



Diocese of Pennsylvania
Finance Committee Meeting
Minutes 7/19/2018

Location- Phone Conference

Attendees

Ms. Dana Hall, Chair	Canon Doug Horner	Mr. James Pope
Mr. Eric Rabe	Rev Sarah Hedgis	Rev. Peter Carey
Mr. Kirk Muller	Mr. Christopher Hart	Rev. Michael Rau
Canon Kirk Berlenbach		

Minutes

Canon Kirk Berlenbach opened the meeting in prayer at 6:30PM

The minutes were reviewed. Christopher Hart made a motion to approve, Rev. Michael Rau seconded.

Michael Rau provided an update on the budget process and the latest meetings with the members of the Diocese. James Pope also provided his impressions on the four meetings he attended. Canon Doug Horner discussed the comments and positive feedback they'd received during their travels. He discussed some of the new designations that will be needed going forward to classify various types of Missional Churches. James stated that a pre-meeting with Standing Committee be scheduled for September to ensure their support for the convention. Eric stated that a meeting was scheduled for late in July and that he believed standing committee would be on board with the approach. Eric asked whether there was any concern about the large deficit during the meetings. James stated that there was little concern, but that there was general understanding based on the fact that the assessment has been held steady for three years.

Eric then asked about the concern that there were resources available that had not been exposed yet. The group then discussed the potential draw down of the non-restricted funds.

Canon Kirk Berlenbach then reviewed the Missional Church process and assessment. He provided background on how the DCMM program has evolved, deteriorated, and is now beginning to become renewed with a refreshed purpose. He discussed how the program

mirrors the process of an ordination for a priest. First the congregation reviews their readiness as a congregation and whether or not they are prepared for the rigors of the program. After that self-assessment, the Deanery, with Diocesan Council's help performs a rigorous review of their readiness. If readiness is approved by the Deanery and Council, the request goes to the Bishop who will review the process. At this point, Finance Committee begins to plan for the impact and resources necessary to move forward. Finally if all is approved, the approval is handed over to Diocesan convention, for the final review and approval as they will approve the long term funding. The approval, provides a 5 year term of coverage for a vicars salary with benefits.

Eric Rabe asked questions about the process.

1) Will the existing Missional Churches be included for an additional 5 years? Would it be advisable to have an abbreviated term for the existing Missional Congregations given their head start. If so, how will we approach these opportunities? Canon Berlenbach described the ways that these churches are being supported today and that a period of time to allow them to become accustomed to the level of oversight and accountability is appropriate.

2) James Pope discussed how a church would respond in kind to the process and how a troubled church would be hopefully reaching out before they reached a critical point. Canon Berlenbach discussed how the church would have significant oversight and a monthly review with the Bishop.

3) Eric Rabe asked if it would be the staff and Bishop who would ask the tough questions. Is there accommodation made for this type of review in the process?

4) Sarah Hedgis asked how this would be rolled out to the existing churches. How will it scale and expand? Canon Berlenbach explained that the program was designed in such a way that it would not necessarily grow but support a rotating set of missional opportunities.

James Pope stated that he would be interested in the potential investment from ECS going forward and how they can use these Missional Congregations to deliver services. The committee thanked Canon Berlenbach for his presentation and he exited the conference call.

Canon Doug Horner then discussed the endowment funds that have no instruction for distribution. The treasurer's team has identified \$1.4MM available. Bishop Gutierrez has asked for funds to help with program needs be applied to the 2019 deficit. He has asked that the new fund be instructed to fund immediately as of July 2018. James stated the current \$870,000 deficit would receive a distribution of approximately \$60,000, reducing the original draw to \$810,000. He also stated that there remains an additional \$1.6MM much of which is restricted. The team would like a clear recommendation from Finance to Standing Committee to be made distributing funds as of July 2018. James Pope made a motion and Kirk Muller seconded to direct the funds to be distributed immediately. The committee approved the motion.

Canon Horner then discussed the request for the Bishop's Housing allocation to be set at \$70,500 per annum. Eric made the motion, Michael Rau seconded. The committee approved the motion.

James Pope then discussed the Church of the Advocate request for approval to establish a line of credit. During the process it was determined that no audit has been performed on the George South Memorial Church of the Advocate for the years 2016-2017. He referenced Canon 17 regarding the requirement for an audit. An outside auditor did perform an audit of the Advocate foundation for 2016-2017. The cost of \$8,250 for the audit is being covered by the Diocese. The committee engaged in a discussion of how to enforce this going forward. Canon Horner tracks what churches perform an audit and can provide details of who completes them. Kirk Muller asked why the expense of an audit of the Church of the Advocate was being carried by the Diocese.

Canon Horner then reviewed the financial statements. James Pope asked to skip the financial statements review for July.

The Closed church fund should not be showing a surplus, and will end up as flush for the year. He projected that the Diocese will end the year with \$180,000 deficit.

Eric Rabe reported that Standing Committee is assembling a committee to discern whether the Diocesan offices will require expansion or move. Dana Hall has nominated Rev Matthew Dayton Welch and herself for work on the Diocesan office committee.

The committee agreed that pending no immediate business arises, to cancel the August 17 meeting and resume on September 20 at St. Asaph's if available.

Dana Hall ended the meeting at 8:00PM.

Action Items

No action items