

Executive Council Standing Committee on Finance

May 20, 2020

Minutes of the Tele-Meeting

Attending: Mally Lloyd, Kurt Barnes, Geof Smith, Cecilia Malm, TJ Houlihan, Anne Kitch, Andrea McKellar, Margareth Crosnier de Bellaistre, Mary Kostel, Gay Jennings, Patrick Haizel, Regrets: Mike Ehmer, Holli Sturm, Zena Link, Anne Hodges-Kopple, Cornelia Eaton.

Mally called the meeting to order with prayer at 5:30 PM EDT.

Budget review began with the legal section, Line 615. Line 617 includes a search consultant (\$95K). If the search concludes, a new person will be brought on staff, anticipated before the end of 2020. External counsel has increased by \$80K. Gay added that during COVID Sally Johnson's time has increased enormously, which needs to be discussed with the PB, Treasurer, and Gay. When a new CLO is in place that person might want to have an assistant attorney on staff to deal with the volume of work. The legal needs of the organization have increased during the pandemic. Mally was feeling upward pressure to cover the basic legal needs of the church.

Suzanne has done: litigation of sex abuse, the Sauls litigation, internal HR Work, COVID, reopening guidance, unemployment insurance under the CARES Act, copyright issues for worship, various policies, trust funds work, leases at 815, among other things.

COO lines are cut 8% with savings realized on a virtual In-House. Leases on copy machines are renewed now with anticipated reductions owing to reduced traffic

In HR the question remains whether it is wise to decrease professional development, since the quarantine provides a good time to do professional development. Gay noted that the spending policy is reflected in letters of agreement and is, therefore, no longer in effect with the cuts. EC will have to act if a policy change is desired. She added that this is a perfect time for people to learn how to "do church" in the future.

IT eliminated 100% of their travel. Geof observed that this is the department that keeps everyone connected.

Mary left the meeting at 5:28 PM.

Facilities Management – There will need to be increased security when the City opens up. Some cleaner contractor costs can be reduced, \$36K. When the building opens, there will be additional costs. The HVAC budget will need to increase because the amount of fresh air flowing through the building will need to be increased (\$19K); a face shield at the front desk will cost \$3,000. A day porter to clean surfaces throughout the building will add \$40K. Mally asked to see the cost benefit of keeping most of the staff deployed externally. What would be saved if staff is kept out of the building through 2020? Geof will look at the numbers and respond. It was determined that this is not an area where there is wiggle room.

Communication, Line 258, reflects reduced consultants as staff has gotten better at the work; how could we teach electronically at the diocesan level? Geof anticipates the video studio will be done by August. Concern was expressed about doing any indoor filming for the time being, safety being the issue.

Fees for the diocesan communicators conference have already been spent.

PR Firm for PPP shows up under public affairs in the line for consultant – freelancers.

Geof left the meeting at 5:46 PM.

Overall, the big picture topics that have risen to the top should be 1) saved, 2) further examined, or 3) cut further. Communication and digital might be looked at again as well as all travel lines where there were limited or no cuts made. Concern was expressed about our resources being focused primarily on grants to parishes and dioceses. It was also observed that there is a certain lack of creativity in the budget changes.

Mally raised the issue of the expectations parishioners will have about returning to worship. There is an anticipated level of grief when only a very few people can be permitted into a church at the same time. Churches have had to pivot about how everything is done – the church center should be doing the same thing. It is important to make realistic decisions about when and how to return to church and to work.

The higher-level items include how to use the PPP money. Salaries will be paid but there is need to identify where the money that is freed up will be used. Income must be revisited.

Margareth observed that virtually everything is going to have to change after the quarantine. Anne asked if it was prudent to plan a huge gathering in 2021 – including General Convention. The revival costs could be saved and, maybe, a revival is not what should be planned at this time. How could those resources be used in a more fitting way?

Cecilia talked a bit about revival planning. She cited her responsibility to the campaign's donors. So much remains unknown. Discussion looked at things that might be done to approach a new way of being church. Cecilia said that everyone is looking at where their priorities are after the COVID disruption and that challenges present opportunities.

Kurt had asked the staff what they might do if \$7 million needed to be found. They were not asked to rethink the priorities around doing the work of the General Convention. Mally observed that we don't know what income is going to be like and that no draconian cuts should be made until more is known. Kurt pointed out the difference between deferral and elimination of expenses. This committee could recommend to EC that grants be deferred until later in the year. They need to be applied for and awarded.

The income page of the budget was considered. The first emergency waiver application was received from the Dominican Republic, amounting to 50% of their assessment for 2020. This is the first of perhaps many emergency requests that might be anticipated. The waiver line may need to be increased in the budget. Income from investments will remain steady at 5%. The

fundraising line was restored. Reserves for racial reconciliation will go forward. Kurt will provide additional information on rental income. Refugee loan income is expected to stay steady. Facilities management income is cash in hand.

At tomorrow's meeting the big picture items will be looked at further and questions answered. The Zoom log in for tonight is the one to be used for remaining meetings.

The meeting was adjourned with Andrea offering prayer at 6:27 PM.

Respectfully submitted,
Nancy Caparulo
Staff Support to the Committee