

**Diocesan Finance Council Highlights-Approved**  
**Thursday, September 9, 2021**

**Present** were Bishop Robert Vasa with four council members in person and four council members by phone and four staff members. Bishop Vasa called the meeting to order and led the opening prayer. The minutes and highlight of the May meeting were approved with the information included in F. Property removed as being written in the minutes and highlights in error. The agenda was approved as written. Bishop Vasa welcomed the members and said that the pandemic is changing day to day. He is keeping the council in his prayers. The Bishop is especially concerned for the vintners and the laborers who are working on the harvest this year. Bishop Vasa thanked the council for their wonderful work in supporting the Diocese.

- 1. Report of Diocesan Finance Officer:** Deacon Joseph Oberting reported that as a result of the separate incorporation of the parishes the State of California had not recognized the parishes as religious institutions under their new "Corporation Sole" status. Nearly every parish and the Marian Sisters have received a request for California State income tax returns. We have now received our first parish recognition for "Subordinate Tax-Exempt Acknowledgement" for Assumption Parish in Ferndale, dated August 20 and retroactive to the date of the parish incorporation, June 13, 2017.  
Dr. Linda Norman is continuing as our Superintendent of Schools and the recruitment process will resume in 2022 for her replacement. Five schools also have new principals this year. Deacon Joe also reviewed the Accounts Receivable Summary and it was very clean. Deacon Joe had worked with St. Helena Parish have now refinanced and bundled their old construction loan with their past due insurances. They made their first loan payment in August. Our Lady of Perpetual Help has fallen further behind. The Marian Sisters had borrowed funds from the Diocese and have now repaid the entire loan in full. Nicolay Consulting is working on our annual actuarial calculations for the financial statements. We expect that since the portfolios have performed well the unfunded liabilities should decrease. The loan request for St. John the Baptist Church in Napa was not approved. (Deacon Joe disclosed that this is his home parish.) Deacon Joe plans to attend Diocesan Fiscal Management Conference during the first week of October. Catholic Extension has approved a grant for his travel costs. Deacon Joe reviewed the Monthly Finance Officers report. The item of note was that the DSR Insurance fund had decreased by the \$1.4 million used to pay for the annual diocesan property, liability, earthquake and auto premiums.
- 2. Report of Legal Counsel:** Dan Galvin reported that the attorneys have been working on contract reviews, covid protocols, the cemetery vineyard lease, school building leases and the Franchise Tax Board problem. The misconduct cases are now in the Discovery phase. There is a new coordinating judge and some insurance coverage. Bishop mentioned that the Archdiocese of Los Angeles and the Diocese of Orange have filed a writ with the California Supreme Court challenging the trial court's ruling against the constitutional challenge to the new statute of limitations section.

**3. Committee Reports**

**A. Budget and Cash Flow Committee:** No report.

**B. Membership:** No report.

**C. Communications:** Chris Lyford reported that there is ongoing work with Father Moses to find new advertisers for the North Coast Catholic. Since August we have added eight new advertisers in the NCC as well as the 2021-2022 Directory. We have developed and are testing a classified section which will be mainly web-based, but include postings in the NCC as space permits. The NCC is currently scheduled to be published eight times a year.

**D. Investment:** Deacon Joe reported that the committee met with CapTrust in-person on August 5. The SRI process and listing has been updated.

**E. Audit:** Steve Imboden reported that the auditors were here for their normal three days last week, have now received the actuary entries and footnotes and are in the process of preparing financial reports. A parish review was conducted at Our Lady Queen of Peace in Clearlake on July 27. Father Marlon Atendido had a chance to review findings prior to publications. The parish has 45 days to respond with their plan to address problem areas.

**F. Property:** No report.

**G. Building and Construction:** Deacon Joe said that the committee reviewed a cell tower lease for St. Eugene. St. Bernard School, via donations over the summer, has a new roof, new windows throughout the building and painting completed before the start of the school year.

**H. Insurance and Human Resources:** Deacon Joe reported that the transition to Blue Shield was successful, (from Anthem/Blue Cross). Bishop Vasa had asked that the Reta Loss Run report be included for Finance Council meetings and this report was reviewed for the year ended June 30. Bishop Vasa mentioned that Lori Norcia, our Director of Human Resources has been very busy. Both Fathers Bala and Alvin said that Lori had been quite helpful in their parishes.

**I. Development:** Bishop Vasa reviewed the 2021 Annual Ministry Appeal with pledges of \$1,033,381 and payments of \$899,321 through August 31 and was quite pleased with this accomplishment during covid.

**4. Other Business:** Bishop Vasa asked about on-line giving. One priest said his parish had not done much online and the other priest said on-line giving had been helpful.

Tentative dates for future meetings and the meeting adjourned.