

# SYNOD OF THE PACIFIC (PCUSA) REPORT OF THE SYNOD EXECUTIVE

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May 11, 2006

The act today of calling the eighty ninth meeting of the Synod of the Pacific to order, represents the beginning of the last Synod meeting for several of you who are completing your terms as Synod Commissioners. For some of you, today represents the completion of six years as a Synod Commissioner. For others, it means you have completed a three year term, or an unexpired term, and have decided that God is calling you to some new and different opportunity. No matter what the circumstance, it is a day to express our profound appreciation for your service to the Synod of the Pacific. As volunteers, you have donated your time, talent and creativity to the support of ministry in this region of the Presbyterian Church, U.S.A. And for that gift of time and energy which you have so graciously given, we offer each of you our heartfelt thanks.

Like a painter restoring a piece of art, the Synod has undergone significant changes and improvements under your leadership. In heeding our affirmation of the church reformed and always reforming, we have, in consultation with our presbyteries, continued our efforts to discern God's will for the Synod, implementing refinements to our structure and processes. As your journey serving as a Synod Commissioner comes to an end, I felt it would be appropriate and enlightening to take a look back over the past six years at some of the changes and accomplishments you have helped the Synod achieve.

## Mission Finance Committee

### 2001

- Utilized loan survey information received from 225 churches in an effort to improve the Loan Service.
- Expanded the Synod Investment Policy to include Highmark Capital Management as another investment vehicle which helped increase interest revenue significantly.

### 2002

- Renewed and maintained a \$5MM line of credit with Union Bank.
- Established a Reserves Policy for the Synod to help ensure sound financial management.
- Approved updated programming of custom software for all synod services (programming is scheduled for completion in 2006).
- Established subcommittees with authority to act on synod loan/investment interest rates and vote on loan approvals between Synod meetings. This has greatly increased efficiency in the central office and for the churches, and has helped us maintain very competitive interest rates.
- Approved guidelines for Payroll processing fees charged to churches/presbyteries.

- Revised our loan policy to ensure that all loans over \$200,000 made by the Synod are secured by a deed of trust. Since implementing this policy, we have reduced the amount of unsecured loans from over \$15 million in 2002 to \$321,000 today.
- Established a policy that we will not loan more than 15% of available resources (investment deposits) to any one borrower, thereby limiting potential risk.
- Updated all loan application forms to be more user friendly while still providing needed borrower information to assist in effective loan underwriting.
- Completed a major revision and upgrade of our Loan Guidelines.
- Expanded the types of investments available to our depositors with higher yields by adding six month, one year, and three year Mission Development Certificates (MDC).

## 2003

- Implemented a policy to ensure that paid leave (vacation) accruals for synod staff were being tracked and reported monthly.
- Amended the Synod Block Grant distribution process to include a 13<sup>th</sup> check whereby, if 100% of basic mission support is not received, a portion of the block grant will be held back, thus reducing the exposure of Synod Reserves to balance Block Grants already disbursed.
- Implemented a creative process for the Loan Service by clarifying the types of mission giving considered, and giving borrowers discounts on their interest rates in relation to their mission giving. This process eliminated the previous method of denying loans to churches with low mission giving.
- Set up designated reserve accounts for payroll contingencies and for Health & Benefits Service needs, which further helped in managing our finances in a more fiscally responsible manner.
- Improved Loan underwriting and loan payment receipts by beginning a process of requiring linked investment accounts for loans with potential risk or poor loan payment history.

## 2004

- Transferred \$1,000,000 of Synod reserves into a Balanced Growth Fund with New Covenant Funds of the PC (U.S.A.) which helped to further diversify our investments.
- Created a policy regarding outstanding Capital Advances made in the 1950s – 1970s. With the help of committee members, outstanding Capital Advances have been reduced from \$642,000 to \$155,000.
- Added Volunteer Accident Insurance to the Synod so that our commissioners are covered.
- Distributed a Request for Proposal amongst several CPA firms and selected a new CPA firm for annual financial audits.

## 2005

- Increased the outstanding loan balance portfolio from \$26.7 million to \$35.5 million.
- Added a two year Mission Development Certificate to our Investment Service.
- Revised the guidelines for Equity Share loans to Synod Elected Staff from \$75,000 to \$250,000.
- Increased mileage reimbursement for volunteers/commissioners from 14 cents to 22 cents per mile.
- Worked with the auditors to clarify Synod Financial Statements and reporting of Advisory funds and temporarily restricted net assets.

## 2006

- Disbursed \$32,900,000 in loan funds to 105 different borrowers since 2003.
- Increased deposits in our Investment service from 368 accounts totaling \$31,000,000 as of Dec. 31, 2000, to 560 accounts totaling more than \$40,000,000 as of Mar. 31, 2006.
- Developed annual Synod budgets totaling more than \$4,000,000 each.
- Received an “Unqualified Opinion” (the highest rating attainable) from our auditors regarding our financial statements in each of the last 6 years.
- Revised the J. M. Muzzy Loan Fund guidelines to include insurance and equity share loans to churches.

## Mission Partnership Committee

### 2001

- Redesigned and improved the format and contents of the Synod’s website.
- Organized and facilitated an Interim Pastor’s training event.

### 2002

- Received \$34,500 in Racial Ethnic Ministry grants for the Synod Mission Partnership.
- Organized and facilitated the first Synod Sexual Misconduct Prevention Training Event.
- In consultation with the Mission Finance Committee, established a new fund to assist in covering costs of the Racial Ethnic Advanced Pastoral Skills (REAPS) seminars.

### 2003

- Appointed a Mission Statement Task Force to review and revise the Synod’s Mission Statement. In February 2006, the Task Force presented a new revised Mission Statement to the Synod for approval.
- Produced and distributed first Synod-wide Mission Giving Instruction Binder to interpret mission giving; how mission is pledged, how it is received and the distribution process.

## 2004

- Planned and facilitated a Sexual Misconduct Prevention Training Refresher Course for clergy.

## 2005

- Adopted a new Committee Job Description.
- Revised the Hilda V. Thompson Medical Ministry Grant application and guidelines.
- Organized and facilitated a Synod wide COM/CPM Consultation.
- Established a Mission Interpretation Task Force. Their first task was to design a new Synod logo which was presented and approved at the February 2006 Synod Meeting.
- Established a fund to Support Presbyteries and Other Constituent Organizations. Disbursed a gift to Zephyr Point for the Tallac Center - \$2,500, and gave \$5,000 to the victims of hurricane Katrina and Rita.

## 2006

- Established an "Emergent Needs" fund. Thus far, \$15,000 has been granted to Redwoods Presbytery for the Imani Fellowship, Vallejo, CA.
- Reviewed and approved \$163,310 in Hilda V. Thompson Medical Ministry Fund Grants over the past six years.
- Produced an article annually for publication in the Mission Yearbook of Prayer regarding the make-up and work of the Synod.
- Hosted an annual Mission Partnership Funding Consultation, and continue to work on improving it as well as the partnership process.
- Provided \$600,000 to \$800,000 of excess operating revenue over expenses annually to the Mission Partnership table.
- Awarded a grant in the amount of \$5,000 to support the 2006 Western Regional Transformation Experience.
- From 2000 through 2006, applied for and received G.A. Unassigned Restricted Funds (submitted to G.A. \$1,508,959, received \$457,626 for our Synod and Presbyteries).

## Mission Personnel Committee

### 2001

- Approved making part-time SRMA Associate Executives part of the Synod payroll service.
- Revised our Sexual Misconduct Prevention Policy.
- Developed a new Compensation Plan.

- Developed a new job description format.
- Approved a new performance evaluation process and form.
- Developed a new Exit Interview Policy and form.
- Began utilizing the Newport Consulting Group to establish appropriate salary ranges for all Synod staff positions.
- Made the Chairs of Presbytery/Mission Unit Personnel Committees Ex-Officio members of the committee with voice but not vote.

## 2002

- Implemented a \$300 Continuing Education Benefit for Appointed Staff.
- Began the practice of assigning Associate Synod Executives and Presbytery Executives as “Resource Persons” (on a rotating basis) to Synod committees.
- Developed a Compensation Philosophy.

## 2003

- Approved a revised Staffing Structure for the Snake River Mission Area.
- Approved having one Associate Synod Executive help staff the committee.
- Implemented an Agreement for Executive and Administrative Services to establish the relationship between the Synod and those presbyteries participating in the Synod’s Personnel Service. The “Agreement” went into effect January 1, 2004.
- Added a Long Term Disability benefit for staff not in the Board of Pensions benefit plan.

## 2004

- Increased the maximum staff auto loan from \$20,000 to \$25,000 with a maximum term of six years.
- Approved an additional benefit authorizing the closing of Synod and Presbytery/Mission Unit offices in our Personnel Service from Dec. 26 through Dec. 30.

## 2005

- Used an alternative method for determining individual compensation in 2006 that addressed justice issues.
- Approved a recommendation to hire a personnel consultant to audit the Synod’s Personnel Policies and Procedures Manual, and to audit our personnel records.
- Revised the Paid Leave Benefit Days accrual policy providing a cap on PLBD accruals at 20 days in an effort to reduce the Synod’s financial liability.
- Implemented the use of “time sheets” by Synod staff to comply with labor laws.
- Approved a new Leave of Absence policy.

## 2006

- Completed the transition of Redwoods Presbytery into the Synod's Personnel Service.
- Received the audit performed by Personnel Perspective of the personnel policies and record keeping and voted to implement most of the recommendations.
- Adopted the paper entitled "Summary of the Role of Presbytery/Mission Unit Personnel Committees" which outlines the role of presbytery personnel committees whose presbytery participates in the Synod's Personnel Service.
- Approved revisions to the Personnel Policies and Procedures Manual in each of the last 5 years to ensure compliance with federal and state labor laws and to incorporate input from the presbyteries.

## Other

- Revised the Synod By-Laws including a restructure of its membership. Under consideration is a change from a Coordinating Committee to a Synod Council, and commissioner terms from three years to two years.
- Took action to make the Covenant Presbyterian Insurance Corporation a separate entity from the Synod.
- Committee on Representation planned exciting Mission Tours and brought people from various ministries within the Synod to meet and share their stories with commissioners.
- Relocated the Synod Central Office to a new location.
- Approved 7 exceptional candidates for Ministry within the Synod.
- Celebrated the completion of the Talac Center at our Zephyr Point Camp and Conference Center.
- Celebrated the retirement and service of several Elected and Appointed Staff, and celebrated the calling and/or hiring of a number of new Elected and Appointed Staff.

This list of accomplishments is long and impressive. I am sure when you heard some of these; your mind flashed back to a committee meeting where the nuts and bolts of the matter were discussed and then approved for recommendation to the Synod. I hope you feel a sense of pride in the part you personally played in making the Synod the ministry supporting governing body it is today. So as you begin your last Synod meeting, it seems appropriate to recite these words from Mathew 25:23 (NIV), "Well done good and faithful servant."

Thank you Synod Commissioners one and all.