

DIOCESE OF PENNSYLVANIA FINANCE COMMITTEE  
TUESDAY, APRIL 23, 2013, REDEEMER, BRYN MAWR

Present: The Rev. Kirk Berlenbach, Chair, Nora Adelman, Ann Booth-Barbarin, Bruce Givnish, Jo Ann Jones, The Rev. Adam Kradel, The Rev. George Master, Eric Rabe  
Ex officio present: The Rt. Rev. Clifton Daniel, Bishop Provisional; Norman McClave, Treasurer; Robert Rogers, Canon for Finance

Not present: The Rev. Frank Allen; The Rev. Dr. Charles Flood; James Pope, Church Foundation; George Vosburgh

1. Opening Prayer (6:30 pm) - The Rev. Kirk Berlenbach
2. Reflection: How will what we are doing affect or involve people living in poverty? (6:02 pm)
3. For Action: (6:03 pm)
  - Consent Agenda - Norman McClave made a motion, seconded by The Rev. George Master, to approve items on the consent agenda (7 in favor, none opposed, JoAnn Jones abstained since she was not present at the March meeting).
    - o Minutes of March 21
4. Discussion: (6:38 pm)
  - a. Episcopate Assessment and RCMA Adjustment – The Rev. Kirk Berlenbach reported that the Budget Subcommittee’s recommendation to move some items from Program to Episcopate sections of the budget was approved by Standing Committee. There may be other items that are moved in the future, such as other parts of the finance department. There will be a meeting next Monday with the chairs of Standing Committee, Diocesan Council, Finance Committee, and the Commission on Clergy Compensation and Employee Benefits to hear the Chancellor’s advice on whether changing the Retired Clergy Medical Assistance amount and assessment can be changed by CCCEB, or whether a decision by Convention is required along with a Canonical change. RCMA changes over a three-year period will reduce obligations of parishes, and the Episcopate assessment changes will be over the same period. Clear and thorough explanations will be needed, first with the governing bodies and Council of Deans before sending information to the Diocese at large. Specifically for the RCMA changes, the chaplain to retired clergy needs to be able to describe what will be different. Committee members encouraged sharing information with wardens as well as clergy.

One budget change approved by Standing Committee was moving the Absalom Jones Festival expenses of \$5,000 from the Program to the Episcopate section of the budget. A committee member asked if this could be examined again for the 2015 budget, noting that Absalom Jones is unique to this Diocese and it might be within the Bishop’s office along with several other items related to reconciliation, such as Anti-Racism. This will be on the Budget Subcommittee’s agenda for the 2015 budget preparation.

The Finance Committee will review a draft budget in its May meeting. The budget will be a single document that includes all parts of the Diocesan expenses and revenue (formerly known as Episcopate and Program Budgets).

- b. Cathedral Investment Update (7:05) – Standing Committee approved the recommendation for the Diocese to invest in the project. Norman McClave reported as a member of Cathedral Chapter: Standing Committee decided to obtain a mortgage on Church House to obtain the funds to invest in the project. There is a meeting scheduled with a bank to explore this possibility. Construction on the Cathedral project could begin as early as August. Cathedral staff will be relocated to space in a church across the street during construction. Those who are organizing the Diocesan Convention will consider how this might impact Convention at the Cathedral.
  - c. Clarification of the Centralized Loans and Grants Process (7:15) – Standing Committee’s March minutes mentioned action taken about the Centralized process. While the wording in the minutes accurately reflects what was said at the meeting, it does not reflect the specific decision about composition and authority of the group that will review and process grants and then make recommendations to the appropriate bodies for decisions (Standing Committee for Property Fund grants, Diocesan Council from the Diocesan Loan Fund, and Finance Committee for budget grants). Norman McClave made a motion, seconded by Eric Rabe, to ask Standing Committee to correct the wording of the action (all in favor, none opposed or abstaining). The Rev. Kirk Berlenbach will communicate the recommendation to The Rev. Ledlie Laughlin, President of Standing Committee.
  - d. Representative to Diocesan Communications Committee (7:20) – A group is being formed to develop a strategy for Diocesan communication, including social media. Committee members suggested that individuals in their 20s and 30s be included in the group. Any Finance Committee member interested in serving as the representative from this governing body should speak with Kirk Berlenbach to volunteer. The group is expected to meet quarterly.
  - e. Conflict of Interest Statement (7:25) – Ann Booth-Barbarin circulated a revised statement that would be completed annually by members of all Diocesan governing bodies and committees that have decision-making over financial matters, including Diocesan staff. The revision will be sent to all Finance Committee members for comments to be given to Ann. After the Chancellor reviews the draft, committee members will be asked to sign the statement.
5. Discussion of Written Reports/Updates: (7:30 pm)
- a. Treasurer – Norman McClave commented on the report that was distributed electronically. Budgets and RCMA are on track. At the end of the day yesterday, pledges from parishes for 2013 totaled \$675,000. Nine parishes that did not pledge in 2012 pledged in 2013. A dozen churches pledged 0, and 4 of those pledged dollar amounts in 2012. The total assessment as a proxy for the church’s income leads to the conclusion that some who have not pledged could give. Several have not responded to the repeated

requests for pledges. The increase in pledges during March and April was \$70,000 from 10 parishes, some with new pledges and some with increases. 79% of Diocesan parishes have pledged to date. Part of the response to requests for pledges in March and April was from churches that are operating on limited means but wanted to show support for the Diocese and its programs. Bishop Daniel and the Standing Committee will have further conversation about the pastoral issues related to pledging, since the pledge is a sign of the state of the relationship with the Diocese. Committee members noted their support for identifying possible budget challenges early in the year and communicating facts. Being specific probably helped some parishes understand the importance of their participation.

- b. Financial Statements – Rob Rogers, Canon for Finance, commented on the March financial statements: Finance and administration expenses are over budget by \$20,000 year-to-date due to a payment to the audit firm and keeping the part time audit prep person longer than was anticipated. Earl Irby will be retiring early in 2014, so there will need to be some overlap for training a successor in the finance office.
- c. Standing Committee- Jo Ann Jones noted that Standing Committee authorized the Bishop to consummate the sale of St Peter’s Germantown, asked that a Bible and Prayer Book borrowed by Washington Cathedral be returned, and approved a cell tower for St. George’s Ardmore. Standing Committee indicated its support for Bishop Daniel’s plans for actions and activities.
- d. Diocesan Council- The Rev. George Master – nothing to report as Council meets next on May 11
- e. Church Foundation– no update
- f. Subcommittees:
  - (1) Budget – Grant requests have been submitted with some prodding. It appears that there could be a surplus for the 2014 budget based on discussions at the last subcommittee meeting, and congregational development resources might be a way to use such a possible surplus. Benefits parity for 2014 could have a big impact on parishes’ abilities to pledge, so there may not be a surplus.
  - (2) Diocesan Audit – Field work is done for the Diocese and is just starting for the Health and Welfare Trust. Thanks to The Rev. Ed Shiley for stepping in to help with audit questions about CCCEB since the staff person is recovering from surgery.
  - (3) Insurance – Bruce Givnish reported that a meeting is scheduled with to review proposals for property and casualty insurance for the Diocese and participating parishes. Sovereign, the Diocese’s broker, has found another carrier since Philadelphia Insurance is increasing premiums significantly – a 90% loss ratio and vacant closed churches are among the reasons for the increase. The insurance renewal date is June 15.
  - (4) Investment – Rob Rogers noted that there is a bit more income overall due to higher than budgeted investment returns.

- (5) Parochial Relations – Nora Adelman reported that the Subcommittee will be planning a hands-on financial workshop for fall targeted for treasurers, accounting wardens, bookkeepers and other interested vestry members and clergypersons.
- (6) Property – Eric Rabe commented that the offers on Wapiti were not commensurate with the appraisal so the sale is not likely to be quick. Maintenance and ongoing costs are currently being paid by the Property Fund per Standing Committee and the Bishop. Other expenses were not budgeted, such as storm damage and appliance replacements. Rob Rogers was asked to report on those expenses for the past six months, and to prepare a budget for the remainder of 2013. JoAnn Jones made a motion, seconded by Eric Rabe, to write down the balance sheet value of the Wapiti property by \$1.5 million to more accurately reflect the current appraised value (all in favor, none opposed or abstaining).
- (7) Gathering of Diocesan Leaders – Ann Booth-Barbarin reported that at its last meeting, the group discussed strategies for the transition period, processes for healing, the search for a new bishop, and how to have full communication, be transparent, and try to get above the past.

6. Other business: (8:20 pm) – The next two Finance Committee meetings will take place on May 28 and June 25, from 6:30-8:30 at Redeemer Bryn Mawr.
7. Reflection: How will what we are doing affect or involve people living in poverty? (8:25 pm)

Committee members made the following comments:

- how we might better serve those who are in prison and their children
- pastoral approach, not making judgments
- consciousness about churches that have congregants who are living in poverty
- changes in the budget and potential increases in the future might impact parishes and parishioners who are living in poverty
- how we can connect with and serve parishes that are most in need of support

8. Closing Prayer (8:30 pm) – Bishop Daniel

The Rev. Kirk Berlenbach  
Chair, Finance Committee

Nora Adelman  
Secretary