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Diocesan Finance Council Highlights

Thursday, March 17, 2011

Present were Bishop Daniel Walsh, Bishop Robert Vasa, 15 members of the Finance Council, two staff members and two guests. Following an opening prayer and approval of the agenda and past minutes, Bishop Walsh began his report.

1. **Comments of Bishop Walsh:** Bishop Walsh welcomed Bishop Vasa to the Diocese of Santa Rosa. Bishop Vasa met with the Presbyteral Council yesterday. He said that it is good to be here and he is looking forward to working with the Finance Council. Bishop Walsh also reported that the Ursuline-to-Newman transition was going well, with the next task being identification of buildings needed by Newman and negotiation of a rental agreement. The Bishop had recently met with the three seminarians attending St. Patrick Seminary and the three seminarians working in parishes for a pastoral year. Father Diaz is working with several more candidates.
2. **Report of Diocesan Finance Officer:** Mike Urick reviewed the Finance Officer's report, explaining various expenses and billing details.
3. **Report of Legal Counsel:** Dan Galvin reported on the status of four cases still pending a Supreme Court decision with no hearing dates set, and four other cases dismissed by the plaintiff's attorney. A final case is scheduled for mediation. Other minor claims involving diocesan properties were discussed.
4. **Cash Flow and Budget Committee:** Kim Sampietro reviewed the **Budget versus Actual Cash Flow** for January and February 2011. She reported that the large positive variance in the Ministry Program expenses was the charges for one year of tuition/room and board for a seminarian. At the end of February there were past-due operating assessments from two parishes.

Budget Report: Rick Rosa reported that the additional cost of having both a Bishop and a Coadjutor Bishop for the remainder of the fiscal year would be approximately \$16,000 and this would be reported as a variance. Rick also reported that the Budget Committee had met and that the budgets from the ministries had been received and allocated to the members for review. He anticipates that the Budget Committee will have a final budget for approval at the May Finance Council meeting.

Rick also reported that Julie Sparacio in the Child and Youth Protection Office would like to purchase a portable Live Scan machine for fingerprinting Julie could bring the machine with her to the parishes and schools and this would assist in adhering to the Charter for the Protection of Children. **Bill Cornelison made the motion to approve the purchase of the Live Scan machine from the Plant and Equipment fund, and the motion was seconded and unanimously approved.**

8. Committee Reports

- A. Membership:** No report.
- B. Communications:** Deirdre Frontczak showed a preview of the April publication of the North Coast Catholic. She reported that the traffic on the SRDiocese.org website was 16,000 hits during the month ending February 15th and 13,000 hits during the month ending March 15th. Viewers were looking at the Bishops letter, the parishes by city, staff, ministries and Catholic News Service link. The digital versions of the North Coast Catholic have not been as widely read. No other diocese has been successful in promoting the digital publications as a replacement for print, though many are moving to digital as a regular enhancement to the print publication. Deirdre is looking for ways to increase digital readership. Council members noted that older readers and Hispanic readers, in particular, were less likely to read publications online. Deirdre also said that many of the contributors wanted their articles to be published in the print editions also. Bishop Walsh said that the digital issues were important to pursue for the future.
- C. Investment Committee:** John Moynier reported Our Bond Portfolio has increased in value since his last report. Today, bond yields are lower from the last report hence higher market value. Our entire bond holdings are intended to be kept through their respective maturities.
- D. Audit Committee:** No report.
- E. Property:** Clem Carinalli reported that one of the two boilers at St. Bernard's Catholic School is not working, and the school requests \$6,000 to assist with the boiler replacement. There was much discussion, the matter was tabled for further research.

Clem also reported on the Snake Ranch. The committee is moving forward to get more information on the possible value of the half-interest in the 640 acres, and options for disposition. The property is listed with Carey Bertolone of Bertolone Realty who specializes in ranch property.

Monsignor Fahey of the Department of Catholic Cemeteries had been contacted by the Jewish Temple and Orthodox Community about placing burials in Calvary Cemetery. Monsignor Fahey indicated that Calvary Cemetery has plenty of property and would like permission to enter into negotiations for possible sale of some excess property. Dan Galvin raised a number of factors to be considered, but the Council consensus was that Monsignor Fahey could move forward with these negotiations.

The community at Our Lady of the Redwoods in Garberville has funds available and would like to begin the process of repairing or replacing the rectory. **The Committee brought forth the motion to approve the engagement of an architect by Our Lady of the Redwoods for the rectory remodel or renovation, all approved with one opposed.**

- F. Building and Construction:** Bill Cornelison reported that St. Francis Parish would like to employ an architect to do a master plan for future development. They have the funds available. **The Committee brought forth motion to**

G. approve the engagement of an architect by St. Francis Parish, all approved.

H. Insurance and Human Resources: Bob Fish reviewed the lay health plan renewal handout. There was discussion about passing along part of the increased costs to the employees and other options. **The Committee brought forth the motion to approve the Lay Employee Health Plan Renewal as outlined in the handout and all approved.**

Bob also reported that the workers compensation experience modifier for the Diocese had increased to 1.26, triggering a penalty assessment from Cal/OSHA. The penalty assessed to the Diocese is \$10,000. **The Committee brought forth the motion to approve paying the penalty to Cal/OSHA from previous retainages held from the Workers Compensation Fund. All approved.**

H. Development: No report.

9. Other Business: None

10. Tentative Dates for meetings were set, and the meeting adjourned.