

Diocesan Finance Council Highlights **Thursday, September 11, 2008**

Present: were Bishop Daniel Walsh, 12 members of the Finance Council, one staff member and two guests.

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

1. **Bishop Walsh** discussed the four new priests working in our diocese: Father Eric Arroyo at Our Lady of Guadalupe, Father Francisco Blandon at St. John's in Napa, Father Tekleberhan Dini at St. Elizabeth in Guerneville and Father Joseph Li at St. Francis in Sonoma. The Diocese currently has seven active priests over the retirement age of 70 years, 40 total active aged over 65 years, and 39 active less than 65 years. In the Diaconate program there are currently 20 candidates, but Priests are required to Celebrate Mass, anoint the sick and hear confessions. At this point in time we have six seminarians, with different costs associated with each seminary, the average cost is \$40,000 annually per seminarian, including tuition, room, board, health, and a small stipend. We must hope for a successful Seminarian Second Collection, which is scheduled for September 20/21.

Bishop Walsh also discussed that he is scheduled to retire in four years and with the housing market lower has been looking at homes and condominiums in the \$350,000 to \$450,000 range. This may be an inopportune time as the Bishop is unsure where he would like to live when a new Bishop is installed.

2. **Report of Diocesan Finance Officer:** In Mike's absence Kim Sampietro reviewed the Finance Officer's Report, She commented on the small increase in the Priests Retirement restricted account due to Father Lameroux's estate gift and the increase in the Other Restricted due to Mission Co-op second collections this summer.
3. **Report of Legal Counsel:** Dan Galvin reported that there are four cases pending against the diocese and one that is against the Salesians, who are located in Lake County, geographically part of the diocese. Three are Timmons cases and one is against Father Oswald.

SNAP was present at the Safe Environment trainings in Napa this week protesting clergy leadership of the Diocesan Review Board.

The counsel is also working on employment related matters and as a result of the pending litigation has not revisited the proposed change in corporate structure.

4. **Cash Flow and Budget Committee:** Kim Sampietro reviewed the **Budget versus Actual Cash Flow** for the two months ending August 31, 2008 and detailed the timing and other variances. She also discussed this year's budget shortfall due to the additional seminarians. None of the parishes were past due over 60 days on their operating assessments.

Budget Report: Rick Rosa said that the budget committee had reviewed a request from St. Bernard's Schools that the Diocese give the property they occupy to the schools. The Bishop indicated that he does not have the Canonical ability to alienate the property, and the diocese had already written off a \$2.6 million debt from St. Bernards. ***Rick Rosa made the motion that it is the recommendation of the***

Budget Committee, that the request for a gift of the property be rejected and all approved.

5. Committee Reports

- A. Membership:** Father Shaw reported that George Ortiz was appointed to the Membership Committee. Father Loren Allen had suggested a St. Bernard parishioner as an addition to the Finance Council.
- B. Communications:** Deirdre Frontczak reported that the North Coast Catholic was mailed at the end of August. The web site needs attention; the volunteer that had been updating it was no longer available. Youth Ministries and Schools have requested updated sites, and the web designer is working on their requests for sites more appealing to youth. Judy Barrett reported on Proposition 8, the Marriage Initiative, including weekly conference calls to inform priests and staff what can and cannot be done at the parishes. If the church takes a political position on an initiative, then we must report the amount spent for support.
- C. Investment Committee:** John Moynier reported that the committee had reviewed and developed the Investment Policy. ***John Moynier made the motion that it is the recommendation of the Investment Committee, that the Investment Committee Policy be adopted, with grammatical and typo errors corrected as noted and all approved.***
- D. Audit Committee:** Deacon Frank Dahl reported that he has spoken with the Auditor, Bruce Sneesby and a draft of the financials should be available at the beginning of October. There were no material discrepancies or variances.

A lot of the information, on basic internal control procedures could be discussed at a deanery meeting. The Diocese should provide new pastors with training on diocesan policies and procedures. The Bishop stressed that accountability and transparency are needed.

- E. Property:** No report.
- F. Building and Construction:** No report.
- G. Insurance and Human Resources:** Kim Sampietro in the absence of Bob Fish reviewed the Projected Insurance and Self Insurance Expenses Premium Comparison for the Year Ending 2008 and 2009. The report showed a small increase in the premiums billed from last year to this year.
- H. Development:** The Bishop reviewed the appeal target, pledges and payments.

6. Other Business: Rick Rosa discussed the budget being out of balance for the first time since the finance council had been in place. Special gifts totaling \$100,000 have been received since this summer for seminarians, and Rick asked the members to do what ever they could to donate money, or to publicize and promote the Seminarian collection.

7. Tentative Dates for meetings were set and the meeting adjourned.