

**Executive Board Meeting
June 20, 2019
St. James Episcopal Church, Warrenton, VA**

[Minutes are draft until considered for approval at the next Executive Board Meeting, (to be held on Thursday, October 10, 2019 at St. John's Episcopal Church, Warsaw, Virginia), and are therefore subject to change by the Executive Board].

Approval of Minutes

Minutes of the April 11, 2019 meeting of the Executive Board were approved and adopted.

Virginia Diocesan Property (former St. Margaret's Church)

- The Diocesan property located at Prince William Parkway and Rte.1 in Prince William County currently has two tenants: a) non-denominational congregation and b) Prince William Free Clinic. This 10-acre property had been under contract for sale with a private developer for \$6.0 million. However, the deal fell through due the developer's inability to raise sufficient funds. DOV is currently considering three options to include: 1) place the property on the market and sell to highest bidder; 2) sell the property to the Prince William Free Clinic [least likely option]; and 3) consider ways to develop an affordable senior housing project and renew the current lease with the Free Clinic.
- Virginia Diocesan Homes presented a prospective plan to develop a 144 unit, senior housing project on the property and retain the Free Clinic which is currently housed in the former parish hall. The local County government is supporting this idea. While there exists substantial affordable housing in the County, there is very little affordable senior available. Estimates are that the project could be developed over a 5-year period and cost approximately \$15.8 million. (Financing would be similar to that used in the Resurrection project in Alexandria: tax credit equity; first mortgage from VHDA; ground lease from the Diocese; and deferred developer fees.) While the senior housing option would generate a smaller net to the Diocese than an straight property sale, the senior housing option would be very much in line with the mission of the church.
- It was moved to have the Bishop appoint a working group of the Board to study the available options

Trustees of the Trust Funds Discussion

- The following resolutions were adopted by the Executive Board:

Resolved, that the Executive Board will continue to invest funds of the Diocese of Virginia, the current approximate value being \$20 million, with the Trustees for the Funds for at least two years from the date of this resolution; and be it further

Resolved, that the Executive Board, in response to the changes made to the articles of incorporation and the bylaws of the Trustees of the Funds, will appoint an ex officio trustee who will have a seat, voice, and vote at the meetings of the Trustees of the Funds and will serve on the governance Committee of the Trustees of the Funds. Said ex officio member will be a member of the Executive Board; and be it further

Resolved, that the Bishop Suffragan and the Ecclesiastical Authority of Virginia will send a letter to the congregations and related organizations of the Diocese of Virginia on or before September 30, 2019, informing them of the decision of the Executive Board and expressing trust in the ongoing work of the Trustees of the Funds; and be it further

Resolved, that the Executive Board commends the Trustees of the Funds on their ongoing work in mending broken relationships and enhancing transparency and communication with investors and others; and be it further

Resolved, that this resolution supercedes and nullifies the June 21, 2018, resolution of the Executive Board regarding the Trustees of the Funds.

- The process for electing Trustees has been changed. Trustees can be elected for two 3-year terms before they must step down but may subsequently be elected after not serving for one term. Two slates of candidates for a trustee position will be vetted and submitted by a) the Trustees of the Trust Funds and b) The Executive Board. All of candidates will then be submitted to the annual Convention for direct election. Currently, the Trustees of the Trust Funds elect trustees, who are then submitted to the Convention for approval.
- The ex officio member of the Trustees of the Trust elected by the Executive Board of the Diocese is John Savage, Charlottesville Region.

Report of the Canon to the Ordinary

- There are currently 31 parishes in search of rectors. Since the last meeting of the Board, six positions have been filled. At this time, there are 2 aspirants, 33 postulantes, and 6 transitional deacons awaiting priestly ordination in the Fall. For the vocational diaconate, there are 7 persons in the Deacon's School. Several new advisors and potential intake officers for the Title IV (Clergy Discipline) process have taken initial training.
- Due to the dearth of Interims, the Diocese is using the Priest-in-Charge (P-i-C) model in increasingly greater numbers. This model is particularly useful in small, healthy parishes where the tenure of the prior incumbent has been brief. This allows for a quicker process and has been used quite effectively.

Report of the Bishop

- Bishop Goff was not in attendance, due to a conference in Liverpool, UK
- Bishop Ihloff has been attending all regional meetings and Clericus meetings in attempts to more aggressively enhance communication between these groups and the Diocese. He attended the Alexandria Regional Meeting in May.
- Bishop Ihloff headed the Diocesan staff retreat at Shrine Mont in May.
- The language in the Canon relating to archdeacons is being changed. Archdeacons will now be supervisory deacons rather than priests. Bishop Goff will appoint three deacons to the position of archdeacon as soon as the language change has been completed.
- The Rev. Casey Bailey, Dean of Charlottesville, has been named Archdean.
- New state and federal laws now limit the amount of time prison inmates will have for church related services and consultation to 90 minutes per week. (A specific religious group is defined as two or more inmates requesting such services.) This change will reduce the role of Episcopal Prison Ministries.

Report of the Secretary/Treasurer

- Closing on the sale of the Centreville 5-acre property owned by the Diocese will occur during the week of June 24. Estimated income is \$2.5 million.
- Settlement on the Blackmore Estate, as described in the DOV Executive Board meeting notes of April 11, will occur this month. The amount of \$1.25 million will be turned over to the Diocese.
- The 2018 financial audit is nearing completion.
- As of June 19, 2019, 94% of the parish parochial reports have been completed.

Working Groups

Finance:

- 2020 budget review sessions via conference call were established for Sept. 10 and 24. The 2020 budget will be presented at the annual convention.
- New banking procedures with Sun Trust were discussed.
- The working group had to approve a request for exemption to Canon 31 regarding health insurance for Rev. Amanda Kotval, Asst. Rector, St. Paul's, Ivy. She wishes to retain health insurance coverage under her husband's employment plan. The group voted to recommend to the Board.

Program

- The state of the Mustard Seed Grant program was discussed. The working group discussed strategies for fund raising and the possible implementation of an annual campaign to support the program.

Old Business

Ad hoc Committee on Diocesan Giving

- The Committee was tasked with providing a review of the history of parish giving in the Diocese. Records from 1840 to the present were reviewed, as well as the proceedings of the 5 study groups and 2 ad hoc committees that convened between 1965 and 2011.
- In 1954, the Bishop and the Executive Board adopted the Virginia Plan for Proportional Giving to replace the quota and assessment plan that was in place. Under the Virginia plan, parish giving was and remains voluntary. By 1959, all 180 parishes supported the Virginia Plan, and by 1965, the Diocese received 16% to 18% of parish income. By 2004, parish giving dropped to 6.6%. Today (2018) parish giving averages about 5.6%.
- The goal of the Diocese when the Virginia Plan was established in 1954 was to foster a 10% average parish contribution. Today, 37 out of 179 parishes in the Diocese provide 41% of parish contributions.
- It is estimated that an average parish donation was at 7% of parish income would provide the Diocese with sufficient funds to meet its obligations. At the current 5.6% level, it does not.

- Virginia is one of three dioceses in the US remaining on a voluntary giving basis. All the others operate on a mandatory basis with some form of “appeal for exemption” process.
- Throughout the past, there has been a recurring theme among all working groups and ad hoc committees that there needs to be a program and education process in the Diocese that lets “people in the pews” know what the Diocese is and what it does for the parish. Communication is paramount!
- One of the next steps the current ad hoc committee will undertake is to hold discussions with the other most recent dioceses that have converted from voluntary to mandatory giving practices as to their processes and procedures.
- Diocesan giving discussions will continue.

Convention Logistics

- The 2019 and 2020 Annual Conventions will be held in Crystal City, Arlington, Virginia. Two-year site contracts are fairly standard.
- Other venues have been approached; notably, the Fredericksburg Convention Center and James Madison University. Madison is out due to size constraints and convenient lodging availability. Fredericksburg can accommodate our convention at about half the cost of holding it in Richmond. A motion was passed to pursue the Fredericksburg option for 2021 and 2022.

Next Meet of the Executive Board

St. John’s Episcopal Church, Warsaw, VA
October 10, 2019