



THE EPISCOPAL DIOCESE OF PENNSYLVANIA
DIOCESAN COUNCIL
Saturday, January 5, 2013
Church of the Good Samaritan

MINUTES

Attendance (arranged by Deanery)

Brandywine: Patrick Connelly

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

Delaware: Janet Ross

Merion: George Vosburgh

Montgomery: Elise Bowers, Rev. Merek Zabriskie

Pennypack: Joe Madison, Carole Baxter

Schuylkill: William Berry, Rev. George Master, Richard Dill

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

Valley Forge: Beverly Loftus, Rev. Sandra Etemad

Wissahickon: Victoria Sicks, Patricia Smith

Guests: Jeanette Woehr, Sherry Deets, Rob Rogers, Mary Kohart, Judy Madison

1. Call to Order

Mr. Paul Yaros

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

The meeting was called to order at 9:03 AM by Paul Yaros.

2. Scripture Reflection (5 minutes)

The Rev. Joy Segal

The Rev. Joy Segal reflected on Matthew 2:1-12.

3. Opening of the meeting (10 minutes)

Mr. Paul Yaros

a. Prayer

b. Welcome and Introductions

Michael Kelly, Richard Dill and Rev. Sandra Etemad were welcomed to Council. Patrick Connelly welcomed the Council to the Church of the Good Samaritan giving us some history of the Church.

c. Adoption of the agenda

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

d. Recognition of Visitors

4. Minutes of the November 17, 2012 meeting of Diocesan Council (5 minutes)

Ms. Jeanette Woehr, Secretary

A motion was made by Victoria Sicks and seconded by Patricia Smith to accept the minutes of the November 17, 2012 meeting of Diocesan Council. Motion carried.

5. Executive Committee Report (15 minutes)

Mr. Paul Yaros

a. A special Convention will be held on January 12 to elect The Rt. Rev. Clifton Daniel, Provisional Bishop who comes from East Carolina.

b. Diocesan Loan Fund - Rev. Joy Segal



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The Bishop's Revolving loan fund is now called the Diocesan Loan fund. Diocesan Council is responsible for tracking this fund. There are several pending loan requests. A sub-committee should be formed to oversee the Diocesan Loan Fund. Loans are for five years at 4% with a cap of \$50,000. This loan must be paid back. There are two other grant options – Standing Committee grants from property fund and Program Budget – aided churches apply for grants for programs within their parishes. Finance Committee, Standing Committee and Diocesan Council should be pulled together with these options with a central application process. A subcommittee would review and make recommendations to the proper committee. DCT does the leg work for the various groups and possibly determine which funds should be used. Standing Committee and Finance Committee has their groups to determine the loans. If a parish wants a loan, they must know who to approach and what application would be necessary. Appoint two members to have one standard application to complete and make recommendation to the proper group. We don't want a parish to have to come to the complete Council to request a loan. There are a lot of inquiries regarding loans in a year. The ability to repay the loan is required. Two loans a year perhaps are granted. The sub-committees would meet quarterly for communications regarding the various loans. The sub-committee of Diocesan Council would recommend to Council which loans to grant. Diocesan Council would vote on the recommendation. There should be only one application not three. Applications require a lot of follow up. Diocesan Council responsibilities are to administer the loan fund. Parishes are looking to receive loans in a timely manner. Recommend that Rev. Joy Segal would continue with this work until the March meeting with two additional members from Council to work with her. Dave Hammond and Joe Madison will serve on the committee. A motion was made by Rev. George Master and seconded by Rev. Ernest Curtin to have Rev. Joy Segal, Dave Hammond and Joe Madison to serve on the committee to administer the loan fund.

c. Committees & Appointments – Ms. Victoria Sicks

Diocesan Council has a new responsibility to provide congregations across the Diocese education of financial support. Nora Adelman will help with this.

Spiritual Growth, Stewardship and Liturgical committees do not meet. It was recommended that Rev. Marek Zabriskie and Victoria Sicks approach the new bishop regarding these three committee and what they look like going forward.

6. Treasurer's Report (*15 minutes*)

Mr. Norman McClave III, Treasurer

The Wapiti land company decided to cancel flood insurance but luckily was talked out of it. Several buildings were flooded losing the furnaces.

Pledge collections are \$65,000 short and Program budget is \$110,000 short. 44% of parishes have sent in pledge forms. Finance committee now has the responsibility to make adjustments to the budget. Some churches have to wait to pay their pledges. 2012 will end up with a deficit. 2013 pledges have been reduced to \$615,000.

7. Standing Committee Report (*15 minutes*)

Rev. Sherry Deets

Please encourage your delegates to come to the special convention on January 12th for the election of our Bishop Provisional. We really need a quorum and you will have the opportunity to hear from and meet Bishop Dan Daniel.

As one who was on the subcommittee to choose a candidate for Provisional Bishop, I want to share how excited we are about him. We narrowed the choices down to four candidates that we interviewed via skype. All four would have been good leaders for our Diocese, but in our discernment process we did not come to a vote, we discerned (over a lot of hours) and came to a consensus that Bishop Daniel would be the best choice for our Diocese. We are fortunate and excited to have him also discern a call to be with us in the Diocese of Pennsylvania.



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In this time of transition, Ledlie Laughlin, the Standing Committee president, met with Church House staff just prior to Bishop Bennison's departure (at Bennison's invitation) and again on January 3rd. Rob Rogers is the coordinator for Church House Staff.

At our November meeting Standing Committee consented to the ordinations of Benjamin Wallis, Catherine Kerr, Nora Johnson, Sean Slack and Timothy Gaven to the priesthood. We also consented to the candidacy of Jeff Moretzsohn and J. Robin Robb to the Diaconate. Standing Committee approved allocating \$66,900 from the Property Fund to Church of the Advocate for the redoing of their electrical system.

8. Small Group Breakout Work (*60 minutes*)

- a. With the election of a Bishop, Provisional in mind; how might Diocesan Council fulfill its canonical responsibility to “furnish the Bishop with assistance for the administration of the diocese”?

DCMM parishes will be invited to join us in March, May and June.

9. Committee Liaison Reports & Assignments (*20 minutes*)

(A brief report should be submitted in writing prior to each meeting, discussion as time permits or as requested)

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| a. Anti-Racism Commission | Ms. Victoria Sicks |
| b. Companion Diocese Committee | TBD |
| c. Campus Ministry / LECM Advisory Council | Dr. Carole Baxter / Rev. Jane Cornman |
| d. Cathedral Chapter | The Rev. Ernest Curtain |
| e. Commission on Clergy Compensation & Employee Benefits | Mr. Richard Bauer |
| f. Convention Committee
Be sure to attend the special convention on January 12. | Mrs. Jeanette Woehr |
| g. Diocesan Consultation Team | The Rev. Joy Segal & Patrick Connelly |
| h. Diocesan Council Nominations Committee | Ms. Elise Bowers & The Rev. Earnest Curtin |
| i. Finance Committee
Finance Committee Report to Diocesan Council
Inaugural Meeting of FC
December 11, 2012 | George Vosburgh / Rev. George Master III |

Committee members: Nora Adelman, The Rev. Frank Allen, The Rev. Kirk Berlenbach, Ann Booth-Barbarin, The Rev. Dr. Charles Flood, Bruce Givnish, JoAnn Jones, The Rev. Adam Kradel, The Rev. George Master, Eric Rabe, George Vosburgh; ex officio: Norman McClave, Treasurer; James Pope, Representative of Church Foundation; Robert Rogers, Canon for Finance, The Rt. Rev. Charles Bennison, Bishop (not present)



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Norman McClave, Diocesan Treasurer, as designated Convener, ran the meeting. He welcomed all to membership in the group. He summarized the Financial Review Committee's work over the past two years that led to a change in the financial oversight for the Diocese.

The Financial Review Committee (FRC) was chartered by Convention in 2010, spent two years conducting a review of the Diocesan finances and property management and presented a resolution that was approved by Convention in 2012. FRC brought together members of the governing bodies of the Diocese. There was extensive discussion and substantial agreement among the FRC members. The new approach does not change current sources of income, though there will be a unified budgeting process (not a unified budget). The fragmented budget process will be no more. While in the past the Commission on Clergy Compensation and Employee Benefits (CCCEB), Church Foundation, Standing Committee, and the Program Budget Subcommittee of Diocesan Council each worked on parts of the budget, it was not prepared collaboratively. There was no ability to change the budget that had been prepared in June of one year for operations in the subsequent year to reflect changes in income or expenses.

The Finance Committee was formed to have an overall view of the Diocese's finances and property. Those appointed by Standing Committee and Diocesan Council will function as liaisons to those groups for communication and questions back and forth.

What is the Finance Committee's role? It is charged with making decisions on financial affairs of the Diocese and centralizing decision-making so there is an overall view. The Finance Committee will monitor budgets and make adjustments as needed during the year. Another role is advising the governing bodies of the Diocese of the feasibility of plans, or tradeoffs that might result from particular decisions or actions. This committee is empowered to make mid-year changes to the budget and to have authority to carry out its work, or to make recommendations to the appropriate body for decision.

The Finance Committee does not determine Diocesan mission or strategy. Its role is to see that the Diocese can financially support its desired mission and ministries, to advise other bodies on the costs of various programs compared to the resources available, and to advise on the trade-offs among programs.

One difference between the former Finance and Property Committee and this one is the unified budget process. One major activity is accountability and tighter coordination, and exchanging more information with the various bodies that have to do with things financial: the Diocesan Health and Welfare Benefits Trust and Church Foundation among them.

The role of Church Foundation in the Canons has been clarified regarding property.

CCCEB will also be reporting to the Finance Committee, and the two bodies will work together to determine clarity of roles.

The Committee elected officers. The Treasurer is responsible for processes of the Committee (helping organize what we do and when). What we do in 2013 will help set the template for how the committee is viewed and will act.

The Rev. Kirk Berlenbach will serve as chair, Eric Rabe as vice chair, and Nora Adelman as secretary.



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We discussed financial issues facing the Diocese. An initiative the Finance Committee might undertake is calling on churches that have not pledged to explore why – there are many factors involved, economic, disagreements with the diocese, changes in endowment income, lower attendance/membership and pledging. This committee should understand the comprehensive picture of the churches in the Diocese, as well as the Diocese altogether.

We reviewed distributed materials:

- Audit
- Internally prepared financial statements as of November 30, 2012
- Pledge open item report
- Management letter from auditors (quite improved from past years)
- Consolidated income statement for 2011 and 2010 (from the audit) by categories of endowment (unrestricted, temporarily restricted, permanently restricted) showing a loss of \$1.1 million for 2011 and the same for 2010 – the big issue is the change in net assets. Page 20 of the audit shows the various affiliates of the Diocese and portrays decreases in assets for both Church Foundation and the Diocesan Health and Welfare Benefits Trust.
- Statement of Activities for 2012 Program Budget – year-to-date versus budget by program, showing a \$100,000 deficit compared to a budgeted \$47,000 surplus.
- Year-to-date graph of 2012 pledging compared to 2011 pledging through October – nearly \$80,000 difference in pledges year-to-year.
- Program Revenue 1994-2011 shows a downward trend of collected pledges. The argument can be made that pledges from parishes go 100% into programs like support of parishes in need. The administrative expenses are offset by endowment income. A number of churches have no understanding of what the Diocese does, and therefore pledging to the Diocese is not viewed as important.
- Accounts receivable analysis shows assessments and pledges for 2012 and 2011, what has been paid and what is unpaid as of November. This is a big cash issue.

We discussed goals for 2013

- How to make adjustments to the Program Budget for 2013
- How to fund the Program Budget going forward
- By Canon, assessments are due by June. The third quarter is difficult. Pledges come in during the 4th quarter and into January of the following year. Foundation sets its payout rate in March, and the last one comes in January 15 for the previous year. There appears to be a disconnect between responsibility, accounting, and oversight of finances of affiliates.
- The property insurance company has concerns about closed churches that are vacant – higher than usual claims history over the past five years, which influences rates.

We will also be establishing subcommittees: budget, property, investment, parochial relations, diocesan audit, and insurance. We will be seeking members from outside the Finance Committee to serve on these subcommittees. (See below for subcommittee descriptions.)

Respectfully shared, with thanks to Finance Committee Secretary Adelman

George Master & George Vosburgh



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Council representatives to Finance Committee

The committee is not a policy making committee but will need guidance from Standing Committee and Diocesan Council. There is a need for people who are not part of the Finance Committee to serve on sub-committees. It is important for congregations to send their pledges into to the Diocese. There is a huge disconnect in the thinking what churches can pay with 60 churches in trouble. They cannot afford to pledge 10%. Is there reality in what is expected the churches to pay.

- j. Liturgy Committee TBD
 - k. Middle East Study Committee Ms. Elise Bowers
 - l. Retired Clergy Medical Insurance Working Group Ms. Elise Bowers
 - m. Spiritual Growth The Rev. Jonathan Clodfelter
 - n. Stewardship Committee Mr. Peter Datos
 - o. Wapiti Sale Committee Ms. Patricia Smith & The Rev. George Master
There are two offers with one person returning for a second time. Within the next few months we will know better.
 - p. Wapiti Wilderness Retreat Board Ms. Patricia Smith
There are activities going on at Wapiti. Some small groups are scheduled to use Wapiti for retreats. They pay their expenses. No new groups are scheduled.
 - q. Youth Advisory Board The Rev. Jane Cornman
10. Old business
No old business
11. Schedule of next meeting Mrs. Jeanette Woehr
The next meeting will be held on March 16, 2013 at St. Mary's Church, Wayne.
12. Reflections (*5 minutes*)
George Vosburgh liked the small group sessions.
Paul – How affects people living in poverty.
13. Closing Prayer and Adjournment Mr. Paul Yaros
The Rev. George Master closed the meeting with prayer at 12:05 PM