

BOARD OF TRUSTEES

The Board of Trustees will have met eleven times since the last Diocesan Convention. At the end of 2013, we said goodbye to Board members Linda Getts and John Adams. Also, although he was re-elected to the Board and continues to serve as a member, Russ Ayres stepped down as Trustee President at the end of 2013. Russ served as President for five years. He demonstrated excellent leadership during a most difficult time, and we are extremely grateful for his service. Bishop McConnell appointed me as President to start 2014, and John Rogers was elected Secretary of the Board. In 2014, we welcomed Amy Shelley and Thomas Moore and said farewell to William Moore who resigned from the Board in June to take a new job in Sarasota, Florida.

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. Dr. Joan Gundersen has kept the diocese's surplus properties in good repair and found tenants to occupy those churches while we decide what to do with them. We continue to rely heavily on the wise counsel provided by our Chancellor, Andy Roman.

The Board of Trustees has three standing committees: Finance and Investments, chaired by Bob Johnston; Audit, chaired by Bob Eley; and Property, chaired by Mike Donadee. The hard work of these chairs and their committees is greatly appreciated.

As stated so well in our former president's report to the 2013 Convention, the focus and goal of the Trustees is 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

The Trustees have continued to rely on the services of Morgan Stanley to assist us in managing the diocesan endowment. Our Finance and Investment Committee oversees the work of Morgan Stanley, meeting with its representatives on a quarterly basis to discuss investment strategies for diocesan held funds. The total endowment, including diocesan funds and funds dedicated to individual parishes and programs, grew from \$22.5 million as reported to the 2013 Convention to \$23.7 million as of the end of August 2014.

Support for Parishes

Since the last Convention, Growth Fund grants and/or loans have been approved by the Trustees for Nativity, Crafton; St. David's, Peters Township; St. Peter's, Brentwood; Church of the Atonement, Carnegie; Emmanuel, North Side; St. Thomas, Northern Cambria; and, All Saints, Brighton Heights. The Trustees also assisted St. Paul's, Kittanning, in the sale of a neighboring property, the proceeds from which will be held in trust for the future benefit of that parish.

Support for Diocesan Mission

In early June, the Trustees met with members of the Budget and Assessments Working Group of Diocesan Council (BAWG) and our Bishop to work on the 2015 Diocesan Budget that is being presented to this Convention. We met in prayer and fellowship at the Clergy House in Donegal. This work involved many hard choices, but we were determined to develop a budget that balances planned

expenditures with all anticipated sources of income. Our thanks go out to Diocesan Treasurer Kathi Workman and BAWG members Joseph and Kathy Baird, Linda Getts, Courtney Harter, Jim Neral and Steve Stagnitta for their time and effort in working through the budget process with us.

Support for Diocesan Properties

The second Strategic Task Force appointed by Bishop McConnell and chaired by Trustees Sue DeWalt and Bob Johnston established a Property Subcommittee. This subcommittee, led by Mike Donadee, was charged with developing recommendations regarding certain underused diocesan properties. In response to those recommendations, the Trustees have taken initial steps toward the possible disposition of the former St. Martin's Church in Monroeville, Epiphany Church in Avalon, and Trinity in Freeport. Additional approvals will be required from the governing bodies of the diocese before any of these properties can be sold or otherwise transferred. In addition, in late 2013 the Trustees approved the offer for sale of vacant property in Allegheny Township near Leechburg, PA.

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. As in past years, the Trustees authorized an annual grant from one of the diocesan endowments to support the Camp's scholarship program. Currently, we are working 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 Trustee-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
September 12, 2014