

## **BOARD OF TRUSTEES**

At the end of 2014, we said goodbye to members Randy Amis, Jim Evans, Beth Hardie, and John Rogers. In addition, Dr. Leon Haley resigned in early 2015. We thank them for their service. The following were elected during the 2014 Diocesan Convention: Gerald Dalton, Mike Donadee, Lew Davis and John Hose. Kimberly Karashin and Steve Stagnitta were appointed by Bishop McConnell since the 2014 Convention. Currently, there are two vacancies. One will be filled by election at the 2015 Diocesan Convention and the other by appointment by the Bishop.

Lew Davis was elected Board Secretary for 2015. The Board also approved the appointment of Bob Johnston and Tom Moore as co-chairs of the Finance/Investments Committee, Mike Donadee as chair of the Property Committee, Bob Eley as chair of the Audit Committee, and Russ Ayres as chair of the *ad hoc* By-Laws Review Committee. The hard work of these chairs and their committees is greatly appreciated.

Many thanks are owed to the hardworking diocesan staff that supports the work of the Trustees. Kathi Workman does an excellent job keeping track of income and expenditures from the various endowments and managing distributions to the parishes invested in Pool 1. Kathi and Marlene Rihn help keep the diocese's surplus properties occupied and in good repair while we decide what to do with them. We continue to rely heavily on the wise counsel provided by our Chancellor, Andy Roman.

The focus and goal of the Trustees continues to be to manage the assets of the diocese to the glory of God and in furtherance of the mission and ministry of the Episcopal Church in southwestern Pennsylvania. Highlights of the past year are summarized below.

### **Diocesan Endowment**

Trustees have continued to rely on the services of Morgan Stanley to assist us in managing the diocesan endowment. Our Finance/Investments Committee oversees this work, meeting with Morgan Stanley representatives on a quarterly basis. The total endowment, including diocesan funds and funds dedicated to individual parishes and programs, declined from \$23.7 million as reported to the 2014 Convention to \$21.4 million as of the end of August 2015. This reduction reflects declines in the market overall in the past year, including fallout from recent events in Greece and China. Our current investment mix is approximately 60% equities, 30% fixed income funds and 10% cash and other alternatives.

### **Support for Parishes**

Since the last Convention, grants and/or loans recommended by the Growth Fund Committee have been approved by the Trustees for the following parishes: Holy Cross, Homewood; St. Peter's, Brentwood; St. John's, Donora; and Good Shepherd, Hazelwood.

### **Support for Diocesan Mission**

In June, the Trustees met at St. Paul's, Mt. Lebanon, with members of the Budget and Assessments Working Group of Diocesan Council (BAWG) and our Bishop to work on the 2016 diocesan budget that is being presented to this Convention. This work involved many hard choices, but we were determined to develop another balanced budget. Our thanks go out to diocesan Treasurer Kathi Workman, BAWG members and Council President the Rev. Lou Hays for their time and effort in working through the budget process with us.

Also in support of diocesan mission, the Trustees authorized funds to assist the campus ministry at the University of Pittsburgh and funds to purchase prayer books and hymnals for churches in Uganda. In addition, the Trustees received a large bequest from the Estate of Margaret Zieg; about half of the bequest was used to pay for the relocation of diocesan offices to Trinity Cathedral and the other half was placed into the diocesan Growth Fund.

### **Support for Diocesan Properties**

Trustees continue to evaluate underused diocesan properties and have taken steps toward the possible disposition of a number of properties. Additional approvals will be required from the governing bodies of the diocese before any of these properties can be sold or otherwise transferred. A vacant property in Allegheny Township near Leechburg has been listed for sale, and the former Christ the King Church in Beaver Falls has likewise been listed.

### **Support for Sheldon Calvary Camp**

In March 2014, the Trustees authorized a contribution of \$100,000 over five years toward Sheldon Calvary Camp's Capital Campaign. In 2015, we paid the second installment of this commitment. As in past years, the Trustees authorized an annual grant from one of the diocesan endowments to support the camp's scholarship program. We continue to work with our Chancellor on a long-term lease between the Trustees and Sheldon Calvary Camp to assure that the camp will continue to have use of Board-owned property on the shores of Lake Erie to operate as a mission of the Episcopal Diocese.

Respectfully submitted,  
Joseph M. Karas  
President, Board of Trustees