

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

**August 17, 2004**

The Council of Trustees of the Episcopal Diocese of Kansas, Inc. met in the Bubb Room at Grace Cathedral, Topeka, Kansas, on August 17, 2004. The Rt. Rev. Dean E. Wolfe, Bishop and Chairman, called the meeting to order at 10:05 a.m. with opening worship.

Trustees present were:

Bishop Wolfe  
Ms. Jean Crutchfield, President  
The Rev. Jerry D. Adinolfi, Jr.  
The Rev. Barbara K. Bloxsom  
Mr. Frank Connizzo  
The Rev. Matthew M. Cobb  
The Rev. Denis B. Ford  
The Very Rev. R. Steve Lipscomb  
Mr. Mike Morrow  
Mr. Dick Norman  
The Rev. Darrell D. Proffitt  
Ms. Wendy Sheedy  
Mr. Robert Skaggs

Trustees absent were:

Mrs. Linda Bemis  
The Rev. William J. Wood

Advisors to the Council of Trustees present were:

Mr. L. Franklin Taylor, Chancellor and Clerk  
Mr. Douglas K. Anning, Treasurer  
The Rev. Canon Jo Ann T. Smith, Canon to the Ordinary  
Mr. C. Jay Currie, Comptroller  
Mrs. Dorothy Emory, Diocesan Administrator

Also present were Mrs. Melodie Woerman, Communications Director and the Rev. Joe Alford, Campus Minister, Canterbury House at the University of Kansas.

Bishop Wolfe introduced and welcomed Ms. Sheedy as the newest member of the Council of Trustees.

The minutes of the meeting of June 15, 2004, were presented. A letter from Dr. Jay Lehnertz, President of Episcopal Social Services (ESS), Kansas City, was read. Dr. Lehnertz expressed concern over the May minutes of the Council of Trustees which seem to imply a connection between the Turner House investigation and ESS. The Council of Trustees noted that Turner House and ESS are two separate entities, that ESS is not under investigation and, to the contrary, ESS is extremely well managed and exercises responsible fiduciary oversight. The minutes of the June 15 meeting were approved by consensus.

Mr. Anning presented the audit report for 2003 year end financial statements. He noted that the audit confirmed the unaudited income statements for the year. He discussed briefly the management letter that made the following observations:

1. The Diocese should have a written personnel policy. The personnel manual of the Diocese has been referred to the Administration and Personnel Committee to be reviewed and updated as necessary.
2. Diocesan staff should maintain records on the use of vacation and sick time.
3. Copies of planned giving records maintained by the Diocesan Planned Giving Officer should be retained in the Diocesan Office.
4. Someone who does not have the authority to sign checks on Diocesan accounts should receive bank statements unopened. Arrangements will be made for a member of the Finance Committee to do that.

Mr. Anning also discussed notes to the financial statements, both of which reflect long-standing Diocesan policies that the auditors believe should be noted in order to render financial statements accurate:

1. Diocesan financial statements do not accrue a liability for retiree health insurance. Retiree health insurance is a budgeted amount in each annual Diocesan budget.
2. The Diocese does not depreciate the property carried on its records, but carries property at cost. Since the Diocesan corporation is a not-for-profit corporation, there is no tax benefit to depreciation and cost may more accurately reflect the value of Diocesan properties than a depreciated value.

Mr. Anning presented the July financial statement. He noted that apportionment deficiencies may be reflected both on the revenue side where apportionment is not received and on the expense side in the accrual of a reserve for unpaid apportionment.

Bishop Wolfe called for committee reports. He noted that several committees are still in the organizational stages, obtaining members, organizing activities and determining the scope of programs for which they are responsible.

Ms. Crutchfield reported that the Ecclesiastical Relations Committee recommends that the Council of Trustees acting as Standing Committee of the Diocese approve admission as candidates for Holy Orders of Robert Harris of St. Michael's and All Angels Church, Mission,

and Richard Hoecker and Marie Hoecker of Trinity Church, Atchison. Mr. Connizzo seconded the recommendation, which carried unanimously.

Mr. Skaggs reported for the Finance Committee:

1. After researching the \$10,000.00 loan to Camp Wood that is carried on the Diocesan balance sheet, the committee determined that the Council of Trustees expressed no intention to forgive the loan at the time it was made and the committee recommends that Bishop Wolfe communicate to Camp Wood that the Council of Trustees has determined that, in light of the present financial condition of the Diocese, it is not appropriate to forgive the loan.

2. The committee considered the request of St. Francis, Canterbury, at Manhattan to forgive interest on its Church Extension Fund loan since there are currently no residents in the House. Mr. Skaggs specifically recommended that interest on the loan for the balance of 2004 be forgiven. The recommendation was seconded by Fr. Proffitt and approved unanimously.

3. Mr. Skaggs presented a revised proposed canon on apportionment from the Finance Committee. He noted that the committee's proposal would exempt parish debt payments from apportionment and delete extraordinary apportionment. It would still utilize a mandatory apportionment formula utilizing incremental rates beginning with a reduced rate of 12% on the first \$50,000.00 of income. Dean Lipscomb stated his concern about incremental apportionment rates, noting that larger parishes would be required to commit a relatively higher percentage of their budgets to apportionment and a smaller percentage to programs in Outreach. After some discussion, Mr. Skaggs recommended that the alternative apportionment canon proposed by the Finance Committee be presented to the 145th Convention by Mr. Norman on behalf of the Council of Trustees. The recommendation was seconded by Mr. Morrow and carried unanimously.

The Council of Trustees recessed briefly and returned to discuss the Diocesan budget. Mr. Anning explained that the proposed budget is essentially the same as the budget for the current year, except that it contemplates significant unpaid apportionment with corresponding funding from reserves. It also includes both revenue and expense items for Diocesan Youth Camp that have previously been off-budget items.

Mr. Norman noted that the Finance Committee received information late on Monday, August 16, that health insurance premiums for Diocesan staff would increase approximately \$7,200.00 for comparable coverage. He moved that the budget proposed by the Finance Committee, amended to reflect the increase in staff health insurance costs (to be funded as necessary from reserves) be proposed to the 145th Convention. Fr. Ford seconded the motion, which passed with a dissenting vote by Dean Lipscomb.

The Council of Trustees recessed for lunch at 12:05 p.m. and reconvened at 12:35 p.m. Mr. Norman noted that after discussion at lunch, the Finance Committee would reformat the budget to reflect that both the apportionment amount and the expenditure budget are essentially unchanged from 2004.

Canon Smith reported on St. Andrew's, Fort Scott. She noted that monthly services at St. Andrew's building by the Rev. Colin Ward have not resulted in a viable effort to rebuild a

congregation at this point and that the Diocese has continuing expenses for utilities and insurance. After discussion, it was agreed that steps should be taken to deconsecrate and sell the building. Ms. Crutchfield moved, seconded by Mr. Norman, that the Diocese begins the process to sell the building.

Dean Lipscomb reported that the Congregational Development Committee has scheduled its next meeting for September 7, 2004.

Ms. Crutchfield requested on behalf of the Ecclesiastical Relations Committee that the Council of Trustees acting as Standing Committee of the Diocese consent to the election of the Rev. Bavi Edna "Nedi" Rivera as Bishop Suffragan of the Diocese of Olympia. The recommendation was approved unanimously.

Canon Smith reported on deployment:

1. The Rev. Ronald R. Peak has been installed as Rector of Trinity Church, El Dorado.
2. The Rev. Dr. Donald F. Davidson has resigned as Rector of St. Thomas Church, Overland Park, and the Rev. Nicolette Papanek will serve as interim pastor beginning October 1, 2004.
3. The Rev. Holly Hutchins and the Rev. Kay Dagg have signed letters of agreement to serve on a part-time basis at St. Aidan's Church, Olathe, and St. Philip's Church, Topeka, respectively.
4. Several parishes, including St. David's Church, Topeka, St. Andrew's Church, Emporia, and St. Matthew's Church, Newton, continue in the search process, although St. Matthew's Church has decided to evaluate whether it can continue to have full time clergy.
5. St. Francis Church, Overland Park, has set a target date of October 31 to decide whether it can remain a viable parish.
6. The Rev. Jim Davis continues as interim pastor of St. Stephen's Church, Wichita.

Canon Smith noted that a significant number of congregations in the Diocese are not in compliance with the most recently published policy on clergy compensation:

- 19 congregations provide less than the minimum prescribed compensation.
- 6 parishes function with less than full time clergy.
- 8 parishes meet the minimum compensation requirements.
- 15 parishes rely on retired or non-stipendiary clergy.
- 6 parishes are utilizing interim or supply clergy.

After discussion, it was agreed that paragraph 5 of the Clergy Compensation Policy provides the Bishop an opportunity to phase in adequate compensation or to grant exceptions. Parishes that do not pay compensation to clergy in accordance with the policy must have written authorization from the Bishop.

The Bishop reported on several matters:

1. He requested guidance on the designation of the offering from the Convention Eucharist for the 145th Convention. After discussion, Mr. Norman moved, seconded by Mr. Morrow, to designate the Episcopal Relief and Development Fund as recipient of the offering at the 145th Convention. The motion carried unanimously.
2. The Ding the Deficit campaign has raised approximately \$75,000.00.
3. The Bishop reported Episcopal actions relating to depositions, inhibitions, voluntary renunciations of ordained ministry and suspensions.
4. The Bishop reported that he has consented to the election of the Rev. Bavi Edna Rivera as Bishop Suffragan of the Diocese of Olympia.
5. The Council of Trustees retreat for 2004 will be held at The Barn in Valley Falls, Kansas, from noon on Monday, November 8, 2004, through early afternoon on Tuesday, November 9.
6. There was a brief discussion and opportunity to update the Diocesan calendar.

The Bishop led discussion of a confidential report from the Finance Committee. After an extended discussion, Fr. Ford moved the following resolution:

WHEREAS, Christ Church, Overland Park, is a part of the Episcopal Diocese of Kansas and is subject to the Constitution and Canons of the Diocese and the authority of the Bishop of Kansas; and

WHEREAS, the Clergy and Vestry of Christ Church, Overland Park, have chosen to disregard Canonical obligations to the Episcopal Diocese of Kansas; and

WHEREAS, the Council of Trustees desires the fullest level of communion of all constituent parishes of the Diocese of Kansas.

NOW, THEREFORE, the Bishop and the Chancellor of the Diocese, and such other officers as it may be appropriate to include, are authorized and directed to do all in their power to bring Christ Church, Overland Park, back into communion with the Episcopal Diocese of Kansas in accordance with its Constitution and Canons.

The resolution was seconded by Ms. Crutchfield and carried unanimously.

Canon Smith called for prayer and led the Council of Trustees in prayer for Bishop Wolfe, leaders of the Diocese, and Clergy, Vestry and Communicants of Christ Church, Overland Park.

The Chancellor noted that the Diocesan Administrator has a list of several parishes and Diocesan institutions whose corporations are not currently in good standing with the Secretary of State of Kansas. He noted that the lay delegates representing any such parish or institution cannot be seated in the 145th Convention unless the corporation is reinstated prior to the Convention.

Mr. Skaggs moved that the Council of Trustees recommend that the 145th Convention designate extraordinary apportionment to be paid to the Bishop's Fund for Mission. The motion was seconded by Mr. Norman and carried unanimously.

There being no further business to come before the meeting, it was adjourned with prayer by Bishop Wolfe at 2:08 p.m.

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L. Franklin Taylor, Clerk