

## DIOCESE OF PENNSYLVANIA FINANCE COMMITTEE

MONDAY, March 16, 2015, 6:30 p.m., via conference call

Committee members participating: The Rev. Adam Kradel, Vice Chair, Nora Adelman, The Rev. Kirk Berlenbach, The Rev. Dr. Charles Flood, The Rev. Carolyn Huff, John Loftus, The Rev. George Master

Ex officio participating: Rob Rogers, Canon for Finance; Cliff Kozemchak, representative from Church Foundation; James Pope, Treasurer

Committee members not participating: Ann Booth-Barbarin, Elise Bowers, Eric Rabe, Pat Smith

Ex officio not participating: The Rt. Rev. Clifton Daniel, Bishop; Margaret Ullman, representative from the Commission on Clergy Compensation and Employee Benefits

1. Opening Prayer – The Rev. Dr. Charles Flood

2. For Action:

- o Consent Agenda - Minutes of February 2015 – moved by The Rev. Charles Flood, seconded by The Rev. Kirk Berlenbach, to approve the minutes as distributed – all in favor, none opposed or abstaining.

3. For Discussion:

- a. Recommendations on St. John's Huntington Valley (George Master) – The original proposal to sell some property and buildings to families whose relatives are in the churchyard was received with caution. The Bishop and Canon Nancy Deming are addressing this increasingly complex issue, and it will be on the Finance Committee agenda for April.
- b. Report of the actions involving Church of the Crucifixion Philadelphia (George Master) – Canon Nancy Deming wrote to the parish, spelling out the steps required before reoccupancy of the buildings (electricity, termites, floor, compensation and benefits for the clergyperson). The parishioners are worshipping at St. Mary's Bainbridge at this time.

4. Discussion of Written Reports/Updates:

- a. Treasurer – James Pope, Treasurer – Updated reports for February were distributed electronically late today. Assessment and pledge collections are in accord with projections. Investment income appears to be lower than budget, so James will investigate why. Cash position is solid. Church House operations are a bit more expensive than in the previous location. The pledge to The Episcopal Church is \$300,000 compared to a budget of \$275,000. The \$25,000 difference came from the Nunn's Fund. DCMM includes a clergyperson's salary that is covered by ECS and the Nunn's Fund, so should probably be in a different place in the statements. The Youth budget line overage will be explored. The Church Foundation has a long-term aim to get distribution rates to 4%. In current market circumstances, that is a low-risk level (not invading capital to make distributions). Consistency in income levels is important.
- b. Financial Statements – Rob Rogers, Canon for Finance – \$195,000 was accumulated over a three-year period for bishop transition expenses, and the Search/Nominating Committee is developing a budget for the process.

- c. Standing Committee – The Rev. Kirk Berlenbach – Standing Committee has appointed two committees for Search/Nominating and Electing/Transition. The groups were commissioned in a meeting in March with the search consultant. Committee reports will be on the Diocesan website. The successor to Andrew Kellner in Youth Ministry leadership is expected to be named before Andrew departs in May.
- d. Diocesan Council- Elise Bowers/The Rev. Carolyn Huff – no update
- e. Church Foundation- Cliff Kozemchak – no update
- f. Subcommittees and Other Diocesan Groups:
  - 1.) Budget – The Revs. Adam Kradel and Kirk Berlenbach – The subcommittee will complete its work by the end of May, for June discussion by Finance Committee.
  - 2.) Diocesan Audit – Rob Rogers – The field work for the diocese audit is complete, and the Diocesan Health and Welfare Trust and the Church Foundation work remain. A new actuary has been identified for the Health and Welfare Trust work.
  - 3.) Investment – Elise Bowers – no update
  - 4.) Parochial Relations – Carolyn Huff – A finance and vestry conference is scheduled for the morning of Saturday, October 3. Diocesan staff will be involved in presenting and answering questions.
  - 5.) Property – The Rev. George Master – Use of church properties for private functions is an issue with property insurance. If the event is not a ministry of the church, the user needs to provide a rider that lists the church as a named insured on the user’s insurance policy. This information, and how the rider might be structured, needs to be conveyed to parishes in the diocese.

The City of Philadelphia tax letters to parishes will be the topic of a meeting on Wednesday, March 18. The meeting agenda will include how to complete the forms and obtain the required documentation. Chancellor Mary Kohart and Diocesan staff are assisting parishes with this process.

Church of the Annunciation on Diamond Street in Philadelphia liquidated a piece of property without Diocesan approval. **The Finance Committee recommends that the Bishop and Standing Committee ask the court to deposit the funds being held in escrow into Church Foundation, with the interest used for the benefit of the parish (motion by The Rev. Kirk Berlenbach, second by James Pope, all in favor, none opposed or abstaining).**

The Property Subcommittee recommends an increased amount be budgeted for legal expenses. The Budget Subcommittee will include this in its deliberations.

## 5. Closing Prayer – The Rev. Adam Kradel

The Rev. Adam Kradel  
Vice Chair, Finance Committee

Nora Adelmann  
Secretary