed.

**C. Insurance and Human Resource:** No report.

**D. Development:**

Judy Barrett reported receipts on track for the Campaign; the Appeal is \$14,000 over goal with 66% of the funds received. Rick Rosa reminded the Council that 50% of the overage goes back to the parishes.

**E. Membership:** No report.

**F. Communication:**

Deirdre Frontczak reported that the committee is looking back over the past five years and brainstorming about the direction in the future.

**G. Banking Oversight Committee:**

John Moynier reported that when the property in Lake County closes escrow, these funds would be deposited in the Deposit and Loan Fund as repayment of the St. Mary Immaculate debt for their school. John Moynier also reported the committee is asking about the parishes that are delinquent on their workers' compensation payments and liability insurance premiums, since the Diocese must make the difference up by law. Currently, this involves a \$602,000 delinquency, of which 90% is from six parishes. There was lengthy discussion on the process of the billings, and the difficulty for parishes when the premium is not calculated early enough to get into annual budgets. Bishop Walsh asked the Banking Oversight Committee to study the problem and make a recommendation.

**H. Audit Committee:**

Joe Schunk reported that the draft of the Audit had been completed and will be reviewed for approval at the November meeting.

**7. Other Business:**

Paul LeSage suggested that the Deposit & Loan Fund be looked at again. Bishop Walsh suggested waiting until the beginning of next year. There was brief discussion with both pros and cons presented.

Paul asked if there is still a need for the Victim's Assistance Coordinator and Bishop Walsh replied that this position will be here from now on, as required by the Charter. The Church has gone to great lengths to educate and to prevent future abuse.

**8. Adjournment:**

Dates for future meetings were set and the meeting adjourned.