

Diocesan Finance Council Highlights

Tuesday, May 9, 2006

Present were Bishop Daniel Walsh, Msgr. John Brenkle, Clem Carinalli, Bill Cornelison, Janet Hagen, Deacon Jim Hercher, Mary Leitem-Thomas, Paul Le Sage, John Moynier, George Ortiz, Msgr. James Pulskamp, Rick Rosa, Joe Schunk, Fr. David Shaw, three staff members and two guests.

1. Call to Order:

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

2. Bishop Walsh:

Bishop Walsh reported on the end of the parish Confirmation season, and on progress toward goals for the Annual Appeal. He also reported an incident of vandalization of the post office box, resulting in \$69,000 in missing pledges.

Bishop Walsh said the diocese's external debts to other California dioceses will be dealt with when the interest comes due. He also reported on pledges from the Catholic Extension Society and the Home Mission Collection to support our diocese.

Next year's budget will reflect the presence of additional seminarians – a result of the creation of our full time Vocations Office. Bishop updated members about the growth of the SSU Newman Club, and suggested that this may prove to be a new source of vocations in the future.

3. Report of Diocesan Finance Officer:

Deacon Mike Urick reviewed the balances and interest rates on various accounts. He also reported on parishes who had exceeded their Appeal targets this year. Consistent with the promise that such parishes would share in excess funds raised, Clem Carinalli made a motion, seconded and approved unanimously, to return \$31,863 to those parishes.

4. Report of Legal Counsel:

Dan Galvin reported on a discussion of possible changes to diocesan structure. He also addressed the issue of overtime exemption for teachers in diocesan schools, which has passed the senate in Sacramento, but must now go to the state legislature. He reported on an issue with the condition of the parking lot at St. Eugene's.

5. Cash Flow and Budget Committee:

Cash Flow: Kim reported on March and April Budget versus Actual Cash Flow. The Religious Education Congress was less successful than expected, due to advertising delays. Development had incurred additional staffing and mailing costs, but had saved some money by not hiring CCS consultants to run the Appeal. The operating assessment for the last outstanding parish was brought current in April, and there are now no parishes in arrears.

Budget Report: The Budget Committee will present a budget of \$931,207, which represents a significant increase over last year's budget of \$798,000. To meet this need, the Annual Appeal goal is set at \$975,000. Deacon Hercher made a motion, seconded and passed unanimously, to approve the 2006-2007 budget of \$931,000.

6. Committee Reports:

A. Property:

Clem Carinalli reported that the title needs to be cleared for St. Bernard's for the sale of the property. A motion that was made, seconded and unanimously approved, to clear the items for sale and use the resulting funds to fix the parish hall.

B. Building/Construction:

Bill Cornelison reported that there was a statement of probable costs of \$1.7 million for the renovation of the Cardinal Newman Retreat Center to repair and upgrade it as a seminarians' House of Discernment. Discussion continued, and a motion was made, seconded and approved unanimously to commence when funding is secured. Discussion of the roof repair at Sacred Heart was tabled for further research. Needed lights at the Cardinal Newman High School football field and tennis courts were approved, as the school already has the money. At Our Lady of Perpetual Help, the kitchen needs to be redone, and costs must still be assessed.

C. Insurance and Human Resource:

Deacon Hercher reported that the health insurance renewal will be a 14% increase this year, though there was an 11% decrease last year. The life insurance policy was changed to Blue Cross to save an additional 1% on the health insurance rate. A possible increase of 25% is expected for earthquake insurance; all parishes will receive an explanation, and an invitation to be included in the policy if they wish.

D. Development:

No report. Bishop Walsh said there should be a chair for Development and gave this to the Membership Committee.

E. Membership: No report.

F. Communication:

Deirdre Frontczak reported that the committee is looking at updates for the website to improve efficiency and appeal. There was brief discussion about an email database for schools and parishes. The North Coast Catholic is being mailed, although the printer has had a problem with on-time delivery. Deirdre also addressed capabilities of the Donor Perfect database system, which now has additional enhancements that enable it to be used for NCC mailings without disrupting data for the Appeal and other purposes. Thus, she will not need additional funding to create a separate database.

G. Banking Oversight:

The committee met to review the loans and payments, and the insurance receivables. Bad debts should be removed from the books, so a motion was made, seconded and unanimously passed, to remove a \$2.8 million uncollectible debt.

John Moynier reported that all loans for the parishes and schools are up to date. Certain parishes and schools have past due amounts for workers' compensation and for liability insurance. After some discussion, Mike Urick agreed to meet with the appropriate pastor(s) to work on a resolution.

H.Audit Committee:

Joe Schunk reported that the committee has engaged BKD for the audit to begin in July after the close of the fiscal year.

7.Other Business: None.

8.Adjournment:

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