

Diocesan Finance Council Highlights

Thursday, March 9, 2006

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

1. Call to Order:

Following approval of the agenda and previous minutes, Bishop Walsh offered his comments.

2. Bishop Walsh:

Bishop Walsh reported that he will be traveling during the month of March, including travels to Washington DC (USCCB Audit Committee) and to Rome. He also had traveled to St. Bernard's where he participated in the Rite of Election.

3. Report of Diocesan Finance Officer:

Deacon Mike Urick reviewed the balances and interest held in various accounts, as well as repayment status on our loans. Bishop Walsh expects to have the debts to the schools and parishes repaid by 3/31/07.

4. Report of Legal Counsel:

Dan Galvin reviewed several matters pertaining to bequests, teacher employment contracts, administrative structures of the diocese, and other items. Bishop Walsh discussed the concepts of "juridic person" (of a parish) in canon law, and the corporation sole in civil and canon law. There was mention that Catholic Cemeteries is considering hiring a development consultant.

5. Cash Flow and Budget Committee:

Cash Flow: Kim reported on January and February Budget versus Actual Cash Flow, including timing variances and status of parish operating assessments. She also reported that the post office will not accept mail from Development as bulk mail, so there will be an annual increase of about \$5,000 postage. With regard to the Capital Campaign disbursements, \$675,000 was paid out for the quarter from the campaign and received \$68,989 for the past month (which is standard).

Budget Report: Rick Rosa reported the committee is expecting to receive preliminary budget information soon. In particular, he noted that the Detention Ministry program has grown but there has not been much fundraising – though plans are now in the works. There are two donors of \$7,000 who will cover salary for office staff for eight months (through December 31st). A motion was made, seconded and unanimously passed to authorize the additional salary for 6 hours more per week for Detention Ministry. If additional fundraising is not successful, the hours will be reduced January 1st of 2007.

Rick Rosa reported that \$650,000 had been authorized previously for the Chancery construction, but the costs are now \$59,000 over budget. A motion was made, seconded and passed unanimously to approve the expense be taken from the Plant and Equipment Fund which has a balance of \$388,000.

6. Committee Reports

A. Property:

Mike Urick reported on the different views regarding disposition of land owned by St. Elizabeth's Parish in Guerneville and the need for parishioners be involved in the process. Although this is recognized as a pastoral issue, Joe Schunk pointed out that the Property Committee must be involved in the financial aspect of this matter.

B. Building/Construction: No report.

C. Insurance and Human Resource:

Deacon Hercher reported that the health insurance renewal will be a topic for discussion at the next committee meeting.

D. Development:

Judy Barrett reported that the Appeal information is out and that the Receptions were well attended. The “in-pew” pledges are already coming in for over ten parishes. So far only about 13% of families seem to be pledging. Fr. Lombardi asked when the pastors would be able to receive a list of who has donated so they can contact some who have not yet pledged. Mike Urick explained the difficulty of getting reports immediately when there is so much data to be keyed in before a report can be generated, but he will ask for a time line.

E. Membership:

Deacon Hercher reported that he has contacted the members whose terms are ending, and all but Mary O'Brien will be continuing.

F. Communications:

Deirdre Frontczak reported that the North Coast Catholic is out. There was a problem with the printer getting the issue out on time, for which she will seek a reduction in the invoice. She also spoke about the capabilities of the Donor Perfect program that Development is using, and stated that new enhancements to the program will make it unnecessary to hire additional help to create and maintain a separate database. The Diocesan Audit is now up on the web site. Some of the ministries are not providing much information for the web, but the parishes are doing well.

G. Banking Oversight:

John Moynier reported that all loans for the parishes and schools are up to date. Two parish affiliates have past due amounts for workers' compensation and for liability insurance. Paul LeSage asked about the Diocesan Deposit and Loan being brought back. Bishop Walsh replied that he would like to see a Parish Credit Union, in which parishes share ownership and form a governing board. If everyone participates, larger loans could be accommodated. Dan Galvin will research on the legal status and the structure needed to set up a credit union, and to have the funds be protected.

H. Audit Committee:

Joe Schunk reported that the committee was researching several firms to perform the audit for this current fiscal year. After substantial discussion, a motion was made, seconded and unanimously passed to authorize the Audit Committee to make the final decision as to the auditors when they receive the final information from the various firms. The motion was passed unanimously.

7. Other Business: None.

8. Adjournment:

Tentative Dates for future meetings were set and the meeting adjourned.