

DIOCESE OF PENNSYLVANIA FINANCE COMMITTEE
TUESDAY, SEPT 24, 2013, 6:30-8:30 p.m., CHURCH OF THE REDEEMER, BRYN MAWR

Present: The Rev. Kirk Berlenbach, Chair, Nora Adelman, Ann Booth-Barbarin, The Rev. Dr. Charles Flood; The Rev. Adam Kradel, Eric Rabe; George Vosburgh
Ex officio present: Robert Rogers, Canon for Finance

Not present: The Rev. Frank Allen; Bruce Givnish; Jo Ann Jones, The Rev. George Master
Ex officio not present: The Rt. Rev. Clifton Daniel, Bishop Provisional; Norman McClave, Treasurer; James Pope, Church Foundation

1. Opening Prayer (6:30 pm) – The Rev. Kirk Berlenbach
2. Reflection: How will what we are doing affect or involve people living in poverty? (6:32 pm)
Committee members reflected silently for several minutes.
3. For Action: (6:33 pm)
 - Consent Agenda – approved
 - o Minutes of June 25, Aug 13 and 20th meetings
4. Discussion: (6:38 pm)
 - Update on Cathedral Investment – Kirk Berlenbach summarized the August meetings' main points: i.e., that the Diocese was being asked to provide guarantees for the financing, which raised questions and resulted in reopening discussions from June and July meetings of Finance and Standing Committee. Leadership from Standing Committee, Kirk Berlenbach and James Pope from Finance Committee, and the Chancellor met and discussed the situation and options, and scheduled August meetings for Finance and Standing Committees (August 13 was educational and resulted in requests for an independent appraisal of the property). There are three different ways of valuing the building: one method to justify a loan; a second based on expected rental income of the property; and a third based on today's construction costs. In the August 20 meeting, Finance Committee recommended proceeding as was proposed; Standing Committee did not approve due to a concern about the master lease possibility. A real estate developer has stepped forward to make the guarantees and to buy the building under the same terms as were offered to the Diocese. The project is moving forward, with the possibility open that the Diocese could re-enter discussions about purchasing a floor, or the office building in its entirety when construction is completed. Thanks to all for involvement, especially during a vacation month.
 - 2014 Budget Updates (7:03) – Several adjustments have been made to reflect the Bishop's hiring of the Rev. Lucy Ammerman as Canon to the Ordinary, using funds from the Health and Welfare Benefits Trust since the position will focus on transition to the new health program.
 - Health Care cost sharing and RCMA Updates (7:13) – For 2014, Church House staff will pay 10% for family benefits, and another 15% in 2015. For changes in the Retired Clergy Medical

Insurance, safety nets are in place (the Widows' Fund, Christmas Fund, and Clergy Financial Assistance Assessment).

- Seating parishes at Convention which are behind on payment (7:23) – This subject has come up in governance for several years. Early on the agenda at each convention is a motion to seat the parishes that are out of compliance in their diocesan financial obligations. There are a variety of reasons for the noncompliance - some really cannot afford to pay the assessments; some are traditionally dissident parishes; some withhold part of assessments in protest. With an election for a new bishop coming in approximately two years, there ought to be a discussion about how to individualize the determination of seating or not seating lay delegates at convention. While Finance Committee should begin this discussion because it involves financial compliance, input and involvement of others should be sought in developing guidelines or recommendations (Standing Committee, Diocesan Council, Bishop Provisional, and Canon to the Ordinary). Before Convention, Rob Rogers approaches parishes that have not paid the Episcopate Assessment for two years. Some are viable but having financial challenges. Many are on a payment plan due to cash flow. Bishop Daniel is anxious to impose a standard, but we are in a transition about how we handle this delicately. The Bishop will begin with conversations.
- Elections and succession planning (7:33) – Because Kirk Berlenbach is a candidate for Standing Committee, he will not stand for election for Finance Committee. Three clergy and three lay seats are to be elected for Finance Committee.

5. Discussion of Written Reports/Updates: (7:43 pm)

- a. Treasurer – Norman McClave, Treasurer – no update
- b. Financial Statements – Rob Rogers, Canon for Finance – Legal fees are over budget. There will be a Foundation distribution on the 15th. The Rev. Lucy Ammerman begins on September 30 as Canon to the Ordinary. According to Canon, letters notifying parishes of assessment amounts and requesting pledges for 2014 will be sent by November 1.
- c. Standing Committee- The Rev. Frank Allen/Ms Jo Ann Jones – no additional updates. The Bishop has asked if the Finance Committee meeting could be moved to October 29 to accommodate his travel and a rearranged meeting that is recognizing service of members who are rotating off Standing Committee. Kirk will poll Finance Committee to see if a quorum is available on October 29.
- d. Diocesan Council- The Rev. George Master/ Mr. George Vosburgh – Kirk presented the draft budget to Council in June, and George Vosburgh and Pat Smith summarized at the next Council meeting. There were few questions.
- e. Church Foundation- Mr. James Pope – no meeting since the last Finance Committee meeting
- f. Subcommittees:
 - (1) Budget – no update
 - (2) Diocesan Audit – The actuarial study for the Diocesan Health and Welfare Benefits Trust has not yet been received. The management letter and draft audit have been received. Committee members congratulated Rob Rogers and Earl Irby on the improved audit results.

- (3) Insurance – no update
- (4) Investment – no update
- (5) Parochial Relations – The October 5 workshop will be recorded and put on the Diocesan website.
- (6) Property – In its early September meeting, the Subcommittee discussed options for new space for Diocesan staff when the sale of Church House closes, ideally by year end. The Diocesan Property Manager is seeking space that is within Philadelphia, in an area accessible by public transit, and relatively inexpensive. The Diocese has affirmed its intention to rent office space in the office building section of the Cathedral development when construction is completed.
- (7) Gathering of Diocesan Leaders – no update

6. Other business: (8:23 pm) - none

7. Reflection: How will what we are doing affect or involve people living in poverty? (8:25 pm)
Points of the discussion included:

- Discussion about parishes in arrears on assessments – some are living in poverty as parishes.
- We know how hard it is to be in a parish and deal with costs that seem very high for repairs, etc. – be compassionate toward those who truly don't have money.
- Some of the parishioners of struggling churches are living in poverty.
- The Cathedral project investment going forward is an economic development in a neighborhood that could use jobs and child care.

8. Closing Prayer (8:30 pm) – The Rev. Kirk Berlenbach

The Rev. Kirk Berlenbach
Chair

Nora Adelman
Secretary