

Meeting of the Executive Council  
Episcopal Diocese of Lexington  
June 21, 2008

The Executive Council of the Diocese of Lexington met on June 21, 2008, at Mission House, Lexington, Kentucky. Elected members present were: The Rt. Rev. Stacy F. Sauls, Mrs. Mary T. Yeiser, Ms. Katherine Harper, the Rev. Dr. John Burkhart, Mr. Steve Locke, Mrs. Carla VanMeter, Mrs. Tonya Jackson, Mrs. Pam Knight, the Rev. Dr. Jan Dunnavant, the Rev. Melanie Mudge, the Rev. Audrey Miskelley, the Rev. Robert L. Sessum, Mrs. C.C. Johnson and Mr. Shannon Wilson. Members present by virtue of their office were: Mr. Buck Hinkle, Chancellor; Mr. Jim Adams; Vice Chancellor; Ms. Ann Davis McClain, Treasurer; Mr. Gerry Yeiser, Assistant Treasurer; the Venerable Bryant Kibler, Archdeacon and Bishop's Deputy for Administration; Mr. Nathan Churchill, Camps and Conferences Board; Mr. Andy Sigmon; Facility Manager, Cathedral Domain; Mr. Steve Gabbard, Finance Committee Chair; Mr. Bungee Bynum, Reading Camp Director; Mrs. Susan Baird, ECW; Ms. Molly Lovelock, Bishop's Deputy for Finance; and Mrs. Cindy McKee, Assistant Secretary.

Elected members absent were: Mr. David Davidson, Ms. Mary Jane Younce, the Rev. Elise Johnstone, Mrs. Jane Fitzpatrick, and Mrs. Virginia Robbins-Bugg. Members by virtue of their office absent were: The Rev. Canon Johnnie Ross, Canon to the Ordinary and Mrs. Marie Rogers, Secretary.

Guests present were: Mr. Austin Tuning, Justice and Peace Committee; the Rev. Matt Young, St. Paul's, Newport; Ms. Mary Lou Davies, Bishop's Warden, St. Paul's, Newport; Mr. Thomas Workman, People's Warden, St. Paul's, Newport; Mr. Paul Wilson, Finance Committee Chair, St. Paul's, Newport; and Mr. Andrew Paiskow, Architect.

The Meeting was called to order by Bishop Sauls who led the Council in Morning Devotions.

**Approval of Minutes**

The Rev. Bob Sessum moved, Carla VanMeter seconded that both the April 26 and May 15 minutes be approved.

**Special Order: St. Paul's, Newport**

The Rev. Matt Young, Vicar of St. Paul's, as well as other guests noted above were in attendance to share information about the current physical plant situation at St. Paul's and a possible remedy. The Campbell County Courthouse Commission has approached the Diocese wanting to buy the church's existing 32-space parking lot.

Moved by the Rev. Bob Sessum, seconded by Pam Knight that the Rt. Rev. Stacy F. Sauls, the Rev. Matthew Young and Jim Adams are authorized to negotiate on behalf of the Diocese of Lexington and enter into a contract for the sale of the parking lot property at St. Paul's, Newport, to the Campbell County Courthouse Commission for an amount not less than \$432,000 and further authorize the Bishop to sign, in consultation with the Chancellor, all papers necessary to effectuate this resolution. Further, that the money from the sale be used for the redevelopment of St. Paul's Church in Newport.

Discussion. Passed.

### **Comments from Chair**

The Bishop made comments on the following items in regard to his activities since the last Executive Council meeting:

1. Last parish visitations made for this year.
2. Met with the leadership of St. Paul's, Newport.
3. He and the Rev. Elise Johnstone are doing a practicum for new clergy on liturgy and canons.
4. Installed new rectors at Holy Trinity, Georgetown, and St. Peter's, Paris.
5. Appalachian ministry initiatives from the national church, including \$20,000-\$25,000 that may become available in grants for Appalachian work.
6. St. Philip's, Harrodsburg, has a new feeding program.
7. Visited the Reading Camp at Trinity, Danville, and Cathedral Domain.
8. Two Clergy Days held since the last Executive Council, one dealing with the Anglican Covenant and one with Domain issues and challenges. The Anglican Covenant was also discussed at Kanuga with the General Convention deputation.
9. Spent a day and a half at Senior Conference, by far the most rewarding thing done!

The Bishop made additional comments on the following upcoming issues:

1. Youth Missioner position—a job description has been posted and circulated, and an ad will be placed in *The Living Church*. Would like to fill this position before sabbatical
2. The new church project for Northern Kentucky (Matt Young, Chair) is seeking assistance from the Office of Congregational Development for assistance in selecting a location and developing a plan.
3. Sabbatical preparation continues, including having the Standing Committee ready. The Rt. Rev. Ted Gulick, Bishop of Kentucky, will be available if needed in Bishop Sauls' absence.
4. Working on a plan to reorganize diocesan staff. Job descriptions are being reviewed with input as to what job components are liked and disliked. Would like to rearrange staff so that everyone is doing the things that bring them the most joy. Diocesan salary structures will also be evaluated.
5. Bishop Sauls and Ginger Sauls will leave on July 1 to travel to South Africa for Reading Camp. A nurse and three counselors will accompany them. From South Africa, the Bishop and Mrs. Sauls will travel to England for the Lambeth Conference July 16 through August 4.
6. GAFCON and the Anglican Covenant.

### **Chancellor's Report**

Mr. Buck Hinkle reported on the following:

1. Property transactions: closed on sale of St. David's in early June with the diocese receiving \$160,000; Our Saviour, Madison County, transaction with the state Transportation Cabinet is pending because of questions on format of the deed. Hopeful they will accept our recommendation to revise, but will sign if they

- don't. Feels that language in the new deed should match language in deed from when diocese obtained the property.
2. Domain: Recommends that a consultant be retained to help with oil/gas leases. A person has been located.
  3. Cell tower leases are very complicated with overlapping regulations.
  4. Various personnel matters.
  5. Attended Western Conference for Chancellors in Albuquerque, New Mexico. Wide ranging conference with topics including privacy issues regarding background checks, the Anglican Covenant (not much support), updates on the proposed medical insurance coverage, and an interim report from the Title IV Task Force on disciplinary issues.
  6. The user's agreement developed for St. Augustine's will be circulated.

### **Treasurer's Report**

Ms. Ann Davis McClain reported that per the Assessment Schedule Grace, Florence is most behind. They have requested that half the assessment be deferred.

Motion made by the Rev. Melanie Mudge, seconded Bob Sessum, that Bishop Sauls recruit a group to visit Grace and St. Andrew's. Passed. Ann Davis McClain and the Rev. Bob Sessum will go to Grace, Florence, to speak with them about their situation. St. Andrew's, Ft. Thomas, is also behind. Ms. McClain and Fr. Sessum will also make a visit to them. Bishop Sauls will not go on these visits.

### **Other Reports**

The Rev. Canon Jonnie Ross, Canon to the Ordinary, submitted a written report that is attached.

The Venerable Bryant Kibler, Archdeacon, submitted a written report that is attached.

### **Finance Committee**

Steve Gabbard, Chair, went over the document from the Finance Committee which is attached, then went over the following motions.

#### Resolution A: Sale of St. David's, Pikeville

Be it resolved that the proceeds of the sale of St. David's, Pikeville be applied to the outstanding balance of the St. James, Prestonsburg loan originated in September 2002 and payable to the Loan fund, and

Be it further resolved that the amount of the proceeds of the sale of St. David's, Pikeville is estimated to be \$160,000 less fees associated with the closing of the sale, and

Be it further resolved that the Finance Committee will report the exact amount of the proceeds of the sale of St. David's, Pikeville to the Executive Council after the closing.

Discussion. Passed.

#### Resolution B: Sale of Our Saviour, Madison County, Easement

Be it resolved that the proceeds of the sale of an easement on the Our Saviour, Madison County property be applied to the outstanding balance of their loan payable to the Loan Fund, which was originated in April 2006, and

Be it further resolved that the amount of the proceeds of the sale of the easement is estimated to be \$19,000 less fees associated with the closing of the sale, and

Be it further resolved that the Finance Committee will report the exact amount of the proceeds of the sale of the easement to the Executive Council after the closing.

Discussion. Passed. Steve Locke abstained.

Resolution C: Diocesan Interfund Loan

Be it resolved that the loan from the Loan Fund to the Real Estate Fund dated July 28, 1992 for the purchase of real estate for the use of Our Saviour, Madison County and having a current balance of \$99,660.59, is an interfund liability of the Diocese of Lexington, and

Be it further resolved that the Executive Council affirms that repayment of this loan is not the responsibility of Our Saviour, Madison County.

Discussion. Passed. Steve Locke abstained.

Resolution D: Accounting Standards and Financial Statements

Be it resolved that the Finance Committee and Bishop's Deputy for Finance are directed to adopt the Manual of Business Methods in Church Affairs as the accounting standards for the Diocese of Lexington (Diocese) as soon as practicable in 2007, and

Be it further resolved that beginning in 2007, parish and mission real estate will no longer be recorded on the books of the Diocese, and

Be it further resolved that the Diocese will capitalize assets with a cost of \$2,500 or more and depreciate furniture and equipment over a useful life of three to ten years and real estate over a useful life of forty years, and

Be it further resolved that the Diocese will calculate beginning accumulated depreciation for all assets purchased before 2007 for the 2007 audit, and

Be it further resolved that the Diocese will update its financial statement format.

Discussion. Passed.

Resolution E: Cathedral Domain Fund Account Payable to Cathedral Domain Endowment

Be it resolved that the transfer of funds from the Cathedral Domain Endowment Fund to the Cathedral Domain Fund authorized by Executive Council of January 27, 2007 was intended to be a permanent transfer and not a loan, and

Be it further resolved that the outstanding balance of the loan from the Cathedral Domain Endowment Fund to the Cathedral Domain Fund in the amount of \$75,537.45 be written off.

Discussion. Passed.

Resolution F: Northern Kentucky New Parish Fund. Discussion

Be it resolved that the Northern Kentucky Fund Balance in the Real Estate Fund at 12/31/2007 be adjusted to \$312,216.40, and

Be it further resolved that \$312,216.40 available for the development of a new Northern Kentucky parish be moved from the Real Estate Fund to the Restricted Fund.

Discussion. Passed.

Resolution G: Proceeds of the Sale of St. Stephen's Designated for St. Paul's

Be it resolved that the interfund loan between the Real Estate Fund and the Designated Fund in the amount of \$45,000 related to St. Paul's be written off at 12/31/2007.

Discussion. Passed.

Resolution H: Authorized Signers on Diocesan Accounts

This resolution is replaced by Resolution L. See below.

Resolution I: Automatic Payment of Cathedral Domain Electric Bills

Be it resolved that the Bishop's Deputy for Finance and Treasurer are authorized to begin automatic payment of bills with Jackson Energy Cooperative.

Motion amended (seconded Katherine Harper) to change to wording from "Jackson Electric Cooperative" to "any utility provider."

Discussion. Passed.

Resolution J: Mission & Ministry Budget Amendment

Be it resolved that the 2008 Mission & Ministry Budget be amended as follows:

- Background Checks/Misconduct Training – increase from \$500 to \$1,000
- Net Income after Adjustments – decrease from \$975 to \$475

Katherine Harper moved, Bob Sessum seconded that Safeguarding Online be used to fulfill Prevention of Sexual Misconduct requirements. Passed.

Discussion continued on Resolution J. Passed

Resolution K: Reading Camp Budget Amendment

- Be it resolved that the 2008 Reading Camp Budget be amended as follows:
- Director Salary – increase from \$20,000 to \$23,750
- Payroll Taxes/FICA – increase from \$1,530 to \$1,817
- COLA – decrease from \$249 to \$0 (included in Director salary line)
- Pension – increase from \$0 to \$1,238
- Continuing Education – increase from \$240 to \$495
- Net Income after Adjustments – decrease from \$9,929 to \$1,388

Discussion. Passed.

Resolution L: Authorized Signers on Diocesan Accounts

Be it resolved that the officers of the Diocese of Lexington are directed to take the necessary action to make Robert Sessum, Holli Powell and Audrey Miskelley authorized signers on Diocesan financial accounts.

Discussion. Passed. Bob Sessum and Audrey Miskelley abstain.

### **The Church Catholic**

Bill Brown, Chair, submitted the following resolution with proposed use of MDG Funds.

1. Be it resolved that the 2008 MDG funds (\$15,183) be distributed in the following manner:
  - a) \$7,000 be sent to Episcopal Relief and Development (ERD)
  - b) \$5,000 be distributed to the Companion Diocese Fund to meet the needs of three specific Haiti communities: i) Blanchard Family Health Center, ii) Leogane Community facility, and iii) Fondwa, a remote rural mountain community.
  - c) \$3,183 to be held in balance of anticipation of making future distribution recommendations to the Executive Council as needed to address emergency or emerging poverty needs within the diocesan community.
2. Be it resolved that an additional 0.3% be added to the 2009 budget set aside for MDG funds. These additional funds would be used to address priority poverty needs within the diocesan community.
3. Be it resolved that promulgation be made diocesan-wide that all unsolicited funds intended for the relief of poverty will be used for poverty priority needs within the diocesan community and that an avenue be set up for the reception of such unsolicited funds.

Mary T. Yeiser moved, Bob Sessum seconded that the resolution be amended to remove point 2. Passed.

Bob Sessum moved, Shannon Wilson seconded that the resolution be amended to remove point C. Discussion. Passed.

Further discussion on the amendment which now consists of paragraph 1 with points a and b, and paragraph 2 which was formerly 3. Passed.

The following motion was considered regarding approval of MDG expenditures:

This committee recommends that the Executive Council not approve the motion which has been presented to it concerning the empowerment of the Justice and Peace Commission to make decisions regarding the distribution of MDG funds without having to recommend such distribution to the Executive Committee.

Discussion. The Rev. Melanie Mudge moved, Carla VanMeter seconded that Justice and Peace be allowed to disburse the MDG funds as soon as possible without further approval. Discussion. Motion fails.

**Personnel**

The Venerable Bryant Kibler stated that a policy manual is being developed and hopes to present it at the August or September meeting.

**Audit**—No report

**Diocesan Mission**—No report

**Small Church Ministry**

It was misunderstood that Irene Isaacs had accepted the appointment. She did not, and Sandra Platt from Church of Our Saviour has been appointed. Katherine Harper moved, Carla VanMeter seconded, to approve this appointment. Passed.

**Appeals**—No report

**Budget**—No report

**Episcopacy and Administration**—No report

**Camps and Conferences Board**

Nathan Churchill, Chair, presented a report about the possibility of negotiations with oil companies to drill on property owned by the Cathedral Domain. The Cathedral Domain presently owns the majority of mineral rights to six of the seven deeds that make up the property. It is estimated that \$5,000 per month would be generated by these leases and the Cathedral Domain would receive free natural gas on top of that. The present annual budget for natural gas expense is \$20,000. Two companies are interested and have visited the property.

Moved by Katherine Harper, seconded by Carla VanMeter:

Be it resolved that the Bishop, the Chancellor or his designee and the Chair of the Camps and Conferences Board are authorized to negotiate and execute such documents as are necessary for oil and gas leases on the Cathedral Domain property in the areas generally indicated on the attached topographical map. Income generated from this lease would benefit the Cathedral Domain.

Discussion. Passed.

Nathan Churchill presented details about Synergy Partners Group interest in placing a communications tower on Cathedral Domain property. If approved, the Domain would gain monthly revenue, have cell phone service and free high speed internet access.

Moved by Jim Adams, seconded by Katherine Harper:

Be it resolved that the Bishop, the Chancellor or his designee and the Chair of the Camps and Conferences Board are authorized to negotiate and execute such documents as are necessary for a lease with Synergy Partners Group, Atlanta, Georgia, to build a communications tower on a 100' x 100' portion of Cathedral Domain property in the area generally described on the attached topographical map. Income generated from this lease would benefit the Cathedral Domain.

Discussion. Passed.

Mr. Churchill also reported on the following:

- Giving Works program has been implemented through eBay for donation from sales.
- Grants for 2009 are being researched.
- Working with Kentucky Department of Forestry regarding logging feasibility, the Kentucky Department of Fish and Wildlife regarding development of wetlands area, and Eastern Kentucky University regarding an environmental camp.
- Lee and Estill County school systems will be contacted regarding use of The Domain for one-day field trips for environmental studies.
- Recruiting business and corporate retreats to The Domain.

### **Episcopal Church Women**

Report by Susan Baird, Chair. The annual meeting will be held October 25 at Trinity Church, Covington.

**Diocesan Men**—No report

### **Old Business**

- Counseling center at St. Martha's: A letter has been written to the Rector of St. Martha's.
- Coordinating diocesan fundraising efforts especially with St. Agnes' House, Reading Camp, Cathedral Domain and Small Church Consortium. A staff person and member of each board come up with a plan to address all their needs. Molly Lovelock will have input and Joe Pennington has been asked to chair a taskforce to consider their plan and make a recommendation back to Executive Council.

### **New Business**

Bryant Kibler presented information about changing over to Safeguarding Online for sexual misconduct training. The program can be used either in place of the current training or in a better way to supplement it by replacing the current training for many or using as a refresher or recertification. Safeguarding Online is easy to use and accommodates the needs of the diocese. He requested changes be made to the diocesan policy for updating those who have already had the training.

Moved by Bryant Kibler, seconded by Shannon Wilson to update our policy manual with Safeguarding Online. Clergy, employees and volunteers regularly working with children must update every three years; volunteers who occasionally work with children must update every five years. Passed.

Moved by Bryant Kibler, seconded by Bob Sessum to update policy to approve the above changes and to update policy to list Safeguarding Online as equivalent to Safeguarding God's Children training. Passed.

A phone system from Data Solutions being considered. It would be cheaper in the long run but would require equipment purchase. This system has many useful features.

The Mission Lexington Clinic received a United Thank Offering (UTO) grant. An open house will be held later this summer.

There being no further business the meeting adjourned.

Respectfully submitted,

Cynthia E. McKee  
Assistant Secretary

Attachment Reference:

St. Paul's proposal

Johnnie's report

Bryant's report

Assessment schedule

Big finance committee packet

Bill Brown's report

Camps and Conferences report including topographical maps

Amended 8/23/08