

FINANCE COMMITTEE
MINUTES
March 20, 2017

The Finance Committee conducted its March meeting at Church of the Redeemer, 6:30 PM on Monday, March 20, 2017.

Present: Norman McClave, Rev. Mike Rau, Doug Horner, Dana Hall, Rev. Charles Flood, Ann Booth-Barbarin, Pete Datos, Rev Sarah Hedgis and Rev. George Master.

Absent: Bishop Daniel Gutierrez, Canon Shawn Wamsley, Sean Mullen, Doug Sisk, Eric Rabe, John Loftus and James Pope

1. **Opening Prayer** (6:30 PM) Rev Charles flood opened with prayer
2. **Opening Comments:** McClave (6:30 PM) Norm began with a welcome to Rev. Sarah Hedgis. Sarah expressed her excitement to join and provided a quick summary of her background.
3. **For Action:** (6:45 PM) **Consent Agenda**
 - The Minutes of February 27th, 2017 meeting of the Finance Committee were unanimously approved.
4. **Discussion:** (6:35 PM) 2018 Budget Challenges – Norm noted that there would be a meeting later in the week. Sean McCauly prepared a summary of Diocese properties which was distributed and Norm advised that Sean had been requested to prepare a summary of the costs for maintenance for each property which would be provided to the Finance Committee if possible at or before the next meeting.
5. **Discussion:** There is a vacancy in the position of Vice Chair due to Norm moving to Chair. Norm nominated Peter Datos who was unanimously approved.
6. **Discussion from Property Committee:** Rev. George Master discussed Trinity Church, Swarthmore proposed lease of the Nursery which was supported and recommended by the Property Committee. After brief discussion the proposed lease was agreed to proceed to the Standing Committee.
7. **Discussion Regarding Incorporation:** Dana reported that the small group had been called to review the issue of incorporation. The group will meet the second Wednesdays of each month. Dana Hall will be the Finance Committee representative. Doug Horner discussed some of the synergies that could occur as a result of incorporation. Peter also added that incorporation is a cleaner structure. Norm mentioned a significant change that incorporating will allow the diocese to own real property. Finance committee members provided topics of

focus for Dana and suggested that she consider the examples of other incorporated dioceses and work to assess what works best for this diocese.

- 8. Discussion Regarding Housing Allowance for Rector of St Stephen's:** Doug Horner advised that there was a need for a \$10,000 housing allowance for Rev Peter Kountz. He noted that the housing budgeted amount for the rector at Christ in St Andrews would not be needed with the retirement of Rev Diaz. After discussion, the housing allowance was unanimously approved.
- 9. Discussion of Insurance:** Doug Horner advised that after 20 years with Sovereign Insurance a committee was established to review the overall insurance need of the diocese and to evaluate alternative providers. The interactions with Sovereign have not gone well. The details of the insured properties was prepared by Sovereign however Sovereign feels that the work is proprietary to them and will not release it. Sovereign's new underwriter is Church Insurance Group and Sovereign has indicated that this new underwriter will provided a significant savings to the diocese. Doug Horner has requested as much information as possible through the Pennsylvania Insurance Department. James was not at the meeting but Peter and Doug discussed the issue of considering blanket or master insurance. Peter requested that the Diocese undertake the task of gathering the details of current insurance church by church. After discussion, Doug was requested to check with Rob Rogers to ensure that the evaluation group is advised of any special insurance coverages such as insurance of historical church artifacts that this diocese may need.

10. Discussion of Reports (7:30 – 7:50 PM)

- a. Financial Statements – Doug Horner reviewed the statements distributed in advance of the meeting in detail. He reviewed status of assessments collected. He then reviewed expenses. Norm requested that the committee see how pledge status by church so that it could stay on top of the timing. Titles to some line items had been made more accurate. Operations and Administration is ahead of budget. Travel expenses are up given the work being done by the Bishop and the Bishop's office. Pledge to the Episcopal Church will increase this year to 15%. Doug reported that the Diocese can expect less expense for RCMA then last year. He will work with the budget committee to determine if the budget can be reduced.
- b. Treasurer's Report – From information provided by James, Norm reported that there was approximately \$330,000 distribution from refinancing an investment in the cathedral apartment building. The excess cash resulted from the refinancing. The building is up for sale and there is a potential purchaser. A buyer can assume the loan. Upon consummation of a sale the Diocese would get the \$1.6 million returned with any upside interest. There was some discussion on where the sales proceeds would go and the history of the original funding of the loan.
- c. Standing Committee Report – No report.
- d. Subcommittees

- i. Budget – no items not covered above – Norm McClave
- ii. Investment – Dana Hall nothing to report
- iii. Parochial Relations – Rev Charles Flood reported that the committee that the Bishop organized had met. The thought was that there would be references provided and assistance through teams offering basic support with cadre that can provide expertise to parishes within the Diocese. The Bishop is excited about this new committee for congregational support. The team discussed development needs as well.
- iv. Property - items not covered above – George Master did not have anything additional

11. Rev. Hedgis closed us in prayer at 7:37.