



**DIOCESE OF SANTA ROSA
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**Diocesan Finance Council Highlights-Approved
Thursday, September 8, 2016**

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

1. **Comments of Bishop Vasa:** The Bishop introduced Father Balaswamy Govindu and Doug Boileau, the new council members from Arcata. Father Govindu is the Dean of the Humboldt/Del Norte Deanery. Doug Boileau is a parishioner at St. Mary Church. The Bishop said that he had also invited Father Alvin Villaruel of Sonoma-South Deanery to be a member of the Council and had spoken with Father Oscar Diaz of the Mendocino/Lake Deanery.
The Diocese is changing the civil corporate structure of each parish into a separate Corporation Sole. This more closely matches the canonical structure of the church. The Pastor is to be the civil and canonical head of the parish. Dan Galvin had submitted the Articles of Incorporation to the Secretary of State for the Marian Sisters of the Diocese of Santa Rosa and the Sisters are now separately incorporated. The Cathedral, as a pilot parish, has had their Articles of Incorporation submitted. Once the Articles are accepted, this process gives legal identity to the parish. Evert asked how this would change insurance coverage. The Bishop said no real change, the parishes may elect higher or lower property coverage, but all would be insured by Catholic Mutual.
Bishop Vasa announced that the Marian Sisters, as a separate corporation had purchased the property discussed at the May meeting with a private loan. The Marian Sisters are currently comprised of ten women in various phases of formation with two more women arriving in November.
2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the balances listed in the Finance Officer's Report, noting a decrease in total resulting from payments by the Diocese for property, liability and earthquake insurance policies. The entities were billed for their insurance at the beginning of September. The other decrease was in the Capital Campaign account as a result of the semi-annual distribution to the parishes and case elements of the campaign.
3. **Report of Legal Counsel:** Dan Galvin reported his office was working on leases, contracts and construction project documents, as well as separately incorporating the parishes. Two small suits had settled. The Diocese had received a home in Lake County from the estate of Father Sheehy. The house is in escrow for \$100,000 with a loan value of \$75,000. Gene Senestraro asked about legal counsel when the parishes were separate legal entities. Bishop responded that the attorney use would continue as previously as part of the service contract with the diocese.
4. **Committee Reports**
 - A. **Budget and Cash Flow Committee:** In the absence of Dan Prince, Dave Adams reported that the committee had met and reviewed the information.

- B. Membership:** No report.
- C. Communications:** Chris Lyford, the Director of Communications, reported that his committee had met this week and meets each month. The primary thrust is the North Coast Catholic, including content, graphics, layout, mailing and advertisements. The ads currently pay for half of the cost and there is plenty of room for improvement. The Communications Committee focus is on the NCC, the diocesan website and social media. There are Facebook pages for the parishes and there is a link to the Pope's visit in Poland on the website. Evert Fernandez asked how much content is in Spanish. Chris responded that 3-4 pages are normally in Spanish and more writers are needed, as well as more local stories from Latino sources. Chris also said that on the front page there is an insert directing Spanish readers to specific pages. George Ortiz has been helping and Father Oscar Diaz has translated some articles.
- D. Investment:** Dave Adams reviewed the handout for the second quarter of 2016 and the portfolio value increased by \$200,000. Year-to-date through July 31 the value increased by \$500,000. There was discussion of the Components section of the handout, which does not give any weighting information and includes all varieties of investments. Dan Catone asked about information on the actual investments. Joseph Pandolfo asked about the insurance coverage and the self-insurance fund aspect of the portfolio. Dave replied that the November meeting would have more detailed information.
- E. Audit:** No report.
- F. Property:** Dave Adams reported that the Fountaingrove property was again in escrow. The potential buyer discovered a discrepancy in the size of the property and requested a price concession.
- G. Building and Construction:** Dave Adams reviewed the Holy Family Catholic Parish Milestones and Loan Approval Request handouts. The Parish is requesting permission to obtain a building loan with Five Star Bank. Dave reviewed the previous five years income and expenses and the next four year forecast. The project layout, for a parish hall, and project rendition were passed around for the members to review. Dave also reviewed the "Commentary" handout with information on Canonical requirements concerning acts of ordinary administration and acts of extraordinary administration requiring that the Parish Finance Council, Diocesan Finance Council and the Bishop all consent to projects of over \$25,000. The Rectory and property are both owned free and clear of debt. American Canyon is one of the fastest growing communities in the North Bay. **Gene Senestraro made the motion that Holy Family Parish be allowed to obtain the loan to build the Parish Hall, John Schultz seconded the motion. Phil Myers asked the Bishop if he would approve the project also? Bishop Vasa responded, yes. All approved.**

Bishop Vasa spoke regarding the St. Apollinaris Sanctuary and Earthquake project. He explained that in the Napa earthquake two years ago St. Apollinaris Church had cosmetic rather than structural damage, but the cosmetic damage was not inexpensive to repair. There are roof tiles to reset and drywall work, and possibly more problems to come to light. The Tabernacle is currently located off to the side of the Sanctuary and should be centered in the front of the church. The mosaic will also be moved to the center. The parish has the funds in hand for this project. **Joseph Pandolfo made the**

motion to approve the request by St. Apollinaris Parish to move forward with the Sanctuary remodel and earthquake repairs, Phil Myers seconded the motion. Frank Dahl, a Deacon of St. Apollinaris Parish, abstained and all others approved.

H. Insurance and Human Resources: In the absence of Bob Fish, Dave Adams reported that the diocesan health insurance had moved from Verus, a third party administrator to the Reta Trust effective June 1. The move seems to have gone smoothly, the retired priests have a Medicare gap program in place.

I. Development: Deacon John Norris, Director of Development, summarized the pledges, receipts, write-offs and disbursements for the capital campaign. He reviewed the Capital Campaign handout as of June 30 outlining concerns about the continuing increase in pledge cancellations. Dave Adams said that Community Counselling Services had estimated a 15% allowance over the campaign life. John also discussed the Annual Ministry Appeal 2016 handout and efforts to assist the pastors with shortfalls, specifically with follow up letters to previous donors who had skipped donating in the current year. There was much discussion on goal/target strategies, methodology and calculations.

5. Other Business: Catholic Charities representatives Len Marabella, Executive Director, Denise Dixon, Board Member and Treasurer, Marilyn Stuart, Director of Accounting and Finance were introduced. Dave Adams explained that this presentation was to meet the Canonical requirement of financial oversight by reviewing the Catholic Charities Financial Statements for the fiscal year ending June 30, 2015. When the audit is done for the year ending June 30, 2016 there will be another presentation. While Denise Dixon reviewed the balance sheet and income statement there was also discussion of:

- The purchase of the Caritas property from Santa Rosa Memorial Hospital and plans for future facility
- Grants – come from Federal, State, City governments, private foundations, Department of Housing and Urban Development. Sometime slow pays.
- Program start-up costs
- Line of Credit- to cover operating loss for the year, not expecting to draw more, seasonality of fund raising (November and December usually)
- Restyle Market, now profitable, net of depreciation
- Large growth, need to slow down to stabilize financial situation
- Betty Chinn facility requirements, good Director in place
- Palms Inn-County of Sonoma gave to CC to run
- Ask for footnote numbers to be referenced on the actual financial statements
- Future presentations might include income for programs and budget versus actual by department
- Family Support Center has a large waiting list
- What funds have been received by Catholic Charities from the Capital Campaign

Bishop Vasa thanked Denise, Len and Marilyn for the presentation and stated that it is a very complex organization.

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