



Diocesan Finance Council Highlights Thursday, September 15, 2011

Present were Bishop Robert Vasa, thirteen Finance Council members, one staff member and two guests. Following an opening prayer and approval of the agenda, minutes and highlights, Bishop Vasa offered his comments.

1. **Comments of the Bishop:** Bishop Vasa thanked the members for their work in moving the Diocese to a firmer financial foundation. The Bishop plans to challenge the Finance Council members. Rather than say we have these funds available so we can do this project, he would like to be more mission minded.: We must have a mission that appeals to the funders. The financial security of the Diocese needs to be in place, but we also need to find, identify and enunciate the mission of the Diocese. The Bishop mentioned that the Diocesan Pastoral Council has been involved in a promotion of a method of strategic planning; this process may help us identify which missions are a priority. John Moynier said that the Finance Council needs clarity of mission, and that the Diocese had been in “survival mode”.
2. **Report of Diocesan Finance Officer:** In the absence of Mike Urick, Kim Sampietro reviewed the Finance Officer’s report. She detailed the usages and designations for each account. She also explained that if the Council, later in the meeting, approved a requested loan, the funds would come from the Consolidated Recovery account.
3. **Report of Legal Counsel:** Dan Galvin reported that the four Timmons cases are still pending a Supreme Court decision; no hearing dates have been set, and the cases will be consolidated. The four McCabe cases have been re-filed, and these cases also depend on the Supreme Court decision. Mr. Galvin also reported on various other routine legal procedures.
4. **Cash Flow and Budget Committee:** Kim Sampietro reviewed the **Budget versus Actual Cash Flow** for the year ended June 30, 2011 and the two months ended August 31, 2011.

Budget Report: Rick Rosa reviewed a budget for the Marian Sisters of Santa Rosa, with a net expense for the remainder of the year will be \$46,442.65. Bishop Vasa sees the Sisters as strengthening catechesis and vocations in the parishes and schools. He hopes to contact major donors for support and within two years the religious order should be financially self-sufficient. The Sisters will be going to the schools and parishes and working on a fee-for-service basis.

8. Committee Reports

- A. Membership:** No report. Bishop Vasa asked Father Shaw to prepare a report of when the members terms are due to expire and stated that Monsignor Brenkle had resigned from the Finance Council. Bishop Vasa wants to identify new members who have particular areas of expertise that diversify the Council.
- B. Communications:** Deirdre Frontczak reported that the committee had met with Bishop Vasa yesterday and had a productive discussion. Advertising in the September issue has also gone well. The North Coast Catholic won a First Place award from the Catholic Press Association of North America for online publications. Deirdre mentioned that the diocesan website is outdated and needs attention; she is gathering bids from companies referred by other dioceses. Bishop Vasa noted the importance of Communications to our mission, and mentioned that print editions are more effective. He believes it would be helpful if the December issue was printed and in every parish for Christmas. Bishop Vasa also discussed the Communications second collection, explaining that the diocese can retain more of these funds if the collection is so designated.
- C. Investment Committee:** John Moynier reported that we have now completed a year as of August 31 with Hutchinson Capital and the Bond Portfolio continues with a positive performance. He reported on the results, and that the committee members are pleased with the performance and with the management of the Diocesan Bond Portfolio.
- D. Audit Committee:** Frank Dahl reported that for the end of the fiscal year the unfunded lay pension liability decreased by over \$1 million and the Priests pension liability also decreased by over \$400,000. New actuarial standards require that the actuaries allow for new mortality rates in the overall pension liabilities. Frank also reported that the draft of the financials should be available in mid-October. The Audit Committee and the Auditors have discussed closing the Capital Campaign from the financials. Two parishes had not participated in the Campaign; Bishop asked Father Shaw what he thought the priests' opinion would be on excusing these two parishes. Father Shaw said that most priests were aware of the difficult circumstances at these parishes; no decision was reached concerning their campaign participation. Bishop Vasa asked the council to begin to consider another capital campaign, or to amend the Annual Ministry Appeal to have a major donor portion to be retained for Diocesan needs.
- E. Property:** Clem Carinalli reported that St. Mary of the Angels Parish in Ukiah had requested permission to decommission the St. Francis Native American Mission located on the Hopland Rancheria. The motion was **made, seconded and unanimously approved, that the Finance Council approve the request from St. Mary of the Angels Parish that the St. Francis Native American Mission be decommissioned.**

Clem also reported that he had received a request from St. Bernard's Catholic School for an additional loan of \$6,000, now \$12,000 in total for their boiler. Bishop Vasa is going to challenge them; he wants the school to either be Catholic and part of the Diocese, or not. There was much discussion concerning the school history and situation. **Clem Carinalli made the motion that the diocese loan the school the additional \$6,000, interest free, to be repaid at \$100.00 per month over 60 months. The motion was seconded; twelve members approved, two opposed and the motion carried.**

Clem also reported that the property committee had visited St. Elizabeth Seton in Guerneville and found the rectory in need of repairs. The new property St. Elizabeth is considering is in the floodplain and would need to be built up twelve feet. A parishioner had recommended that they obtain bids on repairing the rectory. Bishop Vasa said that they needed to do some pastoral planning to discern what was really needed in the community.

- F. Building and Construction:** Bill Cornelison reported that the Diocese had agreed to lease the Cardinal Newman Retreat Center to Cardinal Newman High School. The school is requesting permission to pave and then cover the area between the retreat center and the gym to be used by the students as a common area and during lunch time. The school has the funding available to pay for these improvements. **The Committee brought forth the motion that the paving be approved. All approved.**

Bill reviewed progress on several other property improvements at three other parishes; he also presented proposed costs to renovate the old Chancery. Finally, Bill explained that this would be his last meeting, as he was resigning. The Bishop thanked him for his service.

- G. Insurance and Human Resources:** Bob Fish stated that the Archdiocese of Los Angeles has decided to withdraw from the Ordinary Mutual group and so the group structure will change. The Ordinary Mutual will extend coverage until November 15 in order to allow members to secure coverage elsewhere. The committee is looking for liability insurance from two possible alternate sources.

- H. Development:** Judy Barrett reviewed the current Annual Ministry Appeal report, stating that there were over \$1 million in pledges with 5672 donors. \$769,000 has been received so far.

5. **Other Business:** Janet Hagen asked how many seminarians were in school currently. Bishop Vasa replied that four are discerning their vocation, four others are at school and one is awaiting ordination as a transitional deacon and one is awaiting ordination as a diocesan priest. The two ordinations may be done together in six months. Paul LeSage asked if the Marian Sisters of Santa Rosa are available to speak for Catholic Organizations. Bishop Vasa said yes and mentioned that he was going to introduce them to the Catholic Professional and Business Breakfast Club.

Tentative Dates for meetings were set and the meeting adjourned.