

CATHOLIC DIOCESE OF SALT LAKE CITY REAL ESTATE CORPORATION
BOARD OF DIRECTORS MEETING
Meeting Minutes of May 24, 2022
Pastoral Center, 27 C Street, Salt Lake City, Utah

PRESENT

Most Reverend Oscar Solis	Michael Kladis, Director
Reverend Monsignor Colin F. Bircumshaw, Director	Mark Longe, Director
Deacon George Reade, Director	Candice Greenwald, Treasurer
Reverend Monsignor Joseph M Mayo, Director	Sarah Niemann, Secretary

NOT PRESENT

Fred Strasser, Director

CALL TO ORDER AND OPENING PRAYER:

The meeting was called to order at 2:00 PM with opening prayer by Msgr. Mayo.

APPROVAL OF OCTOBER 19, 2021 MINUTES:

Msgr Colin Bircumshaw mentioned that due to the cancellation and postponement of the January, 2022 board meetings due to Covid, the October 19, 2021, minutes were sent out and approved by email.

AUDIT RFP UPDATE

Candice Greenwald gave an update on the progress of the committee for the RFP for new auditors for all four companies – Roman Catholic Bishop, Diocesan Capital Corp, Diocesan Real Estate Corp and for the Catholic Foundation. Members of the committee were: Doug Black & Darcie Costello from the Capital Corp Finance Committee, Msgr Colin, Candice Greenwald, Sarah Niemann, Yvonne Martinez from Finance department, and Patrick Porter from the Foundation. Also, part of the committee was Dixie Egan, former colleague of Candy from Westminster College who did an Audit RFP with Candy at her former position.

Five different proposals were received from firms. Team calls were done with each one where pre-determined questions were posed to each firm for committee's analysis. Committee further narrowed it down to Tanner, LLC. They will be starting with this next audit.

The committee chose Tanner because in their presentation they talked “with us”, as opposed to “to us”. It felt like they really wanted to partner with us. Of the three, Tanner was obviously more of the local firm but they do have access to resources of other mid-sized firms all around the nation. We were able to check on one of their references, Episcopal Diocese of Utah, who gave them a glowing review. They had been with Tanner for a long time and would absolutely want them to bid again if they were to do another RFP.

The Engagement Letter has been signed and we are moving forward. Our first meeting with them will be sometime in June. Former long time auditors, KPMG gave us a courtesy call to let us know that Anfisa (who presented the audit last year), who is their Non-profit Specialist in the Utah office had left the firm and that it would cost the diocese an additional \$10-15,000 to their regular billing to bring a Non-profit Specialist in from their east coast office.

Msgr Colin mentioned he was impressed with the whole process of the Audit RFP. He commented how all the preparatory work that was done beforehand by Candy and Dixie made the process smooth and very professional – in all the questions that were asked and how everything was evaluated. Everyone was given points for different aspects of their firm. He thought it was the most objective way of looking at what each firm offers.

Question of whether Tanner had other services they offer that the diocese should perhaps look into was brought up. Candy answered that Payroll software, not service would be the next RFP.

UPDATE ON PROPERTIES

- Property valuation service was also brought up. Msgr Colin mentioned that Catholic Mutual Group does the property valuation. Deacon Reade added that CMG had appraised all the properties about 5 years ago now. Initially CMG spent about a month here in Utah to do the valuation of all the properties. CMG then uses an index every year to move the value of the properties up for insurance purposes. This update process is done online. Deacon further talked about how Bishop suggested categorizing properties to A, B & C – A properties are ones to definitely keep, B can go either way, while the C properties are under consideration to maybe liquidate in preparation for making plans for some of these churches.
- Earthquake damage to St Ann and St Patrick primarily - they were going to the value of those buildings to figure out the deductibles. For St Ann’s, CMG did not pay us anything due to the percentage of what it was appraised for. St Patrick’s did a little bit better.
- Cathedral’s earthquake damage being covered was raised as well.
- Deacon’s update on Judge HS – “things are getting a little more serious.” Bishop Solis, Msgr Colin, Msgr Fitz and Deacon Reade have met with Judge HS. We are at the point now of moving forward and looking at some serious fundraising. We have some ideas about the value of the

Judge property and buildings, but we really are not going to know how much it's worth until the property is listed for sale. Then get them to a bidding process, "highest and best offer type of thing." When asked when the listing may happen, Deacon said that talks have been of Judge thinking of listing it in July or August. We still have to coordinate with Patrick Lambert with fundraising, etc. There was also discussion about possibility of Judge getting some donors - they might hold on to the school for right now, and still try to build the new one at St Ann's, which will be the new site for the school. Deacon mentioned that Mark Longe brought up some interesting points - the seismic would cost about \$70 million just to bring up the current Judge school, if we did, and then use it for athletic facility. But we think even if we could hold on to it, the kids traveling for sports and all that might be complicated. Bishop then added that the timeline would be contingent on the results of the Capital Campaign.

- Bishop talked about the feasibility of the success of the move of Judge depends on whether Judge HS can continue to exist and the money that could be raised to build in the new location. The important information to consider is the cost of retrofitting the existing Judge building for earthquake and addressing the water issue is going to cost \$70 million. Mark said the \$70 million is just for earthquake retrofitting, taking care of the water issue and putting a new roof – and does not include Our Lady of Lourdes at all. Mike Kladis commented that renovation usually ends up costing so much more in the end. Bishop also said that the decision to be made comes down to "Renovate the current building or Relocate." The benefit of relocation is it would be a more prudent approach. We need a high school in this area for the feeder schools around Salt Lake area. If we could replicate the complex that Juan Diego have been doing, the programs and everything, it would be ideal. Mark mentioned that the existing gym and cafeteria are probably going to be moved.
- Deacon Reade said that there are three or four parties that are interested, but we really feel that at this point we need to get the right person out front talking to these parties. We need to get more serious about it now. Deacon said we have some real estate agents who are alumni and are Catholic. Mark also mentioned that we could either transfer the land, but it has to be used either as a medical facility, hospital or a school. If we just close Judge tomorrow, we'd have to figure out what we do with that land. If the property is not being used as a school, we could not just sell it and take the proceeds. Moving it retains the value and the church maintains the value and the name of the land. Mark pointed out that it would be a beautiful thing since it would be a reunion of the names of the Kearns and Judge family.

NEXT MEETING & ADJOURNMENT

The scheduling of the next meeting will be dependent on the audit. This meeting was adjourned at 2:32 PM.

Respectfully submitted by
Sarah Niemann

