

College for Bishops Directors' Meeting October 22, 2009

The semi-annual meeting of the Board of Directors of the College for Bishops (CfB) was held at the Cathedral Center of St. Paul in Los Angeles at 2:00 pm on October 22, 2009.

Directors in attendance: The Rt Rev'd J. Neil Alexander; The Rt Rev'd J. Jon Bruno; The Rev'd Canon Patricia M. Collier; Mr. William S. Craddock, Jr.; The Rt Rev'd Duncan M. Gray III; The Rt Rev'd F. Clayton Matthews. Dr. Timothy F. Sedgwick (Advisor) also attended.

Directors not present: The Rt Rev'd David Alvarez; The Rt Rev'd Edwin F. Gulick, Jr., The Most Rev'd Katharine Jefferts Schori.

Staff members present: The Rev'd J. Michael Ehmer; Ms. Ellen Y. Rolfes, who took minutes.

Bishop Alexander called the meeting to order and reviewed the agenda.

The minutes of the directors' meeting held April 2, 2009 were reviewed and approved as written.

Managing Director's Report

Bishop Matthews expressed his thanks to the advisors and directors and CREDO staff members for their continued work and support. Evaluations of current programs indicate they are going well and providing important resources to bishops not only in the U.S. but also in Canada. The *Around One Table* report has been given to the Church and hopefully will be used long-term.

Progress has been made toward the 2009 goal of receiving \$80,000 in pledge contributions from the House of Bishops. A reminder mailing will be sent towards the end of the year and names will be added to the distribution list to encourage increased support.

The Curriculum Committee continued its important work this summer and is aware of the idea of their helping with faculty development in the future.

A strategic long-term funding plan needs to be developed and will require more of Bishop Matthews' time. He will need to delegate projects to others in order to open up more time for him to work on this project. Bishop Matthews added that he is grateful to Mr. Craddock for his creative mind and is excited about implementing new ideas in the future.

Financial Report

Mr. Ehmer reported on draft 2010-2013 financial projections. A revised draft will be sent to the directors via email and approved either via conference call or email in mid-December or early January.

Income from CPG/CREDO will decrease each year over the 2010-2012 triennium, and it will be necessary for CREDO to begin charging what are now considered in-kind contributions in the area of program administration. The draft report shows this reduced income as well as the actual support costs CREDO incurs by providing management, accounting and other operational services. A funding request may be made to the CPG Retirement Programs Committee to consider CfB as an important wellness component in the executive leadership of the Church (who are all Church Pension Fund plan participants), but other funding sources will need to be considered.

An income line for in-kind contributions and a management expense line will need to be added to the draft 2010 budget as well as all other financial reports. This breakdown will be helpful for future funding requests. The board agreed that the budget needs to be as realistic as possible and it will be acceptable to project a deficit, if applicable.

An attachment for financial reports will be created to break down the estimated amount of time and resources required to operate the major CfB programs. A pie chart may also be added to show the program allocation. The Living Our Vows tuition income line will be broken down, showing fees charged to both Episcopal Church and non-Episcopal Church bishops.

CREDO operates on a five-year budget cycle and is not restricted in the distribution of funds. A continued contribution to CfB in the future could be considered as funding a program that assists diocesan wellness initiatives, rather than as a direct grant to CfB.

A proposal was made to consider changing the Living Our Vows program to a two-year residential program with a program/meeting with new bishops and coaches in the third year. Any program redesign would need to adhere to the canon that requires a three-year formational program for new bishops. This past May was the first Residency event with three full classes and many agreed that several full cycles of the program need to be completed and evaluated before any redesign is initiated.

A question was raised about the amount of administrative time required to run the experiential learning opportunities. The one bishops' group that CfB facilitates requires 2-3 hours of administrative time per meeting.

Governance Restructuring

Bishop Matthews distributed a handout of draft governance recommendations. Specific suggested changes to this document are listed in Appendix A.

All directors agreed with the principles of the revisions to the governance structure and to consolidate the Advisory Committee and Board of Directors into one body. Additional conversations will be held regarding the number of meetings per year and the structure of formal subcommittees.

It will be important to have a variety of voices in the new governing body and to expand its role. If newer bishops or other interested parties are desired to be part of the governing body, then they should begin to be added as part of the newer classes of board members. Bishop Matthews will present the Presiding Bishop a proposed listing of individuals to be in each class. Once approved, the listing will be given to the Board for ratification at a December conference call.

The formal subcommittees to be created should help engage more people in the CfB who aren't necessarily directors or bishops. The following committees were suggested:

- Program and Curriculum
- Development and Management
- Research and Evaluation
- Transitions (90 Day companion, working with committees prior to elections, Orderly Transitions, etc.)

A motion was made to create the four committees listed above, duly seconded and approved by the Board of Directors. Bishop Matthews and the CREDO staff will work to prepare a listing of suggested committee members to present to the Board.

The Managing Director of the Office of Pastoral Development (OPD) is appointed by the Presiding Bishop (PB). A review of this position is necessary. It cannot be assumed that when Bishop Matthews retires, that the next OPD Director will be the right person or have any interest in serving as CfB Managing Director. CfB needs clarity of what the director is doing and appropriate input for when the position is vacated. Could a separate committee be created to structure bylaws regarding the Managing Director position? Bishop Alexander commented that this is a topic for a future meeting after it has been discussed with others and more background work has been done.

It was agreed that a Canadian bishop should serve as an ex officio board member. Bishop Matthews will invite Colin Johnson, Philip Poole or Greg Kerr-Wilson to join the Board. The Canadian board member will be able to provide input into Living Our Vows, have a sense of what continuing education topics the HOB is discussing and in general have access to what CfB is doing.

Motion was made to adopt the proposed redesign of the Board of Directors after amendments are made, duly seconded and approved by the Board of Directors.

Strategic Planning

Bishop Matthews reviewed the recommendation of the Advisors to begin a quiet major gift campaign with diocesan bishops and specific donors to raise an endowment instead of having a larger capital fund campaign. Mr. Craddock, Mr. Ehmer and Bishop Matthews will draft financial modeling for the future and build in items with staging and CfB informational materials will be revisited so that there is accurate information to present to potential donors.

\$10 million was the suggested goal amount for the endowment campaign. Bishop Matthews will form a committee to discuss next steps and names of potential donors to contact. It will be a good idea to come up with specific things, programs, etc. that a donor could fund so that he/she has options.

A listing of bishops who will be willing to work on making calls to potential donors will also be created. The idea of hosting these bishops and any volunteers who are willing to go with the bishops on calls at a day-long meeting in order to learn more about CfB was presented. It was agreed that having CfB staff on a call would not be as effective as having a bishop or two and a businessman make a presentation to a potential donor. Bernie Milano (KPMG) and Lawrence Cowart (CocaCola) were suggested as possible volunteers.

In the future, CfB must fund a part-time, if not a full-time, managing director. The position could be treated like an endowed chair and made appealing for a donor to fund. The managing director should be a bishop and have some of the OPD responsibilities of being involved in transitions, meeting new candidates, etc., but doesn't necessarily need to be integrally tied to the OPD under the PB. There must be an ability to develop relationships with the bishops and also have access to PB and others. It would be unwise to assume that this synergy will be written into the contracts, so it should be clearly outlined somewhere. Who makes the final appointment to the director position should be noted as well.

It was agreed that now is not the time for CfB to consider becoming a separate 501c3 organization. However, there is concern regarding endowments funds being overseen by DFMS and making sure they always remain protected for CfB. There will need to be a separate locked account with restrictions set by the CfB board and donors. The implications of the Sarbanes-Oxley Act must be considered as well as determining such ideas as reversal clauses for donors.

Bishop Matthews will present the PB with a one-page concept paper (after CfB board review and approval) of what is envisioned for the campaign which will be distinguished from the current Mission Funding initiative. When/if the PB approves the CfB campaign, then a formal campaign committee will be created. The campaign will be geared towards individuals, not foundations at this point because they will not give money for an endowment. They are better for specific programs or research projects.

Conclusion

The directors met in Executive Session. The next meeting of the directors will be held April 8, 2010 at Virginia Theological Seminary. There being no further business, upon motion duly made and seconded, the meeting was adjourned at 4:30 pm.

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Appendix A

Governance (Suggested Revisions to Recommendations)

- Structure: No more than 18 individuals on the Board. Argument for larger board is because meeting attendance could vary based on schedules.
- Appointed members: Four individuals appointed each year. No less than two of the four shall be bishops.
- Recommending members...in consultation with nominating committee and with ratification by Board. In the past, the outgoing members served as nominating committee. Just a model.
- Board makeup considerations: “Coordination with Planning Committee of the HOB” to ensure institutional continuity for the Planning Committee.
- Terms: Those who filled an unexpired term are eligible to serve two full terms in addition to the partially completed term.
- Expectations: “Attendance at semiannual meetings. Normally, there will be two meetings of Board of Directors, held in the spring and fall of each calendar year.”
 - Consider one full meeting/year? Statutory meeting and an optional meeting. Agenda for one meeting could be reduced to a conference call.
 - Committee meetings for first day and then entire Board meeting the second day.
- Expectations: Members should all serve on a subcommittee.
 - “No less than two members of board should be appointed to serve on each committee.” (so that there’s reporting clarity and better documentation)
- Classes: Classes of 2010, 2011 are open for re-election verbiage. Clarify who in the list of classes can have a second term and who can’t.

Strategic Planning/Endowment Campaign/Funding

- Tell PB that future of CfB is hanging on her decision/approval. Could be part of her legacy. This is important work.
- Consider the list of bishops to retire in next three years and if there are deep pockets, then pitch with bishops about to retire and endow the legacy in his/her name.
- Prepare a case statement.
- Five main areas to consider: Financial; Resources for visits; Committee structure for development group; PB clearance; Governance
- Could ECF’s funding to CREDO be reallocated to CfB?

Other and Action Items

- Schedule December conference call
- Add in kind contribution and management expense line to financials
- Show specific LOV fee income (charge no less than \$2,650?)
- Create breakdown report (with pie chart?) of time spent on CfB programs
- Revise draft of proposed Directors’ classes
- Create list of draft subcommittee members
- Review Managing Director position
- Invite Canadian to be on Board
- Draft endowment campaign one-pager for PB
- Draft financial modeling for endowment campaign
- Create endowment campaign committee
- Create list of suggested bishops to make donor calls
- Create list of potential donors