

Annual Report 2020 – Board of Trustees

The Board of Trustees is responsible for managing the real and financial property of the Diocese to support the Diocese's LOVE, TEACH, HEAL mission currently and well into the future. The board is comprised of 16 lay members plus Bishop McConnell and typically meets monthly to conduct its business.

Last December Betty Duckstein, Amy Shelley and Steve Stagnitta completed their terms of office with the board's deep gratitude for their many contributions. Steve had been chair of the Audit Committee, and Amy served as chair of both the Property Committee and Growth Fund Committee. This year the board welcomed Sheila Stagnitta who was elected at-large by Convention, Dana Phillips who was re-elected, Eric Linn, the new District 3 representative, and Bob Gregerson and Andrew Thiros, who were appointed by Bishop McConnell.

The board's internal committees are chaired by Tom Moore (Finance/Investments), David Bischoff (Audit) and Eric Linn (Property). Heather McDonald continues as Secretary for the third consecutive year. Sheila Stagnitta and Florence Atwood serve as the board's representatives to the Growth Fund Committee which Sheila chairs. Once again the trustees elected Mike Donadee as Assistant Secretary to take advantage of his expertise in real estate transactions as done during his many previous years as a board member. The time and effort associated with the contributions of all of those mentioned above to the operation of the board's business are much appreciated.

Canon Treasurer Kathi Workman and Marlene Rihn contribute immeasurably by their effective execution of their financial and property management roles. The board also relies heavily on the legal counsel of Chancellor Andy Roman on many complex issues. Simply put, the board could not function without them and wishes to express its gratitude.

Diocesan Endowment

The market volatility during the past several months of the Coronavirus pandemic has indeed made management of the diocesan endowment pool more challenging. Under the continued management by Morgan Stanley and oversight by Tom Moore's Finance/Investments Committee, the diocesan endowment pool has fortunately not realized the same extremes experienced by the market. The comparative stability results from the asset allocation which the committee targets at 60 to 65% equities, 25 to 30% fixed income, about 6% alternatives and about 7% cash. The significant cash position means the board can avoid the need to sell off assets when the market is down.

The total value of all the individual funds held in the pool decreased to \$24.4 million as of June 30, 2020 from the year-ago value of \$25.4 million, but has recovered some more since then. In addition to the diocesan endowment funds the pool includes assets held by the Diocese for others, such as member parishes.

The trustees continue to use the long-standing policy of calculating the yearly distribution from the endowment funds as 4.5% of the prior 48-month moving average of the pooled endowment

value. Distributions from individual funds in the pool are used to fund the operating budget, distributed quarterly to third-party beneficiaries, transferred to other designated accounts, or reinvested in the funds.

Disposition of underused property

With the sale of some vacant property in Allegheny Township, Westmoreland County and St. Andrew's, New Kensington the trustees completed the sale of all the underused property that had been identified for sale by a diocesan review team about six years ago.

The congregation of Trinity Church, Beaver, which had identified with the Anglican Diocese of Pittsburgh, deeded the church to the board early this year after worship there ceased. With the Diocese lacking the resources to start a new ministry in that location at this time, the board sold the property to another local Christian entity and reserved the proceeds for future ministry in the Beaver County area.

Support for Parishes

Since the last Convention the trustees have approved Growth Fund grants and/or loans as recommended by the Growth Fund Committee for these parishes: Advent – Brookline, Atonement – Carnegie, Holy Cross – Homewood, St. Brendan's – Franklin Park, St. David's – Peter's Township, St. Francis in the Field – Somerset, St. Matthew's – Homestead, St. Paul's – Monongahela, St. Peter's – Blairsville, St. Thomas – Oakmont, and Trinity Cathedral.

Support of Trinity Cathedral

The trustees continued their support of the renewal of Trinity Cathedral with the Rev. Aidan Smith as Dean. The trustees have allocated \$219,253 from the sale of the Donegal property for the support of several part-time Cathedral staff positions for 2020 and 2021, recognizing that some aspects of its life are diocesan-driven versus parish-related.

Support for Diocesan Mission

Since a significant portion of the diocesan budget is funded from endowment funds managed by the trustees, the board met with Kathy Baird, chair Budget and Assessments Working Group (BAWG) of Diocesan Council in June to review the preliminary version of the 2021 diocesan budget that will be presented for approval at this Convention.

Respectfully submitted,
Jerry L. Stephenson
President, Board of Trustees