

DIOCESE OF PENNSYLVANIA FINANCE COMMITTEE MEETING MINUTES  
MONDAY, Sept. 21, 2015, 2014, 6:30 p.m., ST. JOHN'S CHURCH, NORRISTOWN, PA.

Committee members present: Eric Rabe, Chair, Nora Adelman, Ann Booth-Barbarin, The Rev. Dr. Charles Flood, The Rev. Carolyn Huff, The Rev. Adam Kradel, John Loftus, The Rev. George Master, Pat Smith  
Ex officio present: James Pope, Treasurer; Rob Rogers, Canon for Finance; Margaret Ullman, Representative from Commission on Clergy Compensation and Employee Benefits  
Committee members not present: Elise Bowers  
Ex officio not present: The Rt. Rev. Clifton Daniel, Bishop; Cliff Kozemcek, Representative from Church Foundation

1. Opening Prayer – The Rev. Adam Kradel
  
2. TO BE NOTED: Long-time Finance Committee member, former chair and Standing Committee representative The Rev. Kirk Berlenbach has resigned from Standing Committee and, consequently, has resigned as a member of the Finance Committee. Kirk's leadership, willing hard work and always-keen insights have been invaluable to this committee, and his leadership of the committee's reorganization a few years ago leaves a lasting mark. We thank Kirk with deepest appreciation for his work.
  
3. For Action:
  - a. Consent Agenda
    - Minutes of June 2015 meeting of the Finance Committee – Pat Smith made a motion to approve the minutes, seconded by The Rev. George Master - all in favor, opposed or abstaining
  
  - b. At its April 2015 meeting the Finance Committee approved the sale of **Calvary Church, Germantown** for \$325,000. Over the summer, a new offer at \$445,000 was received for this same property. The Finance executive committee agreed that the April approval was intended to recommend a minimum offer of \$325,000. Therefore, the chairman communicated Finance approval of the new offer to the Standing Committee. The sale closed on Friday, Sept 18, and the Diocese received \$415,000 which has been deposited in the Closed Church account. The Committee wished to formally minute acceptance of the higher sale amount.
  
  - c. **All Saints Church, Collingdale.** Wawa has expressed interest in purchasing this closed property along with adjacent properties from others, but complications have developed and that sale no longer is on the table. A resolution permitting the sale of All Saints Church, Collingdale, was circulated electronically on August 20, 2015. The resolution to recommend the sale was approved by a majority of the Finance Committee voting electronically with closing by Thanksgiving. The sale has not yet been concluded. The Property Manager now advises that the offer of \$350,000 remains in force, and he expects to conclude the sale not later than the end of the year.

**RESOLUTION: The Finance Committee recommends in favor of accepting the offer of \$350,000 for All Saints Church with the sale to be completed not later than Dec. 31, 2015. The Rev. George Master made a motion to approve the resolution, seconded by Pat Smith - all in favor, none opposed or abstaining.**

- d. **Resurrection Church Rockdale** (merged St. James Aston and Calvary Rockdale churches) requests the recommendation of the Finance Committee to allow the church to use funds from the sale of St. James Church to finance various repairs. Standing Committee restricted the use of funds from the church sale at the time the sale was approved.

**RESOLUTION: The Finance Committee recommends approval of the request that Resurrection Church be permitted to withdraw \$30k from endowment funds for repairs and capital expenses upon presentation of documentation. Pat Smith made a motion, seconded by The Rev. Adam Kradel to approve the resolution - all in favor, none opposed or abstaining.**

- e. **St. John's, Huntington Valley**, wishes to sell the property known as the "New Church" moving ministries to the "Old Church" on adjoining land and use proceeds for repairs to the Old Church and as a contribution to endowment.

**RESOLUTION: The Finance Committee recommends that St. John's Church be permitted to begin the process of selling the "New Church" portion of its property. The Rev. George Master made a motion to approve the resolution, seconded by The Rev. Charles Flood – all in favor, none opposed or abstaining (Note: proceeds of the sale must be deposited at Church Foundation and St. John's will have access to the interest and not the principal).**

**RESOLUTION: The Finance Committee recommends the Property Manager, Chancellor and a Parish designee be authorized to form a committee to work with the McFarland Family to develop a proposed agreement for support by the family of the "Old Church" and the cemetery. The Rev. George Master made a motion to approve the resolution, seconded by John Loftus -- all in favor, opposed or abstaining**

- f. The Finance Committee has been asked to recommend a proposal that the Diocese enter into a lease with operators of a school operating at **St. Faith's, Havertown**, that will permit continued operation of the school after the parish ceases regular services expected in October. The proposed lease would be for five years at a rate of not less than \$3000/month with details negotiated and approved by the Property Manager and the Chancellor.

**RESOLUTION: The Finance Committee recommends that the Diocese enter into a five-year lease with a purchase option to be negotiated at the time of sale with rent of not less than \$3000 per month with the St. Faith's School for operation of a school on the property of St. Faith's Church Havertown. The Rev. George Master made a motion to approve the resolution, seconded by The Rev. Charles Flood -- all in favor, none opposed or abstaining**

- g. **Trinity Oxford** would like to lease two acres of their property, and have requested a 20-year lease with two ten-year options, starting at \$150,000/year and increasing by 2%/year thereafter. There will be a requirement to set aside 15% of the rent into an account at Church Foundation for future repairs or retrofit of the property. The Chancellor will need to approve the lease. Ann Booth Barbarin made a motion to recommend this lease concept to Standing Committee and the Bishop for approval, seconded by The Rev. George Master – all in favor, none opposed or abstaining

**h. St. Jude and the Nativity, Lafayette Hill is renting its rectory to a family for twelve months. The Rev. Adam Kradel made a motion to recommend approval of the lease to Standing Committee and the Bishop, seconded by The Rev. George Master – all in favor, none opposed or abstaining**

i. **St. John's, Norristown.** Rob Rogers reported on the financial considerations of this property which ceased operations as an active congregation earlier this year. Several community outreach programs continue, however. St. John's is different from the other church properties that have been turned over to the Diocese. The church and rectory are in good shape, with roofing, plumbing, and HVAC systems in good repair and the landscaping well cared-for. St. John's has a \$700,000 endowment account (\$260,000 line of credit and a \$196,000 mortgage) for a net of around \$250,000. There are five perpetual trusts with approximately \$50,000 per year interest. The cemetery fund covers care of the grounds. An attorney rents office space for \$1,500/month. The soup kitchen serves 150/day at noon – it has been separately incorporated and pays \$2,000/month rent. Parking space rentals bring in income as well. There is a substance abuse program that is very successful.

There are two heating systems – church areas and parish hall. An HVAC contractor reviewed them and found them to be in good shape. If St. John's is an ecumenical mission site that provides important services to the local area, it would be a new and different model for church. Selling the out building and eliminating the parking lot might be a way to proceed.

The other two parishes in Norristown were founded by this parish, and both are struggling. The three vestries met together to discuss the future. The other two parishes were not interested in selling their properties and moving to St. John's.

#### 4. Updates, Discussion of reports

- a. Financial Statements – Rob Rogers – statements have been distributed. Funding for General Convention is accumulated over several years. Year-to-date operating expenses are higher than budget, but are paid from other sources.
- b. Treasurer's Report – James Pope, Treasurer. The audit is completed with a clean opinion.
- c. Standing Committee Report – Pat Smith. Standing Committee has been focused on getting the Bishop search up and running. The incorporation of the Diocese will be presented at Convention. If it is passed, it will require extensive rewriting of the Canons.
- d. Subcommittees
  - i. Budget – The Rev. Adam Kradel – there is interest in the budgeting process
  - ii. Investment – Elise Bowers – no update
  - iii. Parochial Relations – The Rev. Carolyn Huff – The Vestry Symposium will take place on October 3 at Cathedral Village from 9 am-noon. Fifty have registered to attend.
  - iv. Property – The Rev. George Master - no additional updates

#### 5. Other business

- Canon change for CCCEB – Margaret Ullman reported that previous General Conventions have passed Canons that require parity for clergy and lay employees under the Denominational Health Plan. She shared a proposed version of the Diocese of PA Canon to bring our Canons into conformance with the national Canons in 2016. Current letters of agreement will be grandfathered.

Finance Committee members were asked to encourage their Convention delegates to go to Deanery meetings to ask questions and receive additional information on this topic.

Margaret also noted that there are upcoming tax requirements for very generous health benefit plans, such as those currently offered in various Episcopal Dioceses.

6. Closing prayer – The Rev. Charles Flood
7. Tour of St. John’s church and facilities
8. Go forth

Eric Rabe, Chair  
DioPA Finance Committee

Nora Adelman, Secretary