

DIOCESE OF PENNSYLVANIA FINANCE COMMITTEE

MONDAY, JANUARY 11, 2016, 6:30 PM, CHURCH OF THE REDEEMER, BRYN MAWR

Committee Members Present: The Rev. Adam Kradel, Patricia Smith, The Rev. Greg Wilson, John Loftus

Committee Members Not Present: Eric Rabe, The Rev. George Master, The Rev. Diedre Whitfield, Peter Datos, Ann Booth-Barbarin. The Rev. Charles Flood

Ex-Officio Present: James Pope, Treasurer; Rob Rogers, Canon for Finance, The Rev. Lucy Amerman, Canon for Pastoral Services, Alan Lindsay, Church Foundation, Norman McClave, Church Foundation

Ex-Officio not present: The Rt. Rev. Clifton Daniel, Margaret Ullman, CCCEB

Opening Prayer- The Rev. Greg Wilson

The Rev. Adam Kradel chaired the meeting in the absence of Eric Rabe.

For Action: Minutes of the December 14th, 2015 Finance meeting were reviewed and approved. All in favor, none opposed or abstaining.

Alan Lindsay then presented the 2015 results of The Church Foundation and:

- Reviewed TCF Board Members, terms and assignments
- Reviewed YE assets. 65% equities, 35% bonds
- Reviewed Spending Rate and calculation. Decision on 2016 rate will be made in February and announced by March 1. The current rate is 4.35% and there followed a lengthy conversation about the need for more income by the diocese and its parishes.
- The management fee of 35 bp and the TRowe Price fee of 62-63 bp were reviewed, and Alan stated the aim was to keep the total cost at or under 1%.
- There followed a performance review, although YE 2015 figures are not yet available. Performance figures are net of management fees.
- The TCF budget for 2016 calls for a slight profit due to higher management fees and the elimination of an expensive vendor.
- There followed another extensive conversation on the spending rate. If the 2016 rate stays at the 2015 rate of 4.35%, there will be a 3.7% increase in income, which would equate to \$110,000 for the diocesan accounts over the four quarterly distributions (April thru January 2017)

The chair then brought forward the nomination of Dana Hall to fill the term of Nora Adelman, who resigned as of 12/31/15. Ms. Hall's nomination was moved, seconded, and approved with none opposed or abstaining.

A recommendation that Diocesan Council be charged with following up on open pledges in addition to administering the Unified Budget grant program was made by Norman McClave. This recommendation was endorsed by the members present.

There followed a discussion of a policy for the use of the proceeds of the sale of closed churches and other diocesan assets. The Finance Committee will refer this to the Property Committee for study and comment. The 2009 Finance & Property policy will be circulated to both committees. The Committee was advised of a schedule in their package on the Foundation Funds which should be repaid on the sale of the Wapiti asset.

Reports:

- Financial reports for year ending 12/31/15 are not yet available. The books for 2015 are still open and a tentative closing is expected by January 20th, 2016. The reports will be circulated as soon as they are available. The cash position of the diocese is low, but a Foundation distribution is expected January 15th. The DIOPA audit is scheduled to start March 7, 2016 with BBD, LLC.
- Canon Amerman commented on CH staff turnover expected over the next two years. She expects that three senior staff will leave in 2016 and two more in 2017.
- The Property Report was received as submitted.

The meeting was adjourned at 8PM.