

FINANCE COMMITTEE
MINUTES
June 20, 2016

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

Present: Eric Rabe, Pat Smith, Rev. Charles Flood, Peter Datos, John Loftus, Dana Hall, James Pope, Rev. Mike Rau, Rev. Deirdre Whitfield, Norman McClave, Rev. George Masters, Rob Rogers, Ann Booth-Barbarin, Doug Sisk

Guest: Sean McCauley

Absent: Rev. Adam Kradel, Bishop Clifton Daniel

1. The meeting opened with prayer offered by Rev. Rau.
2. **Opening Comments:** Eric began by noting that Rob Rogers has announced that he will retire after the end of September. He recognized the exceptional job that Rob has done over his years with the Diocese and the Church House staff and most importantly the Finance Committee. Lucy Amerman will retire on August 1 as well. In addition Greg Wilson will no longer serve on the Finance Committee as he has moved churches and is no longer a Deanery representative to Diocesan Council. Eric thanked both Lucy and Greg for their work. All should keep the Finance Committee meeting of July 18 on calendars and it will be cancelled by notice if not needed.
3. **Consent Agenda:** The minutes of the May 2016 meeting of the Finance Committee were unanimously approved.
4. **Discussion of Report on Presentation of 2017 Budget to Standing Committee:** Eric presented budget to SC. Issues included deacon salary which has been from ordination budget so this would make sense to be adjusted after budget is presented to Bishop in same format as last year. SC indicated that they understood the explanation. SC also asked why some monies were missing from the request for funding in the budget presentation and that will be updated. Other Income line items were also discussed and explained. Standing Committee agreed with assessment budgeted in the draft 2017 budget.
5. **Discussion Bishop Gutierrez arrival planning:** Eric had conversations with the new Bishop and it is expected that he will attend and participate in the Finance Committee meetings.

- a. **Schedule:** Bishop Gutierrez arrives on June 22. He will stay at Franklin House temporarily. Will then stay at the rectory at St. Steven's. Will decide if the housing will be short or long term. Consecration is set for July 16 at 11:00 am at the Church of the New Covenant, 7500 Germantown Ave, Philadelphia. All agreed to attend.
- b. **Vestment Fund and Expenses:** Rob discussed the \$65,000 amount budgeted in each 2014, 2015, 2016, for the new bishop process preparing for, evaluation, selection, and bringing to the Diocese. As of May 31, the Diocese had spent \$145K leaving approximately \$50K. There have been a few contributions to the ongoing costs, including vestments, for this process. Rob expects expenses to be at budget and does not expect to exceed by much if at all. Biggest remaining expenses are the costs of housing of certain guests attending the consecration.

6. Discussion Property Status:

- a. Sean McCauley called the committee's attention the distributed report reviewing each property and related real estate activities in detail. The discussion of the Church of the Crucifixion included that it is listed as a historic site as part of the Underground Railroad. The church needs significant repair. Expect that it could be sold quickly. St John's Norristown was discussed and the month to month lease for the soup kitchen. It was explained that the soup kitchen serves many residents of the area. In the discussion of St Stephen it was noted that any agreement for sale requires further discussion by Property Subcommittee and Standing Committee as well as Finance Committee. Sean advised that the first step would be an appraisal of St Stephen's so that we would know if any offer is reasonable. The building is a historical landmark. A local theatre company has another year leasing space in the building.
- b. There is still residual Bishop Residence fund which may be used for cost for rectory used for Bishop housing. As noted on the property report there are no further actions required at this time for any of the sites reviewed.
- c. The Maryland property was discussed. There is a transition of the staff managing the property, That transition will be to someone knowledgeable about restrictions and use of property,
- d. Eric discussed 3737 Chestnut Street and Assurant insurance company, the primary investor, is exploring a sale of the building. If the property sells at reasonable price the Diocese is a preferred investor. The developer and the principal investor believe the building will do well in the marketplace. It is in process and not a decision for the committee but should there be a sale the return would accrue to the Diocese on its investment of \$1.6 million.

- e. N.B. The morning after the Finance Committee meeting, an offer was received for the St Faith's, Havertown rectory. By circulation of a written request to the entire Finance Committee a majority voted to approve the sale – 11 in favor. No votes were cast to deny and two members have not yet responded.

4. Discussion of Reports

- a. Financial Statements – Rob Rogers – Canon for Finance. Statements distributed and reviewed. Discussed status of pledges and the collection of monies. Discussed Servant Year financial status. Need to correct mistake in budget so that an accurate account of income and expenses. Alan Lindsay will be asked to assist in getting correction done.
- b. Treasurer's Report – James Pope, Treasurer. Nothing to add. Audit for Diocese and affiliates is in process. Don't expect any issues.
- c. Standing Committee Report – Pat Smith, Deirdre Whitfield. Nothing additional to add. Gutierrez on payroll July 1 and Bishop Dan goes off July 31.
- d. Diocesan Council Report – The council discussed both pledging and the proposed budget and particularly St John Norristown. Council wants to fully fund Norristown. Suggestion was unrestricted net assets as a possible source and wanted the Finance Committee to consider full funding. Robust discussion ensued and the committee will consider the request.
- e. Subcommittees
 - i. Budget - no report beyond items above
 - ii. Investment – Dana Hall. Extended invitation for Church Foundation to present Sept. Finance Committee should advise if anyone has anything to cover. 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 discussed the work on Stewardship
 - The team established will include Kirk Mueller as well as Bob Brown who was CFO for national church
 - John Loftus reported on work done by the Parochial Relations Subcommittee highlighting that they will get assistance of people with expertise to help to get an education process started providing support to parishes
 - iv. Property – no report beyond items above

5. Other Business:

6. **Next meeting** July 18, 2016, at 6:30 PM, at The Church of The Redeemer, Bryn Mawr. If nothing needed will cancel and see all in September.
7. **Closing Prayer and Adjournment:** There being no further business, and after a closing prayer, the meeting was adjourned at 8:15 PM.