



*Diocese of Missouri*  
THE EPISCOPAL CHURCH

*Making Disciples  
Building Congregations  
For the Life of the World*

**MINUTES OF THE MEETING OF THE  
TRUSTEES OF THE CORPORATION OF THE EPISCOPAL DIOCESE OF MISSOURI  
Meeting as  
DIOCESAN COUNCIL  
St. Mark's Episcopal Church  
St. Louis, MO:  
24 April 2010**

Members Present: Mary Ann Cook, Teresa Danieleley, Donald Esbenshade, James Furgason, Sharon Hoffman, Mary Jane Kuhn, John Martin, Norman Moenkhaus, Beverly Van Horne, Claudia Svoboda,

Ex Officio: Thomas Hedrick

Staff present: E. Daniel Smith

Dan Smith unofficially called the meeting to order and reported that the Council would need to elect a chair for the meeting. The Council elected Teresa Danieleley to chair the meeting in the absence of the Bishop and Bob Towner. Teresa called the meeting of the Diocesan Council to order and opened the meeting with prayers at 9:06 am.

Approval of Minutes: February Minutes were approved as submitted.

Financial Report: Mr. Tom Hedrick presented the financial report. The income and expense items are fairly consistent for this point in the year. It was reported that St. Timothy's has paid off its White Fund loan which will have some impact on the operating budget. Congratulations to St. Timothy's.

Cluster Report: Reports were passed out to the members. Cluster reports are attached to the office copy of Council minutes.

Adoption of Endowment Investment Policy: Tom Hedrick introduced a general policy for the governance and oversight of endowments. The following policy was moved and seconded:

INTRODUCTION:

The purpose of this Investment Policy is to state the objectives and assign responsibilities for oversight of the endowed investments of the Episcopal Diocese of Missouri. The overall objective of the Diocese is to seek a balance in the management of the funds by providing a predictable stream of funding for the general or specified programs for which the funds were granted, while preserving the long-term purchasing power of the endowment assets. The return objectives of the assets, measured over a full market cycle, shall be to maximize the actual return against appropriate investment benchmarks for the various classes of assets. This long-term investment horizon has been adopted in order to weigh the risks and duration of possible investment losses with the potential for asset appreciation over these market cycles. However, the markets for investments can be volatile, and there are no assurances that investment yield objectives can be achieved.

OVERSIGHT AND RESPONSIBILITIES:

Each endowment fund is managed by professional investment managers pursuant to the respective grantor trust agreement. The investment managers, acting in their fiduciary capacity, generally have broad discretion in investment selection and asset allocation strategies. The Diocese, through the Bishop (or his designee), Diocesan Treasurer, and Diocesan Chief Financial Officer, provides general oversight of the investment managers. General responsibilities include annual reviews of investment returns against appropriate benchmarks and review of general asset allocations in light of overall economic conditions.

INVESTMENT GUIDELINES:

Following are general investment guidelines for the funds.

Equity: Equity exposure may be comprised of individually managed stocks, mutual funds, and exchange traded funds. Investment strategies may include active and indexed management. Equity strategies may include large, mid and small capitalization investments. International equity strategies may include developed markets and emerging markets investments.

Fixed Income: Fixed Income exposure may be comprised of individually managed bonds, mutual funds and exchange traded funds. Fixed income investments may also consist of U.S. Treasury, Government Agencies, Corporate, Mortgage Backed, Taxable Municipal, and Asset Backed Securities. Any individual holdings should have a minimum credit rating of BBB at the time of purchase and all aggregations of fixed income securities (e.g., fixed income mutual funds) purchased shall have an average rating that is investment grade i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase. Performance measurements for investments shall include:

- Standard and Poor's Composite Index
- Barclays Aggregate Bond Index
- Total International Composite Index

DISTRIBUTION POLICIES:

Distribution policies for each endowment fund are set and governed by the respective trust document and specific purpose of the fund. Investment managers are advised of these distribution objectives and seek to manage the portfolio to achieve the necessary return with the appropriate level of market and investment risk. When the distribution rate is silent in the governing document, a general policy is followed which calculates the annual distribution by multiplying the average market value over the preceding three-year period by a range of 3.5% to 5%.

DIOCESAN INVESTMENT TRUST (DIT):

The DIT is managed by an advisory committee and has a separate investment policy governing the operations of equity and fixed income portfolios.

Passed by voice vote.

Making all Things New: (Report of the committee) Grant applications were due to go out on April 15, 2010. Bob Daniels reported that he will make sure those applications have been mailed to the congregations. Monies available for the 2009 grants were higher than expected so the grant to the Church of the Advent was increased and St. Mark's received a partial grant for a community garden.

Aged and Infirm Clergy Fund:

The following resolution was moved and seconded.

Resolved, that upon the recommendation of the Bishop as President of the Corporation of the Episcopal Diocese of Missouri, the Diocesan Council does hereby confirm and approve the following corporate action of COEDMO: that a grant in the amount of \$1,085.00 be awarded from the Aged & Infirm Clergy Fund to assist a clergyperson's son with medical expenses not covered through an insurance plan.

Episcopal Diocese of Missouri Cafeteria Plan Amendments were moved and seconded.

Passed by voice vote. The amendments are attached to the office copy of the minutes.

Church Assistance Endowment Fund:

Establish Committee: Mary Ann Cook (convener), Norm Moenkhaus, and Jerry Martin were appointed by the Council.

Episcopal Endowment Committee (Establish Committee): Jim Ferguson, Norm Moenkhaus, and John Musgrave, volunteered to help form the committee. It was decided to find four additional individuals from outside the Council to serve on the task force. It was suggested that at least one member be from outside Metro St. Louis. It was also suggested that Dan Smith serve as a clearing house for additional names.

Assessment Task Force (Follow-up): The task force has revised the questions that it will ask congregations and has scheduled a meeting with the bishop upon his return from sabbatical.

The following Housing Resolution was moved and seconded.

RESOLVED, that of the total compensation to be paid to the Rev. E. Daniel Smith in **2010** by the Episcopal Diocese of Missouri, \$30,000 be designated a housing allowance within the meaning of that term as used in Section 107 of the IRS CODE of 1986; and be it further

RESOLVED, that the designation of \$30,000 as a housing allowance shall apply to the remainder of calendar year **2010** and all future years unless otherwise provided. Passed by voice vote

Convocations reports:

- i. Kemper: Meeting May 18<sup>th</sup>.
- ii. Metro II
- iii. Metro III: Is still asking what has happened to the report on convocations. Meeting May 8.
- iv. Metro IV: It was reported that John Musgrave is in fact the rector of Good Shepherd. Meeting May 15.
- v. West
- vi. South: Meeting May 8.

Other Business: Teresa Danieleley presented a draft for the orientation of clergy and lay delegates to convention and to the convocation system. Teresa asked for comments pertaining to the draft. She reported that the draft is for the use of the Council and therefore confidential at this point in time. The draft will be forwarded to the Bishop's staff and the chancellor.

The meeting was suspended for prayer as Mary Jane Kuhn had to leave for a family emergency.

Open Question/Comment Time: Dan Smith was asked to comment on new opportunities for St. Paul's, Carondolet. He briefed the Council on the placement of a graduating seminarian at St. Paul's.

Sharon Hoffman reported on a visit to Columbia Hope Church in Columbia, MO.

Teresa announced a trivia night next Saturday, May 1 at St. John's to renovate some classroom space.

The meeting was adjourned. Council members took a tour of St. Mark's, followed by the Eucharist. Beverly Van Horne presided at the Eucharist, and Teresa Danieley preached.