

BUDGET NARRATIVE FOR THE 2016 APPROVED BUDGET October 24, 2015

**INCOME**

Page 3, Line 1a: Assessments

Assessment income is the amount levied by the Convention on each congregation in the Diocese of Hawai'i to support the programs and expenses of the Diocese. The projected income shown in this budget is based on a 2016 assessment rate of 19% of each congregation's operating income, as shown on the most recent parochial report on file. That means that the 2016 revenue forecast is based on the parochial reports for 2014.

The triennial General Convention of the Episcopal Church in June 2015 voted to decrease the national church's assessment rate applied to the dioceses over the next three years, and as that lower rate takes effect, the Council recommends that the assessment levied on congregations in our diocese also be lowered. The assessment rate has been 20% since 2009, but the Diocesan Council this year recommends that the rate decrease to 19% for 2016, with further reductions to 18.5% in 2017 and 18% in 2018.

Page 3, Line 1b: Investment Income

- To estimate income from investments, the diocese uses a spending policy of five percent of each endowment fund's average market value over the prior twelve quarters.
- All projected investment income is net of investment fees, both managerial and custodial.
- Income from the Portfolio (Restricted) is primarily from the Episcopate Endowment Fund. The distribution is limited to the expenses related to the "Episcopate" (the Bishop).
- Income from the Portfolio (Unrestricted), the Von Holt Fund, and the Ing Fund represent a 5% total return distribution.
- Income from the Helen Hagemeyer Endowment is restricted by the donor for support of mission churches.
- 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.

Page 3, Line 1c: Apartments

Rental income comes from the diocesan-owned apartments (the 6 units of the two-story "Cluett Apartments") on the mauka side of Queen Emma Square next to St. Peter's Church. Management and tenant oversight of the Cluett Apartment is currently outsourced with no direct involvement by the Office of the Bishop.

Page 3, Line 1d: Parking

Parking income is from the rental of Diocesan parking spaces in the parking lot behind the Memorial Building (the Office of the Bishop is located on the second floor of the Cathedral's Memorial Building). These spaces are rented to the St. Andrew's Schools and four other individuals.

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Page 3, Line 1e: Interest

This represents the interest earned on Diocesan cash accounts.

Page 3, Line 1f: Miscellaneous

Miscellaneous gifts and other income are included in this line item.

**EXPENSES**

Page 5, Line 2a: Korean Missioners

Two priests from South Korea, Diocese of Seoul, were working to reestablish the ministry for a Korean-speaking congregation at St. Luke's Church, Honolulu, as part of an agreement with the Archbishop of Korea. The missioners are returning to Korea in 2015. The amount in the 2016 budget is to assist with travel expenses if the Diocese of Seoul sends another missioner to Hawai'i in 2016 at its own expense.

Page 5, Line 2b: Native Hawaiian Ministry Committee

This line item is for travel for individuals to attend meetings of the Anglican Indigenous Network (AIN) and other local and church wide indigenous ministry events. This Committee maintains close contact with other indigenous peoples and their faith communities throughout the United States and the Worldwide Anglican Communion. The Committee on Native Hawaiian Ministry offers various opportunities for education and mission. More recently, this line item has helped to fund diocesan workshops on various aspects of Hawaiian culture and tradition offered by committee members and invited guests.

Page 5, Line 2c: Pacific Islander Ministry Committee

The intent of this budget item is to provide for and facilitate activities and services for Pacific Islander youth and their families in Hawai'i. A majority of this target population is underprivileged, underrepresented, and underserved. Primary reasons include but are not limited to socioeconomic distress resulting from disenfranchisement and displacement from their respective island homes and culture, under-education, and underemployment. The Pacific Islander Ministry meets the needs of this targeted group by developing and providing services that include distribution of food and meals, education, recreation and social activities, pastoral visitations and church services. This ministry has expanded to bring members of the Chuukese and Tongan communities into the Episcopal Church.

Page 5, Line 2d: Pacific Islander Missioner

This line item provides for the compensation of the Missioner for Pacific Island Ministry, Mrs. Fani Lino. It is budgeted as a half time position for 2016 and beyond.

Page 5, Line 3a: Audit Expenses – Missions

The Diocese includes in its budget the funds for missions and aided parishes to have an annual audit conducted. This is a national canonical requirement, coming from an action of the General Convention of the Episcopal Church. (Parishes also are required to have an annual audit, but at their own expense.)

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Page 5, Line 3b: Calvary/St. John's by the Sea

These Diocesan funds support the shared ministry of Calvary and St. John's by the Sea on Windward Oahu. The purpose of the support is to assist in re-establishing Calvary as a viable Episcopal Church in Kaneohe (see <http://www.calvarykaneohe.com>).

In 2015, Calvary again became an Organized Mission. The Bishop's Committee decided to close the church's preschool and rent the space to another preschool provider, retaining all staff. This has increased income, reduced oversight responsibilities, and gives leadership the time to focus on mission. St. John's and Calvary are working together in supportive ways while maintaining separate identities.

Page 5, Line 3c: Cathedral Wahi Kapu

In the 2015 budget, this is a onetime payment to the Cathedral of St. Andrew to provide Diocesan support for the renovation of the Wahi Kapu in the Cathedral. It reflects the commitment of the Episcopal Church in Hawaii to honor the Holy Sovereigns as the founding patrons of the Diocese.

Page 5, Line 3d: Grace, Molokai

This line item supports the ministry of Grace Church on Molokai (<http://www.gracechurchmolokai.com>). The Council has determined that this is an essential ministry of the Diocese of Hawai'i. Council encourages other churches in the Diocese to greater engagement with Grace Church, including urging support of their thrift shop and consciously visiting the congregation when possible.

Page 5, Line 3e: St. James/St. Columba's

This line item supports ministry at St. Columba's, Pa'auilo, as part of a revitalization effort from St. James Church, Waimea (see <http://stjameshawaii.org>). St. Columba's Church was made a preaching station (Unorganized Mission) some years ago. In the past couple of years, a Sunday morning congregation has been re-established. It began by using Sunday supply, then moved into a Lay Pastor mode. As of August 2015, the mission replant efforts are moving into their next phase, which is a Priest-in-Residence model. Significant needed repairs have been made to the vicarage and church over the past year. This is the second year of a three-year plan to see if a viable congregation can be replanted.

Page 5, Line 3f: St. Jude's, Ocean View

This budget account supports the ministry of this isolated Big Island congregation. St. Jude's is a small congregation with significant outreach to its community, offering a space for senior citizens to meet, free internet for students, hot showers for the homeless, spay and neuter clinics, and a medical care van for people unable to drive to a doctor.

Page 5, Line 3g: West Kauai

In the current budget there is no funding for the Episcopal Church on West Kauai. (It appears on the budget document because there was funding in 2014.)

Page 5, Line 3h: West Oahu

This budget allocation supports the shared ministry of St. Nicholas-Kapolei, St. John the Baptist-Waianae, St. Stephen's-Wahiawa and St. Timothy's-Aiea. These funds will be released in regular monthly allocations. In 2015, a portion of the funding support was set up in a separate Contingency account, to be released only upon the region meeting certain benchmarks and a review of the overall structure of the ministry. Hiring a Director of Operations and Congregational Development has had a positive impact on the overall management of the West Hawaii congregations. While a review of the operations and structure by the Council continues, the region has made huge strides in financial accountability and in transparency. The Council feels that in 2016, it is no longer necessary to have a separate Contingency account. The funds in this line item will be released monthly to the region. The Council will continue to monitor the feasibility and vitality of this shared ministry initiative.

Page 5, Line 3i: Windward Shared Ministry

This line item is not currently in use. (It appears on the budget because there was funding in 2014.)

Page 5, Line 4a: Camp Mokule'ia

Camp Mokule'ia will be running "Hui Pu," the Diocesan youth summer camp. This is the first year it is taking over this responsibility from the Diocese. The camp consists of a high school program, a middle school program, and a shorter elementary school (entering grades 4-6) program.

Page 5, Line 4b: Christian Formation

This line item allows the Diocese to encourage and aid congregations in the areas of adult and children's education. It includes diocesan membership fees for such programs as Education for Ministry (EfM) and Godly Play. The amount provided will fund the costs of speaker(s), logistical support, and some scholarship funds for diocesan formation events. The Christian Formation budget account can aid congregations and educators seeking resources to support local Christian education initiatives. Funding is also included to cover the costs of developing and holding the Diocesan Convocation, an annual diocesan gathering for the purposes of formation and mission called for by the 2007 annual meeting of the Convention.

Page 5, Line 4c: Diversity Training

This funding is to assist in diversity training, communication, and resource development for congregations and individuals. The training was mandated by resolution of the General Convention. Based on the promises in our Baptismal Covenant to "seek and serve Christ in all persons, loving [our] neighbors as [ourselves]" and to "respect the dignity of every human being," we must seek to create dialogue on racism; to facilitate respect for diversity; and to promote healing, reconciliation, and transformation in our members and institutions. The Diocese is continues to seek a contextually appropriate and volunteer friendly means for such training on a broad level in the style of "Safeguarding God's Children." The creation of the Canon for Mission and Leadership position may facilitate this effort.

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Page 5, Line 4d: EYE Reserve

Every three years, there is a nation-wide Episcopal Youth Event. In 2014, it was held in Philadelphia, Pennsylvania. It is the Diocese's policy to fund one-third of the cost, while expecting parish and individual support to cover the balance. This amount will go into the reserve fund for the next EYE just as the Diocese reserves funds each year for General Convention.

Page 5, Line 4e: Planned Giving

This funding is to help congregations encourage members and friends to remember the Church in their wills or estate plans. The Diocese offers a program of education and direct support for congregations, and works with the Episcopal Church Foundation (ECF) on marketing, training, and gift planning. This line item also funds the annual Ho'ike Ulu Legacy Society events that honor good stewards who have remembered their congregations, the Diocese, or another ministry in their wills or estate plans. Currently, the Treasurer is the primary staff person coordinating Planned Giving.

Page 5, Line 4f: Safe Church Training

This line item funds canonically required 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 General Convention resolutions and by diocesan policy.

Page 5, Line 4g: Stewardship

This line item supports the ministry of stewardship in the Diocese and engages congregations in a greater understanding of stewardship, with a focus on congregational giving. The Diocese also participates in the wider stewardship discussion by participating in The Episcopal Network for Stewardship (TENS) and other forums.

Page 5, Line 4h: Summer Camp

Responsibility for running "Hui Pu," the Diocesan youth summer camp, shifts in 2016 to Camp Mokule'ia. See "Page 5, Line 4a" above.

Page 5, Line 4i: Summer Camp – Scholarship

Income from The Rev. J. Thurlow and Jane Baker Memorial Fund is used to provide scholarships to bring Neighbor Island youth of the Episcopal Church to participate in church activities and meetings on Oahu.

Page 5, Line 4j: Youth and Young Adult Ministry

This line item is intended to provide programs for youth and young adults that are viable, thriving, spiritually refreshing, resourceful, cost-effective, and, most importantly, God centered. The amount for 2016 is reduced from 2015 because there is no Youth Director budgeted in 2016.

Page 6, Line 5a: A Cup of Cold Water

A Cup of Cold Water (ACCW) is a community based Care-Van outreach program on the Island of Maui, formed by a group of committed Episcopalians from Good Shepherd, Holy Innocents, St. John's and Trinity By-the-Sea. The program is a food and clothing distribution service for the poor and needy in the community, and uses the care-van to deliver essential food, hygiene and clothing items throughout the island. With a strong volunteer base from the Episcopal Churches on Maui, the program is growing and now includes churches from various denominations. (See <http://www.episcopalhawaii.org/a-cup-of-cold-water.html>)

Page 6, Line 5b: Ecumenical/Interfaith Relations

This line item supports efforts to build relationships with, and community among, other faiths through shared communication and participation in the areas of faith-based, spiritual, and social issues aligned with the mission of our Diocese. Institutional membership in The Interfaith Alliance Hawai'i (TIAH) and representation on the Board of Hawai'i Council of Churches Fund (HCCF) are part of this support.

Page 6, Line 6a: Church Administration Development

This covers expenses of a one-day conference for diocesan church administrators, secretaries, offices managers and similar positions. Most of the funds are for airfare for one administrative position from each church in the Diocese. The event is mostly led by volunteers, Office of the Bishop staff, and may have an outside speaker.

Page 6, Line 6b: Clergy Conference

The amount budgeted under Clergy Conference funds the expenses, mostly airfare, for two Clergy Education Days per year and provides a substantial subsidy for the annual clergy retreat. For 2016, expenses formerly budgeted separately under Community of Deacons are included in this line item. This is funding for two meetings per year of the vocational Deacons with the Bishop, and annual membership dues in the Association of Episcopal Deacons (AED) plus attendance by a Deacon from the Diocese at an AED conference. This line item also can cover the airfare for clergy spouses to attend the Clergy/Spouse Dinner, if there is one, during the annual meeting of the Convention, and occasional Clergy Spouse events.

Page 6, Line 6c: Curacy Support

This account will help fund curacies for seminarians from the Diocese upon graduation and ordination. The intent is to make it possible for newly ordained clergy to serve at least two years under the mentorship of an experienced priest in the Diocese. One seminarian graduated this spring and will be ordained a priest in 2016, and another seminarian will graduate in the spring of 2016.

Page 6, Line 6d: Licensed Ministries/Ministry Resources

Licensed Ministries covers any costs associated with the training and licensing of laypersons to the licensed ministries spelled out in Title III of the Canons of The Episcopal Church. Ministry Resources covers the cost of various books, periodicals, and other resources intended to promote leadership or ministry development and discernment throughout the Diocese.

Page 6, Line 6e: Other

Other items that are part of the work of the Commission on Ministry are budgeted here, such as psychological testing and background checks for those in the ordination process (both of which are required by church canon). Also included are the costs of background checks for candidates for positions on the Bishop's staff or as priests in mission congregations.

Page 6, Line 6f: Seminarian Support

The Diocese provides a grant of \$1,000 per semester to help cover tuition for anyone being sponsored for ordination by a congregation in the Diocese of Hawai'i and attending a seminary. The Diocese currently has three seminarians: one graduating in the spring of 2016, and two who began their studies in the fall of 2015.

Page 6, Line 6g: Vibrant Ministry Programs

This line item is not budgeted in 2016.

Page 6, Line 6h: Local Ordination Formation Program

*Waiolaihui 'ia* is the Hawai'i program for those being formed for ordination to the priesthood or vocational diaconate. This program is intended to provide training and formation for mature persons, grounded in the local cultures of Hawai'i, for whom the disruption and cost of mainland seminary is not feasible. Whether employed, self-supporting, or retired, these persons have the flexibility and stability to serve a congregation as priest-in-charge, rector, long-term supply, or deacon. The group meets in community ten times a year for intensive weekends of training and worship. The curriculum of the three-year program includes both academic courses prepared by the Episcopal Seminary of the Southwest, and practical courses developed by the Iona School for Ministry of the Diocese of Texas. Graduates of *Waiolaihui 'ia* are expected to meet all canonical requirements for ordination. The Diocese of Hawai'i is one of a growing number of Episcopal dioceses collaborating in the Iona Initiative (see <http://www.ionainitiative.org>).

Page 6, Line 7a: Diocesan Council Grants

In 2015, the Diocesan Council set aside one percent of the budget to fund grants to congregations for new projects and programs. The Council proposes to continue the program in 2016 but at a lower funding level to make it possible for the assessment rate for congregations to be lowered to 19%.

Page 6, Line 7b: Bishop's Emergency Reserve

This is an emergency fund to aid congregations on the recommendation of the Bishop to Diocesan Council.

Page 6, Line 7c: Treasurers' Consultations

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

Page 7, Line 8a: Bishop

This line item includes the compensation and benefits for the Diocesan Bishop.

Page 7, Line 8b: Bishop's General Convention Travel

This line item supports the annual allocation to create a reserve fund for travel and meeting costs for the Bishop to attend the triennial General Convention of the Episcopal Church.

Page 7, Line 8c: Executive Assistant

This line item includes the compensation and benefits for the Bishop's Executive Assistant. The Executive Assistant/Administrative Manager provides administrative support to the executive leadership team and brings organization to the office's leadership functions.

Page 7, Line 8d: Hospitality

This supports the Bishop's ministry of hospitality. As part of his episcopal responsibilities, he exhibits Hawai'i's aloha spirit and hosts individuals and groups, reciprocates hospitality, and develops partnerships. This also includes funding for the Bishop to support the fundraising activities of the entities on whose board of directors he serves by virtue of the office (St. Andrew's Priory, 'Iolani School, Seabury Hall and Camp Mokulē'ia).

Page 7, Line 8e: Keyman insurance

This line item provides the insurance premium for the Bishop's life insurance benefitting the Diocese in the event of the Bishop's death.

Page 7, Line 8f: Travel and Continuing Education

This covers the Bishop's inter-island travel (parish visitations, regional and clerical meetings, search & vestry consultations, & other meetings), mainland travel (House of Bishops' meetings), spousal travel, and other unanticipated travel.

Page 7, Line 9a: Academic Dean

This represents the salary paid to the Academic Dean who oversees the local training program for ordination (*Waiolahui'ia*).

Page 7, Line 9b: Bookkeeper

This line item represents the pay and benefits for the Bookkeeper. The Bookkeeper performs general accounting duties, maintains computer records of financial transactions, keeps track of accounts, and verifies the accuracy of procedures used for recording financial transactions.

Page 7, Line 9c: Admin. General

This line represents the pay and benefits for the half-time general duty Administrative Assistant. The position provides administrative and reception support to staff, helping relieve office staff of clerical work and administrative and business details by performing general office operations.

Page 7, Line 9d: Administrative Program Support

This line represents funding for temporary help and contingency staffing. It allows for flexibility in providing staff support for special projects and programs, and the possible need for additional help as the new Canon for Mission and Leadership takes up ministry in 2016.

Page 7, Line 9e: Canon for Mission and Leadership

This new staff position will focus on working with regions and congregations to equip leaders (lay and ordained) to engage in God's mission in these islands. Particular focus will be given to congregational development, stewardship and formation (especially as it strengthens lay and clergy leaders and advances the mission of the Church to make disciples.) This staff person will also encourage and help equip congregations to establish alternative Christian communities and reach new populations. The position is budgeted at the same level as the Canon to the Ordinary in past years. (Note the amount shown for Canon to the Ordinary in 2014 is for a partial year since the incumbent left mid-year.)

Page 7, Line 9f: Canon to the Ordinary

This position was not budgeted in 2015 and is not included in the 2016 budget. The amount shown as Actual in 2014 is compensation for a partial year only, since the last Canon to the Ordinary left in mid-2014.

Page 7, Line 9g: Office Manager

This line represents the pay and benefits for Office/Property Manager. This position is responsible for organizing and coordinating office operations and procedures and carrying out a range of administrative and IT related tasks, with the responsibility of ensuring that the office runs efficiently and effectively.

Page 7, Line 9h: Treasurer

This line represents the pay and benefits for the Treasurer, who is the Chief Financial Officer of the Diocese, overseeing all issues of investments, finances, accounting, real estate, insurance, planned giving and taxes.

Page 7, Line 9i: Youth Director

This line item includes the compensation and benefits for the Youth Director. The position is not budgeted this year.

Page 7, Line 10a: Advertising

This is the cost of advertising in telephone phone books.

Page 7, Line 10b: Archives

This line item covers the cost to maintain the archives for the Diocese of Hawai'i, including archival supplies, pest management, and reproduction of images from other institutions, exhibits, and attendance by our volunteer Diocesan Historiographer at a professional development conferences.

Page 7, Line 10c: Audit Expenses - Diocese

This line item covers the cost of contracting with a certified public accounting firm to conduct an audit of the diocesan financial records and to prepare a report as annually required by the Canons of the Episcopal Church.

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Page 7, Line 10d: Chancellor's Expenses

This line item allows the Chancellor to participate in the Western Chancellors' Conference, and provides access to a computer research service and certain publications in support of the legal assistance that the Chancellor's Office gives to the Diocese and its congregations and institutions.

Page 7, Line 10e: Contract Communications Coordinator

This covers the contract for the editor of the eNews/eChronicle and Webmaster of the Diocesan website.

Page 7, Line 10f: Diocesan Convention

This line item covers the unreimbursed cost of holding the annual meeting of Diocesan Convention, including area meeting costs, convention meeting costs, supplies, materials, and postage. This cost is net of registration fees/meals and shared travel costs. It also includes an amount for temporary staff.

Page 7, Line 10g: Directors & Officers Insurance

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

Page 7, Line 10h: General Convention Deputy Support

This line item provides for the annual accumulation of funds to be held in reserve over three years to support the eight deputies and two alternates from our Diocese who attend the General Convention.

Page 7, Line 10i: Grant Writer

The Council felt it may be advantageous for the Diocese to have a grant writer on contract to help take advantage of numerous grants available. This is a trial program for 2016, which will be evaluated during the next budget cycle.

Page 7, Line 10j: Internet/Website support

This line item provides for the costs of maintaining the Internet and webpage.

Page 7, Line 10k: Legal & Related Expenses

This represents legal and related costs incurred by the Diocese. Unexpended legal expenses up to \$5,000 will be set aside as a reserve to cover potential future legal expenses.

Page 7, Line 10l: Meeting Costs

This line item provides provide funds for incidental and travel costs for meetings that arise because of emergencies or other unanticipated circumstances.

Page 7, Line 10m: Mutual Ministry Review (MMR)

This budget account is for contracting a consultant to lead the Diocese in a Mutual Ministry Review in 2016.

Page 7, Line 10n: Office Expenses

This line item 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.

Page 7, Line 10o: Property - Cluett

The Diocese owns the Cluett apartments located on Queen Emma Square. Management of the apartments is contracted out to a property manager. This account covers the cost of utilities, repairs of the apartments, property and liability insurance, property management fees, and general excise tax.

Page 7, Line 10p: Property - Diocese

This account covers general liability and umbrella insurance as well as the cost of maintenance of the trees on the diocesan parking lot.

Page 7, Line 10q: Property - MacCray House

This covers the cost of keeping and maintaining the MacCray House near University of Hawai'i–Manoa. There is ongoing discussion on the long-term plans for this underutilized property.

Page 7, Line 10r: Property Taxes

This line item pays the property taxes on the parking lot and apartments rented for income by the Diocese.

Page 7, Line 10s: Province VIII Quota

This line item funds the voluntary assessment the Diocese pays to the Province. Hawai'i is part of Province VIII of the Episcopal Church, and this is the amount the Diocese pays to help with Provincial programs and administration. Through the Synod (the official meeting of representatives of the Province), the Province has set the assessment as a minimum contribution of 0.35% of net disposable income.

Page 7, Line 10t: Social Media

The Council feels that the church's mission would be enhanced by increasing the Diocese's visibility on social media such as Facebook, Twitter, etc. This budget item supports that goal.

Page 7, Line 10u: Staff Continuing Education

This line item covers the cost of continuing education for the Bishop's staff.

Page 7, Line 10v: Staff Support Costs

This line item covers support costs for special projects for all members of the Bishop's staff.

Page 7, Line 10w: Storage

This budget item covers the cost of storing records in a secure, off site location due to space limitations in Diocesan quarters.

Page 7, Line 10x: Technology Support

Included in this line item is the contract for outsourced IT support and the purchase of needed technology.

Page 7, Line 10y: The Episcopal Church Quota (Assessment)

This funds the assessment the Diocese pays to The Episcopal Church nationally 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 \$150,000 exemption from Diocesan income, is computed at a flat rate. At the General Convention in Salt Lake City in 2015, the rate was set to decrease over the next three years from the 19% assessed in 2015 to 15% in 2018. This will be accomplished by lowering the rate incrementally to 18% in 2016, 16.5% in 2017, and 15% in 2018. At the same time, dioceses that have not been paying the full asking/assessment are expected to do so by the end of the three years. The Diocese of Hawai'i always pays the full asking of the General Convention.

Page 8, Line 11a: Cathedral Capital Reserve

This line item acknowledges that the Diocese needs to share costs of capital improvements of the Memorial Building (for example, the roof). This reserve fund will allow Council to respond to such needs.

Page 8, Line 11b: Diocesan Office Cleaning Expense

This budget item covers the cost for cleaning of the Office of the Bishop. The Cathedral does not provide such services

Page 8, Line 11c: Security Shared with the Cathedral

This is the Diocese's portion of the cost of maintaining security for Queen Emma Square. The other Episcopal entities on the Square share the cost of these services.

Page 8, Line 11d: Shared Cathedral Expenses

The Diocese pays a portion of the Cathedral's maintenance budget because of the presence of the Office of the Bishop on the second floor of the Memorial Building. This is a non-assessable building use expense reimbursement. The Council substantially reduced this payment for 2015 to better reflect reimbursement of actual expenses for electric and water use.

Page 8, Line 12a: Travel – Governance Groups

This line covers the cost of travel and online meeting costs for meetings of the governance groups of the Diocese, including Standing Committee, Diocesan Council, Compensation Review Committee, Commission on Ministry, and for clergy and warden meetings with the Bishop.

Page 8, 12b: Staff Travel

This line item support the ministries of members of the Bishop's staff and the Treasurer by funding travel to all islands in the state and to North America for meetings, consultations, and church-related programs.

Page 8, Line 13a: Kapolei land

This budget line pays the property taxes and other expenses to maintain property purchased in Kapolei for future construction of a church in this growing area of Oahu. Until a church facility is built on the site, the Diocese must pay property taxes.

Page 8, Line 13b: Medigap Program

This line item provides a subsidy to eligible retired clergy and their spouses to cover a portion of their Medigap insurance costs.

Page 8, Line 13c: Pearl Harbor Land Lease Rent

While the Diocese attempts to sell the property where St. George's was located, it continues to pay lease rent to the federal government.

Page 8, Line 13d: Property Consulting

An amount was set aside in 2015 to hire a consultant to work with several congregations who are looking into the highest and best use of their land and facilities. Since title to most property is vested in the Diocese, the Council feels it is appropriate to provide funds for professional expertise to help congregations develop appropriate plans and proceed in a manner that is beneficial to the congregations, in accordance with their vision for ministry, and also consistent with the vision of the Diocese as a whole.