

DIOCESE OF PENNSYLVANIA FINANCE COMMITTEE
MONDAY, May 18, 2015, 6:30 p.m., CHURCH OF THE REDEEMER, BRYN MAWR

Next meeting: Monday, June 15, 2015, 6:30 p.m., Church of the Redeemer, Bryn Mawr

Committee members present: The Rev. Adam Kradel, Vice Chair; Nora Adelman, The Rev. Kirk Berlenbach, Elise Bowers, The Rev. Dr. Charles Flood, The Rev. Carolyn Huff, The Rev. George Master, Pat Smith

Committee members participating by phone: Eric Rabe

Ex officio present: Rob Rogers, Canon for Finance

Guests for part of meeting: The Rev. Paul Reid and Bob Lockyer from St. Paul's Elkins Park

Committee members not present: Ann Booth-Barbarin, John Loftus

Ex officio not present: The Rt. Rev. Clifton Daniel, Bishop; Cliff Kozemchek, representative from Church Foundation; James Pope, Treasurer; Margaret Ullman, representative from Commission on Clergy Compensation and Employee Benefits

1. Opening Prayer - The Rev. Carolyn Huff
2. For Action:
 - a. Consent Agenda (these items will be approved in one action, unless any committee member wishes to have discussion of any of the items, in which case the item will be moved from the consent agenda)
 - o Minutes of April 2015 meeting of the Finance Committee Elise Bowers made a motion to accept the minutes as distributed, seconded by The Rev. George Master – all in favor, none opposed or abstaining
3. Discussion of request from The Rev. Paul Reid, accompanied by parishioner Bob Lockyer from St. Paul's Elkins Park, for \$12,500 for seed money for a permanent display at the parish on the Underground Railroad in celebration of the 150th Anniversary of the end of the abomination of slavery in the United States on the Second Sunday of Advent, December 6, 2015. Materials on the project were distributed via e-mail in advance of the Finance Committee meeting. In its April meeting, Diocesan Council passed a resolution that asked the Finance Committee to allocate funding for this project. St. Paul's Elkins Park is involved in numerous community partnerships. Paul Reid noted that the project would give publicity for the Diocese and Episcopal Church. Diocesan Council has discussed the possibility of budgeted funds for missional purposes outside parishes, and has made a request for the 2016 budget. The timing of this request is driven by the anniversary on December 6.

The Rev. Paul Reid and Bob Lockyer were excused from the meeting.

Finance Committee has the authority to amend the budget mid-year, but the Canons stipulate that spending additional funds would only be permitted if additional income was also generated. If income is less than budgeted, the Finance Committee has the authority to adjust expenses mid-year. The Finance Committee cannot make grants from unrestricted funds; that is the purview of Standing Committee and the Bishop. Pages 17-25 of the Canons describe the authorities of various governing bodies in the Diocese.

Points of the discussion included:

- Whether this would set a precedent

- The funding would be used for the museum project only and not for other parish purposes
- The parish has turned around recently
- Funding for the display would be in the parish budget in the future
- The parish's long-term objective is connections in the community, and this would be an opportunity for the parish and for the Diocese to reach into the wider world.
- The request is for seed money. This is a well-thought out and planned project and could be a positive for the Diocese and the parish.
- What would we do with other such requests? A budget line item for Diocesan Council could be used for this purpose.
- Some projects may not have merit, and the answer for funding requests will be "no" for some.
- The Finance Committee is not granting money, but would be recommending to those who have authority to do so.

**The Rev. Adam Kradel made a motion, seconded by The Rev. Charles Flood:
Resolved: The Finance Committee recommends that the Bishop and Standing Committee search for means to fund this project, and that future requests will go through the grant process of the budget (Six in favor, 2 opposed, one abstention).**

The Rev. Adam Kradel made a motion, seconded by The Rev. George Master, that St. Paul's Elkins Park be permitted to seek funds from parishes in the Diocese in 2015 in support of the Underground Railroad display project and that the communication material be cleared by the Communications Director at Church House before distribution (all in favor, none opposed or abstaining).

4. For information/discussion

- a. Report from Investment Subcommittee Chair Elise Bowers: Investing and money management in the current economic environment. As a former financial planner, Elise pointed out some information about the Diocesan finances, including charges from the Church Foundation and its asset manager, T. Rowe Price; that money management fees and services vary considerably with different firms; that the focus on annual distribution rates Church Foundation is part of the bigger picture; and that additional analysis is needed.

In the discussion following Elise's remarks, the following was noted:

- Information about Church Foundation money management and fees has been in the Diocesan audited financial statements since 2006.
- The Diocese of PA is the only diocese of its size that is not incorporated. There was a committee on incorporation several years ago, and it resulted in the Canonical changes to the Finance/Property Committee that became the Finance Committee. Incorporation would clarify current issues.
- Does it make sense for the Diocese of PA to have a foundation? Would it be more effective to invest with the national Church Foundation in NY?

- b. Report on budgeting for 2016: Budget Subcommittee Chair Adam Kradel – The group has met three times, and will have another meeting on May 28 to finalize the budget that will come to the Finance Committee for review in June. The Finance Committee recommends the budget to Convention. The budget will also be reviewed by Standing Committee and Diocesan Council in June.

Expenses are higher in 2016 than they were in 2015, and the Budget Subcommittee will make changes to the draft so that the budget is balanced when it comes to the Finance Committee and other governing bodies. This will involve some hard decisions.

5. Questions, discussion of written reports
 - a. Financial Statements – Rob Rogers, Canon for Finance – statements distributed
 - b. Treasurer’s Report – James Pope, Treasurer – no update
 - c. Standing Committee Report – Kirk Berlenbach & Pat Smith – The last Standing Committee meeting included discussions of the Bishop Search, request from St. Paul’s Elkins Park, approval of the sale of Calvary Germantown, and interviews of ordination candidates.
 - d. Subcommittees
 - i. Budget – The Revs. Kirk Berlenbach and Adam Kradel – no additional update
 - ii. Investment – Elise Bowers – no update
 - iii. Parochial Relations – The Rev. Carolyn Huff – no update
 - iv. Property – The Rev. George Master – The insurance renewal is underway; issues with St. David’s Manayunk are still under discussion.

6. Other business – Nora Adelman reported that the budget for the bishop search is in process, with both the Nominating/Search and Electing/Transition Committees aware of the dollars allocated. This has been discussed due to different estimates of the cost of the search from different sources, and concern about the adequacy of the funding set aside over the past three years. The committees are aware of the messages sent by what is done, and how it is done.

Future agendas: September – incorporation of the Diocese; October – invite new Canon for Youth and Young Adult ministries to meet with the committee and discuss the budget for that ministry.

7. Closing prayer – The Rev. George Master

The Rev. Adam Kradel, Vice Chair

Nora Adelman, Secretary