

FINANCE COMMITTEE

MINUTES

OCTOBER 20, 2014

Present: Eric Rabe, The Rev. Kirk Berlenbach, The Rev. Dr. Charles Flood, John Loftus, Pat Smith, Elise Bowers, The Rev. Carolyn Huff; Norman McClave, Treasurer; The Rev. Nancy Deming, Canon to the Ordinary for Congregational Care and Development; Rob Rogers, CFO; James Pope, Church Foundation

Absent: The Rev. George Master, The Rev. Adam Kradel, Vice Chair, Nora Adelman, Ann Booth-Barbarin, Margaret Ullman, CCCEB, The Rt. Rev. Clifton Daniel, Bishop

1. Opening Prayer-The Rev. Kirk Berlenbach
2. Minutes of the meeting of September 15, 2014 were reviewed and one change was made on page 5 substituting the word "affiliate" for the word "subsidiary" in reference to the Philadelphia Cathedral. The amended minutes were approved.
3. Seating of Parishes at Convention: The Committee approved Christ Church St. Michael's and Grace Epiphany Mt. Airy for seating with voice and vote based on their respective petitions. The Committee reviewed the canonical requirements of assessment payment and convention seating, and viewed the current list of parishes likely to be named as delinquent in assessment payment. A lengthy discussion of the parishes ensued and the Committee recommended giving dispensation to parishes seeking help thru DCT or the Canon for Congregational Development. The Committee also recommended that parishes which have not met their canonical obligations to pay assessments and have not responded to efforts by the Diocese to engage in an active process to comply with the Constitution and Canons of the Diocese, be seated, but be denied the right of voice and vote.
4. The current status of parish parochial reports, pledges and audits was reviewed. Compliance with the request for audits has been very high. There are currently 11 parishes which have not responded to requests for a status of parish audit. This list will continue to be updated as the remaining responses are received. The Bishop has considered naming the open parishes at Convention and referring them to DCT to determine why an audit has not been promised or performed.
5. A motion was made to receive the 2013 DIOPA audit. The motion carried unanimously.
6. A discussion ensued about St. John's Norristown and their request to Standing Committee to allow them to enter into a real estate agreement to list for sale the free-standing 530 Church Street property. Finance recommended approval by SC of the request to enter into this listing agreement to sell this building.
7. The Property Manager requested permission to enter into a lease with a Day Care operator at St. Philip's Wharton Street. The day care facility is not currently operating and is applying for necessary government licenses. Finance recommended approval of

entering into a lease not to exceed 10 years between DIOPA as the owner/operator of this property and the day care provider at St. Philip's.

8. A new offer to purchase the Maryland Property for \$4.5MM was received from Michael Dickinson. Finance recommended SC reject this offer.
9. Finance endorsed the proposed plan for the combined St. James Aston and Calvary Rockdale parish, now known as Church of the Resurrection, to repay the \$56,424.82 loan made to facilitate the merger of the parishes. This loan is expected to be repaid on or about November 5, 2014.
10. The request by the vestry of The Memorial Church of the Good Shepherd, East Falls to lease their rectory for two years was discussed. Finance endorses the proposal to lease the rectory for a one year period. Further, Finance recommends that the Diocese evaluate closely the potential for the long-term viability of this parish, which appears to be in substantial stress through the continued liquidation of its endowments to continue operation.
11. The physical state of the property at the Church of the Crucifixion was discussed. Finance recommended that immediate steps be made to engage a professional inspector to determine the exact nature of the deficiencies mentioned. The committee is deeply concerned about the safety of the property and any parishioners or others occupying it.
12. The George W. South Memorial Church of the Advocate has approached the Standing Committee to ask that the Diocese issue a 5 year Letter of Credit for \$30,844 to PGW to allow the parish to convert from oil to natural gas. A motion was made to recommend to SC that they approve the requested LOC, but the motion failed for lack of a second. There was concern over the precedent that this sort of guarantee would set and concern over the fact that other requests for assistance of this sort had been declined.
13. Finance voted to allow the Philadelphia Cathedral permission to engage in some selective fund raising with diocesan congregants to allow for restoration of windows, similar work and purchase of liturgical items.
14. An opportunity for DIOPA to lease an additional half floor at the new Church House/Cathedral site was reviewed. While the additional space could offer conference room space and opportunity for expansion by the new Bishop, when elected, it was felt that the additional expense of 2,500 sq. ft. at \$27/foot for five year with escalation was a significant expense. It was mentioned that the Dean of the Cathedral wanted the Diocese to have an opportunity to lease this space, and that there were two prospective tenants in the wings. There is no specific request for more space from staff or Bishop, nor has an evaluation of the need for more space been undertaken. The Committee voted not to endorse the request to lease additional space at the new Church House site.
15. The Treasurer reviewed his August report and noted some changes regarding the Church Foundation and client statements.
16. The CFO reviewed orally his work with Standing Committee to understand the overspending in the legal area. There is a spreadsheet available to SC on the costs per case and a request that SC consider reviewing each case with the Chancellor with the idea of developing a budget for legal representation. The diocese will overspend its

budgeted allocation for legal fees in 2014. Finance felt that SC should quickly come to terms with this area of oversight.

17. Standing Committee has hired a consultant to help oversee the transition when a new Bishop is elected. They had a retreat and set out how they plan to oversee this transition. SC also committed to a closer relationship with the Commission on Ministry.
18. There was no report from Diocesan Council.
19. Church Foundation reported that it is sending representatives to the Philadelphia Area Corporate Responsibility Institute and discussing socially responsible investing ideas. A copy of the T. Rowe Price quarterly review for the June quarter was requested to be emailed to the Finance Committee.
20. CCCEB reports that open enrollment for current employees are underway and about to end. Retired clergy enrollment will be held in late October thru mid-November.
21. The next Finance meeting will be held on December 15th, and there will be no November meeting unless there is a call for business. The members were encouraged to keep November 17th (two days after Convention) open if a meeting needed to be held.

Respectfully submitted,

Robert G. Rogers
Canon for Finance