



**DIocese OF SANTA ROSA
CHANCERY OFFICE**

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**Diocesan Finance Council Highlights-Approved
Thursday, May 12, 2016
Chancery Office – 4:00 p.m.**

Present were Bishop Robert Vasa, fourteen members of the Finance Council and three staff members. Following the opening prayer, the agenda was approved at written. The **Minutes** and **Highlights** from the March meeting were approved as written.

- 1. Comments of Bishop Vasa:** The Bishop introduced Phil Myers, from Lake County and welcomed him to the Council.

Bishop Vasa then reviewed the handout concerning Canon Laws related to acts of administration with regards to patrimony and property. He went into great detail describing the different acts of administration and the requirements of both consent and consult for the Finance Council, College of Consultors, and the Holy See. The Bishop also explained that these Canons were written in 1917 and the terms and definitions have changed over the years.

Bishop Vasa then discussed the needs of the Marian Sisters as outlined in the handout "Information for Advice/Comments from Diocesan Finance Council" concerning the Marian Sisters possible purchase of a property on Hoen Avenue in Santa Rosa. The Sisters have grown in number and need a larger residence for their community. There was discussion of the handout which outlined their growth and also discussion of their organizational structure. Bishop explained that the Marian Sisters of the Diocese of Santa Rosa are currently a "Public Association of the Faithful". Bishop Vasa said that Mother Teresa Christe is their Superior and that Bishop Vasa, as Bishop of Santa Rosa is providing oversight. There were no objections to having the Marian Sisters move forward to purchase the property on Hoen Avenue. Father Shaw asked what would become of the home on Hermit Way? The Bishop stated that property was Patrimony and he would not like to live there. Eventually he would like to place it on the market, and possibly use the proceeds to fund the Deposit and Loan Fund.
- 2. Report of Diocesan Finance Officer:** Dave Adams reviewed the balances listed in the Finance Officer's Report, noting an increase in total of \$400,000, resulting from payments by entities for their portion of the Diocesan workers compensation invoice.

Dave also mentioned that St. Elizabeth Seton Church in Rohnert Park was the beneficiary of a living trust designated to be used to pay down their building loan. Father Griffin, having received the funds, had forwarded the loan payment to the Diocese.

Dave also reviewed the Accounts Receivable Summary noting that St. John School in Healdsburg was in arrears on their lay pension payment. Payments are being made towards the balances listed in the Property/Liability Insurance column on the worksheet.

As part of the Canonical requirement for reviewing the financial statements of entities in the Diocese of Santa Rosa, Dave then reviewed the School Financial Summary for the Fiscal Year Ending June 30, 2015. The members were also asked to review the Financial Statements for the Year Ending June 30, 2015 for Catholic Charities of the Diocese of Santa Rosa over the summer. Representatives of Catholic Charities will be available at the beginning of the next meeting to discuss the statements.

3. **Report of Legal Counsel:** Dan Galvin reported that various cases and litigation was in discovery and other stages of negotiation. The diocese has received a dismissal on the Justin Sienna case. There are currently many construction contracts to review. The Catholic Community Foundation by-laws are being amended. The attorneys are also working on the reorganization of the Diocese of Santa Rosa and the new Employee Handbook. St. Francis Parish and School are the beneficiaries of a trust that has been resolved.

4. Committee Reports

A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee had met and worked on the budget with Dave Adams and Kim Sampietro. He appreciated their assistance. Overall the employees of the Diocese are receiving a 1.9% cost of living increase. By department, there have been changes in staffing resulting in increases in the budget. Two new Marian Sisters will be working in the Diocese in September, one in the Tribunal and the other in the new Family Life Office. There is now a full time priest in the Tribunal and a new Superintendent of Catholic Schools. Russ Ferreira has been hired in the Stewardship/Development department. Dave also mentioned that this was a challenging budget and that he would be meeting with the Directors to review the changes in their budgets. Dan Prince brought forth the **Budget Committee motion that the Budget for 2016-2017 for the Diocese of Santa Rosa as outlined in the handout be approved. All approved.** Questions were requested on the March and April cash flow reports. The workers compensation billing process was reviewed.

B. **Membership:** Bishop Vasa asked the members completing their terms if they had a replacement member to nominate from their area of expertise to contact him.

C. **Communications:** No report.

D. **Investment:** In the absence of John Moynier, Dave Adams provided a handout for the first quarter of 2016 showing that the portfolio value increased by \$300,000. For the month of April the increase in value was \$100,000. Daniel Catone mentioned that performing at 2.2% over the benchmark was out of the ordinary and he would like more information on the risk profile. Dave mentioned that Daniel might be a good addition to the Investment Committee. Phil Myers also expressed an interest in the investment portfolios.

E. **Audit:** Deacon Frank Dahl reported that he had received a bid for the audit of the Diocese of Santa Rosa from Boden, Klein and Sneesby (BKS) that was unchanged from the prior year. There was discussion of the value of having the same versus new auditors, the problems in obtaining other bids and the labor/time issue involved with having new auditors. **The Audit Committee made the motion that the bid from the May 9, 2016 proposal letter from Boden Klein and Sneesby be accepted. All approved.**

F. **Property:** Clem Carinalli stated that the Fountaingrove property was no longer in escrow. Some brush needs to be cleared to make the property more accessible and attractive and then the property will be put back on the market.

- G. Building and Construction:** Dave Adams reported that there is a lot of work on roofs and resurfacing parking areas. St. Eugene Cathedral has HVAC work at this time.
- H. Insurance and Human Resources:** In the absence of Bob Fish, Dave Adams reported that open enrollment has been completed. So far we have received positive feedback on the Anthem network and Kaiser. There was a Medicare and gap coverage meeting with the retired priests Wednesday. All new coverage is effective June 1. Evert Fernandez asked if the deductible information carryover would occur and Dave replied that he was working to obtain and move the information. Paul LeSage asked about Drones. Kelly Righetti and Dave had met with Catholic Mutual and have been working on a policy. There are issues concerning privacy, liabilities, and licensing for the pilot.
- I. Development:** Monsignor Dan Whelton compared last years' Annual Ministry Appeal 2015 handout as of April 30 to this years' balance noting that the target was \$26,000 higher this year, pledges were \$131,000 greater, 355 more donors and \$67,000 more funds had been collected. Monsignor Whelton also reported that for the Capital Campaign in the past year the total collected increased from \$4 million to \$8.7 million and cancellations increased from \$400,000 to \$871,000. As previously mentioned the capital campaign, annual appeal and other fundraising work will be done by Deacon John Norris and Russ Ferreira.

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