

**Archdiocese of Milwaukee  
Finance Council  
Minutes of March 7, 2003 Meeting**

Present: Archbishop Dolan, Bishop Sklba, Mark Doll, Patricia O'Donoghue, Rev. Phil Reifenberg, Wayne A. Schneider, Sr. Janet Senderak, SSND, Joseph Terrian, Rev. Donald Thimm

Excused: Thomas Bausch, T. Michael Bolger, Joan Braun

Recording Secretary: Kim Stollenwerk

The Archbishop noted that the Catholic Stewardship Appeal (CSA) has exceeded its goal of \$7 million in collected funds. Also, there has been much positive feedback on the financial statement package that went out to all registered Catholics in the diocese. Wayne said that he received only 6 phone calls and letters with questions. The Question and Answer section on the statements seems to have answered most everyone's questions and concerns.

Cathedral Project – Women's Assessment Center

A single gift of \$115,000 was received. Some major donors may be on the horizon. The building project is going well and is on schedule to be completed by the deadline.

Capital Campaign

The Archbishop has been advised by some people to have a capital campaign sooner, rather than later. He is somewhat reluctant to start a campaign while he is still considered a newcomer. He will make a decision after September 1, when he has been here a full year. The last capital campaign for the Archdiocese of Milwaukee fell far short of expectations. Most of the funds received in that campaign were earmarked for specific needs, and very little was left unrestricted for general use by the diocese. The Archdiocese of Milwaukee does not have an endowment and a capital campaign may be the vehicle needed to start one. The primary focus of the campaign, as the Archbishop sees it now, would be Education (tuition assistance and teacher salaries), charity and an endowment fund.

Cemeteries

Several cemetery employees sent a packet to Human Resources raising issues such as employee conduct and complaint calls on the condition of the cemeteries. The "new" management has been in place for 6 years and began enforcing the rules on flowers and decorations at that time. Admittedly, the enforcement was not handled properly, however, it seems that this has resolved for the most part. Most of the issues that now remain are internal employee/management problems. The Archbishop has received calls from pastors who have heard complaints from parishioners and funeral directors. Joe Sankovich is a consultant working with us to alleviate these problems. The cost of this consultation is \$40,000. He has been in our offices for the past two weeks. Wayne and other Archdiocesan officials have some concerns about his objectivity in these matters. The cemetery division is our largest remote staffing area. They have probably not been given adequate oversight from a management perspective. The cemeteries are not separately incorporated; they are part of the Archdiocese of Milwaukee corporation. They are under

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the Office of Finance and Administration, which is common for most of the other dioceses in the country. Some discussion on cemeteries followed. It was noted that the sales staff, Ministers of Consolation, are paid on a commission basis. It was questioned whether or not they are being compassionate and effective. It was also questioned as to whether Joe Sankovich is speaking with funeral directors. It was suggested that an advisory council be established, consisting of pastors, funeral directors and other appropriate outside members. It is expected that Joe Sankovich will make this same recommendation.

#### California lawsuit – Siegfried Widera

This lawsuit was filed against the Archdiocese of Milwaukee and the Diocese of Orange in California alleging abuse 30+ years ago. So far, only one case has been filed, but we are anticipating three or four more. The costs may be as high as \$400,000 per victim. There will be some insurance coverage, however it will take a long time to recover. The insurance companies argue that the Archdiocese was negligent and therefore coverage does not apply. Results of the psychiatric evaluations of the victim have not yet been received. Archbishop Cousins sent a letter to the Diocese of Orange outlining the problems with Fr. Widera.

#### Pastoral Mediation

Our care for victims goes beyond the law. We provide care/therapy even if the statute of limitations has passed and the victims are unable to take legal action. Restorative justice makes reparations for lost jobs, education, etc. due to the depression and other psychological effects of abuse. This is a process done without an attorney for either side. Currently, Marquette University has a mediation program in place. Also, Barbara Anne Cusack, Chancellor of the Archdiocese of Milwaukee, has done research in this area. Several victims have come forward and think pastoral mediation sounds helpful. Pastoral mediation has been in place for many years now, however it has not had a formal edict. The maximum settlement amount is \$30,000 per victim. This amount is a goal and is not concrete.

The Finance Council believes this is a step in the right direction. There could be hundred of legitimate victims asking for \$30,000 each. Since this cannot be taken from CSA, how would this be funded? If the costs become too great, they would have to be borrowed. A loan would be internal and probably would come from the Income Care Fund. It would be hoped that some funding would come from the insurance and would help repay the loan. The worst-case scenario would force the Archdiocese to liquidate property. If Wisconsin takes the same approach as California and offers a one-year reprieve on the statute of limitations, then more drastic action would need to be taken. This could result in program cuts, seminary cuts, etc.

Currently, we are working on setting up a Trust Fund to shelter the Parish Deposit Fund.

#### Budget

The net deficit of the proposed budgets submitted is \$1.7 million. The Cabinet has been and will continue to meet to discuss and revise the budget. Many options have surfaced, such as sharing of staff (some offices are already doing this), reducing the contribution to the priests' pension plan, capping salary increases, increasing the percentage of health

insurance premiums shared by employees, reduce the office cleaning services. Some of the options are drastic and may not be feasible at this time. St. Francis Seminary must be made aware of our predicament and be willing to share in budget cuts. Since parishes have already completed their budgeting processes, we would not be able to increase parish assessments for the coming year. Finance Council approval would be needed to eliminate the 8% cap in increases in assessments or imposing a 10% penalty for failure of a parish to report their financial statements. Another option may be to reduce or eliminate the subsidized lunch program for employees.

Currently unassignable priests are receiving full salaries and are budgeted under the Vicar for Clergy. There is a proposal to reduce their benefit to be the same as the current pension benefit, \$1,250 per month and also offer \$20,000 for laicization (\$10,000 at the start and \$10,000 at the completion of the process). Also, they remain on our health insurance until they find other employment. The final effect of all this is not known at this time and it may be a wash with the current budget.

What would be the impact of reduced services and programs? Parishes need to be made aware of those reductions as soon as possible. What effect would an increased parish assessment have on the CSA contributions? It is felt that increasing the assessment would be just. We currently have a 4% assessment – the lowest in the country.

The planning process will take place after the budget is finalized. The purpose of this process is to re-evaluate the central offices and their effectiveness on parishes and programs. The committee will include outside people as well as a few internal people.

Respectfully submitted,  
Kim Stollenwerk

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