

CATHOLIC DIOCESE OF SALT LAKE CITY
DIOCESAN CAPITAL CORP COUNCIL
Meeting Minutes of January 25, 2023
Pastoral Center, 27 C Street, Salt Lake City, Utah

PRESENT

Most Reverend Oscar A. Solis	Darcie Costello (Zoom)
Reverend Monsignor Colin F. Bircumshaw	Mark Longe
Reverend John Evans	Kathie Roberts (Zoom)
Deacon George Reade (Zoom)	Andrea Steenburgh
Fred Strasser	Candice Greenwald
Reverend Sam Dinsdale	Sarah Niemann, Secretary

Guests: Tom Pappas
Matt Pappas

NOT PRESENT

Doug Black

CALL TO ORDER AND OPENING PRAYER

The meeting was a rollover from the Diocesan Finance Council meeting. The minutes submitted below are the minutes specific to the Diocesan Capital Corp which is the D&L Summary.

APPROVAL OF OCTOBER 26, 2022 MINUTES

Father Evans made the move to approve the minutes for the Oct 2022 meetings. Mark Longe seconded. Msgr. Colin asked for the vote on the motion to approve the minutes. The motion to approve passed unanimously.

D&L SUMMARY

The Catholic Foundation of Utah is the background supporting instrument of the diocese for future and current ministry. Probably 25% or so of our operating budget every year comes out of the proceeds from the Catholic Foundation of Utah. It is a portion of our annual budget. Every year we benefit from those funds that are dedicated towards the specific ministries that our departments offer.

The largest thing is the Diocesan Deposit & Loan Fund. Basically, we have \$4.8 million in debt from 9 parishes which now includes the Mount Calvary Cemetery, with a debt of \$206,000.00 for a new mausoleum. The overall D&L loan has decreased every month basically, going down consistently over the last year. The loans are being paid off regularly. So, we're healthy in terms of not having a lot of debt as the interest rates have increased.

The good news is that our savings are now at \$29 million with \$4.6 million in debt. But we try to assure the parishes that their money in the D&L is safe. There are very few places where you can invest in the market and tell the members of your bank they won't suffer the consequences of the market if it goes down. The diocese basically saves them from any loss."

Father Evans made a comment: "We can look at what we have invested, and what we have loaned out. The hidden part is the upward pressure on payroll – what that is going to do for the next number of years... it's going to slow the rate at which each parish can save or pay their debt. To what degree, I think that depends on the demographics of the local parish – there's some variability there. When we're looking at the investment side, we don't think of payroll. I think that's where the upward pressure is going to be and it would slow things where we may be making some good progress. We traditionally had payroll under market rate for a lot of our positions, and now that's going to come to bear in many places. Not all, but a lot. "

Msgr. Colin said "We still pay below market rates both in our schools and in our parishes because people don't expect the same level of pay, if they want to work for a comparable position. The hardest thing right now is finding people in Finance - the accountants. They can go out in the market and make much better, so we have to pay some of those. No matter what we do, we are still competing with the larger society in which we live."

Father Evans shared that he "went 5 months without a maintenance person that I was trying to hire. The only thing we can do is up the salary to compete a little more to eventually get our maintenance position filled. It depends on the kind of position. I did my 30% increase, and we still could not retain them. I ended up shutting down a program that had run for 25+ years."

Mark Longe mentioned "the same issue with Pre-school teachers. It is driving the cost up. We have schools that we had to put kids on waitlist because we don't have the staff."

Father Evans added "I think we are going to continue to see some of that pressure of upward payroll. And it's going to affect the rates by which we save and pay down loans."

Msgr. Colin: "We've gone through a shift of philosophy in our parishes. Our parishes have gone from having one paid person, that was the Secretary. Even the organist was a volunteer, now you pay for all of those, mostly in the large parishes and you pay just about everyone. Once you start paying a few people, everybody wants, or to be consistent, needs to be paid."

CLOSING COMMENTS

Tom Pappas, in closing again said “I would tend to lean more on the optimistic side, in particular with regards to the diocese portfolio. We do not have any major concerns going forward.”

Msgr. Colin confirmed that “the \$29 million in the D&L Savings is in the aggregate of all the parishes, missions and schools, with about 98% coming from parishes and missions. Generally, the D&L is a parish organization. If a school needs to establish a savings account or get a loan, they have to go through the parish. We ask the pastors to use this as the internal bank of the diocese. In other words, pastors are not supposed to put their savings in a commercial banking institution. It’s the wealthier parishes helping the poor parishes kind of thinking – semi banking situation or central financing. But it is basically only for the parishes. The Mount Calvary Cemetery had to get the Bishop’s permission to use the D&L for a loan. It was the only loan we could find to finance the new mausoleum – the calaveras sell so quickly. We are running out of ground plots. This has been in the planning for over a year.

Candy added that “our D&L rates are competitive, and we look at them quarterly, effective the first day of the next quarter. So, on January 1, where prime is sitting at 7.50%, our loan is only at a quarter of a percent above that so its 7.75%. Our savings at 3% below that. So, our savings on January 1 is at 4.75%.”

Msgr. Colin acknowledges that “it is hard for those people who got loans when the rates are going up. I am sure that the pastor would prefer to lock in a rate when they got a loan, but that would be very difficult to manage. “

BISHOP SOLIS’ COMMENTS

Bishop Solis thanked everyone for their hard work.

NEXT MEETING AND ADJOURNMENT

The scheduling of the next meeting will be sometime in May 2023, and will be the meeting when budgets will be approved. This meeting was adjourned at 3:15 PM.

Respectfully submitted,

Sarah Niemann