

DIOCESAN COUNCIL MEETING MINUTES

December 10, 2014

St. Agnes' Church, Little Falls

Due to inclement weather & budget discussion considerations, the agenda was modified to allow the Action Teams to meet before the business session.

Officers Present: The Rt. Rev. Mark Beckwith, (President) Thomas Bisdale Esq. (Vice President), Mr. Paul R. Shackford (Treasurer), Mr. John A. King (Secretary),

Present: The Rev. Rosa Brown, Mr. Robert Bogert, Mr. Alan W. Bowen, Mr. T. Donald Cairns, The Rev. Tim Carr, The Rev. Kevin Coffey, The Rev. Deborah Rucki Drake, The Rev. Charles Hatfield, The Rev. Canon Gregory Jacobs, Ms. A. Lorraine Jones, Mr. George Kooney, Ms. Kay R. Lark, Ms. Nina Nicholson, The Rev. Paul V. Olsson, Ms. Barbara Piccirillo, Ms. Martha Reiner, Ms. Elizabeth Rude, The Rev. William Charles Thiele, The Rev. Diana Wilcox, Mrs. Suzanne Willian

Absent: The Rev. Sheelagh A. Clarke, Ms. Janelle Grant, Ms. Roxanne Johnson, Ms. Dunstanette Macauley, The Rev. Thomas E. Mathews Jr., The Rev. Dr. Allison Moore

Guests: The Rev. Sarah Lilja, Lutheran New Jersey Synod, Advocate in Trenton, The Rev. Deacon Diane Riley, Chair of The Justice Board

6:30 pm WELCOME

DWELLING IN THE WORD: Exodus 2:23-3:10 (Translation: NRSV) 2 Council Members
Liz Rude & Don Cairns

EPISCOPAL COMMUNICATIONS – The Rt. Rev. Mark Beckwith

Next Week – Cathedral Chapter appoint 6 Clergy to work at the Cathedral, Bishop Beckwith, Canon Jacobs, The Rev. Dr. Canon Sandye Wilson, The Rev. Joseph Harmon, The Rev. Willie Smith, The Rev. Deacon Chris McCloud – not willing to put one priest in that situation based on past experience, looking to move forward. 6 Month trial period. Also evaluating all properties and buildings of the Cathedral and their usage.

Chicago visit to plan a General Convention event to make a witness against gun violence. 65 Bishops are a part of the Anti-Gun Violence network.

On December 7th, held a peace vigil at the Cathedral in reaction to the Ferguson and Eric Garner grand jury decisions. Thanks to Canon Jacobs. Hoping to build a dialogue within the diocese to discuss race and culture.

Shooting of the parking lot attendant (from neighboring lot 'C' at Episcopal House on November 19th. Spate of robberies, isolated incident, given us the urgency to review the safety of 31 Mulberry Street. Held a prayer vigil from the neighborhood over the crime scene.

Suzanne Willian spoke regarding the Alleluia Fund.

100,000 goal for 2014, have raised 108,000 as of December 10, 2014.

Equally important are the number of the donors -185 individuals this year. (198 was the high mark)

AGENDA – Requests for additional items or time adjustments. Agenda was modified for weather considerations.

MINUTES – November 12, 2014

ACTION TEAMS – DISCUSSIONS

Engaging

Sara Lilja, Advocacy Coordinator for the ELCA NJ Synod, met with Engaging before during the meeting. The goal is for the Diocese of New Jersey, Diocese of Newark and ELCA NJ Synod to work synergistically together. It was noted that not all of the 635 communities in NJ will benefit from the same programs.

ELCA deals with hunger, housing, justice and many more related areas. We will all try to increase leverage by all of us working together by consolidating policy (with a Policy Committee meeting at least twice a year) doing communications and interfacing target entities.

Human trafficking and gun violence are also important target issues.

Sara would like to be able to speak with a voice of the combined Episcopal and Lutheran churches. Can Diocesan Council authorize her to do that? How? Diane, for example, can only speak for the Justice Board. Can we do better for this Advocacy program? Ideas were discussed.

The new Advocacy Board should have a rapid response mechanism. Can Council give Engaging the authority to speak on these issues for the Council, and thereby for the Diocese.

Sara suggests that if an issue falls within an existing policy statement, then she could reply as a unified entity. If something falls outside that, then clarification from Engaging, if authorized to speak for Council, would be required. Response times of 24-48 hours would be desirable.

The Bishop discussed issues of Engaging having the authority to take positions. A statement example might be, "We just took a stand on solitary confinement." Diocese must be advised and communications proceed to the target entity.

ELCA has a Justice and Peace Mission Team. Sara interfaces the various mission teams, including Justice, Immigration, Recovery ... Staffing of teams for causes is largely by people with specific passions. Can we populate some of their groups and vice-versa? This would add strength to each endeavor.

ELCA has, for example, the Seafarers Hotel for those just released, but can't go anywhere until they can get their papers and arrangements in order to get underway to wherever they need to go. This process could take up to three months.

Sara cites that solitary confinement needs to be reformed to limit the allowable time from years to days. The details should be examined soon to prioritize and prepare to bring to Convention. It seems practical for Convention 2015, with formation and preliminary projects during the year prior.

Meanwhile, we can make statements in principle without all details being set. Sara will provide some information of the work in progress.

Sara notes that the legislative calendar of the State of NJ operates on a two year cycle. Therefore, something that is pocket-vetoed can't be reintroduced for two years.

This Newark Convention will launch the Advocacy Program by voting the money. We will have 3 seats on the Board of 12. Tentatively, the Bishop will appoint those members, who will be approved by Council.

Sara relies upon individual congregations that have passions for specific areas to constitute teams.

The Lutheran Advocacy office at the UN is already shared with the Episcopal Church, which is a trend for cooperation and unity.

(Bill Thiele +)

EQUIPPING TEAM

Hispanic/Latino Summit--The latest joint meeting of the Hispanic/Latino group and the Equipping Team took place on Nov. 22, 2014. The job description for the Hispanic-Latino missionary was refined into final form. The efforts of this person will be centered initially on Harrison/Kearny and Jersey City, with the Harrison/Kearny endeavor possibly expanding to

Newark. The biggest challenge so far to fruitful ministry has been finding the best ways to meld Anglo congregations to our Hispanic/Latino brothers and sisters.

District 10--On March 21, 2012 funds in the amount of \$40,000 were allocated to the district. District 10 has yet to produce a viable plan for Hispanic/Latino ministry, the sole purpose of these funds. Paul Shackford reminded us that the district is far over the usual two-year time period for presenting a detailed plan. Diocesan Council needs to see buy-in from the district's congregations. Canon Greg Jacobs will draft a letter to the vestries of the district setting a deadline of Feb. 3, 2015 for presenting a viable plan for Hispanic/Latino ministry, or the alternative, return of the monies.

(George Kooney)

The Rev. Sara Lilja gave an overview of her office as the Advocate for the Lutheran Synod in Trenton, working on immigration reform, poverty, heroine issue and other social justice issues. Works with Diane Riley, coordinates efforts for press conferences, as well as visiting legislators. Facilitation of grass roots efforts.

FINANCIAL REPORT – Mr. Paul Shackford

Diocesan Council
Finance Report
for the Year-to-Date Period Ended November 30, 2014

Enclosed is the financial report for the eleven-month period ended November 30, 2014. The budgeted amounts reflect the budget that was adopted at the Annual Convention in January 2014.

Details of Information Reflected on the Financial Statement

There are a number of variances in actual results as compared with the budget.

Income

Pledge Revenue (line 1)

The methodology used to create the monthly budget was to base estimated 2014 monthly pledge income on the actual pattern of pledge receipts in 2013. Historically, a significant portion of the full year's pledges occurs in December of the year as well as in the subsequent months of the following year.

Through November, pledge receipts are \$58,831 behind budget (as compared with being \$27,155 behind budget at the end of October). Approximately one-quarter of congregations are two or more months behind in pledge payments, assuming that all churches pay one-twelfth of their annual pledge each month (which, while it is the most common way of paying the pledge, is not followed consistently by all churches).

We have contacted churches which fall into this category to better understand if there are any issues relating to their pledge payments. While we have not heard from all churches in that category, however, we have identified several churches that are not expected to make pledge payments in the amounts they estimated when they submitted their 2014 pledges. We anticipate that we will not meet the annual budgeted pledge total of \$2,125,000 based on this information. We will continue to contact those churches regarding their 2014 pledges.

Alleluia Fund (line 2)

We received donations to the Alleluia Fund in the first eleven months totaling \$93,640 which is \$19,100 ahead of budget. We continued to promote the Alleluia Fund and distribute information to individuals and congregations in December, and we have now received approximately \$105,000 to date, exceeding the budget of \$100,000 for the full year 2014.

New Ministry Initiatives Fund (line 7)

This is the source of funds to pay the expenses of the compensation of the part-time Missioner (included in line 15) and Fund Development (in line 19). We have spent \$35,955 less in these areas than we budgeted, accounting for the favorable variances in those line items.

Missional Church Grant (line 8)

In late 2013 we applied for a grant that would enable us to move ahead and expand our plans for missional church initiatives. The grant request was to provide funds that would assist the Diocese in moving forward with The Missional Network (TMN), a consulting organization that will provide guidance to the Diocese and congregations over an 18-month period of time. The receipt of this \$40,000 grant from the Lydia Collins deForest Trust provides the funding for this, and we began working with TMN and a number of congregations and clergy involved in the "Going Local" program. The corresponding expense is shown in line 17.

We recently filed an application with this Trust for a multi-year grant to continue with the Going Local process and other missional initiatives.

Marge Christie Congregational Growth & Development Fund (line 9)

This fund provides the income to pay a portion of the Missional Church Initiatives expenses on line 16. We have used \$8,439 less than budget from this fund, since we have spent less for Missional Church Initiatives than budgeted.

Proceeds from Sale of Properties (line 10)

The 2014 budget includes \$75,000 from the sale of property in 2012 which is used to reduce the underfunded lay pension plan liability (the related expense is included in line 53) and \$26,000 of current contributions for active employees (the related expense is included in the Staff Compensation lines). In addition, the 2014 budget includes \$30,000 which is to be added to the fund for the future costs related to the search and call of our next bishop; the related expense is included in line 60.

Expenses

In general, variances of actual expenses as compared with budgeted amounts represent timing differences. We will monitor all variances in the upcoming months.

Staff Compensation (lines 15, 24, 34, and 51)

Compensation expense, which includes salaries and benefits for employees at Episcopal House, is slightly lower than budget due to the timing of the payment of certain benefits; it is expected to be slightly lower than budget for the full year.

Missional Church Initiatives (line 16)

Spending in this area is \$36,026 below budget.

Missional Church Initiatives—TMN (line 17)

As noted with respect to the grant received and included above in Missional Church Grant (line 8), the expense related to the agreement with TMN for ongoing consulting services is included in this line.

Fund Development (line 19)

We are ahead of budget by \$8,981 in this area.

TEC 2008 Pledge Arrears (line 36)

The annual budgeted amount of \$10,000 is paid in quarterly installments; the fourth quarterly installment was paid in November.

Domestic and International Outreach Grants (lines 37 and 38)

The budget assumes that these grants will be paid in December 2014. Of the \$165,000 budgeted for outreach, the grant committee approved grants of \$115,000 to be paid immediately. We have historically waited to make the full year budgeted payments until the end of December, when we have a better idea of whether we will collect the budgeted amount of pledges and Alleluia Fund donations. Due to the shortfall in pledges through the end of November, this will be discussed at the December Council meeting.

Lay Pension (line 53)

As noted above, this line item reflects a contribution of \$75,000 to the lay pension plan fund to reduce the underfunded pension liability, using income from the sale of property in 2012 (which income is included in line 10).

Search & Call of Next Bishop (line 60)

Also as noted above, this line item represents a contribution of \$30,000 to the fund that was created in 2013. This and future annual contributions to this fund are intended to provide funds to pay the expenses which will be incurred in the search and call of the next bishop. This \$30,000 is funded by a portion of the income from the sale of property in 2012 (which income is included in line 10).

Net Result

Through the end of November, expenses exceed income by about \$800 which is close to the expected budgeted bottom line. While Alleluia Fund receipts will exceed budget for the full year, we also expect that positive variance to be more than offset by lower than budgeted pledge income for 2014.

We also project that full-year expenses will be favorable when compared to budget, and that may be enough to result in a positive bottom line whereby income will exceed expenses for the full year.

If the final pledge income results are significantly less than we currently anticipate, however, the full year could end with an excess of expenses over income.

This situation will be discussed at the December Council meeting.

Paul R. Shackford
Treasurer of Convention
Diocesan Chief Financial Officer
December 8, 2014

Moved, Seconded and Approved

BUDGET 2015 DRAFT – DISCUSSION & ADOPTION

Paul asked Council to consider the possibility that the 2014 budget could fall short of the projections, and may end the year in a loss, and how could we bring the budget back to balanced? Reviewed the history of 2011 when the budget shortfall was made up with a cut to outreach and TEC pledge.

The Council is asked to determine how the CFO should deal with a possible shortfall that cannot be rectified.

The question is posed – what do we do if we end up with an excess of expenses over income?

In discussions with the steering committee, the suggestion that we should be willing to accept a loss, and uphold our pledged commitments.

Convention states we have to have a balanced budget going into the year, in 2011 Council stated that we needed to end the year balanced or in the black.

The will of the council was such that the budget presented was balanced, and due to factors beyond control, the year will end up with a loss, and there are no resolutions that bind the finance department to end the year actuals being.

Moved Seconded and Approved

Budget & Finance Authorization Resolution

RESOLVED, That the Budget and Finance Committee of the Diocesan Council is authorized to make changes in the proposed 2015 Diocesan Budget between the December Council meeting and the Diocesan Convention.

Supporting Information:

The proposed 2015 budget had been prepared so that Convention Deputies might have the budget as early as possible for pre-convention meetings that necessitates using somewhat incomplete data. As a result the budget committee will make a final review of the budget the week before convention when all of the data will be available. Since the Convention approves the budget, this resolution simply gives the committee authorization to modify the proposals made to Convention. There have been years when the January meeting of Council was canceled due to weather.

Moved Seconded and Approved

STEERING COMMITTEE –

Ward J Herbert Cycle 3 Recommendations – Equipping Action Team

Grant ID	Application Church	Application Project	Requested	Granted
WJH-14-15	Jersey City, St. Paul's Church	PH - Fire Suppression System	10019.33	10019.33
WJH-14-16	Washington, St. Peter's Church	CH - Windows, Sidewalks, Flooring	15950	1800
WJH-14-17	Glen Rock, All Saints' Church	PH - Parish Hall Boiler & Chimney Liner	11088	11088
WJH-14-18	Paramus, St. Matthew's Church	PH - Parish Hall Roof	4670	4670
WJH-14-20	Upper Montclair, St. James' Church	CH/RE - Safety Repairs to Church & Rectory	19500	5500
WJH-14-21	Harrington Park, St. Andrew's Church	CH - Church Roof Repair	4800	4800
WJH-14-22	Boonton, St. John's Church	CH - Chimney Repair	1925	1925
Total Granted				\$39802.33

Moved, Seconded and Approved, with 1 Abstention

Alleluia Fund Recommendations – Engaging Action Team

Grant ID	Application Church	Application Project	Requested	Granted *
ALF-14-01	Good Shepherd Sustainable Learning	Good Shepherd Academy, Cameroon	15000	\$10,100.00
ALF-14-02	Chester, Church of the Messiah	Senior Resource Center	6000	\$3,731.00
ALF-14-03	North Porch Women's & Infants Center	diapers and food supplements	10000	\$10,000.00
ALF-14-04	Newark, Apostles' House	Food Pantry	10000	\$10,000.00
ALF-14-05	Family Promise of Sussex County	Family Promise	5000	\$5,000.00
ALF-14-06	Global AIDS Interfaith Alliance	Rural Malawian Health & Education	10000	\$3,000.00
ALF-14-07	Phillip's Academy	Horizons Newark	10000	\$4,731.00
ALF-14-08	East Orange, Christ Church	Expansion of Current Food Ministries	10000	\$10,000.00
ALF-14-10	Belvidere, St. Mary's Church	Afghan School Project	4000	\$2,000.00
ALF-14-11	Teaneck, Christ Church	Faith, Hope & Love Food Pantry	2000	\$2,000.00
ALF-14-13	All Saints CDC, Hoboken	Jubilee Center Childrens' Program	10000	\$4,731.00
ALF-14-14	Essex County LGBT RAIN Foundation	Emergency Housing for LGBT Youth	8000	\$8,000.00
ALF-14-15	Communities of Faith for Housing	The Hoboken Shelter	10000	\$10,000.00
ALF-14-16	Newark, House Of Prayer	Diocese dos Libombos, Maputo, Mozambique	15560	\$5,000.00
ALF-14-17	Greater Life Inc.	Kidstitute Entrepreneurial Training	4000	\$3,331.00
ALF-14-18	Madison, Grace Church	Drew University Episcopal Chaplaincy	3500	\$3,500.00
ALF-14-19	Hasbrouck Heights, St. John the Divine	Care on the Corner Programs	8000	\$4,000.00
ALF-14-20	Interfaith Food Pantry of the Oranges	Interfaith Food Pantry of the Oranges	6000	\$6,000.00
ALF-14-21	Turning Point Community Services, Inc.	Job Training & Social Enterprise Funding	20000	\$4,750.00
ALF-14-23	United Community Corporation	Emergency Services	10000	\$10,000.00
ALF-14-24	Family Promise of Bergen County	Family Promise	15000	\$15,000.00
ALF-14-25	Boonton, St. John's Church	Cedar Hill CDC - Community After School	8000	\$4,731.00
ALF-14-26	Morristown, St. Peter's Church	Success For All Academic Assitance Program	24000	\$2,736.00
ALF-14-27	Hope, St. Luke's Church	Haven of Hope for Kids	5000	\$3,731.00
ALF-14-28	Pompton Lakes, Christ Church	Shepherd's Haven Adult Day Care Center	4290	\$4,290.00
ALF-14-29	Homeless Solutions, Inc.	Morris County Homeless	10000	\$4,731.00
ALF-14-30	Christ Church CDC, Hackensack	Homeless Shelter Support	10000	\$10,000.00
Total Granted:				\$165,093.00

- Alleluia Grant Funding was determined before final Alleluia Funds available for disbursement was known. Alleluia Fund Board made recommendations and voted to allow certain grants, based on needs of food and shelter to receive funding up to the requested amounts of the grantees, should the fund become available. The Alleluia Fund did indeed collect enough to meet the 'ask' amount of these grantees (totals shaded).
- International Funding (organizations shaded) totaled \$20100, which is slightly over the mandated 0.07% of the MDG for .07 of outreach.

Moved, Seconded and Approved with 3 Abstentions

RATIFICATION OF HOUSING BOARD MEMBERS

It was moved and seconded to temporarily adjourn the meeting of Council.

The President called to order the Meeting of the Nutley Episcopal Senior Manor Corporation.

Motion: It was moved by the Mr. John King and seconded that the following nominees be elected to the Board of Trustees for the terms noted. The motion was adopted.

Class of 2017 (ending May 2017) Mr. Tom Sposato, Ms. Susan Scavone

Moved, Seconded and Approved

The President reconvened the meeting of the Diocesan Council.

Housing Allowance Resolution 2015

Mr. Paul Shackford presented the Housing Allowance Resolution for Clergy on Diocesan Staff

HOUSING ALLOWANCE – 2015

The Rt. Rev. Mark Beckwith

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income the rental value of a rectory furnished to him as part of his compensation, and a church-designated housing allowance paid to him as part of his compensation to the extent used for actual expenses incurred in maintaining the rectory; and

Whereas, the Right Reverend Mark Beckwith is compensated by the Episcopal Diocese of Newark exclusively for services as a minister of the gospel; and

Whereas, the Episcopal Diocese of Newark provides Bishop Beckwith with rent free use of a diocesan owned house as compensation for services that he renders to the church in the exercise of his ministry; and

Whereas, as Bishop Beckwith incurs expenses for living in diocesan provided housing; therefore it is hereby

Resolved, That \$30,000 of the total compensation paid to The Right Reverend Mark Beckwith for calendar year 2015 is hereby designated to be housing allowance pursuant to Section 107 of the Internal Revenue Code.

The Rev. Canon Gregory Jacobs

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) a church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses in owning or renting a home; and

Whereas, the Rev. Canon Gregory Jacobs is compensated by the Episcopal Diocese of Newark exclusively for the services as a minister of the gospel; and

Whereas, the Episcopal Diocese of Newark does not provide Canon Jacobs with a rectory, therefore, it is hereby

Resolved, That \$30,000 of the total compensation paid to The Rev. Canon Gregory Jacobs for calendar year 2015 is hereby designated to be housing allowance pursuant to Section 107 of the Internal Revenue Code.

The Rev. Erik Soldwedel

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) a church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses in owning or renting a home; and

Whereas, the Rev. Erik Soldwedel is compensated by the Episcopal Diocese of Newark exclusively for the services as a minister of the gospel; and

Whereas, the Episcopal Diocese of Newark does not provide The Rev. Erik Soldwedel with a rectory, therefore, it is hereby

Resolved, That \$30,000 of the total compensation paid to The Rev. Erik Soldwedel for calendar year 2015 is hereby designated to be housing allowance pursuant to Section 107 of the Internal Revenue Code.

The Rev. Ginny Dinsmore

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) a church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses in owning or renting a home; and

Whereas, the Rev. Ginny Dinsmore is compensated by the Episcopal Diocese of Newark exclusively for the services as a minister of the gospel; and

Whereas, the Episcopal Diocese of Newark does not provide the Rev. Ginny Dinsmore with a rectory, therefore, it is hereby

Resolved, That \$30,000 of the total compensation paid to the Rev. Ginny Dinsmore for calendar year 2015 is hereby designated to be housing allowance pursuant to Section 107 of the Internal Revenue Code.

Moved, Seconded and Approved

The meeting was adjourned into at 8:25 pm.

Compline was led by the Equipping Action Team

Respectfully Submitted,

John A. King
Secretary of Council