

**MINUTES OF MEETING OF THE  
COUNCIL OF TRUSTEES  
OF THE EPISCOPAL DIOCESE OF KANSAS, INC.**

**May 19, 2009**

The Council of Trustees of the Episcopal Diocese of Kansas, Inc. met on May 19, 2009, in the Bubb Room at Grace Cathedral, Topeka, Kansas. The Rt. Rev. Dean E. Wolfe, Bishop and Chairman, convened the meeting with worship using Propers for St. Dunstan, Archbishop of Canterbury, at 10:00 a.m.

Members of the Council of Trustees present were:

Bishop Wolfe  
Mr. Felix Adams  
Mrs. Lisa Adams  
Dr. Linda Brown  
Mr. Gary Chubb  
The Rev. Gail Davis  
The Venerable Monte Giddings  
The Rev. Betty Glover  
Dr. Bill Hargrove  
The Very Rev. Michael G. Munro  
Ms. Rogene Schille  
Mr. Gery Schoenrock  
The Rev. Bill Wolff

Members of the Council of Trustees absent were:

The Rev. Dr. Donald F. Davidson  
The Rev. Julianne Sifers

Advisors to the Council of Trustees present were:

Mr. L. Franklin Taylor, Chancellor and Clerk  
Mr. Douglas K. Anning, Treasurer

Also present were:

The Rev. Canon Mary K. Siegmund, Canon to the Ordinary  
Mr. C. J. Currie, Comptroller  
Mrs. Jeanne Atha, Executive Assistant to the Bishop  
Mrs. Char DeWitt, Director of Development and Stewardship  
Mr. Robert Skaggs, Chairman, Finance Committee

The Rev. Craig Loya, Campus Missioner  
The Rev. Robert Honse, Member of the Diocesan Finance Committee

Mrs. Adams presented minutes of the meeting of April 28, 2009, with a spelling correction. The minutes were approved as corrected.

Mrs. DeWitt presented a written report about the Capital Campaign, a copy of which is attached to and made a part of the minutes of this meeting.

Mr. Chubb presented a written report of the Building Committee for the Capital Campaign and a budget narrative for the building project. Bishop Wolfe noted that Junk Architects have donated their services for the Capital Campaign, but, as reflected in the budget narrative, there are hard costs for the development and preparation of architectural drawings estimated at \$38,500.00. There was a brief discussion of the "Friends of Bethany Place" litigation which remains unresolved in the Court of Appeals. The chancellor noted that attorney Phillip Elwood, who is a communicant at the Cathedral, represents the interests of the Cathedral and the Diocese in this litigation. Mr. Elwood is optimistic about a favorable outcome and the chancellor expressed the hope that the litigation would be resolved some time around year end. Bishop Wolfe noted that he expects some initial giving to be structured to fund initial project costs in a timely manner.

Mr. Skaggs reported on behalf of the Finance Committee;

- The committee has a request from St. Margaret's Parish, Lawrence, for consent to sell approximately five acres (which is about one mile from the church site and landlocked) for \$10,000.00 to a buyer who expects to offer it to the City of Lawrence for park land. The committee recommends approval of the request. Dr. Brown moved, seconded by Fr. Wolff, that the Council of Trustees, acting as Standing Committee of the Diocese of Kansas, consent to the sale of five acres of real estate by St. Margaret's Parish, Lawrence. The motion carried unanimously.
- St. Matthew's Parish, Newton, used \$20,000.00 in emergency donations to repair a gas leak and correct the underlying problem. The parish requests exemption of this capital expenditure from apportionment. The committee recommends approval of this request. Mr. Chubb moved, seconded by Ms. Schille, to exempt \$20,000.00 in contributions utilized by St. Matthew's Parish, Newton, for gas leak repairs from apportionment. The motion carried unanimously.
- St. Matthew's Parish, Newton, requests consent to the encumbrance of its rectory, currently valued at approximately \$125,000.00, as security for a \$25,000.00 contingency line of credit to be available to manage cash flow. Mr. Skaggs noted that the parish has no current debt and that the committee recommends approval of this request. Dr. Brown moved, seconded by Mr. Chubb, that the Council of Trustees, acting as Standing Committee of the Diocese, consent to the encumbrance of the rectory of St. Matthew's Parish, Newton, to secure a line of credit not to exceed \$25,000.00. After extended discussion, the motion carried unanimously.

- St. Andrew's Parish, Derby, requested an extension of the balloon payment of \$80,000.00 currently due on its Church Extension Fund loan. The committee recommends extension for an additional five years, but has determined that current policy relating to such loans is not workable in the current economy. The committee recommends that the interest rate for the extended loan be the prime rate adjusted annually and that principal and interest be amortized over fifteen years. Dr. Brown moved, seconded by Mr. Adams, to approve extension of the balloon payment in the amount of \$80,000.00 for an additional five years with interest at the prime rate adjusted annually and principal and interest amortized over fifteen years. After an extended discussion, Fr. Munro moved, second by Mrs. Adams, to amend the motion to set the term at one year. The motion to amend carried by a seven to four vote. The motion, as amended, passed on a split voice vote.

Mr. Anning presented the Treasurer's report:

- He presented the income and expense report for April 30, 2009. He noted that about \$29,000.00 in apportionments was received after month end so that revenues are very nearly at budget. Expenditures are about 10% below budget, and the deficit reflected on the income statement is related to the fact that no funds have been transferred from the Diocesan Endowment.
- The Finance Committee, in projecting expenditures through the end of 2009, noted that if no funds are transferred from the Diocesan Endowment, and payments are made to RSI pursuant to contract, the year end result would be a deficit of approximately \$350,000.00. He noted that revenue and expenses are on track with the budget and that the committee expects that to continue. The committee recommends that the line of credit authority on the Diocesan Endowment Margin account be increased to \$350,000.00 to avoid untimely liquidation of endowment assets and underfunding of budget expenditures. Dr. Brown moved, seconded by Mthr. Davis, that authority for the Morgan Keegan Margin Line of Credit be increased to \$350,000.00. After discussion, the motion carried unanimously.
- He presented a first draft of the 2010 budget. The Finance Committee believes that the revenue and expenditure items on the proposed budget are accurate with the exception of line items for General Convention Assessment, Operating Fund Reserve and Investment Income, recommendations for all of which will be available prior to the next Council of Trustees meeting.
- He introduced Mr. Ed Michelson, consultant with Morgan Keegan and Company, and explained Morgan Keegan's relationship as investment advisors for the Diocesan Endowment.

The Council of Trustees adjourned with prayer for lunch at 11:55 a.m. and heard a presentation about the Diocesan Endowment and Investment performance by Mr. Michelson during lunch.

The Council of Trustees reconvened at 1:35 p.m., at which time Fr. Davidson joined the meeting.

Fr. Davidson reported for the Ecclesiastical Relations Committee:

- Fr. Davidson moved, on behalf of the committee, that the Council of Trustees, acting as Standing Committee for the Diocese of Kansas, consent to the election of a Bishop Coadjutor for the Diocese of Springfield in Illinois. Fr. Munro seconded the motion, and it carried unanimously.
- He suggested that further consideration of consent to the consecration of the Bishop-Elect of the Diocese of Northern Michigan be deferred to the June meeting.

Canon Siegmund reported on several deployment matters:

- St. Margaret's Parish, Lawrence, is very close to announcing the call of a new rector pending completion of a background check and finalization of a letter of agreement.
- Good Shepherd Parish, Wichita, received names of potential candidates prior to its deadline of last Friday and has a good list of candidates.
- Epiphany Parish, Sedan, has two viable candidates and is in the process of conducting reference checks.
- Grace Parish, Chanute, has conducted two interviews and should be in a position to make an announcement shortly.
- The Rev. Jonathan Jensen, Rector of Trinity Parish, Lawrence, has accepted a call as Dean of the Cathedral for the Diocese of Arkansas, and the Parish will be beginning its search process.

Canon Siegmund also reported on the development of a safer church policy with the addition of Diocesan procedures consistent with proposed additions to Title IV of the General Canons. Dr. Brown moved, seconded by Mr. Adams, to approve the proposed safer church policy. After discussion, the motion carried unanimously.

Canon Siegmund reported that 92 people registered for the recent Magnetic Church Conference hosted by the Congregational Development Committee. Bishop Wolfe noted that the Conference presented valuable information and suggested that it might be repeated.

Bishop Wolfe reported on several matters:

- He met last Saturday with the Commission on Ministry to review its processes. Fr. Munro, as chairman of the committee, noted that the all-day meeting was useful to assist the committee in calibrating its vision, streamlining its process and articulating standards of preparation.

- He has had conversations with the Rev. Andrew Grosso and others about the Kansas School for Ministry and providing achievable preparation for Holy Orders.
- He continues to work with Mrs. DeWitt and Diocesan leaders on the Capital Campaign.
- He was at St. Paul's Parish, Manhattan, for dedication of a building addition that makes the parish handicapped accessible. He noted that several such modifications have been made around the Diocese.
- He is preparing for the triennial General Convention.

Fr. Davidson suggested a joint meeting among members of the Council of Trustees in its capacity as the Standing Committee of the Diocese, the Commission on Ministry and the Examining Chaplains. He also reported that the tower at St. David's Church in Topeka has reached 45 feet and will soon be completed at 70 feet. He expects to be able to conduct worship in the west part of the building shortly.

Bishop Wolfe reported that there is activity with respect to the proposed new church start in Johnson County. He also reported that the Campus Missioners are interviewing for interns for the coming school year.

Dr. Hargrove reported that three teams from the Diocese of Kansas are preparing to travel to Kenya.

Canon Siegmund reminded the Council of Trustees that the June meeting will be at Camp Wood in conjunction with Diocesan Church Camps.

There being no further business to come before the meeting, it was adjourned with prayer at 2:10 p.m.

Respectfully submitted,

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L. Franklin Taylor, Clerk