The Finance Commission

The Finance Commission met in February, March, April, May, June, September, October, and November 2009 to review the finances and investment portfolio of the Diocese. The Commission considered and responded to proposals and requests from the Diocesan Board, congregations, commissions, committees and organizations outside of the Diocese and made recommendations to the Diocesan Board in each case. Actions in 2009 are summarized in the following lists.

Congregational Actions:

St. Luke's Episcopal Church, Merritt Island: received and reviewed the parish's application and recommended that the Board approve their request to borrow up to $100,000 from commercial sources for the primary purpose of financing the completion of a 1640 sq foot addition to the Education Building. The borrowing was in the form of a revolving line of credit, which was to be secured by some or all of the following assets: the rectory, the .9 acres upon which the rectory sits, and 2.5 acres of cleared land contiguous to the church property (that was being used as a grass parking lot),

St Thomas Episcopal Church, Eustis: received and reviewed parish's request for a disbursement from the Mowery Trust Fund (a Trust fund held for their benefit by the Diocese), and recommended that the Board approve their request to disburse $13,000 of the accumulated income from the Mowery Fund to the parish to be placed in their educational account for Parish Education Programs and Education Scholarships.

St. Elizabeth's Episcopal Church, Sebastian: received and reviewed the parishes application and recommended that the Board approve their request to borrow $55,000 from the Church Expansion Fund for the purpose of replacing the roofs on the three existing buildings on their campus at standard Church Expansion loan terms of 3% interest for 3 years followed by 6% interest for 3 years with all payments (consisting of principal and interest) being based on a 25 year amortization schedule with a balloon payment for the outstanding balance coming due at the end of six years; with the additional requirement that if the total cost of the project is less than $55,000, the difference will be paid back immediately (as an additional principal payment) upon completion of the project.

Shepherd of the Hills Church, Lecanto: received and reviewed the parish's application and recommended that the Board approve their request to borrow $300,000 from the Slemaker Fund for the purpose of building a new sanctuary and parish hall and to remodel the current sanctuary for use as the church offices. The terms of the loan were to be: Interest of 3% for three years followed by interest of 6% for three years with monthly payments (consisting of principal and interest) based on a twenty five year amortization schedule and a final payment for the outstanding balance due at the end of the 72nd month; with the understanding that the mission is encouraged to repay the note as soon as prudently possible.

Hope Episcopal Church, Melbourne: received and reviewed the parish's request to modify their Slemaker loan by reducing the interest rate to six percent effective October 1, 2009 and extending the balloon payment due date to July 2011.

St. James Episcopal Church, Ormond Beach: received and reviewed and recommended to the Diocesan Board that they approve the parish's request to borrow $850,000 from an anonymous individual for the purpose of funding operating deficits for St. James Episcopal Day School. The loan was to be collateralized by the parish property and have terms of interest at 6.5%, interest only payments, no points, and the principal due in full at the end of 10 years.

Church of the Redeemer, Avon Park: received and reviewed and recommended to the Diocesan Board that they approve the mission's request to modify their Slemaker loan by changing the interest rate to 0% retroactive to February 1, 2008; suspend payments for the period from February 1, 2008 to December 31, 2010; and reinstate the original terms effective January 1, 2011 so that interest rate return to 3% for two years effective January 1, 2011, followed by 6% for three years with monthly payments (constituting principal and interest) based on a twenty five year amortization schedule, with the balance coming due at 12/1/2015.

Diocesan and Non-Parochial Actions:

Minutes of previous meetings, Treasurer's Reports, and Investment Reports were reviewed at each meeting.

Reports on the actions taken by the Annual Convention, Diocesan Board and/or Executive Committee since the last meeting of the Finance Commission were given at each meeting.

2009 Budget: Received and reviewed a 2009 Pledge Analysis that showed congregational pledge income approximately $173,000 below the funding level called for in the 2009 Adopted budget. The commission responded by developing a modified budget that included $20,000 of income via grants from the Church Expansion, Designated (using the Evergreen Funds), Property, and Slemaker (using accumulated investment income) Funds and $152,875 of decreases in expenses. The Commission recommended that the Diocesan Board adopt the modified budget.

2008 Audit: Received the audited financial statements presented Mr. Regis Simasek.

2009 Budget: recommend to the Diocesan Board that they grant a 5.6% cost of living (COLA) increase for The Right Reverend John W. Howe, Bishop and The Reverend Canon Ernest Bennett, Canon to the Ordinary, retroactive to January 1, 2009.

General Convention Resolutions A138 (Lay Pension Canon) and Resolution A177 (Denominational Health Plan): recommend to the Diocesan Board that they take the following actions:

- ask the Committee on Constitution and Canons to amend our Diocesan Canons to mirror Canon I.8 with respect to the Lay Pension Plan;
- advise all congregations of the Diocese via letter and the Diocesan List-serve of this new canon so that congregations who have not already implemented a Lay Pension Plan with Church

Pension Fund begin to budget for this as soon as possible so that the deadline of January 1, 2012 can be met;

- ask the Committee on Constitution and Canons to amend our Diocesan Canons to mirror Canon I.8 with respect to the Denominational Health Plan;
- annually designate a "Diocese of Central Florida standard health insurance plan" ; from the list of insurance plans available from the Episcopal Church Medical Trust;
    - develop an appeal process wherein a congregation can petition the Diocese for an alternative standard health insurance plan designation for their location;
- Establish a diocesan policy regarding cost-sharing guidelines for employees who are scheduled to work a minimum of 1,500 hours annually as follows:
    - Congregations provide up to and including family level coverage with no cost sharing to all clergy and lay employees who are scheduled to work a minimum of 1,500 hours annually;
        - employees who choose insurance plans other than the Diocese of Central Florida standard health insurance plan pay any difference in premium for the plan they choose;
            - for employees who choose a high deductible health plan paired with a health savings account (HDHP/HSA) that the amount of savings in premium as compared to the Diocese of Central Florida standard health insurance plan be deposited into the employees' HSA;
- schools, day care facilities and other diocesan institutions (that is, other than the diocese itself and its parishes and missions) shall be offered the option to participate in the Denominational Health Plan but not required to participate; however, if they do elect to participate that they comply with the cost sharing policies established for diocesan congregations; and
- advise all diocesan congregations, schools, day care facilities and other institutions via letter and the Diocesan List-serve of this new canon and diocesan policy regarding cost sharing so that these organizations can begin to budget for this as soon as possible in order to meet the deadline of January 1, 2013.

Health Insurance plans (via Episcopal Church Medical Trust) to be offered in the Diocese of Central Florida in 2010: reviewed the thirteen insurance plans that were available for offer in the Diocese in 2010 and recommend to the Diocesan Board that the following plans be offered to the eligible employees of the congregations, diocesan office, schools, facilities and other diocesan institutions of the Diocese of Central Florida in 2010: Empire HDHP/HSA, CIGNA HDHP/HAS, Empire 75/50 PPO, Aetna National HMO, Cigna National HMO, Empire 80/60 PPO, United Health Care Choice Plus 80/60. The commission also recommended that the Aetna National HMO be designated as the Diocese of Central Florida standard health insurance plan.

(Note – many of these recommendations were still under discussion at the end of year and continued into 2010)

Clergy Compensation Guidelines: received, reviewed and recommended that the Diocesan Board adopt a proposed revision to the clergy compensation guidelines for 2010 that incorporated a 0.0% Cost of Living Adjustment (COLA). It was noted that reason for a recommendation of a 0.0% COLA was due to the fact that consumer price index for all urban consumers (CPI-U) as reported by the U.S. Department of Labor for the period from July 2008 to July 2009 was -2.1%.

2010 Budget: Developed a balanced budget for 2010 that was ultimately adopted by the Diocesan Board as their recommended budget to the Annual Convention.