



**DIOCESE OF SANTA ROSA  
CHANCERY OFFICE**

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**Diocesan Finance Council Highlights-Approved  
Thursday, January 12, 2017  
Chancery Office – 4:00 p.m.**

**Present** were Bishop Robert Vasa, fourteen members of the Finance Council and four staff members. The Minutes and Highlights of the November meeting were approved with a grammatical and a word correction as put forth by Deacon Frank Dahl.

1. **Comments of Bishop Vasa:** Bishop Vasa spoke about the Priests meeting this week. The meeting covered policies, matters of parochial administration and requirements for parish finance councils. The new employee handbook was reviewed. It was originally used in the Sacramento Diocese, is quite comprehensive, and has been updated and reviewed by Adrienne Moran and Fran de la Forest. Each parish finance council will need to review and accept this new handbook. All employees will be required to review the handbook, and sign a form saying that they acknowledge receipt of the handbook. Employment litigation is rising and we have to be vigilant, have policies in place and follow the policies. It is important to raise the competence level of our parochial administration. Monsignor Whelton and Dave Adams are working to compile a parish finance council handbook to outline their rights and responsibilities.
2. **Report of Diocesan Finance Officer:** Dave Adams reviewed Monthly Finance Officers Report which shows an increase, much of which is a result of a large loan payment by Father Griffin at St. Elizabeth Seton in Rohnert Park. These funds were the proceeds of an estate settlement. Additional funds also came from Insurance payments by parishes and schools. Dave also reviewed the Accounts Receivable listing. Most entities are current, except for St. Anthony in Willits and St. Mary School in Ukiah, who are making payments on older insurance balances.
3. **Report of Legal Counsel:** Dan Galvin reported on the claim against St. Apollinaris Church. The small personal injury claim with Catholic Charities has been settled. Some contracts have been reviewed with Catholic Charities. The attorneys have also been working on filing articles of incorporation and the corresponding property transfers. Russ Ferriera and Dan Galvin are doing estate planning presentations at some parishes and with the priests this past week.
4. **Committee Reports**
  - A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee had met and reviewed the cash flow information for November and December. Dan mentioned that there was one program which was currently out of budget and that Dave would be addressing this problem. The committee had also discussed internal controls and implementing a standard chart of accounts. Bishop Vasa, who had also attended the committee meeting said that there had been a line by line review of chancery and ministries income and expenses.

- B. Membership:** Father Shaw said there was no report. Bishop Vasa said that Father Ron Serban of Holy Spirit Parish had submitted a name for consideration. He also noted that there were no women members on the Council. Bishop Vasa noted that the Property Committee needed a chair.
- C. Communications:** In the absence of Chris Lyford, Dave Adams reported that the committee continues to meet on a monthly basis with a focus on increasing readership and quality of the North Coast Catholic Newspaper, website and social media presence and inter-parish communications.
- D. Investment:** Dave Adams reported that the committee needs a new chairman. Hirtle Callaghan had overall done very well for the year. He reviewed the performance of the portfolio versus the benchmark and noted that some of the investments are international and so the 4<sup>th</sup> quarter was slightly weaker. At the end of December the Priests Pension portfolio was moved to Hirtle Callaghan for management. The move went well and the retired priests received their pension payments.
- E. Audit:** Deacon Frank Dahl had no report. Bishop Vasa said that he would like to move forward with the parish audits. Professional oversight is needed and the parochial administration and finance councils need to understand how to check bank statements, check registers and how to notice when things are not done properly. Frank mentioned that the parish audit project was awaiting information from another diocese on their audit procedures and requirements.
- F. Property:** Bishop Vasa again mentioned the Fountaingrove property. Clem Carinalli is comfortable that the property is priced well. Bishop Vasa also said that the Marian Sisters had moved from the home at 3336 Hermit Way and it was now vacant. There was discussion of the potential uses for the property. The consensus was that selling the home was appropriate.
- G. Building and Construction:** Bishop Vasa said it would be beneficial to provide a dignified place for retired priests to live when they retire. He would like to renovate the old rectory, previously the chancery, South of St. Rose Church. The St. Eugene renovation project is moving forward. Resurrection Parish is looking at a solar array project. Dave mentioned that there would be a Building Committee meeting later in the month to obtain more information on solar energy projects. St. James Church in Petaluma had recently installed solar and had received a bequest to pay for the project. There was much discussion of solar energy projects.
- H. Insurance and Human Resources:** Bob Fish reported that the committee had a three hour meeting. There is a struggle to balance a market competitive insurance program versus an affordable insurance program, while maintaining an attractive part of the employment package. We currently provide a Cadillac plan, pay employees less, and have less of a pension benefit than the public sector. Dave Adams mentioned that 70% of the diocesan employees are in the schools. Dave said that we plan to introduce an employee cost for coverage and an opt-out of health insurance alternative for employees. Evert Fernandez asked about wellness programs. Bob Fish replied that there is one for the priests and also one for the lay employees. Dave added that the lay employees can get up to \$450 for participating in the wellness program and the priests also have a benefit. Dave also said that the property appraisals and insurance coverage information

had been distributed to the parishes and schools. Dave plans to distribute budget planning information at the end of January. Bishop Vasa asked Dave to speak on the pension liability resulting from closed schools. Dave explained that the Diocese has a large pension liability reported on the Financial Statements and that school employees comprise 70% of the diocesan employees, there remains a pension liability when a school is closed. At the clergy workshop this week the liability remaining when a school closes was discussed.

- I. **Development:** Deacon John Norris said that as the Capital Campaign was approximately half way through the collection phase there would be no more pledges. He also reviewed the Annual Ministry Appeal handout and noted that two parishes had excessive write offs and that he would be working with the pastors to try to mitigate this issue for next year. He also mentioned that St. Vincent Parish was previously going to have a large shortfall, but that Father Gary Lombardi had agreed to a supplemental mailing to parishioners that had previously given to either the Appeal or Campaign. Now, rather than write a check for the short fall, St. Vincent would likely receive a check for \$4000 to \$6000. Deacon Norris has volunteered to assist other parishes in this same manner. Bishop Vasa mentioned that he had worked along with Deacon Norris and Dave Adams to update the Annual Ministry Appeal targets. The targets are now based on total revenue with a standard deduction given to each parish of \$60,000 for their priest and another deduction for parishes that support schools. The current rate is 6.4% of total revenue.

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