

FINANCE COMMITTEE
MINUTES
May 16, 2016

The Finance Committee conducted its May 2016 meeting at The Church of The Redeemer, Bryn Mawr at 6:30 PM on Monday, May 16, 2016.

Present: Eric Rabe, Pat Smith, Rev. Charles Flood, Peter Datos, Rev. Adam Kradel, John Loftus, Dana Hall, James Pope.

Guest: Kirk Muller

1. The meeting opened with prayer offered by Rev. Flood.
2. **Opening Comments:** Rabe noted that Rev. Flood has been a tireless member of the Finance Committee and its predecessor committee, and now he is retiring as Rector of St. Stephens Church, Philadelphia. Rev. Flood asked for personal privilege for a few moments of reflection. St. Stephens Church will cease holding services. The church was built in 1823 and Rev. Flood described St. Stephen's mission and ministry over its long history of 193 years. During almost two centuries, the church has seen a dramatic cultural shift. For much of its history, the focus has been on outreach and mission to neighborhood and city. More recently, members have come from outside of the city to support a unique urban institution and urban ministry.
3. **Discussion of All-Diocese Survey:** Kirk Muller presented the results of the Finance Committee Survey of Parish Needs and Giving. Ninety-one parishes responded (55 completed all questions). Muller thanked the Diocese Communications team for their help in promotion and getting the survey to parishes.

Highlights:

- 50% felt "somewhat" informed; 30% "well informed" of Diocese activities
- Pledges are calculated on "a formula" 40%; "percent of income" 20%; or "standard amount"
- Most important values received from the Diocese are "organization structure" 50%+, "mission churches" 30%+
- Reasons for decreasing pledges included "lower parish giving," but "other" was the most frequent response.
- Increases in pledges are dependent upon "increased parish giving"

Rabe noted that one of the key purposes of this survey was to engage parishes and ask their thoughts and interests. He noted that 90 parishes responded with

candor showing a clear interest in being heard. Dato observed that the survey also indicates a communications opportunity with regard to budgets and the work of the Diocese. Flood suggested that Finance should look more closely at the Parochial Report submitted by each parish as a way to judge challenges the Diocese faces. Loftus saw the survey as an indicator that communication to the churches, especially the smaller churches, remains a challenge.

Rabe thanked Muller for his work and asked that Muller draft a brief summary of the results that can be shared by email with the churches of the Diocese.

4. **Consent Agenda:** The minutes of the April 2016 meeting of the Finance Committee were approved.
5. **Budget:** Budget Subcommittee Chair Adam Kradel presented the 2017 Budget proposal for the Dioceses. The presentation is summarized in the attached Budget Narrative and the proposed budget is attached as well.
 - The budget essentially holds spending at 2016 levels throughout
 - One important exception is the addition of a new DCMM parish, St. John's Norristown, for which an allocation of \$75,000 is provided to fund a priest to minister to Norristown's growing Mexican population.
 - The Finance Committee recommends an increase of \$120,000 in the Episcopate Assessment to cover expenses unfunded (but which were incurred) for Diocese operations in the previous budget. This is approximately 1/3 of the increase in the previous budget. Standing Committee will be asked to approve this assessment at its May 24 meeting.

RESOLVED: The budget as presented was approved by unanimous vote of the Finance Committee. Chairman Rabe will present the budget to Standing Committee on May 24.

6. **Lease of Trinity Memorial (Spruce Street) Parish House** space to a daycare operator, Trinity Playgroup.

The Property Subcommittee and the Chancellor have reviewed a proposed lease of space in the Trinity Memorial Church parish house and both recommend its approval. The lease was circulated to the full Finance Committee. A brief discussion followed.

RESOLVED: Finance Committee unanimously recommends that Standing Committee and Bishop approve the proposed lease of the parish house space under the terms of the proposed lease.

7. **St. Philips/St. Peters merger** and potential sale of St. Philips Church. The Vestry of St. Philips-in-the-Field Church has determined that it must cease operations. Working with St. Peter's Church nearby, the two parishes have agreed to combine at St. Peters. Approximately \$109,000 in cash is available

from St. Philips to cover transition costs and the maintenance and eventual sale of the St. Philips church, rectory and land.

RESOLVED: The Finance Committee recommends that Standing Committee and Bishop approve the combination with the following funding covenants:

- A \$35,000 payment from St. Philips to St. Peters be made as soon as possible to cover initial transition costs.
- Other transition costs to be paid from St. Philips' cash available and be approved as they are submitted. These costs may include payment of administrator to assist in the transition for a period of not more than 3 months.
- The residual of cash-on-hand is to be transferred to St. Peters without restriction and for use as the vestry directs. It is understood that the St. Peters vestry will include members of the former St. Philips congregation.
- The former St. Philip property is to be marketed by the Diocese which will be compensated for maintenance until the sale takes place and for sales costs from the available cash or proceeds from the sale itself.
- Remaining proceeds from the sale are to be placed in an endowment to be invested for the benefit of St. Peters which would have access to the interest only without further approval of Finance and Standing committees.

The resolution passed with one opposed.

8. Discussion of Reports

- a. Financial Statements – Rob Rogers – Canon for Finance. Statements not yet distributed due to the early date of this month's meeting.
- b. Treasurer's Report – James Pope, Treasurer
- c. Standing Committee Report – Pat Smith, Deirdre Whitfield
- d. Subcommittees
 - i. Budget - no report beyond items above
 - ii. Investment – Dana Hall. Committee met in early May. Minutes will be circulated. Our portfolio has been mostly flat year-to-date after a bad January. The Church Foundation will be invited to the September Finance Committee meeting.
 - iii. Parochial Relations – John Loftus, Charles Flood
 - John Loftus reported on work done by the Parochial Relations Subcommittee highlighting the need for support teams to assist parishes in financial an operation areas.
 - At many parishes, significant savings can be made in payments to suppliers including telecom providers and office suppliers.

- Several have volunteered to work with a team on stewardship, accounting procurement and other operational areas.
- Smith noted that it is important to build trust in churches needing this kind of help. All agreed.
- **RESOLVED:** Finance appreciates the direction the Subcommittee is taking and endorses the proposal to establish volunteer support teams for congregations in need of financial and operational assistance. Finance recommends Standing Committee and Diocesan Council review the proposal and recommends their support. Approved unanimously.

Representatives of Standing Committee and Diocesan Council agreed to carry the recommendation of the Subcommittee to their respective committees.

iv. Property – no report beyond items above

9. Next meeting June 20, 6:30 PM, at The Church of The Redeemer, Bryn Mawr.

10. Adjourned: There being no further business, and after a closing prayer, the meeting was adjourned at 8:50 PM.