

## *Diocesan Finance Council Highlights*

**Thursday, March 8, 2007**

Present were Bishop Daniel Walsh, fourteen members of the Finance Council, two staff members and three guests. Following approval of the agenda and previous minutes and highlights, the Bishop offered his comments.

### **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 thanked the council members, and cited an article in the National Catholic Register that focused on the importance of Finance Councils in the financial transparency of a Diocese. Bishop Walsh is the chairman of a USCCB committee from USCCB looking at finances and parish audit supervision, and hopes that formal guidelines will be approved in November.

Bishop Walsh also noted the following:

The Diocese of San Diego has declared bankruptcy.

AB 374 is a bill being attempted in the state Assembly to allow assisted suicide.

Bishop toured Vietnam and shared some of the highlights of his visit.

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

Mike Urick reviewed the balances in the accounts as of February 28th. There are new minimums and maximums for the Alienation of Property for a Diocese as required by the USCCB. A motion was made, seconded and unanimously passed, to implement the new minimums and maximums. Another motion was approved unanimously to repay the parishes for overages of \$7600 from the 2005 Appeal and \$25,664 from the 2006 Appeal.

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

In Dan Galvin's absence, Adrienne Moran updated the members on the status of the cases and explained the coverage from the insurance companies and the diocesan liabilities.

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

*Cash Flow:* Kim Sampietro reviewed the January and February Budget versus Actual Cash Flow. There were several timing variances for programs. The Newman Retreat Center was below income on rents. Salaries are below projections since some priests formerly paid in full by the chancery are now being split with another location. Again, no parishes had balances owing of more than 60 days.

*Budget Report:* Rick Rosa reported that the budget for next year will be presented at the May meeting. The amount of receipts by March 31<sup>st</sup> from the Appeal will be the budgeted amount for the next fiscal year.

### **6. Committee Reports**

#### **A. Property:**

Clem Carinalli reported that the committee has been reviewing plans for the Sonoma State Newman Center. The proposed structures and fees would be not less than \$3 million. At the Newman Retreat Center the carport roof is leaking in the rain. The repair would cost \$17,000 to \$18,000. Buying a container for the stored items would be cheaper.

**B. Building and Construction:** No report.

#### **C. Insurance and Human Resources:**

Deacon Hercher reported that the increase for health insurance for lay employees would be going up nearly 20%. He also reported that the Diocese would no longer be able to get insurance for the 15 passenger vans as of July 2008.

**D. Membership:**

Deacon Hercher reported that three members would have terms expiring in June: Joe Schunk, Jim Hercher and Bill Cornelison. Bill will renew his term, but the others will not. Deacon Hercher asked for recommendations of possible new members.

**F. Communications:**

The spring *North Coast Catholic* was mailed; the cover story was the repayment of the debt to the parishes and schools.

**G. Banking Oversight:**

John Moynier reported that there are no parishes with diocesan loans that are more than 60 days behind in payment.

**H. Audit Committee:**

A motion was made, seconded and unanimously approved, to make a journal entry for the management fees for the second collections based on the policy approved at the November 2006 Council meeting. Peggy Furth suggested the Finance Council review the pension plans to make sure that they are being distributed appropriately.

Joe Schunk reported that the committee would solicit bids for the next diocesan audit from BKD and other firms. He asked that the committee be delegated to respond and the motion was made by Clem Carinalli, seconded by Deacon Hercher and approved unanimously.

**7. Other Business:**

In other business, items from parish audits were asked to be addressed within 90 days, but several parishes are being sent second requests for a response to concerns that were noted. It was also noted that some priests were covering ministry expenses from personal funds; there should be no mingling of personal funds with program funds so that there is complete transparency.

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