

2016 Annual Convention Report from the Canon to the Ordinary - Bill Graffius

FYE 2015

This past year has been one of much excitement and anticipation, new and revised programs and continued effort towards financial accountability and transparency. Much work remains to be done.

Over the last year we have transitioned from Bishop Gepert's Episcopacy and welcomed our new Bishop Audrey Scanlan. The Search Committee as well as the Transition Committee did yeo(wo)man's work during the process to greet Audrey to her new Diocese. Mary Amato and Charlotte Weaver-Gelzer led their respective efforts, and did so admirably.

With every new leader comes new expectations as to mission and ministry with attendant budget changes. As a result, we continue our work to renew, revise and report a competent budget and financial reporting system. It is an ongoing task and will never stop. The Finance Committee, under the leadership of Rev. Canon Stephen Casey as Chairperson, and Mrs. Bonnie Chambers as Diocesan Treasurer have been of great assistance along with the rest of the Committee, to advise and seek consent of the Council of Trustees for all things budgetary – thank you. During the course of this annual convention you will note some major program and budgetary initiatives in keeping with our Bishop's Mission and Vision of and for the Diocese of Central Pennsylvania.

Perhaps one of the most significant accomplishments was “moving” our Diocesan and Parish funds from BNY Mellon to State Street Global Investing through the Episcopal Church Foundation. This has been a long and arduous task that has required many hours of hard work, consultations, and meetings. This work continues as we refine the accounting and accountability processes. By time of this publication, we will have a new system of funds distribution directly from State Street Global to the parish. This will save a great deal of work and process time. To those parishes who invested in this new State Street Global/ECF/Diocesan/Parish investment teams much thanks for your forbearance as we work through the myriad of details and hiccups – improvements are apparent.

In order to create an environment of diocesan - wide participation in our investment programs and strategies, we reinvented the Investment Team to work as your financial representatives. Each member brings banking and investing experience to the table. Please meet them by looking up “Investment Team” on the Finance page of the web site – you will find a short biography on each one.

Our Fair Share Committee has met on several occasions to restore the “fairness” in Fair Share. Some new ideas are forthcoming as to the Fair Share relationship between Parishes and the Diocese. Parish compliance with Diocesan Fair Share “ask” has improved over the last couple of years. At this point, I do however, see a potential revenue shortfall because of lack of full compliance from several parishes. Some parishes have experienced circumstances that have required they seek partial relief of the “ask.” Some have chosen an arbitrary reduction. Impact on Mission and Ministry remains to be seen as we move into the 2017 budget year. Results of the 2016 Fair Share campaign are, and have been, on the Diocesan web site.

A newly formed Audit Committee has been created to provide some new direction to Parish and Priest annual audit expectations per Diocesan as well as National Church Canons. The ongoing “charge” to a committee to recommend changes to Diocesan Canons will have impact on outcomes of this Committee's work.

The 2015 Diocesan audit has been completed with audit recommendations and our responses posted on the Diocesan website. We had a very good audit last year and a better one this year. This is not to say we do not have continuing work to do for accountability – we do. But steady progress has and continues to be made. Our efforts towards increased “transparency” in all things financial and programmatic continues.

Transparency has never been this pronounced and obvious. No small thanks to Linda Arguedas in managing our Diocesan website. Transparency does not exist without a competent vehicle to make it happen. The website “houses” a great deal of helpful information from grant applications to the promised self-help video on completing your annual parish Parochial Report. I trust you all are taking advantage of this web site and collateral links?

We continue our ongoing effort to “come to grips” with the defining and accounting for our Diocesan Endowment Funds. Our Treasurer, Bonnie Chambers, undertook this project and continues to research endowment fund restrictions and uses. This is no small task as some of these endowments reach back many years and restrictive, or not, terms have become muddled with the passage of time. Debbie Robelen has done amazing work as our Archivist, and has been of much assistance to the Treasurer.

One of the newest initiatives in endowment fund use has been with the Heistand Loan Fund. Effective January 1, 2016 my request for permission to “cut” interest rates for loan repayment in half was granted. Now as of July 1, 2016 all Heistand Loan recipients have had all interest costs removed. Their total payment is applied to principle. In some cases this has led to significant savings. Our Financial Assistant, Barbara Hoffman, has been an amazing asset to keeping these loans and grants “straight,” and in all other areas of Diocesan financial management.

Thanks to Carolyn Patterson, Assistant to the Bishop, our personnel records have never been in such clear, concise and compliant condition. Carolyn has provided significant help in providing a safe and smooth operating Diocesan House. We have cleaned rooms, shredded decades of old papers and dehumidified our moldy basement. Offices of staff have been moved and consolidated which allows us to save on heating, cooling and repairs to the building. New security measures have been added that have already proved fruitful.

It has been an interesting year in watching the developments of the Stevenson School for Ministry. As many of you realize, this School has a very pronounced familial interest for success. Rev. Robyn Szoke-Coolidge has worked long and hard to create the success for which the School’s namesake would be proud. This is a formidable task – indeed.

The Rev. Canon Stephen Casey has been a dutiful and steady leader of our Finance Committee. Not enough can be said in appreciation of his leadership and friendship. So, I will not say it. His report to this Convention will more than speak for itself.

Finally, I wish to thank each and every one of you for your support, criticisms, suggestion and help for, and during, my ministry amongst you all. So much more needs to be done and plans are in the works to do just that.