Present were Bishop Robert Vasa, ten members of the Finance Council and three staff members. The minutes and highlights of the January meeting were approved without exception.

1. Bishop Vasa called the meeting to order at 4:00 p.m. and led an opening prayer. The Bishop said that he was grateful to the Finance Council for moving the Diocese towards better financial stability and improving relations between the Diocese and the parishes. We need an article in the North Coast Catholic on the Finance Council and their work. Bishop Vasa then stated that, though not required by canon law, he is consulting the Finance Council on the closing of St. Patrick Parish in Scotia. He provided information on the background of the community and church. The church property could be purchased for $200,000, but then would need renovations. Bishop Vasa has refused to purchase the church building as there is Church of the Assumption in Ferndale, only 17 miles away. The community in Scotia has not supported a full time Pastor in many years. Bishop Vasa has consulted with the Presbyteral Council and the last church service at St. Patrick Parish will be on April 1. The closing Mass is scheduled for March 19. The parish had previously purchased 8 acres in Rio Dell, the adjacent community, possibly for a retirement home, but this is likely located too far from medical services. All parish assets will be sent to Assumption Parish in Ferndale. The parish boundaries for Ferndale will be amended to include the present St. Patrick Parish boundaries. No assets will come to the Diocese. There were no questions or comments from the Finance Council.

2. Report of Diocesan Finance Officer: Dave Adams reviewed the Monthly Finance Officers Report and noted that the balances overall had decreased by $400,000 mostly from a decline in the stock market and a small decrease from normal activities. Dave also reviewed the Accounts Receivable Summary- Balances Over 60 Days. He mentioned that St. Helena is slightly past due, and now that the parish had received a distribution from the Catholic Community Foundation, they should be current. Dave plans to speak with the Pastor and Principal at St. Mary School in Ukiah, concerning outstanding insurance balances.

3. Report of Legal Counsel: Dan Galvin reported Savage Trial had been concluded and reached a settlement with each side bearing their own legal costs and rights of further appeal waived. The three lawsuits are in discovery for the incidents at Hanna. One is scheduled for a November trial date. The Diocese was served today in a potential class action suit concerning St. Francis School and social media. The attorneys have been working on reviewing construction contracts, parish projects, new policies for entities. Dan Galvin and Russ Ferreira are scheduled to do an Estate Planning seminar at Star of the Valley in April. Joe Barrera asked about St. Helena School. The Bishop responded that the school is most likely unable to continue and will most likely close this year.
4. Committee Reports

A. Budget and Cash Flow Committee: Dan Prince reported that the committee had met and thoroughly reviewed the Budget versus Actual reports through February 28, and overall the positive variance year-to-date is $314,179.

B. Membership: Bishop Vasa said the he was pleased with the representation from various counties, but that a woman skilled in finance should be added to the committee.

C. Communications: In the absence of Chris Lyford, Bishop Vasa mentioned a recent idea to ask Chris to look at the structure of the North Coast Catholic. Bishop Vasa would like to gather information as to the cost and possibility of a smaller publication, mailed to all households, possibly with a more local focus. He would like to know if additional advertising revenue would offset this increase in distribution costs. The paper is currently mailed to 5,000 households and another 10,000 copies are sent to the parishes for distribution. Phil suggested that the readers be surveyed as to their preferences and interests by including a tear-sheet or postcard to mail in. There was much discussion of possible changes in the North Coast Catholic.

D. Investment: Daniel Catone reported that there had not been much change in the asset values since the end of the year. There was a concern about some of the investments not being Socially Responsible Investments, but that has been corrected. As we move into market volatility in 2018 we might have more feedback from parishes, perhaps a letter from Hurtle Callaghan, concerning the market and the two portfolios choices would be appropriate.

E. Audit: Dan Prince reported that the Audit Committee had not met. Bishop Vasa asked about the auditors for next year and the consensus was that the current firm knows the Diocese well and does good work.

F. Property: Marty McCormick reported that the Diocese had been offered the gift of an undeveloped lot in Lake County and had decided not to accept the gift. Bishop Vasa asked if anyone had spoken with Clem Carinalli concerning the sale of the Snake Ranch.

G. Building and Construction: Dave Adams reported that there was a solar project at Star of the Valley, other work on roof maintenance and smaller projects. The main work in planning is the replacement of the St. Rose preschool building and work on the Cardinal Newman Humanities wing and portable classrooms. The real challenge will be for Cardinal Newman going from portables to real classrooms during this period of higher construction costs. Dave Adams mentioned that the insurance will pay for the portable classrooms for 18 months. Bishop Vasa said it would be beneficial to have an architect or contractor on the Council and asked for suggestions. Chris Lagos and Andy Hall were mentioned.

H. Insurance and Human Resources: Dave Adams reported the Workers Compensation Insurance was renewed with no increase in premium, but there were changes in the individual entity rates due to increases and decreases in payroll costs. In discussions with Catholic Mutual there will be a slight increase in liability insurance, a 15% increase in property insurance and a 4% increase in earthquake insurance.

I. Development: Bishop Vasa reported that the Capital Campaign now has under two years remaining and reported pledges of $21 million and payments of $14 million. The balance
of $5.5 million, after adjustments, should be received over the next year and a half or so. In looking at the number of donors on the Campaign and the appeal it seems that we have 5,000 families who regularly participate in these appeals. For the 2018 Annual Ministry Appeal, as of February 28th we have received pledges from 1,293 families of $376,620 and no in-pew solicitations had been posted. For the 2017 Appeal as of February 28th, there were payments of $1,090,604. This is the first time the Appeal has exceeded $1 million. Father Alvin Villaruel asked if there was information as to the age of the donors. Dave mentioned that there is the ability to track a lot of information in DonorPerfect including age and income. Father Balaswami Govindu would like information on the St. Apollinaris donors and their pledge activity.

8. Other Business: Bishop Vasa reviewed the Annual Parish Report Summary for the Fiscal Year Ending June 30, 2017. There was discussion of the Cash/Money Market Fund balances, which have a very low return and the other Investments. Daniel Catone asked if the Pastors had received information and instruction on Socially Responsible Investment (SRI). Father Alvin said that they should have received this information at the Presbyteral assembly. The Bishop asked the Council if it would be helpful to move the parishes toward better stewardship of parish assets if there was a resolution formally adopted by the Diocesan Finance Council concerning parish investments. The resolution could be as simple as asking the parishes to look at their investment policies, or that the parishes be asked to invest funds in excess of six months operating expenses. The Bishop would like Dave Adams to work on this resolution for review at the next Finance Council meeting in May. Dave also stated that some parishes such as Holy Family, are at the beginning of a building project and would not be expected to invest their building funds.

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