

## *Diocesan Finance Council Highlights*

**Thursday, January 12, 2006**

Present were Bishop Daniel Walsh, 17 members of the Finance Council, three staff members and two guests.

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

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

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

Bishop Walsh thanked the council members for their assistance in restoring the diocese to financial health. He thanked Mike Urick for handling the chancery office move and he thanked Henry Trione for the donation enabling the diocese to occupy this building.

A quarterly distribution from the Capital Campaign of \$675,000 was sent to schools and parishes. All restricted funds and endowments have been restored. To date, \$9.8 million has been disbursed, with \$5.5 million left to be repaid.

Bishop asked for a motion to use \$350,000 from the proceeds of the Orchard Property to repay the loan from Newark. A motion was made, seconded and passed unanimously to repay the Archdiocese of Newark \$350,000. The Bishop will try to negotiate with the California Dioceses for the remaining debts.

The Annual Ministry Appeal will begin later this month with Bishop Walsh hosting four receptions around the Diocese.

Bishop is interested in establishing a House of Discernment, possibly at the Newman Retreat Center, and this will be coming up in a future agenda after meeting with an architect. A budget is being developed for a new Permanent Diaconate Program.

Bishop Walsh mentioned Stan Cordero's informational handout for Leadership for Youth Ministry.

**3. Report of Diocesan Finance Officer:** Deacon Mike Urick reported that \$4.1 million was received from the sale of the Orchard Property. He reported on the overruns from the Chancery construction, and noted outstanding invoices.

**4. Report of Legal Counsel:** Dan Galvin reported that the abuse cases are settled, but other Dioceses in the state have cases that are ongoing. The constitutional challenges were denied, and it has not yet been determined whether or not to take this issue to the Supreme Court.

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

*Cash Flow:* Kim Sampietro reviewed the reports for November and December 2005 Budget versus Actual Cash Flow, with particular attention to changes in monthly cost structure accompanying the chancery move to the new building.

*Budget Report:* Rick Rosa reported the Detention Ministry wants to increase the hours of the part time employee to do fundraising, but that was part of the original expectation of the position. Also the Permanent Diaconate program was discussed. A motion was made, seconded and passed unanimously, to increase the diaconate budget to add a half-time formation director, with funding not to exceed \$18,000. The motion was approved unanimously.

## **6. Committee Reports**

A. *Property*: Clem Carinalli reported that the Orchard Property closed escrow. Burbank Housing is interested in excess land owned by St. Elizabeth's Parish in Guerneville and sale is at the discretion of the pastor and the parish. St. Cecelia's Mission Church in Leggett will be for sale, after appraisal.

B. *Building/Construction*: No report.

C. *Insurance and Human Resource*:

Deacon Hercher reported that the new Worker's Compensation policy with AIG took effect January 1st. While the premium is still not set, it is expected to be 13-18% lower. Deacon Hercher also asked Kathy Donley to explain the state mandated Harassment Training and how we are complying with this. Kathy reported that our legal counsel, Adrienne Moran, had conducted the interactive training around the Diocese during November, and that we had contracted with an online provider, Law Room, to finish the training of the remaining required supervisory staff.

D. *Development*:

Judy Barrett reported that the receptions to kick off the new Ministry Appeal will have great wine and food. The appeal information will be mailed about February 6th and the in-pew pledges will be in early March.

E. *Membership*:

Deacon Hercher reported that he will be contacting the DFC members whose terms are ending to see if they would like to continue for another term on the Finance Council, and then the committee will seek new members as needed. He also mentioned that Mary O'Brien will be moving out of the area, so the March meeting will be her final meeting.

F. *Banking Oversight*: No report.

G. *Communications*:

Deirdre Frontczak reported that the current issue of the North Coast Catholic is out. She also invited any interested members of the DFC to join the committee. Also, they are looking at the format, and some of the larger parishes will receive samples of a magazine format. She also reported that the Development Department will discontinue maintaining the database for the NCC, and that this change will require additional support.

H. *Audit*:

Joe Schunk reported that the committee met and began the discussion of the future auditors, and is seeking information from other Dioceses and similar organizations. He also reported that all the parishes have been audited at least once by the finance staff, and they are starting the audits again.

#### **7. Other Business:**

Bishop Walsh reported that over \$360,000 had been raised for the second collection for the relief efforts for Hurricanes Katrina and Rita. That is the largest amount ever raised for a second collection in our Diocese. This was sent to Catholic Charities USA and then to local Catholic Charities programs. Our parishes have been encouraged to adopt a parish there. John Moynier wondered why more parishes aren't stepping forward to join the effort.

In additional items, Mike Urick reported that after meetings with the Knights of Columbus, their loan was renegotiated to include only the six specific properties that belong to the Diocese, not any of the parish properties in the encumbrance for the St. Eugene's and St. Vincent's loans. The term of the agreement is for 20 years. After discussion, Msgr. Brenkle made a motion, seconded by Msgr. Puskamp, to allow Bishop Walsh to sign the papers to encumber the diocesan properties to guarantee these loans from the Knights of Columbus. The motion passed with twelve members voting for, and four members voting against the motion.

#### **8. Adjournment:**

Dates for future meetings were set and the meeting adjourned.