

**EPISCOPAL DIOCESE OF PENNSYLVANIA
MEETING of the STANDING COMMITTEE**

Minutes

Tuesday, Jan. 23, 2018, 5:00 PM

At Diocesan Office

Approved Feb. 27, 2018

President McCausland called the meeting to order at 5:00 PM.

The clergy present were Liz Colton, Jo Ann Jones, Sean Mullen, Hillary Raining (via conference call) and Michael Rau. The laypersons present were Colin Johnstone, Norman McCausland, Eric Rabe, Pat Smith and George Vosburgh. Also present were Chancellor Mary Kohart and Bishop Daniel Gutierrez.

Excused: None

The Agenda was approved unanimously.

The Opening Prayer was offered by Raining.

The Minutes of the December 12, 2017 meeting were approved. The Notes of the December 12 meeting were accepted.

Report of the Bishop

- Three new staff members at the Office of the Diocese:
 - Canon for Communications: Canon Jennifer B. Tucker who is a member of one of our churches in the Diocese and has strong professional communications experience.
 - Canon for Mission: The Rev. Canon Toneh Willams who serves as a Deacon in the Diocese of Pennsylvania.
 - Canon for Transition Ministry: The Rev. Canon Arlette Benoit Joseph. Rev. Benoit-Joseph has served in the Diocese of Atlanta as Curate and Associate to the Rector at St. Paul's Church. She begins work here on Jan. 29, 2018.
- This year, The Rev. Michael Rau will serve as Chair of the Budget Subcommittee of Finance.
- The Bishop is appointing a Strategic Budget Working Group to consider long-term finances of the Diocese over five to ten years. That group will be asked to report to Convention in 2019.
- The Bishop also reported that the Diocese has begun to use the phrase, *"To Know Jesus Christ and Make Him Known to the World,"* as a statement of our purpose and vision.

Approval and Consents

1. There were no Ministry Approvals requested.
2. Upon the recommendation of the Property and the Finance committees, approved unanimously the request of **St. James Church, Collegeville**, to grant to the local township a 10-foot right-of-way on two fronting roads of the church property. In exchange for the right-of-way, the Church will be exempt from a local ordinance requiring sidewalk construction and other improvements in conjunction with building projects. St. James plans a two-phase building project to create an Outreach Center and other improvements for the parish. (Rabe, Smith)
3. Upon the recommendation of the Property and the Finance committees, approved unanimously an agreement under which **The Church Foundation** will pay for improvements to office space at 3717 Chestnut Street in lieu of one year's rent. The cost of these improvements is estimated at \$10,000. Standing Committee will review the arrangement for rent in 2019. (Smith, Vosburgh)
4. Upon the recommendation of the Property and the Finance committees, approved three new policies to implement provisions of Canon regarding the Mortgage (Vosburgh/Smith), Lease (Jones/Rau) and Sale (Vosburgh/Smith) of **church property** in the Diocese. Each was approved unanimously. The three policies are attached.
5. Approved a resolution making \$1.5 million dollars available over five years from funds invested at the Church Foundation. The money will finance a "Growth and Development Fund" to assist local parishes making capital improvements. A maximum of \$300,000 will be available each year over the five-year period and grants of no more than \$30,000 may be awarded to any parish. A parish receiving a grant during the five-year life of the program will not be eligible for an additional grant. Approved unanimously.
6. Upon the recommendation of the Chancellor, unanimously approved a funding resolution that is attached. The resolution makes available \$450,000 from certain endowment accounts to fund the **2018 Diocese Budget** as approved the Diocese Convention in November 2017. The resolution also designates \$1.5 million to fund the new five-year "**Growth and Development Fund**" that provides grants for capital improvements at parishes and other institutions within the Diocese. The Bishop recommended and the Finance and Standing committees approved establishing the Growth and Development Fund in 2017. (Rabe/Rainey). The Committee thanked the Chancellor for the time and effort in researching the funds, and drafting the resolution for the Standing Committee.
7. Unanimously authorized the Executive Committee to determine and make appropriate reimbursement from proceeds to **Redeemer, Springfield**, for expenses incurred in preparation for the August 2017 sale of the church rectory.

The closing prayer was offered by Johnstone.

The meeting was adjourned at 6:50 pm by McCausland.

Future Meetings

- February 27, 2018 Opening/Closing Prayers: Rau/Rabe
- March 27, 2018: (4) Postulants seeking ordination.

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RESOLUTION

WHEREFORE, in connection with the Diocesan process to prepare the Diocese's 2018 budget, an analysis of Church Foundation records indicated the existence of certain funds either established pursuant to Canon 13.4 or established in prior years by the Bishop and Standing Committee;

WHEREFORE, some Funds listed on the attached Exhibit "A" were established pursuant to Canon 13.4 and contain monies which the Foundation has held in trust for the benefit of closed parishes (or, more accurately, the not-for-profit corporation which once operated the parish);

WHEREFORE, other Funds listed were established by the Bishop and Standing Committee until such time as the Diocese could determine the best use of them in the best interests of the Diocese; and

WHEREFORE, after a careful 90-day review of the Funds identified on the attached Exhibit "A, which has included

- a review by counsel for the Church Foundation and the Chancellor of the Diocese
- an investigation into whether any Fund is subject to a restriction imposed upon it in a formal instrument by a donor
- consideration, as to the Closed Parish funds, whether conditions of Canon 13.4 are met; and
- discussion by and among the Finance Committee, Standing Committee, the Diocesan Treasurer and the Canon for Finance and Business from at least September 2017 to the present, and the formal approval of the Finance Committee of the proposals set forth in this Resolution, as required by Canon 4.6, it is hereby resolved:

On this 23d day of January 2018, the Standing Committee makes the following findings and resolutions:

A. Findings

1. The Funds identified in the attached Exhibit A, lines 1-16, are each Closed Property Funds established by the Bishop and Standing Committee pursuant to Canon 13.4 and used to the extent possible to serve the purposes identified in the Articles of Incorporation applicable to the particular closed parish and/or to fund expenses arising in connection with the closing of the Parish;

2. Because of the passage of time between the establishment of the Canon 13.4 Funds and the closing of the Parish, and in accordance with Canon 13.4, the Ecclesiastical Authority has advised the Standing Committee that it is impractical further to seek to apply these funds for the benefit of the closed parish, that those Funds should now be closed and the balance (principal and interest) used for the best interests of the Diocese and applied as described below;

3. The *Unrestricted Capital Campaign* (Account 065060) (established by the Diocese to hold unrestricted bequests to the Diocese), the *Diocesan Unrestricted Fund* (Account 065085) (also established by the Diocese to hold unrestricted bequests to the Diocese); the *Evelyn Bromly Fund* (Account 065034) (established by the Diocese to hold an unrestricted gift to the Diocese under the Will of Evelyn Bromley) the *Lance Endowment Fund* (Account 065049) (established by the Diocese to hold an unrestricted bequest to the diocese under the Will of Lavinia Lance) and the *Samuel Houston Fund* (Account 065071) (established by the Diocese to hold an unrestricted bequest) are each subject to the Ecclesiastical Authority's recommendations for their use in accordance with Canon 13.3, subject to the approval of the Standing Committee.

4. As each individual who gave an unrestricted bequest to the Diocese intended that the bequest be used as part of the overall unrestricted assets of the Diocese and applied towards enriching the life of the Diocese and its missions as identified each year in the Budget approved by Convention, and/or as identified in this Resolution in connection with the 2018 Budget adopted by Convention; the Bishop has advised, and the Standing Committee has concluded, that the funds be closed and the amounts therein put to their intended use as identified in this Resolution.

5. The *John the Baptist Ihling Fund* (Account 064635) (a bequest under the 1922 Will of Mary C. Ihling in 1922 to be used for the "general expenses of the Church of St. John the Baptist."), was transferred by way of a *cy pres*

petition approved by the Orphans' Courts to the Church Foundation where it was to be used as directed by the Diocese. Pursuant to Canon 13.3, the Bishop and Standing Committee may decide how the fund can be used in the Diocese's best interests. The Bishop and Standing Committee have concluded that these monies should no longer be part of a segregated Fund but should be included in those Diocesan Funds available to fund the life of the Diocese and its missions as identified each year in the Budget approved by Convention, and/or to be applied in whole or in part as identified in this Resolution in connection with the 2018 Budget adopted by Convention;

6. The *Louise Duane Wallace Fund* (Account 065025) (a bequest to the Diocese for which may be used for any purpose other than building projects, as determined by the Ecclesiastical Authority), like the other Funds which have been held segregated and not made available to fulfil the intent of the donor, should likewise be made part of Funds available each year in the Budget approved by Convention, and/or to be applied in whole or in part as identified in this Resolution in connection with the 2018 Budget adopted by Convention, insuring and documenting at all times, however, that the balance of the bequest has been applied to Diocesan activities other than building projects.

7. *The McCreery Fund* (Account 065051) (a bequest under the Samuel McCreery Trust which requests, but does not require, that the money be applied "for mission work and for relief of the poor of the Diocese.") like the other Funds which have been held segregated and not made available to fulfil the intent of the donor, should likewise be made part of Funds available each year in the Budget approved by Convention, and/or to be applied in whole or in part as identified in this Resolution in connection with the 2018 Budget adopted by Convention, insuring and documenting at all times, however, that the Fund is applied *only* in a manner consistent with the wishes of the donor.

BE IT THEREFORE RESOLVED:

7. Each Fund identified above shall be closed and the amounts therein applied as follows:

A. \$450,000 shall be made available for Diocesan use to fund the programs and expenses identified in its 2018 budget.

B. \$1.5 million shall be designated as a Growth Development Fund, as announced at the 2017 Diocesan Convention, to be distributed during the Diocese's 2018, 2019, 2020, 2021 and 2022 fiscal years, with any interest earned from time to time on the balance of the Fund to be applied to increase the principal amount thereof.

The Growth Development Fund shall be funded in part with the *McCreery Fund* so that the non-mandatory restrictions imposed by the donor on the gift may be honored to the extent practicable. The balance of the Growth Development Fund shall be made up from the remaining closed accounts as the Treasurer and Canon for Finance and Business may decide.

C. The balance of the accounts closed in accordance with this Resolution shall be deposited into the Diocesan General Fund for use in the best interests of the Diocese in accordance with its usual practices.

D. Nothing herein is intended to permit the other than current permitted pursuant to the terms of the Trust Instrument governing the Deaconate Retiring Fund, (Account 064943).

Date

By: Norman MacCausland
President, Standing Committee of the
Diocese of Pennsylvania

Approved:

Right Rev. Daniel Gutierrez

**EXHIBIT "A" to Resolution Adopted on January 23, 2018 by the
Standing Committee of the Diocese of Pennsylvania**

	Account name	A/C number	Bal. at 30 Sep 2017
1	All Saints Crescentville	064704	\$24,364
2	Atonement, Morton	064691	\$92,571
3	Atonement, Morton	065043	\$2,452
4	Calvary, Germantown	064930	\$33,821
5	Calvary, Germantown	064766	\$7,625
6	St. Bartholemew Property Fund	064632	\$11,924
7	St. Elizabeth Proceeds	064985	\$225,257
8	St. Giles Proceeds	064981	\$408,418
9	St. Martin's Oak Lane/Holy Nativity	064810	\$9,976
10	St. Matthias	064947	\$313,863
11	St. Paul's Calvary	064814	\$421,359
12	St. Paul's Calvary	065041	\$76,681
13	St. Nathanael's Kensington	064972	\$82,019
14	St. Peter's Germantown Rental a/c	065059	\$3,236
15	Unrestricted Capital Campaign a/c	065060	\$45,488
16	St. John the Baptist Ihling Fund	064635	\$29,162
17	Diocesan Unrestricted Fund	065085	\$8,659
18	Evelyn Bromley Fund	065034	\$47,811
19	Lance Endowment Fund	065049	\$246,980
20	Louise Duane Wallace Fund	065025	\$22,559
21	McCreery Fund	065051	\$733,875
22	Samuel Houston Fund	065071	\$58,741