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**Minutes**  
**Thursday 18<sup>th</sup> February 2021**  
**By Zoom Video Conference**

**1. Opening** Meeting opened at 9.03am.

**2. Attendees:** Mr David Ford (Chair), Mr Gary Boyd, Mr Phil Crandon  
Mr Ted Clarke

Non-members: Mr Chris Nelson, Mrs Annette Dent & Mr Blaine Fitzgerald (left the meeting at 10.35am).

All participants were joined by Zoom video conference.

**Apologies:** Bishop Murray Harvey

**3. Prayers and Acknowledgement of Country**

The Chair opened the meeting with prayer and Acknowledgement of Country as printed in the meeting agenda and Mr Ted Clarke said the opening prayer.

**4. Conflict of Interest Declarations**

The current standing register of interests as follows was noted:

- Bishop Murray Harvey – involved on various Diocesan boards and committees
- David Ford – Chair of Bishop Druitt College (BDC) Council and member of Bishop-in-Council.
- Chris Nelson – involved on various Diocesan boards and committees.
- Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA)

It was noted that the following conflict of interest was removed from the register effective 03/12/2020 and that it was an oversight that it remained on the 18 February 2021 meeting agenda. Future meeting agendas will not include this conflict of interest.

- Ted Clarke – Agreement with Clarence Valley Anglican School

**5. Confirmation of Minutes**

*That the minutes of the meeting of 3 December 2020 be accepted as true and correct*

**Moved:** Mr Phil Crandon

**Seconded:** Mr Gary Boyd

**Carried**

On 10<sup>th</sup> February 2021, the following resolution was agreed by Flying Minute:

“That the AFGD Board approves the following Term Investment rates effective 12/02/2021:

90 days 0.45% p.a.

180 days 0.55% p.a.

365 days 0.70% p.a.”

*That the Flying Minute on Term Investment Interest Rate Changes effective 12<sup>th</sup> February 2021 be ratified.*

**Moved:** Mr Ted Clarke

**Seconded:** Mr Phil Crandon

**Carried**

**6. Call for additional Agenda items and close of Agenda**

There were no additional agenda items.

## **7. Financial and Performance Reports**

### **a. Finance Reports**

The finance reports to 31<sup>st</sup> December 2020 were considered. Mr Blaine Fitzgerald spoke to the reports and noted an error in the calculation on the 'variance' column which needs to be corrected. Mr Chris Nelson also noted this error and advised he had already spoken to Mr Darrin Johnstone in regards to this matter. The results to December were positive and a solid performance considering minimal changes to lending rates, low deposit rates and well managed overall operational costs during a challenging year. The AFGD Board also discussed current liquidity levels and various options for surplus funds currently 'at call' in the AFGD Monthly Income Account held with AFSA. It was determined that placing funds in the AFSA Endowment Fund was not the best short term option, as was a change to the Ord Minnett portfolio until after the Corporate Trustees have had an opportunity to consider the recommendations of the AFGD Future Working Group and a determination was made on the next steps for the fund. The AFGD Board agreed to defer a decision in regards to where to place surplus funds until after the next AFGD Board Meeting scheduled for 18 March 2021.

*That the AFGD Board receives the financial reports for the period to 31 December 2020.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr Ted Clarke

**Carried**

## **8. Matters for Discussion and or Decision**

### **a. AFSA/AFGD Service Agreement Update**

Mr Blaine Fitzgerald provided commentary to his report on various administration and support provided to AFGD as part of the Service Agreement. The report was brief this quarter as it was a quiet period for the schools. A summary of the current status of each of the schools was provided and discussed further. The EAC refinance was processed on 30/11/2020. LAGS refinance was processed on 23/12/2020. CVAS provided their 2021 Operating Budget at the end of 2020 and due to the 'Deed of Extension' relating to the CVAS Subordinated Loan any further decision on funding changes has been deferred. Mr Blaine Fitzgerald also advised that apart from his work with Mrs Annette Dent on the AFGD 2021 Budget, he had received an informal query from Anglicare North Coast in regards to additional funding. To date no formal request has been received from Anglicare North Coast. Mr Blaine Fitzgerald also provided a brief summary on the status of Bank@Post from an AFSA perspective. It was noted that the process for over the counter deposits at Australia Post and the subsequent flowthrough to the relevant AFSA / AFGD accounts is working successfully. The next main item in regards to exit of services provided by Westpac is the clearing of paper based transactions i.e. cheque clearing. Mr Blaine Fitzgerald advised that both Indue and AFSA are working on a new provider of this service however as cheque based transactions are becoming less frequently used and as they are an expensive option it is a good time to encourage our clients to cease using cheques. Mrs Annette Dent will collate a list of clients who are high cheque users and present for further discussion at the next AFGD Board Meeting on 18 March 2021. The AFGD Board will then discuss options to facilitate the shift from cheques to direct entry transactions for these clients.

### **b. AFGD Future Working Group Report**

Mr David Ford introduced the AFGD Future Working Group Report and referenced the recommendations of the Working Group on page 16 of the report. Mr Chris Nelson confirmed that Bishop-in-Council had resolved at their meeting of 4 February 2021 to endorse the recommendations of the Working Group to the Corporate Trustees. There was further discussion in regards to the various options available to the AFGD Board at this time considering the Corporate Trustees will not formally receive & discuss the report until their meeting of 25 February 2021. The various options discussed by the AFGD Board were to 1. Receive & note the report, 2. Receive the report & endorse the recommendations to the Corporate Trustees or 3. Advise the Corporate Trustees that the AFGD Board rejects one or more of the recommendations in the report. Mr Phil Crandon spoke further to the report and his involvement in the Working Group and confirmed the consensus of the Group was that a detailed plan be put in place for the wind up of the fund. The AFGD Board confirmed the following motion in regards to the recommendations of the AFGD Future Working Group.

*That the AFGD Board thanks the Working Group on the future of Anglican Funds Grafton Diocese for its comprehensive report of 27 January 2021 and endorses the recommendations on page 16 of the report to the Corporate Trustees."*

**Moved:** Mr Phil Crandon

**Seconded:** Mr David Ford

**Carried**

#### **c. AFGD Board Structure and strategies moving further.**

Mr David Ford opened the discussion on this agenda item by noting that Bishop Murray Harvey had advised him that due to his current commitments he will not always be available to attend AFGD Board Meetings. It is for this reason, the resignation of Mr John Adlington and the current low numbers of existing AFGD Board Members, that there is a need for additional AFGD Board Member to be sourced. It was confirmed that as per the current Governance Ordinance the AFGD Board shall consist of a) the Bishop & b) up to a maximum of eight persons and a minimum of four persons appointed by the Bishop in consultation with Bishop-in-Council. A quorum shall consist of half the AFGD Board members, rounded up to the nearest whole number. Various options were discussed on how to recruit new members and the AFGD Board agreed to the following resolution.

*That the AFGD Board advises the Corporate Trustees that its membership is currently at the minimum required by the Governance Ordinance and in consideration of the recommendations of the Working Group on the Future of Anglican Funds Grafton Diocese, additional Board members are required. On this basis, the AFGD Board recommends that some of the current Corporate Trustees join the AFGD Board with the approval of the Bishop and the Bishop-in-Council.*

**Moved:** Mr David Ford

**Seconded:** Mr Gary Boyd

**Carried**

#### **d. AFGD Service Agreement**

Mr David Ford spoke to the current AFSA / AFGD Extended Service Agreement and advised that due to the changes to the AFGD loan portfolio and subsequent lower number of key clients, the level of work required as part of the extended service agreement has significantly reduced. The monthly invoice from AFSA currently includes a fee of \$5,833.33 (\$70,000 p.a.) for the 'Extended Service Agreement'. It was agreed that Mr David Ford will write a letter to AFSA requesting a review of the existing 'Extended Service Agreement' and associated fees and the following was also resolved.

*That the AFGD Board seek to request a review of the Extended Service Agreement with AFSA in light of the reduced workload moving forward and that any additional work required by AFGD from time to time be undertaken by negotiation.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr Ted Clarke

**Carried**

#### **e. AFGD Budget 2021**

Mrs Annette Dent & Mr Blaine Fitzgerald provided commentary to the draft AFGD Budget 2021 noting assumptions based on the reduced loan portfolio and anticipated changes to the funds under management as a result of forecast Professional Standards payments from the Diocese and the restructure of the Corporate Trustees investment strategy. There was further discussion in regards to the AFGD 'Contribution to the Diocese' and in particular an adjustment to the contribution based on the 2020 results. The draft budget was amended to reflect the changes discussed and agreed to as follows.

*Contingent on the agreement of the Corporate Trustees, and noting the AFGD surplus for 2020, the large budgeted deficit for 2021 and the recommendation for AFGD to wind up its operations, the AFGD Board determines to cease its contribution to the Anglican Diocese of Grafton for the balance of 2021 and make an extraordinary lump sum contribution of \$125,000 to the Anglican Diocese of Grafton out of its 2020 year surplus.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr Gary Boyd  
**Carried**

*That the AFGD Board accepts the amended budget for 2021 projecting a deficit of \$107,527 for 2021.*

**Moved:** Mr Phil Crandon  
**Seconded:** Mr Gary Boyd  
**Carried**

## 9. Matters for noting and status updates

### a. Bank@Post update

Mrs Annette Dent provided an update on the status of the switch from Westpac Agency Services to Bank@Post for over the counter cash & cheque deposits. New deposit & cheque books were posted to all relevant clients on Monday 15<sup>th</sup> February 2021 advising that they are to commence using the new books immediately upon receiving them. Westpac Agency Services will cease from 1<sup>st</sup> March 2021. Mrs Annette Dent will continue to monitor feedback from clients and provide an update to the AFGD Board as required.

## 10. Correspondence

### In:

- 9/01/2021 – letter resignation as AFGD Board Member from John Adlington.
- 21/01/2021 – email correspondence 'Banking arrangements for the new Parish of Nambucca Valley'.
- 10/02/2021 – letter via email 'Interest Rate Review AFGD' reduction to interest rate on AFGD account 00041173 Monthly Income Account held with AFSA

### Out:

- 08/02/2021 – Letter of Acknowledgement & Thanks to John Adlington from B-i-C.
- 09/02/2021 – Letter to Anglican Parish of Nambucca Valley – response from B-i-C in regards to banking arrangements.

*That the inwards correspondence be received and that the outward correspondence be endorsed.*

**Moved:** Mr Gary Boyd  
**Seconded:** Mr Phil Crandon  
**Carried**

**11. Next meeting** – the next meeting is scheduled for 18 March 2021.

**12. Meeting close** – the meeting closed with prayer at 11.09 am

**CONFIRMED** as true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 18 February 2021



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Chair – David Ford