

FINANCE COMMITTEE
MINUTES
October 17, 2016
Church of the Redeemer

The Finance Committee conducted its October 2016 meeting at The Church of The Redeemer, Bryn Mawr at 6:30 PM on Monday, October 17, 2016.

Present: Rev. Charles Flood, John Loftus, Dana Hall, James Pope, Rev. Deirdre Whitfield, Norman McClave, Rob Rogers, Ann Booth-Barbarin, Rev. Adam Kradel, Pete Datos and George Master.

Guest: Chris Gadsden, Tom Helm, Alan Lindsay, Sean McCauley

Absent: Bishop Daniel Gutierrez, Pat Smith, Eric Rabe, Rev. Mike Rau, Doug Sisk

1. The meeting opened with prayer offered by Rev. George Master.
2. **Opening Comments:** In the absence of Eric Rabe, Adam Kradel started the meeting offering regrets from Eric Rabe traveling for business in Europe.
3. **Consent Agenda**
 - Minutes of September 2016 meeting of the Finance Committee. Upon motion made and seconded minutes were unanimously approved.
 - **Discussion:** Report from Church Foundation. Dana Hall provided an introductory background of the report from the Foundation and the Investment subcommittee to the Finance Committee. She explained the significance the investments of the Church Foundation funds made to the budget. She then introduced the guests. Alan Lindsay began calling the Committee members attention to the hand out. Alan reviewed in detail the withdrawals and distributions and the first year of principal deposits in a number of years. Alan then reviewed the priorities for 2016 including the bid for a new Custodian and Fund Accountant. He also noted that there will be a brokerage account established that would allow shares to be transferred from parishioners to the diocese, parishes and the Foundation. He explained that the Foundation also will be participating in WorkReady Chester. He concluded with a review of the structure and expertise of the Foundation's board. Tom Helm next explained the process for and investments and asset allocation challenges in light of the Foundation's obligation to generate cash and to preserve principal. He then reviewed the performance summary prepared by T Rowe Price. He explained the management fee of 35 basis

points for the Foundation and a fee of 58 basis points paid to T. Rowe Price. Therefore, the total paid by the Diocese and by churches on money managed by the Foundation was below 1 percent which has been the Foundation's target. James Pope spoke about spending rate considerations and Chris Gadsden explained the fiduciary obligations, independence and sustainability of the fund to ensure for financial resources for generations to come.

4. **Discussion:** Report from Budget Subcommittee members on presentation of 2017 Budget to pre-convention meetings.

Rev Kradel reported that Eric Rabe attended Oct. 5 meeting at Redeemer, Springfield along with approximately 75 others. Questions raised were regarding the expense for Deacons (not budgeted per staff request due to fact that was not in the budget last year). At the meeting it was explained that the expense for Archdeacon Nesbit is covered elsewhere. Request was made that monthly Diocesan financial statements be published on line. Other questions were about closed churches and revenues generated from sales and the status of the Maryland property. Rev. Kradel explained the subtotals and the desire to provide flexibility for the Bishop without significant change in his first year. Discussion then ensued regarding what the Diocese will do to grow churches and the consequences to the Diocese if this issue is not addressed.

Other Budget Subcommittee members attended other pre-convention meetings.

5. **Discussion:** Gloria Dei Church request for approval of a long-term lease agreement for a school/child care operation at the church. Sean McCauley discussed the seven year lease with a three year option as explained in the handout. Some lease term amendments were discussed including a confession of judgement clause. Property recommends approval with the caveats discussed. No contributions from parish to offset any expenses for this lease. After discussion, motion made and seconded, it was unanimously

- RESOLVED:** The Finance Committee recommends approval of the Lease Agreement between Gloria Dei Church and Young Children's Center for the Arts as circulated to the Finance Committee subject to the review and approval of the lease by the Chancellor of the Diocese. To the extent the Chancellor has changes, those changes will require further Finance Committee will review and approval.

Free Church St John was discussed next. That parish is a mission church. Diocese is responsible for the expenses of operation and the safe condition of the property. The parish is looking for additional funds for repairs to the property. General regular attendance is approximately 85 people.

RESOLVED: The Finance Committee recommends approval of the request for \$25,000 for repairs as discussed.

St Peter's Broomall was discussed next. For information purposes, the Committee discussed the relocation of cremains and urns and bids to expand the columbarium. This is an obligation of the Diocese that has been around for several years. Sean McCauley provided a report on the steps to be taken at that church. No action was required.

St Faith's Havertown was discussed next. Sean reported on the need to repair the retaining wall. Funds exists to do this. Rectory has been sold and settled. Preschool was a mission of the parish and Standing Committee wanted to keep mission going with five years under a lease. The preschool is raising money to try to purchase the building for the school.

St. Phillip's in the Field, Oreland. Sean discussed the building vacancy. Former rector will live on the property until June. Music School is still there and is paying rent. There is a failed sewer line due to tree roots. Bids for work around \$8000 before winter. Will need to borrow from property fund to pay with rental income to repay any amount borrowed. After discussion, motion made and seconded, it was unanimously

RESOLVED, The Finance Committee recommends approval of borrowing the necessary funds from the Property Fund for the sewer line work to be repaid by the rental income from the music school.

6. Discussion of Reports

- a. Financial Statements – James Pope discussed the statements distributed. He noted interim and longer term steps for Rob's replacement. Earl Irby will also be replaced after his retirement. He noted the arrival of Shawn Wamsley, Chief of Staff. Staffing needs will be assessed to evaluate who will take the roles. Revenues are ahead of last year. Bishop and family want to buy a home in Wynnewood which could occur before end of year.
- b. Treasurer's Report – James Pope, Treasurer
- c. Standing Committee Report – Deirdre Whitfield provided a brief report. She noted that the evaluation of diocese incorporation was on hold during the search and bringing the new Bishop in. With that completed, analysis and evaluation may resume.
- d. Subcommittees
 - i. Budget - items not covered above – Adam Kradel – nothing more
 - ii. Investment – Dana Hall no other items to report.
 - iii. Parochial Relations – John Loftus and committee met with Bishop who endorsed the processes and surveys to the diocese. Will continue to meet and will be informed with results of the survey.

Want to solicit people by deanery and parishes to assists across churches.

iv. Property - items not covered above – George Master - nothing more

The meeting was closed with prayer by Rev. Charles Flood, at 8:31 p.m.