



December 6, 2010

To: Incumbents, Wardens and Treasurers of All Parishes

From: The Synod Office

Re: Financial Information Update

The following information will be of interest. You are urged to study this information carefully as there is much to be considered.

APPROACHING YEAR-END 2010

Your Parish contributions in support of our Shared Ministry Budget are critical. The Bishop and Diocesan Council have great appreciation for the efforts of the parishes in that regard.

Included in this package is a report to November 30th showing the budget support results as well as the employment assessment status for each parish. Wardens, Treasurers and Incumbents are asked to review the situation in your respective parishes and bring it to the attention of your next meeting of the parish corporation. We urge each parish to make every attempt to provide the funding requested in support of the important ministry we all share

PREPARING FOR 2011

The Diocesan Shared Ministry Budget 2011:

At the time of writing the Diocesan Council had not yet approved the 2011 Shared Ministry Budget. This unusual situation reflects the concern that the draft budget presented to Council identified levels of expenditure and income that could result in a substantial deficit. In light of that possibility, Council was asked to consider the draft budget as a working document for review and consideration, as opposed to a recommended plan for 2011.

One budget item that captured particular attention was a proposed appointment of a Parish Development resource person. This proposal was presented by the Council's Stewardship Team and while there was agreement as to the need, funding appeared to present some difficulty. Council decided that this would be removed from the budget until such time as funding for the position as a pilot project could be identified.

With that change, the draft budget was returned to the Finance Committee with instruction to identify any possible expenditure reductions and any possible income sources, so as to get the deficit down to a more tolerable level.

Of course it is recognized that the primary budget funding source is the parishes who, through their Shared Ministry Budget Support, provide over 85% of the required funds. The notion of adding to the amount asked of parishes was seen to be in conflict with the actions of Synod 2009, in its response to the Report of the Budget Funding Task Force.

That Synod adopted a new stewardship and sharing model for the diocese, but recognized that implementation of such a model would take time and a great deal of stewardship teaching and training. In the meantime Synod requested that parishes continue their current levels of support for the Diocesan Shared Ministry Budget and that those not able to provide support to the requested levels be encouraged to do so.

As a result of the decisions of Synod the amount requested of parishes in support of the Shared Ministry Budget has been held at the 2006 level for the past four years. Given the impact of inflation and the need for programs to be developed/expanded etc, fixing the principal source of funding in this manner is extremely limiting.

In summary, there is currently no approved budget for 2011. The Finance Committee will carry out the request of Council and present a new budget to the January meeting. In the meantime the formal request of parishes for shared ministry budget support in 2011 will remain the same as in 2010. The Finance Committee will continue its followup with parishes that have been unable to meet their requested budget support, in an effort to encourage and support their efforts in that regard.

Employment Costs (Clergy and Laity) for 2011:

Clergy Minimum Stipend Scale: The Diocesan Council has approved a recommendation from the Human Resources Committee for a 2% increase in the minimum clergy stipend scale for 2011. This reflects the overall New Brunswick Consumer Price Index (the measure of inflation).

A copy of the new scale is included herein. It should be noted that clergy with less than 11 years of service will move up one level on the scale. Please be reminded that the scale is a minimum and parishes may exceed the scale if they choose to do so.

Travel Reimbursement System: The Human Resources Committee has recommended to Council the adoption of a new per-kilometer system of travel reimbursement to replace the current flat Travel Allowance. Council has approved the new system with a gradual approach to implementation.

Starting in 2011 all new clergy appointments to parish ministry will be subject to the new system. In addition parishes and clergy can opt to begin participation in 2011 as doing so does have certain advantageous results.

In 2012 the new system will be adopted across all parishes and for all clergy. This provides the parishes and clergy with over a year of lead time to enable adequate planning for all parties in anticipation of the change.

Complete details on the new system, its implementation and the provision for "opting in" can be found at [Regulation 7-2 - Remuneration, Travel and Housing](http://anglican.nb.ca/legislation/regulations/7-2_remuneration_travel_and_housing.pdf)
<http://anglican.nb.ca/legislation/regulations/7-2_remuneration_travel_and_housing.pdf>

In the meantime, the **Travel** and **Car Replacement Allowances** will stay at their current levels (\$4,600 and \$4,200 respectively) in 2011. The Travel Pool Assessment will remain at zero for 2011.

In those parishes where the new system applies in 2011:

- The (\$4,600) Travel Allowance will be eliminated
- The Travel Pool Assessment will be \$475 per annum.
- Parishes will reimburse their clergy for travel at least monthly at a rate of 23 cents per km.
- The cost of reimbursing km's in excess of 17,500, will be rebated from the Synod Office through the Travel Pool.
- **There is no change to the Car Replacement**

NOTE: In 2011 the basic reimbursement for automobile use will increase to 43 cents per km.

Parish Pension Premium: The General Synod Pension Plan, in which all clergy participate, is a national plan managed by a Pension Committee and a Board of Trustees. As with all pension plans the market downturn during 2007 - 2009 and the unsteady recovery since, have had a negative effect on the value of pension fund assets.

2011 is the second year of a plan to address the current pension shortfall. The plan calls for a two-stage increase in the premium rate for employer contributions. In 2010 the rate went from 10% of pensionable earnings to 11.2% . In 2011 the premium rate will rise to 12.4% of pensionable earnings. The pension premium forms part of the Parish Employment Assessment

Long Term Disability Premium: The employer premium rate for 2011 remains at 2.2% of Pensionable Earnings. This is part of the Parish Employment Assessment

For your information "Pensionable Earnings" is calculated as 150% of the total of the stipend and car replacement. This recognizes the value of the housing provided as part of clergy remuneration.

Following are sample Calculations, using a stipend of \$37,124 and car replacement of \$4,200:

| | |
|--|----------|
| Pensionable Earnings = (37,124 + 4,200) X 1.5 = | \$61,986 |
| 2011 Parish Pension Premium at 12.4% of 61,986 = | 7,686 |
| 2011 Disability Plan Premium at 2.2% of 61,986 = | 1,364 |

Parish Benefits Plan Assessment: The Human Resources Committee with help from our consultants has negotiated renewal on the Health and Dental Plan. The renewal carries a premium increase of just over 8% which is quite reasonable alongside general trends in this type of coverage.

Because of the pooling effect where the benefits cost is spread among all parishes, there is no need to increase the employer premium share in 2011. It will remain at \$315 per month. This is part of the Parish Employment Assessment.

Continuing Education Plan for Clergy: The employer premium for this item remains at \$450 annually. That premium also applies for Vocational Deacons. This is part of the Parish Employment Assessment.

Parishes employing retired clergy on a part-time stipendiary basis are required to provide an Education Allowance in the amount of \$300, which is to be paid to the Incumbent at his or her request, for educational endeavors.

Pension Bonus Assessment: This assessment amount will be unchanged in 2011.

Legislated Costs: The rates for CPP will remain at 4.95% for both employee and employer. The maximum premium for each is increased to \$2,217.60 (up by \$54). The EI premium rates will increase to 1.78% in 2011 for employee and 2.492% for employer. The maximum employer premium will be \$1,101.46 (up by \$65).

Note Re Parish Lay Employees: Some parish lay employees are participating in the lay pension plan offered through General Synd. This is a "defined contribution plan" which calls for premium rates of 5% of salary for both employer and employee.

The employer premium for Long Term Disability Plan is 2.2% of salary.

The 2011 rates for insurance and medical coverage for lay employees will be communicated as soon as they are available.

Parish Assessment Statements For 2011:

The key to the production of this important statement is the stipend information for clergy and salary information for any lay employees the parish may have. To that end we have developed a form which lists, for each parish, those persons who are on the central payroll system, along with their 2010 stipends or salaries. The form includes instructions for completion and requires an authorized signature (preferably a warden or the treasurer). A sample of form is included herein. A hard copy will be sent to the Parish Treasurers.

Incumbents, Wardens and Treasurers are asked to work together to ensure this request is answered. It is strongly recommended that remuneration be set via a specific motion of the Parish Corporation.

The first pay run for 2011 needs to be submitted to our service provider in advance of the pay date. In order to allow us time for input we must have the information by Jan 7th.

The Diocesan Consolidated Investment Fund (DCIF):

Arising out of its ongoing monitoring of our portfolio results during 2010, including such factors as interest & dividend rates and a volatile but somewhat positive growth trend in market values, decisions have been made in respect of rates of return for parish and diocesan funds within the DCIF.

Bonus Capital Addition: There will be a 1% bonus addition to capital at year end 2010. This modest distribution reflects an improved outlook as well as growth in portfolio market value, which were not present over the past couple of years when bonus additions were not possible.

2011 rate of Return: The current "regular" rate return of 3.25% will be continued in 2011. Continuing our past practice, the rate is being set for the first six months of the year and will be reviewed at mid-year for a decision as to the rate to apply for the second half of 2011.

Change in Portfolio Management: The Investment Committee, a Finance sub-committee, has carried out an extensive review of the management of our investment funds. This included a review and re-write of our Investment Policy Statement, which is available on the web at <http://anglican.nb.ca/synod/finance/DCIFInvPolicyStatement.pdf>

After two years of study, consultation and research the Investment Committee recommended to Finance that a change be made in our investment management. The Finance Committee agreed and Letko Brousseau and Associates, of Montreal have been appointed as managers of the DCIF effective January 1, 2011.

This is a globally focused and dynamic manager with a strong history of upper level performance. Moreover they are well known in our Anglican community, as a major player in the management of assets of the General Synod Pension Plan as well as many investment and endowment funds of the General Synod.

Naturally this decision was not an easy one, given our long-standing relation with our former managers. However the Committee is confident and excited by the appointment and looks forward to an equally long-lasting and valuable relationship.

The Diocesan Group Property/Liability Insurance Plan:

We now have 75 of 84 parishes in the program. More and more we are realizing the benefit of participating in a group plan as a viable way to ensure adherence to the Diocesan Minimum Insurance Standards and doing so at a cost better than that available elsewhere.

The renewal of our policy on December 1, 2010 (to November 30, 2011) has been finalized and it comes with no rate increases. There will be a 2.5% inflationary factor added to the property and contents values only. So while the rates are unchanged there will be an increase in the overall premium.

You will want to be aware that after much discussion among our Brokers and Insurers and with leadership from our Insurance Advisor, we have opted to place of an additional "self insured deductible" on property claims. This sees us taking on responsibility for a \$1,500 deductible over

and above the \$1,000 already in place. This provision results in a property/contents premium credit of 2.5%.

Payment of this additional deductible on claims will be charged against a Trust Fund established for that purpose. The Trust will be funded by a levy of \$100 to all parishes and related organizations participating in the group insurance plan. It will be added to your 2010-2011 renewal invoice. Full details will be provided with the renewal documents.

As mentioned, there is much information in this correspondence. It has been forwarded via e-mail to those with that capability. You are urged to study it carefully and to bring it to the attention of the parish corporation and others in the Parish.

L. F. Scott, Treasurer

Related Documents:

November Report on Budget Support and Employment Assessments

Clergy Stipend Scale 2011

Sample Stipend/Salary Reporting Form

2011 Budget information will be provided when approved by Council in January 2011

Scale of Minimum Clergy Stipends and Travel Reimbursement for 2011

Approved by Diocesan Council November 10, 2010

| Year of Ordination | Years of Service | Approved Scale For 2010 | Approved Scale For 2011 | Related Pension Plan Premium | Related Disability Plan Premium |
|---------------------------|-------------------------|--------------------------------|--------------------------------|-------------------------------------|--|
| 2010 or 2011 | 1 | 30,578 | 31,190 | 6,582 | 1,168 |
| 2009 | 2 | 31,159 | 31,782 | 6,693 | 1,187 |
| 2008 | 3 | 31,742 | 32,377 | 6,803 | 1,207 |
| 2007 | 4 | 32,323 | 32,969 | 6,914 | 1,227 |
| 2006 | 5 | 32,905 | 33,563 | 7,024 | 1,246 |
| 2005 | 6 | 33,486 | 34,156 | 7,134 | 1,266 |
| 2004 | 7 | 34,068 | 34,749 | 7,245 | 1,285 |
| 2003 | 8 | 34,650 | 35,343 | 7,355 | 1,305 |
| 2002 | 9 | 35,232 | 35,937 | 7,465 | 1,325 |
| 2001 | 10 | 35,814 | 36,530 | 7,576 | 1,344 |
| Prior to 2001 | 11 | 36,396 | 37,124 | 7,686 | 1,364 |

Notes re Stipend Scale:

Scale reflects 2% increase in 2011

First level of stipend applies up to the end of the year following the year of ordination

Travel Reimbursement Allowances:

| | 2010 | 2011 |
|-----------------|-------------|-------------|
| Car Replacement | 4,200 | 4,200 |
| Basic Travel * | 4,600 | 4,600 |

A new travel reimbursement system begins in 2011 for all new parish appointments or as chosen by the parish and cleric. In those cases the Travel Allowance is eliminated in favour of a per - kilometer system (at 23 cents per km), managed at the parish level.

Parish reimbursement cost is limited to \$4025 annually with excess cost rebated through the Synod Office. Additionally there will be a Travel Pool Assessment of \$475 annually.

*The new system will be put into effect in **all** parishes starting in 2012.*

**ASSESSMENTS
REPORT FOR
November 30, 2010**

FINANCE COMMITTEE REPORT

| PARISH | Shared Ministry Budget | | | Employment Assessments | | | Total Deficit |
|---------------------|------------------------|--------|-----------|------------------------|---------|-----------|---------------|
| | Required | Paid | Shortfall | Required | Paid | Shortfall | |
| Bathurst | 20,020 | 20,020 | 0 | 65,131 | 65,212 | (82) | -82 |
| Campbellton | 11,374 | 11,374 | 0 | 1,980 | 1,980 | - | 0 |
| Chatham | 30,734 | 27,940 | 2794 | 105,136 | 96,060 | 9,076 | 11,870 |
| Dalhousie | 5,368 | 5,368 | 0 | 242 | 242 | - | 0 |
| Derby Blackville | 22,165 | 22,165 | 0 | 65,687 | 66,058 | (371) | -371 |
| Hardwicke | 6,842 | 6,842 | 0 | 8,470 | 8,470 | - | 0 |
| New Bandon | 8,943 | 8,130 | 813 | 14,909 | 14,909 | - | 813 |
| Newcastle Nelson | 18,953 | 17,230 | 1723 | 46,824 | 42,863 | 3,961 | 5,684 |
| Restigouche | 3,465 | 3,465 | 0 | 242 | 242 | - | 0 |
| Cathedral | 66,891 | 66,891 | 0 | 169,366 | 169,909 | (542) | -542 |
| Fredericton | 87,758 | 87,758 | 0 | 176,558 | 176,679 | (121) | -121 |
| Fredericton Jctn | 12,430 | 12,430 | 0 | 16,145 | 16,145 | (0) | 0 |
| Gagetown | 6,974 | 6,340 | 634 | 24,666 | 22,199 | 2,467 | 3,101 |
| Maugerville | 1,474 | 1,474 | 0 | 0 | 0 | - | 0 |
| New Maryland | 12,001 | 12,001 | 0 | 63,480 | 63,579 | (100) | -100 |
| Oromocto | 12,529 | 12,529 | 0 | 41,885 | 41,885 | - | 0 |
| St Peters | 12,705 | 0 | 12705 | 59,990 | 59,990 | - | 12,705 |
| St. Margarets | 13,508 | 13,508 | 0 | 55,652 | 55,753 | (101) | -101 |
| Bright | 11,055 | 9,083 | 1973 | 22,975 | 18,760 | 4,215 | 6,187 |
| Cambridge Wtrbro | 5,841 | 5,841 | 0 | 26,372 | 26,028 | 345 | 345 |
| Douglas Na'sis | 44,748 | 4,068 | 40680 | 158,352 | 158,325 | 28 | 40,708 |
| Ludlow Blissfield | 15,235 | 8,570 | 6665 | 55,605 | 55,658 | (54) | 6,611 |
| Marysville | 13,673 | 2,486 | 11187 | 56,311 | 56,666 | (356) | 10,831 |
| Minto Chipman | 13,508 | 0 | 13508 | 50,669 | 51,428 | (759) | 12,749 |
| St Mary York | 18,381 | 19,410 | -1029 | 67,995 | 61,908 | 6,086 | 5,057 |
| Stanley | 10,725 | 8,775 | 1950 | 12,316 | 11,887 | 429 | 2,379 |
| Carleton | 25,245 | 13,179 | 12066 | 55,678 | 56,037 | (358) | 11,707 |
| Lancaster | 26,895 | 25,734 | 1161 | 102,772 | 102,935 | (163) | 998 |
| Musquash | 10,252 | 10,252 | 0 | 275 | 275 | - | 0 |
| Nerepis St John | 39,710 | 25,270 | 14440 | 167,838 | 168,371 | (533) | 13,907 |
| Victoria | 13,893 | 12,630 | 1263 | 55,486 | 55,591 | (105) | 1,158 |
| Campobello | 4,785 | 4,350 | 435 | 10,652 | 11,087 | (435) | 0 |
| Grand Manan | 12,023 | 10,930 | 1093 | 56,285 | 51,432 | 4,853 | 5,946 |
| Mcadam | 9,240 | 9,240 | 0 | 15,546 | 15,546 | - | 0 |
| Pennfield | 15,642 | 15,642 | 0 | 57,838 | 57,909 | (71) | -71 |
| St Andrews | 27,786 | 13,475 | 14311 | 67,611 | 68,530 | (920) | 13,391 |
| St David St Patrick | 1,760 | 1,920 | -160 | 0 | 0 | - | -160 |
| St George | 14,047 | 4,614 | 9433 | 56,282 | 42,822 | 13,459 | 22,892 |
| St Stephen | 20,878 | 15,184 | 5694 | 66,980 | 67,239 | (259) | 5,435 |

Employment Assessments includes Pension Bonus

Employment Assessment Amounts in "()" denote overpayment of EI / CPP premiums

ASSESSMENTS

REPORT FOR

November 30, 2010

FINANCE COMMITTEE REPORT

| PARISH | Shared Ministry Budget | | | Employment Assessments | | | Total Deficit |
|----------------------|------------------------|------------------|---------------|------------------------|------------------|---------------|----------------|
| | Required | Paid | Shortfall | Required | Paid | Shortfall | |
| Central Kings | 7,139 | 7,139 | 0 | 16,689 | 16,690 | (1) | -1 |
| Gondola Point | 9,196 | 9,196 | 0 | 308 | 308 | - | 0 |
| Hammond River | 9,823 | 4,141 | 5682 | 43,092 | 43,092 | - | 5,682 |
| Hampton | 21,087 | 13,710 | 7377 | 73,182 | 73,341 | (159) | 7,218 |
| Kingston | 14,916 | 15,497 | -581 | 31,522 | 31,809 | (287) | -868 |
| Quispamsis | 16,137 | 11,736 | 4401 | 51,816 | 51,812 | 3 | 4,404 |
| Renforth | 38,423 | 42,742 | -4319 | 81,840 | 78,232 | 3,608 | -711 |
| Rothsay | 39,127 | 39,127 | 0 | 138,247 | 138,240 | 7 | 7 |
| Sussex | 32,527 | 32,527 | 0 | 118,727 | 118,888 | (161) | -161 |
| Upham | 7,018 | 7,018 | 0 | 48,769 | 48,925 | (156) | -156 |
| Upper K'casis | 8,052 | 6,107 | 1945 | 16,687 | 16,687 | - | 1,945 |
| Waterford & St. Mark | 20,867 | 20,867 | 0 | 68,418 | 68,756 | (337) | -337 |
| Dorchester | 2,728 | 0 | 2728 | 0 | 0 | - | 2,728 |
| Hillsborough | 5,181 | 4,710 | 471 | 10,824 | 9,840 | 984 | 1,455 |
| Kent | 7,546 | 7,546 | 0 | 12,475 | 12,260 | 215 | 215 |
| Moncton | 34,144 | 31,040 | 3104 | 86,184 | 86,283 | (99) | 3,005 |
| Riverview | 22,880 | 22,880 | 0 | 76,447 | 76,695 | (248) | -248 |
| Sackville | 20,119 | 16,890 | 3229 | 56,538 | 56,608 | (70) | 3,159 |
| Salisbury Havelock | 9,273 | 9,273 | 0 | 50,299 | 50,481 | (182) | -182 |
| Shediac | 42,020 | 42,020 | 0 | 114,386 | 114,386 | - | 0 |
| St Andrews | 9,878 | 9,878 | 0 | 10,824 | 10,824 | - | 0 |
| St Philips | 14,443 | 6,622 | 7821 | 29,456 | 28,984 | 472 | 8,293 |
| St. James | 13,431 | 12,210 | 1221 | 24,566 | 23,333 | 1,233 | 2,454 |
| Westmorland | 5,049 | 5,049 | 0 | 0 | 0 | - | 0 |
| Coldbrook St Marys | 22,572 | 22,572 | 0 | 108,996 | 109,914 | (918) | -918 |
| East Saint John | 11,418 | 11,418 | 0 | 58,063 | 58,268 | (205) | -205 |
| Lakewood | 17,864 | 17,864 | 0 | 53,952 | 54,268 | (316) | -316 |
| Millidgeville | 16,093 | 11,704 | 4389 | 58,591 | 58,591 | 0 | 4,389 |
| Portland | 37,279 | 0 | 37279 | 109,041 | 108,924 | 118 | 37,397 |
| Saint John | 28,413 | 28,413 | 0 | 126,564 | 126,881 | (318) | -318 |
| Simonds | 5,841 | 5,310 | 531 | 34,407 | 31,185 | 3,221 | 3,752 |
| St Mark | 23,122 | 23,122 | 0 | 7,772 | 7,772 | - | 0 |
| St Martins Blk Rvr | 8,767 | 7,173 | 1594 | 46,409 | 40,711 | 5,698 | 7,292 |
| Andover | 14,091 | 5,124 | 8967 | 53,625 | 53,866 | (242) | 8,725 |
| Canterbury | 6,171 | 6,732 | -561 | 1,733 | 0 | 1,733 | 1,172 |
| Denmark | 4,389 | 4,389 | 0 | 42,987 | 42,987 | - | 0 |
| Grand Falls | 1,892 | 344 | 1548 | 0 | 0 | - | 1,548 |
| Madawaska | 5,423 | 5,423 | 0 | 0 | 0 | - | 0 |
| Prince William | 12,815 | 0 | 12815 | 37,373 | 37,783 | (410) | 12,405 |
| Richmond | 9,680 | 9,680 | 0 | 4,301 | 4,301 | - | 0 |
| Tobique | 11,781 | 7,497 | 4284 | 40,724 | 40,724 | - | 4,284 |
| Woodstock | 25,124 | 5,568 | 19556 | 91,176 | 83,287 | 7,889 | 27,445 |
| Wicklow Wilmot Etal | 26,609 | 21,771 | 4838 | 54,951 | 50,196 | 4,756 | 9,594 |
| DIOCESAN TTLS | 1,409,804 | 1,128,148 | 281656 | 4,172,158 | 4,106,740 | 65,418 | 347,074 |

Employment Assessments includes Pension Bonus

Employment Assessment Amounts in "()" denote overpayment of EI / CPP premiums

STIPEND/SALARY INFORMATION FORM 2011

Parish of: PARISH

The following shows the names and 2010 remuneration for the Parish Incumbent and any other employees you have on the Central Payroll system . Please use this to report the 2011 remuneration which will apply for each of these individuals.

Incumbent INCUMBENT

| <u>2010 Stipend</u> | <u>2011 Stipend Per Scale</u> | <u>2011 Stipend that will apply</u> |
|----------------------------|--|--|
| 36,396 | 37,124 | As per scale? Check here if yes [] |

If 2011 stipend will be above scale, please indicate amount \$_____

Other Employees: (If Applicable)

| <u>Name</u> | <u>Current Salary</u> | <u>Salary for 2011</u> |
|--------------------|------------------------------|-------------------------------|
| Emp 1 | Sal 1 | |
| Emp 2 | Sal 2 | |
| Emp 3 | Sal 3 | |
| Emp 4 | Sal 4 | |

This is authorization for the processing of payroll for 2011 in the amounts noted above.

Signed: _____
(On Behalf of the Parish Corporation)

Date: _____

Instructions: Form is required by **January 7, 2011**, in order to allow time for processing the first pay run for January 14th. Form can be submitted by mail to 115 Church St, Fredericton E3B 4C8 or by FAX (460-0520). You may submit the 2010 stipend/salary amounts by email, but the signed form will still be required for our files

If we do not have the required information by the processing date, stipends / salaries will remain at their current amounts.