

Minutes of a Meeting of the
COUNCIL OF TRUSTEES
OF THE EPISCOPAL DIOCESE OF KANSAS, INC.

March 18, 2003

The Council of Trustees of the Episcopal Diocese of Kansas, Inc. met at St. Andrew's Church, Emporia, on March 18, 2003. Ms. Jean Crutchfield, president, convened the meeting at 10:05 a.m. with opening prayers.

Trustees present were:

Ms. Jean Crutchfield, President

The Rev. Jerry D. Adinolfi, Jr.

Mrs. Linda Bemis

The Rev. Barbara K. Bloxsom

Mr. Frank Connizzo

The Rev. Denis B. Ford

Mr. Mike Morrow

Mr. Dick Norman

The Rev. Darrel Proffitt

Mr. Robert Skaggs

The Rev. J. Wesley Smith

The Rev. William J. Wood

Trustees absent were:

The Rt. Rev. William E. Smalley, Bishop

The Rev. Matthew M. Cobb

Mr. Harry Denman

Ms. Crutchfield noted that Bishop Smalley was absent due to his attendance at a meeting of the House of Bishops and that he is aware of and consents to this meeting.

Advisors to the Council of Trustees present were:

Mr. L. Franklin Taylor, Chancellor and Clerk

Mr. Richard V. Foote, Vice Chancellor

The Rev. Jo Ann T. Smith, Canon to the Ordinary

Mr. James C. Stankiewicz, Diocesan Administrator

The minutes of the meeting of February 18, 2003, were presented. Mr. Skaggs and Mr. Connizzo suggested several corrections which were made to the original minutes of the meeting. On motion by Fr. Proffitt, seconded by Mr. Morrow and passed unanimously, the minutes were approved as corrected.

Canon Smith distributed the Bishop's Report, a copy of which is attached to and made a part of the original minutes of this meeting. She also distributed a letter from Bishop Smalley to the Council of Trustees concerning compensation of the Bishop and the setting of a compensation range for the Ninth Bishop of Kansas. Fr. Smith moved, seconded by Mr. Connizzo, to increase the Bishop's annual salary (stipend and housing) to \$105,000.00, effective immediately. There followed an extended discussion in which it was noted that the Council of Trustees had previously taken steps to increase the Bishop's salary incrementally over three years, but had not implemented the second and third phases of that increase. The motion carried with no negative votes and four abstentions.

Canon Smith presented a brief update on clergy deployment. She noted that the same openings as existed at the time of her report to the last Council of Trustees meeting still exist. The Rev. Gerald Skillicorn will be providing supply at St. Francis of Assisi in the Pines, Stilwell, through Easter. Grace Church, Chanute, is working on its parish profile. The Rev. Dale Plummer has commenced his tenure as Priest in Charge of Church of the Covenant, Junction City. Trinity Church, El Dorado, has an active search committee. Trinity Church, Independence, and Ascension Church, Neodesha, are considering their options at the pending retirement of the Rev. Gerald Eytcheson.

Mr. Morrow reported on the process for nominating candidates for Bishop Coadjutor by petition after the report of the Search Committee is published. After some discussion about the nominating process, Mr. Morrow moved, seconded by Mr. Skaggs, to amend the prior action of the Council of Trustees governing nomination by petition to require any nomination be made by four clergy canonically resident in the Diocese and four lay communicants in good standing in the Diocese, collectively representing the four Convocations of the Diocese. The motion carried unanimously. It was the consensus of the Council of Trustees that language should be added to the petition form to reflect the belief of petitioners that a candidate nominated by petition meets the background requirements that would have been evaluated by the Bishop's Search Committee. It was also agreed that language would be added to the petition indicating that the Council of Trustees acting as Standing Committee of the Diocese, could take a preliminary vote on any candidate and could disclose to the candidate, to the Search Committee or to the election Convention, a determination that a majority of the Council of Trustees acting as Standing Committee for the Diocese would not consent to the election of that candidate as Bishop Coadjutor.

There followed some discussion about background checks and issues of concern about a candidate's background, qualifications or suitability that might be disclosed by the background

check process. It was agreed that candidates should be informed that matters deemed material to qualification and suitability would be handled discreetly, but not necessarily in confidence and that issues deemed by the Search Committee or by the Chancellor or other agent of the Search Committee to be material, could be disclosed to the Council of Trustees or to the electing Convention.

The Council of Trustees recessed at 11:50 a.m. for lunch and reconvened at 12:40 p.m.

Ms. Crutchfield reported for the Ecclesiastical Relations Committee that the committee recommends that the Council of Trustees, acting as Standing Committee of the Diocese, approve Ms. Patty Minx for candidacy to the diaconate. Mr. Connizzo seconded the recommendation. Ms. Crutchfield noted that Ms. Minx will serve at St. Luke's in Shawnee. The recommendation was approved unanimously.

Fr. Wood reported for the Mission Committee:

1. Planning is underway for the Ministry Fair scheduled for May 10, 2003, at St. Andrew's, Emporia.
2. The Lay Leadership Academy in the Southeast Convocation had a presentation by the Rev. Peter Oesterlin at its second monthly meeting.
3. The Global Episcopal Mission Network has scheduled its annual institute (to be conducted at the same time as the walkabout phase of the process for electing a Bishop Coadjutor in Kansas). The institute will focus on a new program to educate mission agents to work for a Diocese in rural mission engagements.

Mr. Skaggs reported for the Finance, Loan and Apportionment Committee:

1. The committee has had preliminary discussions about the need of St. Margaret's Church, Lawrence, to refinance its building loan on which the Diocese is currently the primary obligor. Fr. Proffitt noted that the Parish Finance Committee has not yet met to determine the parameters of financing that it will request. Mr. Stankiewicz noted that the Church Extension Fund presently has about \$800,000.00 available and has tentative commitments to a line of credit for Grace Cathedral, Topeka, (which would be used during 2003 or not used at all) and financing for expansion at St. Andrew's Church, Derby. Fr. Wood moved, seconded by Fr. Ford, to authorize the continued encumbrance of St. Margaret's Church property and to delegate to the Finance Committee the authority to determine, on behalf of the Council of Trustees, appropriate financing terms within the following parameters:
 - a. St. Margaret's Church would become the primary obligor on the refinanced debt.
 - b. Private mortgage funding will be used for at least one-half of the amount to be refinanced.
 - c. The balance of the amount to be refinanced could be loaned from the Church Extension Fund at an interest rate to be set pursuant to Diocesan policy with the loan to be amortized over fifteen years with a balloon payment in five years.

After further discussion, the motion carried unanimously.

2. The committee has more current information on the budget deficit for 2002. Mr. Stankiewicz reported that the actual deficit will be significantly less than projected and appears to be in the range of about \$23,000.00. Mr. Skaggs stated that the committee will now recommend the preparation of a budget for 2004 with no reductions in programs or personnel from 2003.

3. Mr. Skaggs inquired about the sense of the Council of Trustees about reducing the National Church assessment if it becomes necessary to reduce the Diocesan budget to the extent of cutting programs and personnel. There was an extended discussion during which several members of the Council of Trustees stated opposition to unilateral reduction of the National Church assessment by the Diocese and suggested proposing a resolution to General Convention reflecting the sense of the Diocese on this issue. Several members noted that it may become necessary to determine the extent to which Mission is better performed locally than through National Church support.

4. Mr. Skaggs noted that treasurer Ed Mills has experienced some professional demands that make him less available to perform duties as treasurer than he had expected to be. In the event that it becomes necessary for Mr. Mills to resign his position as treasurer, the committee hopes to recommend someone to fill this position who has had some prior exposure to Diocesan financial affairs.

Mr. Connizzo reported for the Administration and Personnel Committee on the issue of health insurance for retirees. Based on action by the Council of Trustees at its February meeting, he proposed a new Diocesan policy statement. He also circulated a letter from the Rev. Gary Gooch critical of the Council of Trustees action on this issue. There was a consensus that it has become necessary in the Diocese as it has been in many Kansas businesses to provide less health insurance coverage and that the Comprehensive Plan provided by The Church Insurance Company reflects this reduction in coverage. It was noted that the Premium Plan remains available at some cost to the insured. A revised policy on retiree health insurance was reviewed and minor changes were noted. Mrs. Bemis seconded the committee's recommendation that the revised policy be adopted as corrected. The motion carried unanimously.

Ms. Crutchfield noted that the next meeting of the Council of Trustees will be on April 15, 2003, at St. Aidan's Church, Olathe, and that Fr. Adinolfi has agreed to prepare the agenda.

There being no further business to come before the meeting, it was adjourned at 2:00 p.m.

L. Franklin Taylor, Clerk