

**DIOCESAN COUNCIL MEETING MINUTES
APRIL 9, 2014
RUTHERFORD SENIOR MANOR**

Officers Present: Mr. Thomas Bisdale Esq., Council Vice President, Mr. Paul R. Shackford, Treasurer, Mr. John A. King, Secretary, Ms. Diane Sammons Esq., Chancellor

Present: The Rev. Rosa Brown-Autry, Mr. Alan W. Bowen, Mr. T. Donald Cairns, The Rev. Tim Carr, The Rev. Sheelagh A. Clarke, The Rev. Kevin Coffey, The Rev. Deborah Rucki Drake, Ms. Janelle Grant, The Rev. Charles Hatfield, Ms. Roxanne Johnson, Ms. A. Lorraine Jones, Ms. Dunstanette Macauley, The Rev. Thomas E. Mathews Jr., The Rev. Paul V. Olsson, Ms. Martha Reiner, Mrs. Elizabeth Rude, The Rev. William Charles Thiele, The Rev. Diana Wilcox

Absent: The Rt. Rev. Mark Beckwith, Mr. Robert Bogert, Mr. George Kooney, The Rev. Dr. Allison Moore, Ms. Barbara Piccirillo,

Episcopal House Staff Present: The Rev. Canon Gregory Jacobs, Ms. Kathryn Kaweck, Ms. Kay R. Lark

HOST PRESENTATION –Rutherford Senior Manor – Mrs. Nancy Camiscoli, Building Manager

DWELLING IN THE WORD: Mark 6:30 – 46 (*Translation: The Message*) Martha Reiner & Tim Carr read the passage for our evening bible study.

AGENDA – The evening’s agenda was accepted without modification.

MINUTES – The Minutes from the March 12, 2014 were moved, seconded and approved.

FINANCIAL REPORT – Mr. Paul Shackford

**Diocesan Council
Finance Report
for the Year-to-Date Period Ended March 31, 2014**

Enclosed is the financial report for the three-month period ended March 31, 2014. The budgeted amounts reflect the budget that was adopted at the Annual Convention in January 2014.

Summary of Significant Matters

We applied for a grant from the Lydia Collins deForest Trust for funds to support our missional church initiatives, and we received \$40,000 in March. Further information is included below.

Details of Information Reflected on the Financial Statement

There are a number of variances in actual results as compared with the budget. Other than the above-noted grant income and the related expense in line 9a, all are considered to be timing differences at this point.

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. For the three-month period, we are \$3,051 ahead of budget.

Alleluia Fund (line 2)

We received donations to the Alleluia Fund in the first quarter totaling \$13,306 and are currently \$11,824 ahead of budget. The Advisor to the Bishop for Fund Development is preparing information that will be used during the Alleluia season (Easter to Pentecost) to promote giving to this fund.

Missional Church Initiatives (line 9)

We will use income from the New Ministries Initiatives Fund and the Marge Christie Congregational Growth & Vitality Fund, as needed, to pay the Missional Church Initiatives expenses in 2014, which are included in line 17. Since we have spent less thus far this year, the required income is also less.

Missional Church Grant (line 9a)

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 provides the funding for this, and we have begun to work with TMN and a number of congregations and clergy involved in the "Going Local" program.

Development Department (line 10)

We will receive income from the New Ministries Initiatives Fund to pay the expenses relating to the Advisor to the Bishop for Fund Development and related costs, which are included in line 18. Since we have spent less thus far this year, the required income is also less.

Lay Pension Plan Contribution (line 11)

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 52) and \$26,000 of current contributions for active employees (the related expense is included in the Staff Compensation lines).

Search & Call of Next Bishop (line 12)

The 2014 budget includes \$30,000 from the sale of property in 2012 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 59.

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 16, 23, 33, and 50)

Compensation expense, which includes salaries and benefits for employees at Episcopal House, is slightly higher than budget due to the timing of the payment of certain benefits.

Missional Church Initiatives—TMN (line 17a)

As noted with respect to the grant received and included above in Missional Church Grant (line 9a), the expense related to the agreement with TMN for ongoing consulting services is included in this line.

TEC 2008 Pledge Arrears (line 35)

The annual budgeted amount of \$10,000 will be paid in quarterly installments; the first quarterly instalment was paid in March.

Domestic and International Outreach Grants (lines 36 and 37)

The budget assumes that these grants will be paid later in 2014, as a significant portion will be funded by Alleluia Fund receipts.

Lay Pension (line 52)

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 11).

Search & Call of Next Bishop (line 59)

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 12).

Net Result

It is too early in the year to determine if there are any significant variances from the budget that was adopted by Convention in January that would affect the full year budget. At this point the favorable and unfavorable variances are generally considered to be timing differences. Based on higher income and lower than budgeted expenses, the bottom line reflects a favorable variance of \$67,378 as compared with budget.

Other Matters

The budget for pledge income in 2013 was \$2,058,000, and that was the amount projected to be collected. The final actual amount received for 2013 pledge income amounted to approximately \$2,100,000 which was approximately \$42,000 over budget for the year.

Paul R. Shackford
Treasurer of Convention
Diocesan Chief Financial Officer
April 4, 2014

STEERING COMMITTEE –

- SNAP Challenge – Engaging Team
Thanks to Bill Thiele for his help in designing and constructing the flyer that was distributed to congregations.
- Location of Council Retreat –
The Rev. Sheelagh Clarke announced that we did have enough volunteers who were willing to share rooms to make a retreat at Cross Roads retreat center – our own facility – a reality. The Retreat will be held Friday & Saturday September 12 & 13th, 2014. More details to follow.
- District 10 Funding Overview –
The Rev. Canon Greg Jacobs would be discussing the funding requests for District 10 during Action Team time, and there would be further discussion during the report outs. District 10 Haledon funds are being discussed this evening.
- Council Carpooling (Show of hands) A request to determine number of members of Council that would be willing to ride share out to Phillipsburg next month (May 14th, 2014 at St. Luke's). John King would work to establish carpooling opportunities.

The business session was recessed into Action team meetings.

ACTION TEAMS - REPORT OUT

Engaging Team – SNAP Program – We'd like to do this again as an email in September
Martha Gardner – Mini-Justice Conference –late June in Madison. Violence and Human Trafficking workshops & light supper. June 24th. More work to design this further.

Empowering –

Spiritual Autobiography – Summer Forum – Stepping Stones July 30th- Mark Waldon from EfM will be facilitator. Flyers and information will be sent out in the next few months. At St. Agnes Little Falls.

Equipping

District 10 Proposal – as a result of the discussion, we have decided not to wave the categorization reading and seek further answers for the second reading next month.

52 people and 14 Congregations came to the Nuevo Horizons. Very Informative forum on what segments of the population to reach out to

Housekeeping items. May meeting to start half an hour later, June Council Meeting at Grace Madison will be on the 18th, not on the 11th. The Bishop will be travelling during our regular meeting date.

ADOURN

Compline was led by the *Equipping Action Team*

Respectfully Submitted,

John A. King

**Next month's meeting is scheduled for Wednesday, June 18th
Grace Church, Madison**

•Future Meetings JUNE 18 – GRACE, MADISON, Council Retreat September 12 & 13 Cross Roads Retreat Center October 8 Christ Church, Bloomfield/Glen Ridge, November 12 St. Agnes' Little Falls, December 10 St. Agnes' Little Falls

• Compline & Cleanup Leaders:. May – Empowering. June – Engaging