

BOARD OF TRUSTEES

Report to Diocesan Convention 2023

The Board of Trustees is responsible for managing the real and financial property of the Diocese to support the Diocese's mission now and well into the future. The board has completed its transition from 16 to 12 lay members plus the Bishop, in compliance with the resolution passed at the 2020 Diocesan Convention.

The following trustees, Dana Phillips, Ken Spruill, and Robert Gregerson, finished their term of office at the end of 2022. Their service was much appreciated.

The Bishop appointed Simon Wu to the board starting in March 2023. One bishop-appointed position remains open.

Much of the board's business is conducted by its internal committees which are effectively chaired by Jane Burger – Finance / Investment, Eric Linn – Property, David Bischoff – Audit, and Dana Phillips – ACNA Parish Relations. Heather McDonald continues as Secretary. Jim Cassaro and Gerald Dalton serve as the board's representatives to the Growth Fund Committee, which Jim Cassaro chairs. Again this year, the trustees elected Michael Donadee as Assistant Secretary because of his willingness to contribute his legal expertise in real estate transactions.

In addition to those mentioned above, Virginia Tuscano, James Neral, Anelisa Tarrant, and Sheila Stagnitta are members of the board. The contributions of all those mentioned above to accomplishing the board's business are much appreciated.

Treasurer Elaine Zevkovich, Marlene Rihn, and Jo Ann McLaughlin-Klemencic (through mid 2023) 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. Undoubtedly, the board could not function without them and wishes to express its gratitude.

Diocesan Endowments

The diocesan endowment pool is managed by Morgan Stanley with oversight by the Finance / Investment Committee, chaired by Jane Burger. In addition to the diocesan endowment funds the pool includes assets held by the Diocese for others, such as member parishes. The balance of endowment pool 1 at the end of 2nd quarter 2023 was \$29 Million.

Asset allocation at the end of 2nd quarter 2023 stands at approximately 65% equities, 23% fixed income, 4% alternatives, and 8% cash. The significant cash position means the board can avoid the need to sell off assets when the market is down.

The trustees continue to use the long-standing policy of calculating the maximum 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 to third-party beneficiaries, transferred to other designated accounts, or reinvested in the funds.

Details on the Endowment Funds can be found elsewhere in the Financial section of the PreConvention Journal.

Support for Parishes

The Property Committee held a Property Management Workshop in April 2023 that has proven itself useful for Junior Wardens.

The trustees approved funds for rectory renovations to support the Brookline Abbey.

The trustees approved Redeemer Squirrel Hill's columbarium request.

In 2023, the trustees have approved Growth Fund grants and / or loans as recommended by the Growth Fund Committee for these parishes: All Souls North Versailles, St Barnabas Brackenridge, St Thomas Oakmont, St Thomas Canonsburg, Atonement Carnegie, Nativity Crafton, St James Penn Hills, St Stephen's McKeesport, and Trinity Cathedral.

Support for Diocesan Mission

Since a significant portion of the diocesan budget is funded from endowment funds managed by the trustees, the board worked with Treasurer Elaine Zevkovich and Steve Stagnitta, chair of the Budget and Assessments Working Group (BAWG) of Diocesan Council, in early summer to review the preliminary version of the 2024 diocesan budget that will be presented for approval at this Convention.

Respectfully submitted,
Sheila Stagnitta
President, Board of Trustees