

The Episcopal Diocese of Hawai`i

2010 - 2012 Proposed Budget



**OTHER THAN THIS SENTENCE,
NO TEXT IS INTENDED TO APPEAR ON THIS PAGE**

TABLE OF CONTENTS

| | |
|---|-----------|
| TOTAL INCOME | 4 |
| TOTAL EXPENDITURES..... | 7 |
| DISCIPLESHP..... | 8 |
| MISSION | 10 |
| CONGREGATIONAL SUPPORT | 10 |
| NATION & WORLD | 11 |
| OTHER COMMISSIONS & MINISTRIES | 12 |
| STEWARDSHIP | 14 |
| OTHER SUPPORT | 14 |
| COMMUNICATIONS | 15 |
| DIOCESAN SUPPORT EXPENSES | 16 |
| RETIREEES | 18 |
| OFFICE OF THE BISHOP | 20 |
| EPISCOPATE | 20 |
| STAFF..... | 21 |

TOTAL INCOME

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|---|------------------|------------------|----------------------------|----------------------------|----------------------------|
| Income | | | | | |
| Assessments | 1,712,911 | 1,671,917 | 1,721,129 | 1,669,500 | 1,719,600 |
| Investments: | | | | | |
| Portfolio (Restricted) | 227,053 | 245,411 | 251,700 | 254,800 | 261,300 |
| Portfolio (Unrestricted) | 1,116 | 1,900 | 1,900 | 2,000 | 2,100 |
| Harry and Katharine Kennedy Mem. Fund (Board Restricted) | 50,000 | - | - | - | - |
| Von Holt Fund (Unrestricted) | 86,431 | - | - | - | - |
| Ing Fund (Unrestricted) | 103,302 | 90,000 | 90,000 | 93,600 | 97,300 |
| Catton Fund (Restricted) | 16,556 | 24,500 | 21,400 | 22,900 | 24,400 |
| Parke Trust (Unrestricted) | 66,644 | 57,600 | 57,600 | 59,900 | 62,300 |
| Prisanlee Fund (Unrestricted) | 22,488 | 22,500 | 22,500 | 23,400 | 24,300 |
| Valvon Fund (Unrestricted) | 24,264 | 24,200 | 24,200 | 25,200 | 26,200 |
| Total Investments | 597,854 | 466,111 | 469,300 | 481,800 | 497,900 |
| Rentals: | | | | | |
| Apartments | 53,840 | 56,600 | 61,700 | 67,800 | 88,700 |
| Parking | 79,835 | 83,800 | 87,300 | 90,800 | 94,300 |
| Total Rentals | 133,675 | 140,400 | 149,000 | 158,600 | 183,000 |
| Interest | 10,444 | 5,000 | 3,000 | 5,400 | 5,600 |
| Chronicle Donations (Board Designated) | 2,563 | 5,000 | 5,200 | 5,400 | 5,600 |
| Miscellaneous | 12,989 | 9,000 | 9,000 | 9,400 | 9,700 |
| Emergency & Opportunities Resv. Fd. | | 35,000 | | | |
| Total Income | 2,470,436 | 2,332,428 | 2,356,629 | 2,330,100 | 2,421,400 |

Description of Income & Explanation of Significant Variances

Assessments

The recommended assessment proposed by Diocesan Council for the 2010 to 2012 budget is 20% and is based on each congregation's 2008 to 2010 operating income. Historically, the total assessment is shown below:

| YEAR | ASSESSMENT PERCENTAGE |
|---------------------|------------------------------|
| 1991 to 1994 | 23% |
| 1995 | 26% |
| 1996 to 2000 | 25% |
| 2001 | 24% |
| 2002- 2003 | 23% |
| 2004-2005 | 22% |
| 2006-2008 | 21% |
| 2009 to 2012 | 20% |

Investment Income

Income from the Portfolio (Unrestricted) and the Ing Fund represent a 5% total return distribution. The diocese endowment spending policy is five percent of its endowment fund's average market value over the prior twelve quarters. Income from the Portfolio (Restricted) is primarily from the Episcopate Endowment Fund. The distribution is limited to the expenses related to the Office of the Bishop- Episcopate. No distribution is budgeted for the Von Holt Fund, because the market value of this fund has dipped below its principal value by \$2,415 as of 6/30/09. The distribution from the Harry & Katharine Kennedy Memorial Fund was used to subsidize the planting of St. Nicholas mission and this funding ran out at the end of 2008. The diocese is the beneficiary of the investment income from the Catton Fund, Parke Trust, Prisanlee Fund and Valvon Fund. We do not have investment management oversight of these funds. The Catton Fund income is restricted by the donor for retired church workers. All investment income is net of investment fees (management and custodial fees).

Rentals: Apartments

This is the rental income from the Diocesan-owned apartments at Queen Emma Square.

Rentals: Parking

This income is from the Priory's rental of parking spaces in the parking lot behind the Diocesan offices.

Interest

This represents the interest on Diocesan cash accounts.

Chronicle Donations

This represents income to support the publication of the CHRONICLE.

Miscellaneous

This represents miscellaneous gifts and other income.

Emergency & Opportunities Fund

This represents funds transferred from the Emergency and Opportunities Fund. The balance of this reserve fund as of 6/30/09 is \$45,700

**OTHER THAN THIS SENTENCE,
NO TEXT IS INTENDED TO APPEAR ON THIS PAGE**

TOTAL EXPENDITURES

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|--------------------------------|------------------|------------------|----------------------------|----------------------------|----------------------------|
| Expenses | | | | | |
| Discipleship | | | | | |
| Program Costs | 164,457 | 190,181 | 180,672 | 171,638 | 171,638 |
| Sub-Total | <u>164,457</u> | <u>190,181</u> | <u>180,672</u> | <u>171,638</u> | <u>171,638</u> |
| Mission | | | | | |
| Congregational Support | 561,041 | 507,619 | 491,904 | 481,725 | 509,772 |
| Nation & World | 398,407 | 369,300 | 380,800 | 357,100 | 342,600 |
| Other Commissions & Ministries | 106,351 | 83,650 | 76,220 | 76,200 | 72,800 |
| Sub-Total | <u>1,065,798</u> | <u>960,569</u> | <u>948,924</u> | <u>915,025</u> | <u>925,172</u> |
| Stewardship | | | | | |
| Other Support | 20,700 | 20,700 | 20,700 | 20,700 | 20,700 |
| Communications & Technology | 24,478 | 15,000 | 15,500 | 16,400 | 17,200 |
| Diocesan Support Expenses | 410,492 | 333,228 | 392,700 | 399,700 | 456,200 |
| Retirees | 16,556 | 24,500 | 21,400 | 22,900 | 24,400 |
| Office of the Bishop | | | | | |
| Episcopate | 295,918 | 317,200 | 323,733 | 327,737 | 336,390 |
| Staff | 467,600 | 471,050 | 453,000 | 456,000 | 469,700 |
| Sub-Total | <u>1,235,744</u> | <u>1,181,678</u> | <u>1,227,033</u> | <u>1,243,437</u> | <u>1,324,590</u> |
| Total Expenses | <u>2,465,999</u> | <u>2,332,428</u> | <u>2,356,629</u> | <u>2,330,100</u> | <u>2,421,400</u> |
| Surplus | <u>4,437</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

DISCIPLESHIP

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|---|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Camps & Conference Commission | 84,921 | 52,506 | 50,500 | 47,988 | 47,975 |
| Christian Formation | 21,522 | 92,850 | 59,100 | 62,800 | 8,000 |
| Commission on Native Hawaiian Ministries | 19,458 | 10,000 | 9,000 | 8,550 | 8,550 |
| Diversity Commission | 2,777 | 3,025 | 5,088 | 6,800 | 6,800 |
| Family Ministries | 1,000 | - | - | - | - |
| Ministry Development | 28,107 | 25,800 | 42,300 | 38,000 | 38,000 |
| New Ministries/Projects | | | 6,734 | | 54,813 |
| Sexual Misconduct Prevention / Response | 6,671 | 6,000 | 7,950 | 7,500 | 7,500 |
| Total Discipleship | 164,457 | 190,181 | 180,672 | 171,638 | 171,638 |

DISCIPLESHIP

Camps & Conference Commission

The Camps and Conferences Commission envisions programs for youth and young adults in the Diocese to be viable, thriving, spiritually refreshing, resourceful, cost-effective, and most importantly God centered. Encouraging new models by programming on different neighbor islands, the Commission develops and supports Diocesan events, activities, and programs that will:

1. Supplement the ministry to youth and young adults of congregations and local ministries
2. Introduce individuals to Christ
3. Take those already in the Body to greater depth and substance of our faith
4. Cultivate an extended Christian community to be within the Diocese for youth and young adults.

The Commission is responsible for annual youth activities including:

1. Residential Summer Camp Program
2. Happening (high school students)
3. New Beginnings (junior high school students)
4. Combined Junior and Senior High event

The Commission is also responsible for soliciting applications and then selecting participants for the triennial Provincial Youth Event (2010) and Episcopal Youth Event (2011), as well as the National Happening Event (2010). A Diocesan Mission Trip/Diocesan Youth Event is based on a three year cycle with a mission trip or youth event occurring every third year.

To assist individuals or churches in enhancing spiritual growth through workshops and/or conferences, the Commissions budget includes some funding for individuals who want to go to conferences and/or workshops that are not sponsored by the Episcopal Church. This funding is also available to churches that want to hold different types of workshops within their community.

DISCIPLESHIP

(Continued)

Christian Formation

This line item includes funds for supporting the national program of Education for Ministry and the costs of developing and holding the Convocation, an annual diocesan gathering for the purposes of formation and mission called for by the 2007 annual meeting of the diocesan Convention. The amount listed allows for funding the costs of speaker(s), Neighbor Island travel costs, and some scholarship funds for Convocation attendance. The reduction for 2012 reflects that the Convocation that year will be replaced by the celebration of the diocese's 150th anniversary. The budget for these expenses is included under diocesan convention.

The Department is in the process of having Stewardship operate as a Task Force responding more to local parish needs. In that process, it was concluded that Stewardship is more a matter of life long Christian Formation. Accordingly the Stewardship Commission will be reconstituted as a Task Force under Christian Formation and the Stewardship budget is included here.

Commission on Native Hawaiian Ministries (CONHM)

This line item funds the Commission created in 1990 to train leaders of native Hawaiian ancestry and to be a focus for opportunities to minister to communities of Hawaiians in all congregations. CONHM works to bridge the gap between the native Hawaiian language and culture and the dominant Western language and culture to facilitate the acceptance, understanding, and proper implementation of the former. In addition, through meetings, conferences, shared ministries and other exchanges with the Anglican Indigenous Network (AIN), the Episcopal Council on Indigenous Ministries (ECIM), and the Indigenous Theological Training Institute (ITTI), this Commission maintains close contact with other indigenous peoples and their faith communities throughout the United States and other parts of the world. CONHM also offers various opportunities for education and mission.

Diversity Commission

Based on our Baptismal Covenant "Loving our neighbors as ourselves and respecting the dignity of every human being," this commission seeks to create dialogue on racism, to facilitate respect for diversity and to promote healing, reconciliation and transformation in our members and institutions. This commission has been reconstituted after a period of inactivity due to lack of membership. This line item funds training, communication and resource development for the commission members, congregations and individuals. This training is required by National Church Canons

Family Ministries

This commission was never formed. If the need arises or ministries merge, funds would be available from the "New ministries/Project" line item.

Ministry Development

This line item funds conferences and gatherings for clergy and their spouses/partners/families; financial support for seminarians and others in formation for ordained ministry; deacon's gatherings; the work of the Commission on Ministry; background checks for candidates for positions in mission congregations or on the Bishop's staff; expenses of training for licensed ministries; and other miscellaneous funds for the formation of ministry throughout the Diocese. These funds are administered by the Bishop's staff and by committees/task forces specially appointed by the Bishop for a particular activity or ministry. The work related to Commission of Ministry is required by National Canons

New Ministries/Projects

This line item was added to provide the Department with funds to respond to emergencies and opportunities. Also, this will also enable us with the opportunity to plan for more focused strategic use of resources by Task Forces and congregations for evangelism and education.

Sexual Misconduct/Prevention Response

This line item funds classes for the identification and prevention of sexual misconduct, as well as the costs incurred by the trainers. It includes, in some years, the costs of training kits or fees for "training the trainers" sessions. Training in preventing sexual misconduct against both children and adults is required by national canons. This training is required by General Convention resolutions and Diocesan policy

MISSION

CONGREGATIONAL SUPPORT

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|--|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Congregational Support | | | | | |
| Christ Memorial, Kilauea | 20,000 | 6,000 | - | - | - |
| Grace, Molokai | 57,793 | 50,793 | 46,521 | 48,814 | 52,900 |
| Holy Cross, Malaekahana | 8,734 | 0 | - | - | - |
| Holy Innocents, Lahaina | 18,000 | 6,500 | - | - | - |
| St. Augustine's, Kohala | 10,000 | 4,000 | - | - | - |
| St. George's, Pearl Harbor | 68,000 | 30,000 | 63,000 | 57,000 | 62,000 |
| St. Jude's, Ocean View | 12,322 | 17,000 | 16,000 | 16,700 | 16,700 |
| St. Matthew's, Waimanalo | 13,000 | 3,500 | - | - | - |
| St. Philip's, Maili | 37,700 | 36,000 | 37,000 | 38,000 | 37,400 |
| St. Stephen's, Wahiawa | 15,000 | 28,726 | 25,000 | 25,100 | 23,300 |
| Trinity By-the-Sea, Kihei | 35,000 | 29,000 | 11,300 | - | - |
| West Kauai | 43,000 | 40,000 | 36,200 | 37,000 | 41,000 |
| Sub -Total Congregational Support | 338,549 | 251,519 | 235,021 | 222,614 | 233,300 |
| Other Support | | | | | |
| Pacific Islander Youth Ministry | 30,000 | 67,300 | 66,000 | 67,000 | 73,000 |
| St. Nicholas, Kapolei-Church Plant | 180,000 | 170,000 | 154,500 | 144,000 | 140,000 |
| Emergencies & Opportunities | 12,492 | 18,800 | 36,383 | 48,111 | 63,472 |
| Total Congregational Support | 561,041 | 507,619 | 491,904 | 481,725 | 509,772 |

CONGREGATIONAL SUPPORT

Individual Congregation Line Items

These line items financially support congregations (missions and parishes) to meet the necessities of congregational life. The requests are reviewed with their strategic plans, the parochial reports, and investment portfolios, recent financial statements, minutes of Bishop's Committee/Vestry meetings, of the applying congregations. The Congregational Health & Growth Commission's recommendations regarding funding are based upon the congregation's ministries, evidence of movement toward self-sufficiency through stewardship, evangelism efforts, proposals to undertake innovative ministries based on the awareness of Diocese Strategic Plan and local priorities, in addition to the ability of congregation to fund these ministries.

Pacific Islander Youth Ministry

The intent of this ministry is to: (1) provide and facilitate activities and services for the targeted group consistent with meeting the goals of the Diocesan Strategic Plan. This targeted group is the Pacific Islanders' youth and their families who have not had the privileges of engaging in activities due to financial and social reasons. This ministry will attempt to meet the needs of this targeted group through the re-assertion of their identity by arranging special services to include pastoral visitations and church services done in their own languages.

Emergencies & Opportunities

This line item provides funds to develop opportunities for new ministry or to cope with emergencies. It is available to congregations that have called new clergy whose salary packages are difficult to project, to help when congregations have had sudden or unpredictable changes in finances, leadership, or in the condition of their facilities. Any assistance granted to the congregation is considered a one-time, nonrenewable grant made during the current year. Any additional request for diocesan support must be made as a Resource Request to the diocese and be part of the congregation's annual budget in the coming year. The prior year carry over balance @6/30/09 is \$45,700

NATION & WORLD

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|-----------------------------------|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Nation & World | | | | | |
| General Convention Deputy Support | 18,500 | 0 | 16,700 | 16,700 | 16,700 |
| National Church Quota | 360,300 | 354,600 | 349,100 | 325,400 | 315,900 |
| Provincial Quota | 17,700 | 14,700 | 10,000 | 10,000 | 10,000 |
| Provincial Synod Delegate Support | 1,907 | 0 | 5,000 | 5,000 | 0 |
| Total Nation & World | 398,407 | 369,300 | 380,800 | 357,100 | 342,600 |

NATION & WORLD

General Convention Deputy Support

Funds are accumulated over three years annually and held in reserve to support the eight deputies and two alternates from our Diocese to attend the General Convention. The 2012 General Convention will be held in Indianapolis, Indiana.

National Church Quota

This is the assessment we pay to the national church to contribute toward its work and ministry. It is based on Diocesan income, which includes parochial giving, unrestricted operating investment income and restricted investment income used to pay operating expenses for the respective years. The National Church asking after deducting a \$120,000 exemption from Diocesan income is computed at a flat rate of 21% for 2010. The rate drops to 20% in 2011 and to 19% in 2012. The 2009 assessment is based on 2007 diocesan income. The 2010 to 2012 assessment is based on the 2008 to 2010 diocesan income respectively.

Provincial Quota

Hawaii is part of Province VIII of the Episcopal Church, and this is the amount we pay to help with Provincial programs and administration.

Provincial Synod Delegate Support

Allocation supports the expenses for two delegates to attend the annual Synod meeting. No funding for 2009 and 2012 because General Convention is scheduled

OTHER COMMISSIONS & MINISTRIES

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|---|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Other Commissions & Ministries | | | | | |
| Congregational Health & Growth Commission | 18,996 | 20,000 | 21,800 | 22,800 | 16,200 |
| EcoJustice Network | 0 | 250 | - | - | - |
| Ecumenical/Inter Faith Relationships | 500 | - | - | - | - |
| Emerging Generations | 44,977 | 46,800 | 39,620 | 38,600 | 41,100 |
| Mission Ministries(local/global outreach) | 41,878 | 16,600 | 14,800 | 14,800 | 15,500 |
| Total Other Commissions & Ministries | 106,351 | 83,650 | 76,220 | 76,200 | 72,800 |

OTHER COMMISSIONS & MINISTRIES

Congregational Health & Growth Commission

This line item funds expenses for expert consultation in Hawaii and attendance at local and national training events. To help build healthy multicultural congregations, the commission's support will include, but not be limited to, promotion of planning cycles for congregations of an appropriate length, follow up to conferences, site visits by commission members and other diocesan resource persons, and other church development education. The commission hopes to help equip individuals and congregations to live their baptismal covenant through spreading the Good News of Jesus Christ, especially by encouraging ministries to ethnic groups in their communities that may be underrepresented in their congregations

EcoJustice Network

This line item was formerly called Environmental Action Commission, then the Eco-Justice Commission. It will share information, education and awareness for congregations and individuals through internet/email communications. The mission is to protect the environment from further pollution and destruction. Information will include activities, recycling resources, and regular information to congregations. This has changed from a Diocesan Commission to a volunteer network of individuals who will support their work through recycling HI5 and other donations.

Ecumenical/Inter Faith Relationships

This line item funds ecumenical and interfaith activities in Hawaii. The Department plans to have a presence beginning in 2008 in several of the ecumenical/interfaith conversations and activities after 2 years of little participation. This line item provides funds for participation and assistance as part of the groups. This commission has committed to work without direct Diocesan funding through 2012.

Mission Ministries

Mission Ministries, formerly a commission of the Justice, Peace, & Partnerships Department, now under Mission Department, funds projects and ministries. Mission Ministries advocates for the marginalized, voiceless, dispossessed, needy, oppressed, or imprisoned, through partnerships within the diocese, the larger Anglican Communion, and with other faith and secular organizations; local, national, and global. Millennium Development Goals (MDG) mandated at the annual convention in 2006, commits 0.7% of the Episcopal Diocese of Hawaii's annual budget to community and international development programs. Those monies, formerly allocated to ER&D (Episcopal Relief and Development) as a vehicle for Global funding, is now our source for local ministry. Money left at the end of the fiscal year is sent to ER&D.

OTHER COMMISSIONS & MINISTRIES

(Continued)

Emerging Generations Mission

The Emerging Generations Mission seeks to encourage, empower, and equip congregations and local ministries to introduce and reach new and emerging generations with the Good News of Jesus.

New and Emerging Generations refers to those age groups and generational cohorts with diminishing presence in the church, specifically the ages groups associated are: children (up through elementary school), junior high (grades 6-8), high school (grades 9-12), university students (after high school graduation), and young adults (after undergraduate university graduation)

Our mission goals include:

1. Development of diocesan training for leadership in ministry with new generations
2. Support for ministry to university aged young adults through the MacCray Center.
3. Support and development of further alternative worship within diocese
4. Support the development of a ministry network for ministry with younger generations through social networking and resource database development
5. Support local ministry development through grant distribution to congregations and local for new ministry development.

In 2008, the Emerging Generations Mission experienced significant funding reduction precipitated by other Diocesan ministries use of funding. In 2009, the Mission Team experienced additional funding reductions, requiring significant revision of previously published programming, occupying the Mission Team attention for the first half of the year.

In spite of funding reductions, the Emerging Generations Mission has of the Summer 2009:

- Offered 2 workshops at DJ09 discussing new perspectives on worship and mission orientation for congregations, as well as lead an alternative and contemporary experience of worship.
- Provided funding for the continued facility use of the MacCray Center as a space dedicated first and foremost to ministry with university students and young adults of that age group. The Manoa Campus Mission has partnered and been subsidized by St. Peter's, Honolulu, and seeks additional congregation partners. The Campus Mission offers weekly Bible studies, fellowship, outreach activities, seasonal worship, and participation in campus community events. The space has been available for use by other entities with priority given to those associated with ministry to new generations and young adults.
- Compiled & began the dissemination of information and resources for congregations and congregational leaders to use in developing local ministries with new generations, as well as resources for alternative worship patterns.

For the remainder of the year 2009, the Emerging Generations Mission will:

- Provide a training weekend long training event for leaders with New Generations (family ministry, children's ministry, youth ministry, and young adult ministry). Note the reduction of this program from three gatherings to one due to budget constraints.
- Offer application for up to 4 grants of a maximum \$2500 each to local ministries for the development of alternative worship patterns or the development of new ministries with new generations. Monies will be one time only, cannot pay salaries or subsidize one time events, and require the entity to plan for future funding and support to include participation in the New Generations Ministry College.

In the year 2010, the proposed budget allocation will be directed towards the following:

| | |
|-------------------------------------|----------|
| MacCray Center Facility Maintenance | \$20,000 |
| Ministry Grants | \$10,000 |
| New Generations Ministry College | \$9,620 |

STEWARDSHIP

OTHER SUPPORT

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|----------------------------|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Other Support | | | | | |
| St. George's Lease Rent | 20,700 | 20,700 | 20,700 | 20,700 | 20,700 |
| Total Other Support | 20,700 | 20,700 | 20,700 | 20,700 | 20,700 |

OTHER SUPPORT

St. George's Lease Rent

The current lease with the Navy ends on August 31, 2010 ("Holdover status thereafter pending sale'). The Navy has declared the land "in excess", which means they don't need it and intend to sell it. There are various entities, including the Episcopal Church, working together resulting in legislation as follows:

1. Gives leaseholders (Including the diocese) the right of first refusal to purchase
2. Six months to exercise first right of refusal
3. If purchase is intended, two years to close
4. Purchase at "Fair market value"

COMMUNICATIONS

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|--|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Hawaiian Church Chronicle | 24,478 | 15,000 | 15,500 | 16,400 | 17,200 |
| Total Communications & Technology | 24,478 | 15,000 | 15,500 | 16,400 | 17,200 |

COMMUNICATIONS

This budget encompasses areas of communications within the Diocese: the *Hawaiian Church Chronicle* diocesan newspaper; public relations/brochures, flyers, etc., as needed.

Hawaiian Church Chronicle

The Hawaiian Church Chronicle has been a “wrap” on the Episcopal Church newspaper, *Episcopal Life*. Beginning in 2010, *Episcopal Life* will cease to exist as we have known it, instead becoming a quarterly magazine. Whether there will still be an opportunity for diocesan partnerships, and what these will look like, is still up in the air. The Diocese of Hawai'i is moving to more electronic forms of communication, but still needs some form of print communication also.

DIOCESAN SUPPORT EXPENSES

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|--|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Advertising | 5,399 | 6,350 | 5,800 | 6,100 | 6,300 |
| Archives | 665 | 3,100 | 3,600 | 3,600 | 3,600 |
| Audit Expenses | 31,074 | 24,900 | 65,900 | 68,600 | 71,300 |
| Cathedral Expenses | 88,500 | 90,300 | 92,100 | 93,900 | 95,800 |
| Chancellor's Expenses | 250 | 3,100 | 3,300 | 3,400 | 3,500 |
| Diocesan Convention | 30,464 | 9,700 | 6,000 | 6,000 | 49,600 |
| Directors & Officers Insurance | 7,106 | 8,000 | 8,000 | 8,400 | 8,800 |
| Legal & related expenses | 1,273 | 10,000 | 10,000 | 10,000 | 10,000 |
| Meetings: Other | 4,288 | 4,900 | 5,100 | 5,300 | 5,500 |
| Meetings: Travel | 34,819 | 31,212 | 34,000 | 35,400 | 36,800 |
| Office Expenses | 80,283 | 63,000 | 63,000 | 63,900 | 66,000 |
| Planned Giving | 7,530 | 11,500 | 15,200 | 11,200 | 12,300 |
| Property Maintenance | 88,998 | 36,566 | 49,000 | 51,300 | 53,100 |
| Property Taxes | 11,877 | 12,300 | 12,800 | 13,300 | 13,900 |
| Security | 8,800 | 9,600 | 9,600 | 9,600 | 9,600 |
| Staff Travel & Related Expense | 8,821 | 7,600 | 8,100 | 8,400 | 8,800 |
| Treasurers' Consultations | 345 | 1,100 | 1,200 | 1,300 | 1,300 |
| Total Diocesan Support Expenses | 410,492 | 333,228 | 392,700 | 399,700 | 456,200 |

DIOCESAN SUPPORT EXPENSES

Advertising

This covers the cost of advertising in the phone books and in the military information booklets.

Archives

This covers the cost to maintain the archives for the Diocese of Hawaii.

Audit Expenses

Each year, as required by the Canons, a certified public accounting firm audits the diocesan financial records and prepares a report. The budget provides funding for the treasurers office to enable missions and aided parishes (20 in total) to comply with the canonical requirements for an annual audit. There is \$40,000 carried over to do the 2008 audit.

Cathedral Maintenance

The Diocese pays a portion of the Cathedral's maintenance budget because of the presence of Diocesan offices in their facilities and the Diocesan use of the buildings for meetings. In this way, the Diocese as a whole helps support the Cathedral of our Diocese.

Chancellor's Expenses

The Chancellor of the diocese uses this allocation for participation in the Western Chancellors' Conference, a computer research service and certain publications for the legal assistance given to the Diocese and its congregations and institutions.

Diocesan Convention

This covers the unreimbursed cost of holding the annual Diocesan Convention including area meeting costs, convention meeting costs, supplies, materials and postage. This cost is net of registration fees/meals and shared travel cost. The 2012 budget includes the cost to celebrate the diocese's 150th anniversary.

DIOCESAN SUPPORT EXPENSES

(Continued)

Directors & Officers Insurance

This is liability (errors & omissions) insurance to insure The Episcopal Church in Hawaii, its directors and officers. The insurance premium is based on our claims experiences and market conditions.

Legal & Related Expenses

This represents legal and related costs incurred by the diocese.

Meeting Costs: Other

These funds are for incidental costs for groups that meet for an entire day.

Meeting Costs: Travel

This represents travel costs for the neighbor-island members of Commissions and Committees.

Office Expenses

This amount includes telephone, copying costs, equipment maintenance, computer help, subscriptions, postage, equipment purchase, supplies, etc. The budget also includes the cost of software and computer upgrades and staff training.

Planned Giving

Priorities include visiting congregations to increase planned giving and gift planning, developing a program of education and support for congregations and working with the Episcopal Foundation on marketing, training and gift planning. The 2010 amount includes funds to do the first diocesan legacy society event.

Property Maintenance

This represents the maintenance of the apartments owned by the Diocese and includes utilities and repairs of the Cluett apartments and Office of the Bishop, Insurance (property, liability, & auto) and General Excise Tax. The 2008 cost includes the cost to demolish the Duplex building.

Property Taxes

The Diocese pays the property taxes on the parking lot and apartments that we rent.

Security

This covers the cost of maintaining security for the Queen Emma Square. We are subsidizing a portion of the total cost of security which amounts to \$18,847.

Staff Travel and Related Expenses

As part of their ministries, members of the Bishop's staff travel to other islands and to the mainland for meetings, consultations and church related programs.

Treasurers' Consultations

This represents travel costs for the new treasurers from all our congregations to meet with the Diocesan Treasurer on matters relating to their duties and responsibilities.

RETIREES

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|-----------------|----------------|----------------|----------------------------|----------------------------|----------------------------|
| Medigap Program | 16,556 | 24,500 | 21,400 | 22,900 | 24,400 |
| Total Retirees | 16,556 | 24,500 | 21,400 | 22,900 | 24,400 |

RETIREES

Medigap Program

The Diocese subsidizes a portion of the Medigap insurance benefits to eligible retired clergy and their spouses.

**OTHER THAN THIS SENTENCE,
NO TEXT IS INTENDED TO APPEAR ON THIS PAGE**

OFFICE OF THE BISHOP

EPISCOPATE

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|--|----------------|----------------|----------------------------|----------------------------|----------------------------|
| BISHOP | | | | | |
| Compensation and Benefits of the Bishop and his Secretary | 259,648 | 271,500 | 273,733 | 275,937 | 284,390 |
| General Convention Travel | 3,600 | 3,600 | 4,100 | 4,100 | 4,100 |
| Hospitality | 10,100 | 14,000 | 13,200 | 13,700 | 15,900 |
| Keyman Insurance | 691 | 700 | 700 | 700 | 700 |
| Travel & Continuing Education | 20,457 | 26,000 | 30,500 | 31,800 | 29,700 |
| Worker's Compensation Insurance | 1,422 | 1,400 | 1,500 | 1,500 | 1,600 |
| Total Episcopate | 295,918 | 317,200 | 323,733 | 327,737 | 336,390 |

EPISCOPATE

Bishop

This constitutes the compensation and benefits received by our Diocesan Bishop. The costs for the Episcopate, (excluding the Bishops Secretary) are fully funded by the Episcopate Endowment fund.

Election Process Fund

This fund was established to accumulate monies for electing a new bishop. We did not use the Election Process Funds to pay for the election of the Bishop as the 2006 operating income was adequate to cover the cost of the election. No annual allocation is needed for future budgets as the current Election Process Fund balance of \$108,704 will be sufficient to cover our next Bishop election.

General Convention Travel

This represents the annual allocations for the travel and meeting costs for the Bishop to attend the General Convention.

Travel & Continuing Education

This includes inter-island travel (parish visitations, deanery & clericus meetings, search & vestry consultations, & other meetings), mainland travel (House of Bishops' meetings), spousal travel, continuing education and other unanticipated travel.

Lambeth Fund

This Fund was established to cover the cost of Lambeth. The current fund balance of \$7,839. No annual allocation is needed as it will be funded from the Episcopate Endowment Fund.

STAFF

| | 2008 ACTUAL | 2009 BUDGET | 2010 PROPOSED BUDGET | 2011 PROPOSED BUDGET | 2012 PROPOSED BUDGET |
|---|----------------|----------------|----------------------------|----------------------------|----------------------------|
| (Including Pension & other Benefits) | 467,600 | 471,050 | 453,000 | 456,000 | 469,700 |
| Bookkeeper | X | X | X | X | X |
| Canon Administrator | X | | | | |
| Canon for Ministry Development | X | X | X | X | X |
| Communications & Technical Officer | X | | | | |
| Events Coordinator/ Office Manager | X | X | X | X | X |
| Treasurer/Finance Officer | X | X | X | X | X |
| Staff Continuing Education | | | | | |
| Staff Support costs | | | | | |
| Total Staff | 467,600 | 471,050 | 453,000 | 456,000 | 469,700 |

X= STAFFING FOR YEARS ABOVE

STAFF

This represents the compensation and benefits of all of the members of the Diocesan Staff, excluding the Bishop and his Secretary, which is included under the Office of the Bishop-Episcopate. No salary increase is budgeted for 2010 and 2011. The 2012 budget reflects a 3% increase.

The Canon Administrator position was replaced by a new position called the Events Coordinator/ Office Manager in March 2008. This person has also assumed some of the coordination functions of the Program Officer in addition to most of the duties of the Canon Administrator. The Canon for Ministry Development position was effective 4/1/08 and this staff was previously the Canon for Communications and Ministry Development and now includes many of the duties of the former Canon to the Ordinary position. The Communications and Technical Officer position was eliminated due to the current economy. The Treasurer has assumed the duties formerly done by the part time Planned Giving Officer and some of the review functions of the Canon to the Ordinary.

The Office of the Bishop staffing has been reduced by the Program Officer, the Youth & Young Adult Coordinator, Technology Officer, Planned Giving Officer and Communication Officer over the past few years. Some of the positions were full time and some part time, but the duties have been taken up by existing staff in the office and by volunteers.