

Diocesan Finance Council Highlights
Tuesday, November 4, 2008
Chancery Office – 4:00 p.m.

Present: were Bishop Daniel Walsh, fifteen members of the Finance council, one staff member and one guest.

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

1. **Comments of Bishop Walsh:** Bishop Walsh thanked the Finance Council and reported on Finance Officer Mike Urick's recent surgery; he is expected to return on December 1st. Thursday the Bishop will be traveling to Baltimore for a week to attend the General Assembly of Catholic Bishops. They will be reviewing the translation for liturgy and the Bishop will also be attending a Digital Media Boot Camp. The Bishop suggested that with the economy going as it is, perhaps the Budget Committee should be reviewing the budget to plan for possible budget cuts. The second collection for Seminarians has thus far netted \$59,000. Rick Rosa believes there will be \$100,000 less collected this year to be available for next year, requiring cuts to be made before year end. Clem Carinalli asked if there is a \$100,000 shortfall, how do you reduce expenses, possibly by cutting ministries? The Bishop will ask the Priests' Council's advice on what ministries to reduce.
2. **Report of the Finance Officer:** In Mike's absence Kim Sampietro reviewed the Finance Officer's Report, noting the increase in the St. William account due to the receipt of an insurance recovery on the settlement paid this Summer.
3. **Report of Legal Counsel:** Dan Galvin reported there are still four cases pending against the diocese, two are still in the pleading/demurrer phase, and two are in the discovery phase. The California Dioceses did a focus group in October to evaluate the jury response to repressed memory cases; responses were not favorable to the church, and this information is useful when planning for jury trials.
4. **Cash Flow and Budget Committee:** Kim Sampietro reviewed the **Budget versus Actual Cash Flow** for the month ending September 30, 2008 and detailed the timing and other variances. She also discussed this year's budget shortfall due to the additional seminarians and how that information was being reported.

Budget Report: Rick Rosa said that the budget committee added Sister Patricia Carson of Hoopa as a new member. Barbara Hill had resigned at the end of last year. He also said he would initiate the review of this fiscal year's budgets for possible reductions.

8. Committee Reports

- A. **Membership:** Father Shaw reported Father Loren Allen had suggested a St. Bernard parishioner as an addition to the Finance Council and forwarded this information to the Bishop. There is still no listing of appointment dates available.
- B. **Communications:** No report. The December North Coast Catholic will go out on schedule.
- C. **Investment Committee:** John Moynier reported the committee had not met.

- D. Audit Committee:** Deacon Frank Dahl reported that the committee had met and reviewed the audit committee letter and the financial statements in detail. John Schultz asked for and received clarification on property values. Msgr. Brenkle asked about the repayment to the Archdiocese of San Francisco and interest payments to other dioceses. The payment to San Francisco was the final payment of the settlement loan; interest and principal relief were granted by the other dioceses. Paul LeSage asked about the funding for pension benefits. Frank responded that the financial statements are current as of June 30, 2008 and there is a pension committee that reviews the plan assets. Most pension plans have losses for the past several months. **Frank Dahl made the motion that it is the recommendation of the Audit Committee, that the Financial Statements for the Diocese of Santa Rosa for the fiscal year ended June 30, 2008 be accepted, all approved.**
- E. Property:** Clem Carinalli reported on the ALTA Survey request from the Knights of Columbus for the St. Rose Preschool loan. He also discussed the request from Father Chinh Nguyen concerning the possible property purchase at Stony Point Road. Father Chinh and the Vietnamese Martyrs will need to proceed without financial assistance from the diocese. Rick Rosa requested a budget including all remodel, maintenance, insurance expenses, etc.
- F. Building and Construction:** No report from Bill Cornelison. Monsignor Brenkle reported that the bids for the St. Helena Church retrofit had come in substantially lower than anticipated and no further fundraising would be needed.
- G. Insurance and Human Resources:** Bob Fish reported that the diocese has an earthquake policy and a workers compensation policy with AIG, with earthquake insurance grouped with the Dioceses of Sacramento and San Jose. Gallagher had recommended that we reduced the AIG layer, but this would need to be done cooperatively with the other dioceses. The workers compensation insurance will renew in January and so no adjustment is needed. Also, additional liability insurance had been purchased from the Beasley Group in August. The Priests' Benefit Committee is investigating the legality of non-retired priests over 65 years of age using Medicare rather than the Diocesan Plan. John Schultz mentioned other plans available for retirees.
- H. Development:** The Bishop reported that for the Capital Campaign the total paid so far is \$13,405,978, the balance receivable is \$1,307,354. 900 donors are still making their payments. The 2009 Annual Ministry Appeal brochures will be mailed to the parishes in late January. In lieu of receptions there will be a DVD of the ministries. The Development Department will compile some information on Seminarians prior to the September 2009 second collection.

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