

1 ASSEMBLY ON MISSION

2 Second Meeting

3 July 29, 2002

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5

MINUTES

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7 Brother Jonathan Cord, Moderator, called the second meeting of the District of
8 San Francisco Assembly on Mission to order at 11:35 a.m. The roll was taken by
9 the Tellers. Brother George, General Secretary reported the following delegates
10 absent: Brother Michael Avila, Lon Burford, Lawrence Puck, and Sister Thoa Ta.

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12 The Moderator urged Delegates to be on time for Assembly sessions, following
13 breaks. He noted that there would be a five minute warning given either by bell
14 or by dimming the lights. He reiterated that Delegates who are not on time will
15 be marked absent.

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17 The Moderator introduced Gery Short, Director of the Office of Education, for his
18 presentation, entitled "The Educational Climate and Mission in the District of San
19 Francisco."

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21 Following his presentation, Gery asked Delegates to consider and discuss, at
22 their respective tables, the following three questions:

23

- 24 1. What do they see as most encouraging?
25 2. What do they see as challenges?
26 3. What needs to be added? (Strengths, Challenges, Recommendations)

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28 The Moderator invited the Delegates to submit questions or suggestions in
29 regards to the topics addressed. These will be forwarded to an appropriate
30 committee for consideration.

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32 The Moderator introduced Steve Taylor, Director of Finance, for his
33 presentation, entitled "Vision of Stewardship." He requested that Delegates
34 return the Stewardship handouts following the presentation.

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36 At the end of Mr. Taylor's presentation the Delegates were asked if they had any
37 questions. The Moderator opened the floor.

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39 Clarification was asked in terms of how dollars are spent by De La Salle Institute
40 versus the Benilde Religious and Charitable Trust (Benilde). Mr. Taylor
41 responded that funds in De La Salle Institute are used for administrative costs
42 associated with the District. He further stated that Benilde was established to
43 provide funds for mission and is the largest of the three portfolios.

44

45 A question was asked regarding the forecast for the next five years. Mr. Taylor
46 explained that spending was available at five percent of market value. He noted

47 that if the market was down, there would still be five percent allocated to spend.
48 If the market was up, more could be spent. However, in order to stay within the
49 perpetuity guidelines it would be prudent not to spend more than five percent. A
50 Delegate commented that it did not appear that the market had impacted the
51 spending pattern. Mr. Taylor concurred.

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53 A question was posed as to why it appeared that the Christian Brothers
54 Charitable Trust (CBCT) draws are more than the other two funds. Mr. Taylor
55 responded by clarifying that the CBCT is not a perpetuity fund and that it was
56 designed to support the current Brothers' medical and retirement needs. The
57 question was posed as to how new Brothers would have money for retirement if
58 the fund was designed to eventually have a zero balance. Mr. Taylor stated that
59 new Brothers would be required to contribute to the fund. If new Brothers enter
60 the order and stay for forty years, the trust is set up so that they will have funds in
61 retirement.

62

63 A Delegate stated that the District entered the stock market at the right time,
64 providentially, and that the policy surrounding the three trusts does not violate the
65 Brothers' vow of poverty. Mr. Taylor commented that the way stewardship was
66 being handled is consistent with the ideas of the Founder; making sure the
67 resources are in place, being mindful of limits and preparing for new works. It is
68 an important principle that the District has good stewardship to insure that the
69 mission goes forward.

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71 A Delegate noted that service to the poor funds have been reduced. He
72 questioned how these might be brought back up to previous levels. Mr. Taylor
73 stated that some of the funds previously allocated to service of the poor had
74 been redirected to new works. As these new works become financially self-
75 sufficient, more funds will become available. In addition, it is anticipated that the
76 downturn in the stock market will reverse over the next four or five years,
77 providing additional funds for service of the poor.

78

79 A question was asked as to whether the managers of the trusts make ethical
80 investments. Mr. Taylor commented that some of the funds are monitored by
81 Christian Brothers Investment Services (CBIS) which is owned by the Brothers of
82 the United States/Toronto Region. CBIS periodically reviews the stock portfolio
83 and, if they feel a company is not conducting business ethically, proxies are
84 gathered and presented to the companies to voice concern and recommend
85 changes in their business practices. For the portions of the portfolios not in
86 CBIS, the managers of the funds are directed as to what companies are
87 unacceptable investments, e.g., armaments, certain pharmaceuticals, and so on.
88 The managers periodically provide a breakdown of the companies invested in
89 and CBCT and the Benilde review them. If a company is an unethical investment
90 the Trustees will make the decision to sell those stocks.

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92 The Moderator closed the discussion and asked the Tellers to pick up the
93 Stewardship handouts and any index cards with questions or suggestions in
94 regards to the topics addressed. These will be forwarded to an appropriate
95 committee for consideration.

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97 The Moderator announced that the next event was lunch and that the third
98 meeting would begin promptly at 2:45 p.m.

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100 There being no further business the second meeting of the first session
101 adjourned at 1:05 p.m.