



**DIOCESE OF SANTA ROSA  
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**Diocesan Finance Council Highlights-Approved  
Thursday, May 28, 2015**

**Present were** Bishop Robert Vasa, ten members of the Finance council and three staff members. Following the opening prayer, the agenda was approved as written.

1. The **Minutes and Highlights** were approved as written.
2. **Comments of Bishop Vasa:** The Bishop said it was good to meet with the Council. He feels that the Diocese is moving forward financially and making progress. He is grateful to the Committee members for their questions and comments.
3. **Report of Diocesan Finance Officer:** Dave Adams reviewed the balances listed in the Finance Officer's Report, noting that the overall balances had increased. Dave also reviewed the Accounts Receivable Summary and said that most of the balances were for Property and Liability Insurances that were billed for the entire fiscal year and payments are being made on these balances. Dave also mentioned that he would be contacting the parishes with the 2013 Annual Appeal shortfalls which are still due.
4. **Report of Legal Counsel:** Adrienne Moran reported that the attorneys had been working on a legal issues for St. Francis Church and School, the bike path near Star of the Valley, St. Apollinaris staffing changes and a small claims case at Catholic Charities.
5. **Cash Flow and Budget Committee, Budget Report:** Kim Sampietro reviewed the Budget versus Actual Cash Flow reports through the end of April, noting mostly timing variances and positive variances overall. Dan Prince reported that the Budget Committee had met and reviewed the budget. Dan stated that the budget had been prepared giving cost-of-living adjustment as reported in the California Consumer Price Index. He also reviewed the Budget 2015-2016 form detailing changes by ministry/department line-by-line in the budget, highlighting changes in income, salary, staffing and expenses. Dan Prince, as Chair of the **Budget Committee made the motion to approve the Diocese of Santa Rosa Budget for fiscal year 2015-2016, as presented summary sheet with a subsidy of \$910,000. All approved.**
6. **Committee Reports**
  - A. **Membership:** Father Shaw had no report.
  - B. **Communications:** Bishop Vasa mentioned that the North Coast Catholic seems well received with more pages and less cost. Paul LeSage asked if there were advertisements, and the Bishop responded affirmatively.

- C. Investment:** In the absence of John Moynier, Dave Adams reported that the market value of the Diocesan Bond Portfolio as of April 30 was \$6,403,566 had increased principally from interest income. The investment committee met in April and selected four finalists to interview to be investment advisors for the Diocese. The finalists will be interviewed on June 9. There was a question concerning adding another layer of management costs in the process. Dave explained that most of the other (Arch)diocese were moving to this model, and overall the costs would likely be less. He also mentioned that investments were limited by the Catholic Socially Responsible Investment requirements.
- D. Audit:** Deacon Frank Dahl reported that the committee had received a bid from Boden, Klein and Sneesby (BKS) in the same amount as prior years. BKS is also going to audit the Catholic Community Foundation. Deacon Frank Dahl, as Chair of **the Audit Committee made the motion to accept the bid from Boden, Klein and Sneesby. All approved.**
- E. Property:** Clem Carinalli reported that there had been discussions with the neighbor of the Fountaingrove property concerning access paving issues.
- F. Building and Construction:** Dave Adams asked that the members of the Finance Council review the Diocese of Santa Rosa Construction and Maintenance Manual over the summer and address suggested changes to him. The Council should vote on the manual at the September meeting. The Manual will then be posted on the website as a reference for parishes and schools.
- G. Insurance and Human Resources:** Bob Fish reported that the committee had met in April concerning the Health and Dental plan renewal. Bob explained that the plan is more generous than most plans and in a normal business situation the copays and deductibles would be increased in order to decrease plan usage and expenses. In our situation, in order to limit what services are paid for, the Diocese has a "grandfathered plan". In order to maintain this status, there are strict limits as to the increases allowed (medical cost of living or \$5 increments) that increase the employees' costs. The only option currently available is to increase the costs to each entity (parishes and schools) and then the small amount to the employees. The cost to parishes, schools, and other employers for lay employee coverage is increasing by 18% this year. Dave also reported that quotes had been obtained from Catholic Mutual for Earthquake Insurance. Last year only a third of our parishes had earthquake coverage. This year, if a parish wants to decline Earthquake Insurance they must send a letter to the Diocese signed by the pastor and the parish finance council. The Catholic Mutual plan gives \$50 million in coverage, with a limit of \$10 million per location. FEMA provides some coverage for schools. There was discussion concerning workers compensation rates and safety training. Dave replied that the Church Mutual representative and Kelly Righetti have a three year visitation rotation for inspections. The Diocese is so geographically spread that informational meetings are difficult to structure. Dave also mentioned that many of the accidents were as a result of unique or odd occurrences.

**H. Development:** Dave Adams reported Deacon John Norris had begun work and will be coming to some, but not all DFC meetings. His title is Director of Stewardship and Development for the Catholic Community Foundation.

Dave called attention to the Professing our Faith – Walking in Hope – Building God’s Kingdom handout combined campaign listing for St. Helena Parish. Father Kalil called and reported the target and pledges listed.

Dave also reviewed the Capital Campaign Distribution handout and the Cash Receipts, Expenditures and Distributions for the Capital Campaign since inception. The goal is transparency and this information will be reported on a quarterly or semi-annual basis.

The first distributions have been to parishes as this is where the funds are coming from. Starting with the July 2015 distributions funds will be distributed for the remaining campaign cases.

**7. Other Business – Finance Council Consult and Consent Requirements.** Bishop Vasa reviewed the handouts, calling specific attention to the definition of a “Stable Patrimony”. When the Fountaingrove Property sells this will be an alienation of church property and will require consent of the Finance Council. As previously, the Bishop will continue to consult with the Council, as this creates greater transparency. The Bishop does plan to review the parish limits for alienation of Church property.

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