



**THE EPISCOPAL DIOCESE OF PENNSYLVANIA
DIOCESAN COUNCIL
Saturday, May 10, 2013
Trinity Church, Gulph Mills**

MINUTES

Attendance (arranged by Deanery)

Rt. Rev. Clifton Daniel

Brandywine: Rev. Carolyn Huff

Bucks: Emily Wolf, Rev. Ernest Curtin, Michael Kelly

Delaware: Janet Ross, Rev. Greg Wilson

Merion: George Vosburgh, Richard Bauer, Rev. Jane Cornman

Montgomery: Rev. Merek Zabriskie, Elise Bowers, Joe Madison

Pennypack: Peter Datos

Schuylkill: Rev. George Master, William Berry

Southwark: Rev. Joy Segal, Dave Hammond, Paul Yaros

Valley Forge: Beverly Loftus, Rev. Sandra Etemad

Wissahickon: Victoria Sicks

Guests: Jeanette Woehr, Rob Rogers, Jane Cosby, Lionel Broome, Norman McClave, Rev. Reed Brinkman, Mary Kohart, Nora Altman, Judy Madison, Rev. Rene Mackenzie-Hayward, Kim Johnson

1. Call to Order

Rt. Rev. Clifton Daniel

“How will what we are doing here affect or involve people living in poverty?”

The meeting was called to order at 9:04 am. Council reflected on how will what we are doing here affect or involve people living in poverty. This makes us conscious of our brothers and sisters who are out of our sight. We need to come closer to our mission churches. Put people on our mental map. How are we respecting the dignity of these people?

2. Scripture Reflection (*5 minutes*)

Rev. Sandra Etemad

Between Ascension and Pentecost – Art of Ascension is absurd. Moments after Ascension Jesus began at the end. Who we are as a church. Need spiritual practices. Grace is not opposed to action. Do we believe and perceive.

3. Opening of the meeting (*10 minutes*)

Rt. Rev. Clifton Daniel

a. Prayer

b. Welcome and Introductions

The Rev. Reed Brinkman welcomed Council to Trinity Gulph Mills which is celebrating their 100th Anniversary.

c. Adoption of the agenda

A motion was made by Rev. Ernie Curtin and seconded by Rev. George Masters to adopt the agenda. Motion carried.

d. Acceptance of written reports into the minutes

A motion was made by Dick Bauer and seconded by Elise Bowers to accept the written reports into the minutes. Motion carried.

e. Recognition of Visitors

4. Minutes of the March 16, 2013 meeting of Diocesan Council (*5 minutes*) Ms. Jeanette Woehr, Secretary
A motion was made by Norm McClave and seconded by Dave Hammond to accept the minutes of the March 16, 2013 Diocesan Council meeting.

Report of Nominating Committee

Janet Ross

Thank you for allowing Lionel Broome, Jane Cosby and myself to speak for a few minutes on behalf of the Nominating Committee.

What brought us to this point – the creation of a nominating committee.

At the Diocesan Convention in 2011 a motion was made and passed to establish a Nominating Committee which would consist of 12 members, six clergy and six lay person. At the Convention in 2012, persons were elected to serve on the newly established committee. They are Cordelia Biddle, the Rev. Isaac Bonney, Lionel Broome, Jane Cosby, the Rev. Daniell Hamby, the Rev. Dennis Lloyd, the Rev. Kosby Matthews, Janet Ross, the Rev. Michael Ruk, the Rev. Kate Spelman, Chris Stuart and Laurie Weber.

The committee has met several times and now is asking for God's help and yours to move forward. It is our desire to communicate fully with every member of the Diocese in the hope of finding new persons who might want to serve in some capacity for the Diocese. As you know there are many committees and maybe all a person may need is to know about the committee or to be asked to serve.

The committee is entering a new phase of existence and we come before you today in the hope we all share for the rebuilding of our common life in the Body of Christ. God has blessed us all with many gifts and talents and we need to go forward and find those gifts within the Diocese. We need to encourage each other to carefully pray and reflect to perceive possibilities in new persons that have not been identified before. We need go to places that may have never been tapped before and to live unto the Holy Spirit the promises and blessings that are ours.

In the beginning of Chapter 4 of Ephesians, we hear of the importance of building up the Body of Christ, being tossed to and fro by complexities within the world. We hope you will join us in the Spirit of the writer by living into a new time in speaking the truth in love and growing to be more like Christ. We pray you will join us and work together to build up our Diocese.

Thank you for your time.

Encourage people to serve in the diocese. Encourage and invite people to serve.

5. DCMM Presentation: Church of the Advocate (*30 minutes*) Rev. Renee McKenzie-Hayward
The Church of the Advocate was founded in 1886 by a Presbyterian family. The Church entered the Diocese in 1900. It was declared a historic landmark in 1996 by was occurred in the building.

Living symbol of social activities.

The first women were ordained. 50% of the community lives below the poverty level. 32% do not finish high school, 70% of the community rent homes, 31% of the community do not have enough money to provide food for their families. The Soup kitchen has operated for thirty years. The Church is a vital anchor for public support. There was no hub for social services. Campus ministry partnership with Temple is growing. Advocate is partnering with other non-profit to improve the community health and vitality. The soup kitchen is open five days a week.

Civic Engagement

Maximize the use of the building. Social mission is to provide space. Spiritual enrichment includes Bible study, and the Tree of life – campus ministry. Living out the mission with Community service –supper club, youth basketball league, summer camp for sixty children for an eight week program costs \$300 a child. Tree of Life supper club meets monthly all are welcome. Welfare to Work site, History tours of the architect, Arts of the Advocate, Community based research with Temple. Human Services – Soup Kitchen, Clothes Closet, food voucher, health awareness workshops, NA meetings, - Social Justice – support Advocate community development corporation (ACDC). Various movements of social justice support - ACDC began in 1968 for development of low income housing. Functions separate from the Church. ACDC works with social justice. It owns nine blocks worth \$900,000. Buildings are open five days a week. 1000 visits for social service needs, 35 outside meetings, Tree of Life campus ministry weekly mediation, host one large event each semester, Monthly supper clubs, monthly band shows of three bands, twenty-five people attend supper club. It was a big bold dream to move from being a mission congregation to become a parish. Increase size of congregation. Evangelism, pilgrimage three way relationship of Advocate, pilgrim and sending congregation. A pilgrim would stay at Advocate for a season by worshiping and serving in the community, spiritual growth and social justice. Sending congregation will partner with Advocate and bring back to congregation the events of Advocate. Advocate center for Civic Engagement, resident, volunteer, community church service providers mutual support and learning to improve the life prospects and well-being of North Philadelphia education focus
The Advocate needs pilgrims and Congregations to provide food for one day a month.

a. Discussion, Question and Answer (*15 minutes*)

Rt. Rev. Clifton Daniel

6. Retired Clergy Medical Assessment' Working Group Final Report (*20 minutes*)

Ms. Elise Bowers

FINAL REPORT TO THE PROVISIONAL BISHOP OF PENNSYLVANIA,
THE COMMISSION ON CLERGY COMPENSATION AND EMPLOYEE BENEFITS, THE STANDING
COMMITTEE, THE FINANCE COMMITTEE, AND DIOCESAN COUNCIL
FROM
THE RETIRED CLERGY MEDICAL ASSESSMENT WORKING GROUP
THE FEAST OF GEORGE HERBERT
FEBRUARY, 2013

Introduction

The Diocese of Pennsylvania (DIOPA) provides a range of enhanced, supportive health benefits to retired clergy and spouses, and disabled clergy, that are required by Diocesan Canon. The benefits are funded through a diocesan assessment called the Retired Clergy Medical Assessment (R.C.M.A.), determined annually by the Commission on Clergy Compensation and Employee Benefits (CCCEB). It is allocated based on a parishes operating income as reported on their parochial reports.

The R.C.M.A. was established in the Diocese of Pennsylvania many years ago. The method of collecting funds for the R.C.M.A., and directions for its use are canonically defined in the Constitution and Canons of the Diocese of Pennsylvania.

The R.C.M.A. assessment has been the same amount for the last three years and within 5% of the actual program expenditures each year. A growing number of parishes are experiencing financial difficulty (or are at political odds with the Diocese) and have been unable or unwilling to pay their full assessment resulting in a small deficit.

The CCCEB adjusted for the underpayment in the R.C.M.A., but more parishes are falling behind or are unable to pay. In 2010 and 2011, the diocese experienced a deficit in the R.C.M.A. collections. The Diocese was forced to utilize other funds to pay the canonically mandated benefits.

The recent downward trend in assessment funding suggests that the assessment will need to be adjusted upwards to provide for increasing bad debt. Alternatively, benefits must be reduced, phased out or eliminated to shrink the associated demands on Diocesan finances. At the request of the CCCEB, Bishop Charles E. Bennison chartered a working group to develop recommendations on how the Diocese might reduce the cost of the assessment while staying true to the mission and values that drove creation of the R.C.M.A. canon. Two members each from CCCEB, Committee on Finance and Property, The Diocesan Council and the Standing Committee were nominated to the Working Group. The immediate past chairperson from CCCEB (then called Clergy Salaries and Pensions) was appointed to be chairperson of the working group. The Working Group met monthly in 2012 at the church of St. Martin in the Fields. The Members of the Working Group include: The Rev. Tom Wand and Mr. Marc Andonian from CCCEB; Mrs. Jane Cosby and The Rev. Frank Allen from Standing Committee, Mr. Ed Manwaring from Finance and Property, The Rev. Elliott Waters and Mrs. Elise Bower from Diocesan Council. The Rev. Daniell Hamby served as chairperson. Canon Robert Rogers, CFO of the Diocese of Pennsylvania was staff to the Working Group.

Objectives

The Working group developed five objectives to define its work.

1. Review and validate the values which resulted in the creation of the R.C.M.A., the associated benefits and assessment expenses.

1 Constitution and Canons for the Government of the Diocese of Pennsylvania, Canons 7.4ff .

2. Understand the costs, drivers and financial trends associated with current and future benefits, and assess the ability to pay for them.

3. Identify, assess and propose ways to reduce costs of the RCMA. while being consistent with the provisions of the canons.

4. Minimize where possible true hardship on the supported population.

5. Limit availability of 'enhanced' benefits to those who meet canonically defined eligibility criteria.

Core Values Leading to R.C.M.A. Benefits

The R.C.M.A. was developed to address a broad range of issues related to health insurance availability, eligibility, and funding for retired clergy and their qualified dependents. Included in the provisions of the R.C.M.A. are minor children, widows of retired clergy, and disabled clergy. Some believe that the R.C.M.A. was a means to attract and retain excellent clergy, from a competitive perspective, in a time when benefits were a key differentiator across dioceses. Some clergy served parishes that did not provide adequate cash compensation. Some provided housing and various benefits as well as a cash stipend. Clergy compensation did not always provide adequate resources for retirement. Medicare and Supplemental retirement healthcare benefits available through the government, Church Pension Group (CPG) or other sources did not, until relatively recently, offer comprehensive coverage, leaving a potentially significant risk exposure for these servants of the church. Some insurances (e.g., dental) were not part of original RCMA. benefits, but came to be deemed essential to good health. Most clergy had spouses who had never been employed and did not qualify for various public or private benefits. Widows of clergy were sometimes left without adequate financial resources to meet basic needs. Disabled clergy became ineligible for employer-paid benefits, and were unable to secure health coverage as individuals because of their disability.

The RCMA. came into existence to provide supplemental benefits for the clergy of The Diocese of Pennsylvania who needed assistance with health care in retirement.

Who is eligible for RCMA. Benefits

In order to receive the RCMA., one must be

- *A Canonically resident clergyperson of DIOPA and have served the last 5 years of active ministry in the diocese.*
- *A Widow or widower of qualified clergy until/unless they re-marry.*

- *Dependents of disabled clergy – if the Bishop/CCCEB determines coverage is warranted*
- *Retired Clergy & Spouses/Partners*
- *Surviving Clergy Spouses/Partners & Eligible Dependents*
- *Disabled Clergy & Eligible Dependents*

Current and ‘enhanced’ benefits

Eligible participants, as define above, ordinarily receive the following benefits from the R.C.M.A.:

- *Dental Insurance*
- *Enhanced Medicare Supplement Coverage for those 65 and over.*
- *Subsidy for Group Medical – if less than 65*

All clergy retirees receive Medicare Part A as part of their retirement and pay for Medicare Part B from their social security payments. Many elect to purchase a qualifying drug plan (Medicare Part D). Some choose to purchase a Medicare Advantage Plan (Medicare part C) from a qualified provider. Others choose an Advantage Plan which combines the benefits in Parts A, B, and D into an integrated third party insurance plan, partially paid for by the government with the difference paid for by the insured.

All pension-eligible clergy may purchase a Medicare supplement policy through The Church Pension Group (CPG). This supplement plan works alongside Medicare Part A, B, and D to provide coverage for deductibles and co-pays and may provide additional benefits that are not otherwise covered by Medicare. Depending on years of service, most clergy receive a subsidy toward their Medicare Supplement that is adequate to cover the basic supplement (Comprehensive Plan) offered by CPG. Qualified Retirees may ‘buy up’ to the ‘Plus Plan’ or ‘Premium Plan’ offered by CPG. The R.C.M.A. currently pays \$100/month to purchase the ‘Plus Plan’ and dental insurance. Beneficiaries may, at their own expense, buy up to the Premium plan. The prime difference in plans is the amount of the deductible and co-pays that are covered by the Medicare Supplement. The more expensive the plan, the less out of pocket dollars a retiree pays for their covered healthcare.²

Proposed Changes to the R.C.M.A.

Specific plan differences, along with costs and benefits are available on the CPG website. Following months of study, conversation, examination of alternatives, the Working Group developed a series of changes which will, over a four year period, affect up to 50% savings for the Diocese of Pennsylvania. The following are components of the recommended changes:

1. R.C.M.A. will continue to pay for dental insurance. The Dental subsidy may be discontinued at any time for the subsequent plan year.

2. R.C.M.A. will continue to pay a subsidy for an enhanced Medicare supplement for clergy/spouses with inadequate pensions. Such recipients are defined by CCCEB as those who are:

- *Age greater/equal to 80 on 1/1/the year the benefit changes are enacted or*
- *Monthly Clergy Pension Amount/Credited Service is less than \$75*

This amount will be updated annually by factoring the CPG-granted cost of living adjustment.

3. The subsidy for an enhanced Medicare supplement is to end in a four year reduction for clergy/spouses who meet these criteria:

- *Age less than 80 on 1/1/in the year the new plan is implemented, AND*
- *Monthly Clergy Pension Amount/Credited Service is greater/equal \$75*

Year 1 75% of current payment per person

Year 2 50% of current payment per person

Year 3 25% of current payment per person

Year 4 0% of current payment

These criteria were developed through a review of pension compensation levels based on years of service and age, of active pensioners in the Diocese. It was constructed to minimize any adverse impact on those

who most need the supplemental benefits coverage subsidy. Beneficiaries may elect a higher-level supplement plan. They must pay the difference between the rate and the subsidy.

4. Beneficiaries will be offered an opportunity to decline the Diocesan subsidy for dental coverage.

5. For Retired Clergy Spouses/Partners less than age 65, at the inception of the proposed benefits, the Diocese will:

- Phase-out the current subsidy for group health benefits (currently at 60-65%) over four years

Year 1 Reduced to 75% of current

Year 4 Reduced to 0% of current payment

The Percentages are based on Benefit Premiums of the EPO 90 insurance plan.

6. In future, the R.C.M.A. will be determined by the ‘base plan level’ as defined by CCCEB annually.

7. Beneficiaries may elect a higher plan and pay the difference between the rate and the subsidy.

For existing or future Disabled Clergy, the proposed change provides that

- Disabled Clergy Benefits are to be paid through a contribution to the R.C.M.A. from the Christmas or other such funds available through the Diocese, at the discretion of the Bishop and CCCEB.

- R.C.M.A. continues to provide dental insurance. The Dental subsidy may be discontinued at any time for the subsequent plan year.

- R.C.M.A. will continue to pay coverage for disabled clergy on the ‘base plan level’ as defined by CCCEB annually. The Bridge Benefit provided by CPG to partially cover insurance costs will be factored into the provided benefit. When the beneficiary is qualified for coverage under Medicare, the R.C.M.A. will assist, provided adequate efforts are made to secure coverage.

- When disabled clergy are covered under Medicare, the R.C.M.A. will pay the costs of the basic Medicare Supplement provided to qualified retired clergy, offset by the disability bridge benefit provided by CPG.

- Disabled clergy may buy-up to a higher plan by paying the difference in premium costs.

- If it is determined as appropriate by the CCCEB, the R.C.M.A. will pay the lesser of the cost for the Spouse/Partner and eligible dependents to receive employer-provided medical benefits or coverage on the ‘base plan level’ defined by CCCEB annually – as long as they meet eligibility requirements.

For Existing Surviving Clergy Spouses/Partners Less Than 65

- Surviving Clergy Spouses/Partners must have been married to the deceased clergy for at least five years prior to the date of death, and remain unmarried, to be eligible for benefits. payment (spouse would pay \$45-48.75)

Year 2 Reduced to 50% of current payment (spouse would pay \$30-32.50)

Year 3 Reduced to 25% of current payment (spouse would pay \$15-16.25)

- Qualified Surviving Clergy Spouses/Partners whose spouse/partner was retired at time of death will continue to receive benefits equivalent to those available to them if their spouse/partner were still living.

The benefits include Medical and Dental coverage, although the Dental subsidy may be discontinued at any time for the subsequent plan year.

- Qualified Surviving Clergy Spouses/Partners whose spouse/partner was active at time of death will receive a subsidy or benefits that reflect the lesser of

- *The employee cost share to participate in benefits provided by the employee’s or a spouse/partner’s employer OR*

- *The base-level of coverage available to the spouse/partner if the cleric spouse/partner were still living and working in the diocese, until the surviving clergy spouse/partner is eligible for Medicare.*

- *R.C.M.A. will cover the costs of dental coverage. The Dental subsidy may be discontinued at any time for the subsequent plan year.*

Availability of the R.C.M.A. to Currently Active Clergy Who Retire

To be eligible for Diocesan retiree benefits, active employees must be Canonically resident in DIOPA at the time of retirement and have served their last 5 years prior to retirement in the Diocese of Pennsylvania.

- Benefits available to active employees who retire will be those in effect at the later of the date of retirement or Medicare eligibility.
- If a benefit is being phased out, the eligible retiree will be able to take advantage of the benefit at the available level of subsidy until it is phased out.
- At the time that these recommendations are put into place, DIOPA will not offer subsidized Medicare supplement benefits for new retirees.
- Dental subsidy may be discontinued at any time for the subsequent plan year.

Estimated Financial Impact on Diocesan Financial Systems

Provision	2013	First yr.	Second yr.	Third yr.	Fourth yr.
Disabled	\$64,200	\$64,200	\$64,200	\$64,200	\$64,200
Widows	\$90,000	\$80,000	\$80,000	\$80,000	\$80,000
Retired Clergy	\$456,000	\$416,000	\$376,000	\$336,000	\$296,000
Spouses LT 65	\$90,000	\$60,000	\$30,000	\$20,000	\$0
TOTAL	\$700,200	\$620,200	\$550,200	\$500,200	\$440,200
<i>Less Christmas Fund</i>					
Contribution	\$120,000	\$150,000	\$150,000	\$150,000	\$150,000
R.C.M.A. Needs*	\$580,200	\$470,200	\$400,200	\$350,200	\$290,200
Estimated Savings	0	\$110,000	\$180,000	\$230,000	\$290,000

Estimated % Reduction from 2013

19% 31% 40% 50%

*These estimates are based on current beneficiary population and do not reflect costs for additional retirees that may flow into the system, nor does it estimate savings from current retirees who die during the transition period. This model is intended to provide a high-level estimate of the potential savings that may accrue due to the proposed changes; *does not reflect adjustment for bad debt which inflates the actual amount requested for the assessment.*

Outcomes from Proposed Changes

The Working group believes that this is a balanced, compassionate approach to meet the original mission of the R.C.M.A. while reducing cost to parishes.

- Retirement benefits are preserved for retirees who are more than 80 years old and those with very low pensions.
- Dental benefits preserved for all current beneficiaries, at this time
- Benefits for disabled clergy and surviving clergy spouses/partners are to be funded by Christmas or other diocesan funds, offset by the disability bridge benefit provided by Church Pension Group, which is consistent with the original canonical charter.
- A Medicare Supplement ‘buy-up’ phased out for retirees less than/equal to 79 years of age and with adequate/higher pension amounts, is possible.
- Medical benefits for retiree spouses/partners less than 65 are phased out.

It is the unanimous recommendation of the Working Group that these changes be put into effect as soon as possible, and no later than January 1, 2014.

Next Steps

1. The Chancellor of the Diocese should be consulted at the earliest possible time to determine how the recommended changes interface with the present Canons.

2. CCCEB should review the canons and determine which of the proposals can be implemented administratively, and which changes require Canon revisions.
3. For those changes that can be implemented administratively, we recommend that CCCEB make the changes, communicate to the Diocese which changes are being made, pursue ratification of the changes that are made as part of the Commission’s annual report to Diocesan Convention. This action may not require a formal resolution by Diocesan Convention.
4. The adjustment factor in calculating the R.C.M.A. for under-collection of the assessment is currently 6%. It should be increased to 15% to reflect the downward trend of current collection.
5. The Diocese, through an appropriate entity, should define a uniform method of accounting for assessment payments that takes into account all three mandatory assessments. If an assessment is currently unassigned, it is used to pay for the Episcopate assessment first, then R.C.M.A., then CFA. We believe that this informal procedure should be examined and validated by an appropriate elected entity (ie: Standing Committee, Council, Finance or CCCEB). There should be a clearly defined method to ensure that the assessments are treated consistently
6. The Diocese has a number of independently funded and administered financial resources that provide support to clergy (Christmas Fund, Clergy Financial Assistance, R.C.M.A., Wellness Fund). We recommend that the Diocese create a unified group which will administer these funds, adequately discharge the canonical responsibilities in each, and which will bring into practice earlier recommendations in this report concerning Disabled clergy. This recommendation will require changes to Diocesan canons.
7. The working group believes that changes proposed for R.C.M.A. for clergy should also apply to lay employees at Church House. All employees benefits should be modeled after the canonical provisions.
8. The Diocese should retain and support a staff member who is responsible for Diocesan and Church-house personnel, human resource and retiree support.

No need for canon change. Small group sessions will be held for people who will receive this benefit. Resolution Diocesan Council supports the goals and the specific changes proposed in the Final report of the RMI and encourages prompt implementation was moved by Paul Yaros and seconded by Dave Hammond. Motion carried.

RCMI step-down impact on benefit recipients:

Current subsidy for helping to bring CPG Medicare supplemental insurance from the basic supplement to the Plus Plan **for retired clergy/spouses:**

\$100 per person for medical per month	\$30-50 for dental per month
Year 1 Step-down	\$75 per person for medical \$30-50 per person for dental
Year 2 Step-down	\$50 per person for medical \$30-50 per person for dental
Year 3 Step-down	\$25 per person for medical \$30-50 per person for dental
Year 4 Step-down	\$0 per person for medical \$30-50 per person for dental

Current subsidy for enhanced Medicare supplement will continue “**as is**” for **those with inadequate pensions** as defined on page 5, item 3 of the Proposal, and **existing or**

future disabled clergy as defined on page 6. It is contemplated that we will pay this subsidy through contributions from the various Diocesan funds which provide assistance (i.e. contributions from Christmas Fund for disabled clergy, and from Widow’s Corp., Clergy Financial Assistance, and the Bishop’s Discretionary Fund for those with inadequate pensions, in a specific formula to be determined. Conversations have begun with the Christmas Fund.)

Current supplement for **Retired Clergy Spouses/partners less than age 65** at the beginning of this step-down will be phased out as follows:

Currently, retiree/spouse/partner gets 60-65% of subsidy.

60-65% of \$100 per person for medical per month (\$60-65) \$30-50 for dental per month

Year 1 Step-down	75% of current payment or \$45 - \$48.75 per person for medical \$30-50 per person for dental
Year 2 Step-down	50% of current payment or \$30- 32.50 per person for medical \$30-50 per person for dental
Year 3 Step-down	25% of current payment or \$15- 16.25 per person for medical \$30-50 per person for dental
Year 4 Step-down	0% of current payment or \$0 per person for medical 30-50 per person for dental

7. Leadership Assimilation Workshop-Part A (30 minutes)

Mr. Paul Yaros

8. Small Group Breakout Work (30 minutes)

Now that you have heard from our three DCMM parishes – what next?

What do we do with this information?

Appreciated the presentations. They should go to deanery meeting with the presentations. There should be regular funding for a length of time rather than each year. Three year cycle ending at a different time. What are the criteria of a DCMM Churches. Should it be for long term are there other churches. There should be a clearing house for time and talent for these churches. Need to build up not close. This should be a priority to fund these churches. Issues around poverty. Create a subcommittee of Diocesan Council supporting DCMM. Bring information back to Diocesan Council. Resource guide at Church House listing roofers, plumbers, etc. people who could use the work. Presentation could be made to the diocese before convention. Loved the idea of the pilgrim program. Be in relationship with DCMM. Someone to listen to and guide DCMM what they needed what they were doing. Monthly meetings with archdeacon. Have a lot to learn from these DCMM congregations. They are working to bring a ministry to the neighborhood. Celebration of the DCMM parishes as a diocese. Get the awareness out to the churches.

9. Leadership Assimilation Workshop-Part B (40 minutes)

Rt. Rev. Clifton Daniel

What we knew about him.

Bishop Daniel responded to our questions and comments.

10. Schedule of next meeting

Mrs. Jeanette Woehr

The next Diocesan Council meeting will be held on June 22 at St. Luke's Church, Germantown –
Wissahickon Deanery.

11. Closing Prayer and Adjournment

Rt. Rev. Clifton Daniel

The meeting was adjourned at 12:50 pm.

Anti-Racism Commission Report, May 11, 2013
Submitted to Diocesan Council by Victoria Sicks

The Anti-racism Commission (ARC) and Antiracism Team (ART) have met four times since the beginning of March. These meetings have been designed to help the group

- (1) evaluate the long term strategy,
- (2) evaluate the Commission/Team dynamics,
- (3) begin the process to reassess where the diocese displays institutional racism,
- (4) reassess the progress of the Antiracism Commission and Team in fulfilling both the strategic plan and the resolutions of the Diocesan Conventions of 2006 and 2010,
- (5) provide for the sharing of information and time for reflection on input from the wider diocese on recommendations for improvements and/or changes that may help in the work against institutional racism, and
- 6) reassess tactical plans and next steps for the work

The work of fighting racism and becoming an antiracist diocese continues to be a diocesan priority. In accordance with the original resolution passed at Diocesan Convention in 2006 to become an anti-racist diocese and the reaffirmation of that commitment at Convention in 2010, the Commission continues to look for the best ways to assist/lead in accomplishing this priority. We are examining the past activities of the Commission and the Team including the types of training we have offered. As is recommended with any long-term strategy, we are re-evaluating practices to assess successes to be replicated and areas for continued work or change.

Specific plans for the remainder of 2013 include

ARC Meeting with Bishop Daniel, Wednesday, May 29th at Church House to incorporate vision and align with strategy for the Diocese

Ally Building – Dinners and special meetings with the Bishop and diocesan allies who have participated in the 2.5 day training undertaken per the antiracism strategy. **The first dinner with Bishop Daniel is scheduled for Wednesday, June 26th 6:30 p.m. at Philadelphia Cathedral**

Anti-racism Training, October 24-26, 2013

ARC/ART have identified specific plans for the 2014 calendar year which fall into 4 major categories as set forth below. We will continue to provide reports on how ARC/ART progresses in regard to these plans.

- A. Special Events – Includes film and panel conversations/discussions as catalyst and cultivation forums and exchanges to deepen our diocese-wide knowledge and relevant engagement.
- B. Ally Building to Engage Crossroads – continue with facilitated meetings with trained persons in strategic and tactical work towards an antiracist Diocese. 2-3 events that will galvanize the energy and the work of those in our diocese who have participated in antiracism training events and lead to an increase in ARC/ART members to further the antiracism work started.
- C. Training, including evaluating and starting to incorporate train-the-trainer components. Hoping to have more events at lower costs as a result of modification or transition of training model. Development and implementation of new training model as well as transition training and apprenticeship for train-the-trainers.

D. Diagnostics of the Diocese -- for detailed determination and documentation of specific antiracism challenges and practical opportunities. This can include surveys, cross team analysis and other research to identify remnants of institutional racism and focus efforts.

The Anti-racism Commission will continue to make reports to Diocesan Council with syntheses of the work from its meetings and with any recommendations it has determined to implement and/or change priorities.

Submitted along with this report is the Strategic Plan of the Anti-racism Commission.

Summary of Finance Committee Actions Since Council's last meeting

At its meeting Finance discussed or took action on the following:

- 1) Discussed and approved proposed reductions of the Program Budget and sent a letter to the Diocese explaining the action. Since then the cuts have been rendered moot as the Diocese responded with more than \$75K in additional pledges
- 2) Recommended to the Bp and Standing Committee that the Diocese invest \$1.6 million in the Cathedral Development project.
- 3) Appointed Bruce Givnish and Norman McClave to serve on the Centralized Loans and Grants Committee
- 4) Discussed and approved the Budget Committee's recommendation that a number of items that are essential to the functioning of the Diocese (Conventions, audit and part of the Finance Dept) be moved from to the Episcopate Budget so that they are included in the Episcopate Assessment. This resulting increase in the EA would be partially offset by planned reductions in the RCMA assessment which is planned for 2014. The committee will review the draft of the Unified Budget at its May meeting
- 5) Reviewed a draft of a Conflict of Interest statement that, once approved by the Chancellor, will need to be read and signed by all Diocesan governance and staff. The COI Policy will be annually reviewed and affirmed and statements would be annually signed.

Subcommittee reports

- 1) Budget: Budget has met twice. Most recently to work on the first draft of the new unified budget format.
- 2) Parochial Relations: is working on planning a hands on financial workshop for parishes.
- 3) Property: Reviewed and declined two offers for Wapiti. Actively working on how to best manage the property.
- 4) Insurance: Met with the brokers of Sovereign to discuss a new carrier for 2014 to save on premiums

Respectfully Submitted,

The Rev. Kirk T Berlenbach, Chair

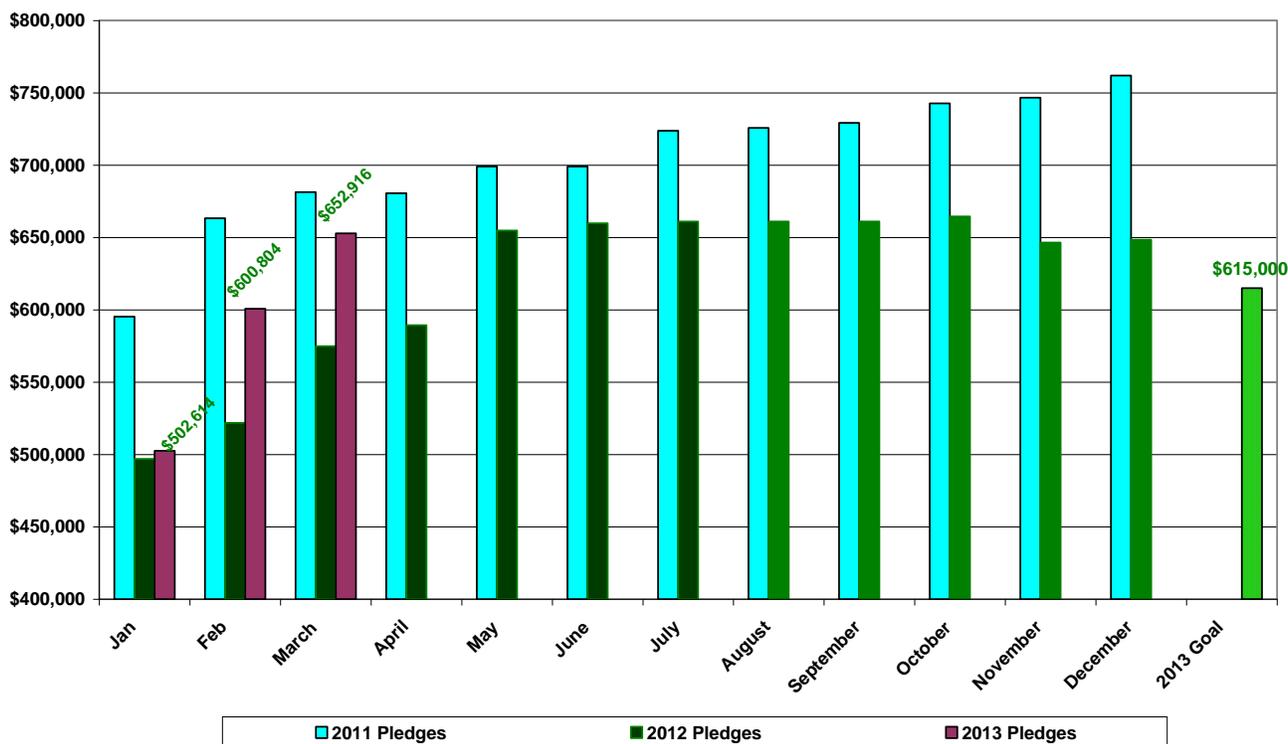
**Diocese of Pennsylvania
Treasurer's Report
For the Period Ended March 2013**

The year continues to begin well: pledges have increased to the point where planned reductions in the Program Budget shall not have to be made, and pledges continue to grow.

1. Cash Collections: Assessments and Pledges

For 2013 through March, we collected approximately \$549,000 against total Assessments and Pledges of about \$2,184,000, or 27%. This was about equal to the collections of a year ago, when we had collected \$583,000, or 27%, of roughly equal Assessments and Pledges. Pledges for 2013, at \$653,000, are running well ahead of those in 2012 at this point, and closing in on those of 2011.

Pledges Made, 2013 Year to Date vs. 2012 and 2011



2. Performance against Budget: the Episcopate Budget

The Episcopate performed slightly below budget again for March, with collections of Assessments running about \$11,000 behind budget. Total Revenue was \$102,000 vs. a budgeted \$113,000. Expenses came in below budget, at \$100,000 vs. a budgeted \$103,000, with major underspends in Salaries and Benefits for Bishops and Staff, and in Lay Church House Retiree Expense, offset somewhat by overspends in Legal and Travel/Office expenses. As a result, the surplus for the month was \$2,000.

For the year to date 2013, Episcopate Revenue is close to budget, at \$346,000 vs. a budgeted \$355,000. Again, Expenses are running below budget, at \$266,000 vs. a budgeted \$313,000, with favorable variations in Salary/Benefits for Bishops (given that Bishop Daniel came onto the payroll only in March), staff

salaries/benefits, and lay church house retiree expense, partially offset by unfavorable variances in travel/office expense, ordination expense, and legal fees. The surplus for the three months of 2013 is \$81,000 vs. a budgeted \$42,000.

3. Performance against Budget: the Program Budget

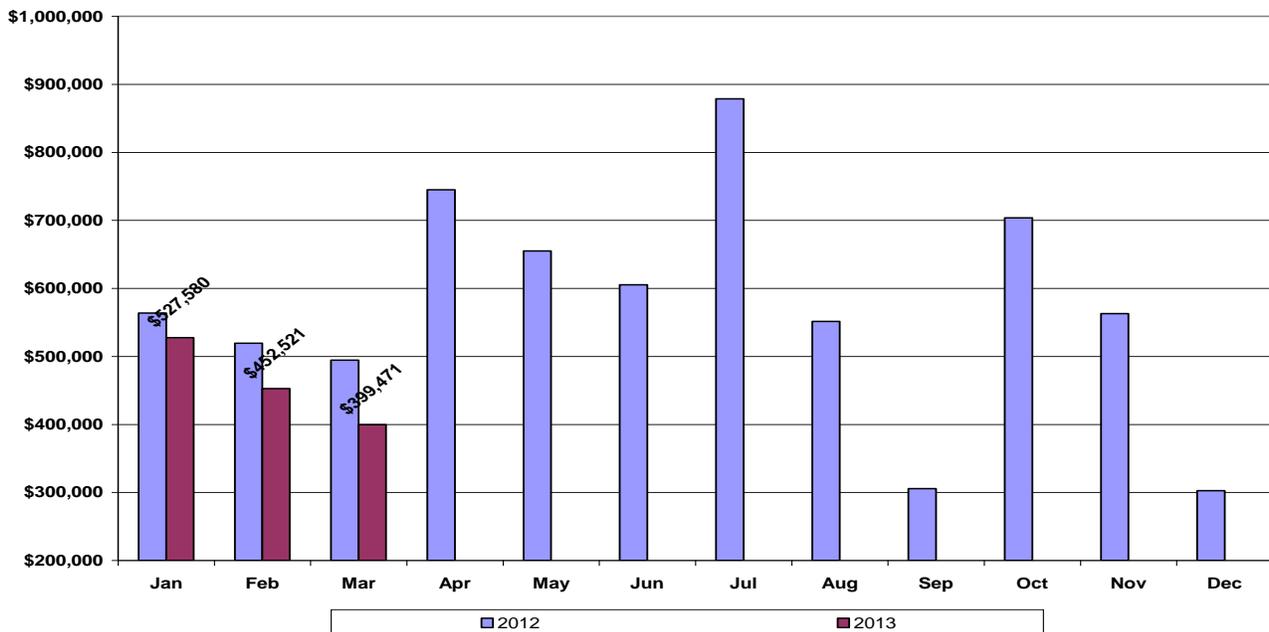
Program Revenue in March, at \$74,000 was about \$25,000 over budget, due to pledge collections coming in \$20,000 over plan, and Special Revenue exceeding plan by \$5,000. Expenses came in right on budget, at \$181,000. Program had a net deficit of \$107,000 vs. a budgeted deficit of \$133,000, so performing better than planned.

For the year to date, Program Revenues are \$391,000 vs. a budgeted \$410,000. Collected congregational pledges are about \$12,000 over plan, and Revenue-Special is running \$33,000 behind plan. Overall expenses for the three months are \$488,000, or about \$13,000 better than plan, with savings in Servant Year and Education/Communications offset by overspends in Finance and Administration. The Program Budget has a deficit for the three months of \$97,000 vs. a budgeted deficit of \$93,000. Quarterly disbursements of investment income and increasing Congregational Giving will largely erase this deficit.

4. Church House Operating Cash

Church House operating cash remained adequate at about \$399,000, but below last year's cash position.

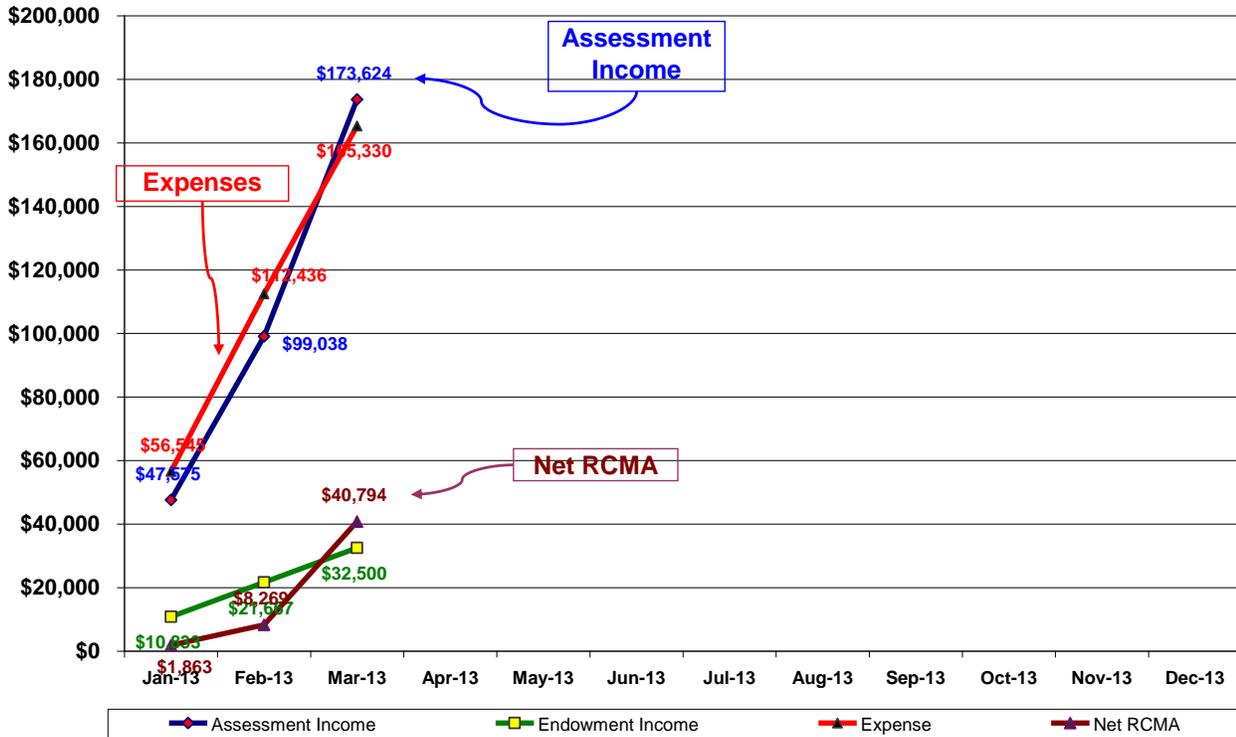
Church House Operating Cash Account



5. Retired Clergy Medical Assistance

RCMA continues well through March, about equal to last year. Assessment Income of \$174,000 was slightly above last year's. Expenses were up somewhat over last year, by \$4,000, and the quarter ended with a surplus of \$41,000, virtually identical to last year's.

RCMA Fund 2013 by Month-End



6. Issues and Concerns: 2013 Pledges for the Program Budget

Pledges were due in mid-December, and have been coming in since then. At the end of March, pledges of \$653,000 exceeded our 2013 Goal of \$615,000, and by late April had risen to \$675,000. As a result, reductions in the Program Budget recommended by the Finance Committee shall not have to be put into effect.

This is terrific news for the Program Budget. As of late April, nine churches which had pledged nothing in 2012 had made a pledge for 2013, a number in significant amounts. Efforts to increase pledges and participation have had some effect.

On the other hand, at this point, 79% of parishes have pledged, so 21% have either not pledged or have not communicated their pledge to Church House. However, 13 of those pledges are for \$0, including 4 churches which had pledged a positive amount in 2012. An additional 30 parishes have not yet been heard from, four months following the target date for pledges to be made. A number of the churches which have pledged \$0 or not yet pledged would appear, according to the Parochial Reports they complete, to have funds to pledge.

While many of our churches are in a difficult financial position, each church ought to be able to pledge something: perhaps \$250 or \$500. It is important to demonstrate support for the Program Budget, and not just have less than 80% of the churches in the Diocese support these ministries. We ought to be able to

achieve 100% participation, with small pledges from the financially stressed churches.

Churches Making a Pledge of \$0 in 2013:

Church of the Holy Trinity, Rittenhouse Square
St. Clement's Church
Washington Memorial Chapel
St. Paul's Church, Doylestown
Nevil Memorial Church of St. George
St. Anne's Church, Abington
St. James' Church, Collegeville
St. Paul's Church, Oaks
Grace Epiphany Church, Mt. Airy
Holy Innocents St. Paul's Church, Tacony
Christ Church and St. Michael's
Church of St. Philip-in-the-Fields, Oreland

7. Churches Not Having Pledged in 2013:

St. Paul's Church, Chestnut Hill
Church of the Holy Trinity, West Chester
All Saints', Wynnewood
Church of St. Asaph, Bala Cynwyd
St. James' Church, Downingtown
St. John's Church, Norristown
St. Paul's Church, West Whiteland
Church of the Good Shepherd, Rosemont
Church of the Holy Apostles and the Mediator
Calvary Church, Rockdale
Church of the Annunciation
St. Martin's Church, Radnor
Calvary-St. Augustine Church
Calvary Church, Germantown
Redemption, Southampton
Church of the Epiphany, Royersford
Trinity Church, Boothwyn
St. Paul's Church, Elkins Park
St. Simon The Cyrenian Church
St. Mark's Church, Honey Brook
St. Paul's Church, Levittown
George W. South Memorial Church of the Advocate
House of Prayer
Church of the Holy Trinity, Lansdale
Church of St. Augustine Of Hippo, Norristown
Church of St. John The Evangelist, Philadelphia
St. Mary's Church, Chester
St. Mary's Church, Philadelphia

All Souls' Church for the Deaf
Free Church of St. John



**THE EPISCOPAL DIOCESE OF PENNSYLVANIA
DIOCESAN COUNCIL
Saturday, May 11, 2013
Trinity Church, Gulph Mills**