

## *Diocesan Finance Council Highlights*

**Thursday, September 13, 2007**

Present were Bishop Daniel Walsh, 11 members of the Finance Council, two staff members and four guests.

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

Following approval of the agenda and previous minutes and highlights, Bishop Walsh presented his report.

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

Bishop Walsh thanked the Finance Council for their work during the summer. He discussed the ten Ochoa cases settled on August 27<sup>th</sup>. He also stated that we are financially vulnerable as the diocese is in debt \$5 million to other dioceses and has three other cases pending. The Bishop reported that Deacon Frank Dahl has been appointed chair of the Audit Committee and that John Schultz has joined the Building Committee. Mike Urick has been appointed for another five- year term as Finance Officer. There are two experienced priests from Kenya arriving on September 21<sup>st</sup> to work in the diocese and they are staying for a three- year term with another three-year option.

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

Mike Urick reviewed the balances in the bank accounts; current insurance coverage; and planned distributions of capital campaign funds.

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

Adrienne Moran reported that in the Associated Press article regarding the Ochoa settlements the opposing council had praised Bishop Walsh for his compassion concerning the victims. Concerning the three cases still pending, there are legal problems with the cases and they may eventually either be dismissed or the diocese may be removed as a defendant. Adrienne reported on a substantial list of other diocesan business.

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

Kim Sampietro explained the Budget versus Actual Cash Flow for the fiscal year ending June 30, 2007 and for the two months ending August 31, 2007 and reviewed the timing variances.

## **6. Committee Reports**

### **A. Property:**

Clem Carinalli reported that Christ the King Parish had received an offer of \$10,000 for the closed mission of St. Thomas in Orick. Clem moved that we accept the offer of \$10,000, while splitting closing costs up to \$325, with the buyer paying any excess costs. The motion was seconded and all approved.

### **B. Building and Construction:**

Bill Cornelison discussed the St. Rose preschool project history and introduced Ted Luthin and Ken LaFranchi from the preschool. The construction costs are currently estimated at between \$650,000 and \$700,000. Clem Carinalli made the motion that we approve the design build concept for the St. Rose preschool. The motion was seconded and all approved.

**C. Insurance and Human Resources:** No Report

**D. Membership:** No Report

### **E. Communications:**

Deirdre Frontczak reported the North Coast Catholic is in circulation and color was added. The postage cost is higher than anticipated due to postage rate increases. George Ortiz volunteered to join the Communications Committee.

**F. Banking and Oversight:** No report

**G. Audit Committee:**

Deacon Frank Dahl reported that the committee had met earlier this week and discussed changes to the pension plan fiscal year, and to improved, more accurate methods of recording any unfunded pension liability. The Audit Committee recommended the motion: The lay pension under funded liability (\$9.6 million) and the over funded portion of the priests pension plan (\$96,000) be recognized on the June 30, 2007 financial statements. The Audit Committee recommended the motion: The diocese will publish a single year financial statement for FYE June 30, 2007 rather than comparative statement. For future years the diocese will return to a comparative format. All approved.

**7. Other Business:**

Peggy Furth reported that Fred Furth had helped Father Angelito Peries purchase a home. The Bishop asked Clem Carinalli and Mike Urick to contact Father Angelito to help with the transaction details.

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