

Minutes of the Executive Council
Episcopal Diocese of Lexington
December 13, 2008

The Executive Council of the Diocese of Lexington met on December 13, 2008 at Mission House, Lexington, Kentucky. Members present were: Mr. James Adams, Mrs. H. Allen Rogers (Marie), Mrs. Ann Davis McClain, Mr. Gerry Yeiser, Ms. Holli Powell, Mr. Steve Gabbard, the Venerable Bryant Kibler, Mr. Andy Sigmon, Mr. Bungee Bynum, the Rev. Elise Johnstone, the Rev. Dr. John Burkhart, Mrs. Mary T. Yeiser, Mr. Steve Locke, Ms. Tonya Jackson, Mrs. George VanMeter (Carla), Mrs. Jane Fitzpatrick, Mrs. C.C. Johnson, the Rev. Bob Sessum, Ms. Katherine Harper, Mr. Shannon Wilson, the Rev. Dr. Jan Dunnavant, Mrs. Pam Knight, Ms. Mary Jane Younce, Mrs. Virginia Robbins-Bugg, Mr. David Davison, the Rev. Melanie Mudge, and the Rev. Canon Audrey Miskelley. Also present were: Mr. Jan Courtney, Mr. Kevin Shoupe, the Rev. Ginny Eklund, and Mr. Eddie Salone.

Mrs. Mary T. Yeiser, Vice President, presided at the meeting in the absence of Bishop Sauls. She called the Meeting to order and opened with a devotional for Advent.

Mrs. Yeiser called for the approval of the October 11, 2008 Minutes. The Minutes were amended as follows: Page 2, Line 1, second sentence, second word should read "was"; page 2, paragraph 7, line 5, delete the word "I" and insert the word "in"; Page 5, third paragraph the number should be "ten".

Mrs. Carla VanMeter moved, Ms. Katherine Harper seconded that the Minutes be approved as amended. Passed.

Mrs. Yeiser recognized several members of the Budget Committee who are not members of the Executive Council but were present—Mr. Kevin Shoupe, the Rev. Ginny Eklund, and Mr. Jan Courtney. They presented the "Dream Budget" for the Diocese for the year 2009 (attached herewith). Discussion followed.

Ms. Katherine Harper moved that the Cost of Living Adjustment (COLA) increase be set at 2.5%. Ms. Jane Fitzpatrick seconded the motion. Discussion followed.

Mr. Jim Adams, Vice Chancellor, ruled the motion was out of order.

Mrs. Yeiser thanked the Committee for their work and announced the following Budget Meetings and encouraged all Deputies to Convention to attend.

- January 4, 2009—St. James, Prestonsburg
- January 7, 2009—St. John's, Corbin
- January 13, 2009—Trinity, Covington
- January 15, 2009—Christ Church Cathedral, Lexington

She also noted that Budget Appeals would be heard January 17, 2009. Executive Council will meet January 24, 2009 to approve a budget to be recommended to Convention.

Mrs. Yeiser recognized Mr. Eddie Salone from the Loan Fund Committee (Minutes of the Loan Committee attached herewith). Mr. Salone explained the situation of the loan with Our Saviour, Madison County and recommended that the Council approve the reconstructed loan approved by the Committee.

Mr. Jim Adams moved that we accept the recommendation of the Loan Committee which stated that the “new balance \$184,691.61 be repaid at an interest of only 2.5% through 2011, at \$384.77 per month. At the end of this period the loan would be renegotiated.” The motion was seconded by the Rev. Melanie Mudge. Discussion followed.

The question was called and seconded. Motion failed. Discussion continued.

The question was called and second. Motion passed. The main motion passed.

Mr. Jim Adams noted that when the Resolution on Committees was formed, responsibilities for the Loan Committee were not included. He stated that he would draw up those responsibilities and bring them to the Council at the January Meeting. Discussion followed concerning item #1 of the Loan Committee Report. It was noted that the St. James Loan Note had not been signed and it was the Chancellor’s responsibility to see that that was done.

Discussion was continued concerning the lack of files and records of the Diocese which were available or could be found.

Mr. Shannon Wilson, Historiographer of the Diocese, stated that Grants are available to get the files of the Diocese in order. Discussion continued. The Venerable Bryant Kibler volunteered to work with the staff concerning the issue.

Mr. Jim Adams moved, the Rev. Melanie Mudge seconded that the Historiographer of the Diocese develop a process for reviewing the past files, including costs, options and evaluation of what is reasonable and that the staff develop a process/procedure for records going forward. Passed.

The Council then proceeded with #2 of the Loan Committee report and directed the Committee to find if a written loan is available for the Rev. Phillip Haug and if it is a note or shared equity.

#3—Loan Committee to check and see if there are written loans available on St. Philip’s, Harrodsburg and St. Michael’s, Lexington. The Loan Committee is to report back by the April Meeting.

Mr. Jim Adams, Vice Chancellor, reported the following:

1. St. Martha's, Lexington lease in process

Mrs. Katherine Harper moved, motion seconded, that St. Martha's complete the lease by the April Executive Council Meeting. Passed.

2. St. James', Prestonsburg note still in process

3. Canon X—concerning ethical problems-submitted for informational purposes (attached herewith)

4. Close, Pulaski County—Papers signed

5. St. Paul's, Newport parking lot-in final negotiations.

Concern was expressed as to the reason St. Martha's had not completed the lease requested by the Council.

Ms. Ann Davis McClain, Treasurer, welcomed Ms. Holli Powell as Deputy for Finance. She distributed copies of the Assessments paid through 12/12/09 (attached herewith). She then pointed out problems in particular, St. Michael's Church and Grace, Florence. Discussion followed.

The Venerable Bryant Kibler moved, the Rev. Melanie Mudge seconded that the vestry, treasurer, and clergy of St. Michael's be asked to attend the next Executive Council Meeting and explain their reason for not paying their assessment. Passed.

The Venerable Bryant Kibler reported as Archdeacon (report attached herewith). He noted that the second portion of POSM (Prevention of Sexual Misconduct) is ready and that he will be proposing revised guidelines. The original guidelines say that all policies are to be in effect by 01/01/09. Training must be retaken every 3 or five years depending on your work with children. There will probably be two training sessions in the spring and in the fall. He has not received audit information from the following congregations: St. Joseph's, Anderson County; St. John's, Corbin; Ascension, Frankfort; Christ Church, Harlan; St. Martha's, Lexington; St. Michael's, Lexington; St. Raphael's, Lexington; St. Mary's Middlesboro; and St. Alban's, Morehead.

It was suggested that the Archdeacon's next correspondence with these congregations include information to the effect that the Council is concerned about their inaction.

It was reported that the Committee on Church Catholic (report attached herewith) had met and approved the release of money to Haiti and \$500 was given for domestic poverty.

Mrs. Virginia Robbins-Bugg moved, Mrs. Pam Knight seconded that the clergy Housing Allowances be approved as follows:

- Bishop \$47,000
- Janey Wilson \$23,700
- Russell Johnson \$27,500

Mr. Shannon Wilson withdrew for the discussion.

Motion passed.

Archdeacon Kibler reviewed the report on St. Timothy's, Barnes Mountain (attached herewith). He further reported that he is working with the City Building Inspector concerning the paving of the Mission House parking lot.

The Task Force for Fund Raising—Report is ready to be released by the Bishop.

Mr. Steve Gabbard, Finance Committee Chairman, reviewed the preliminary October numbers and noted that if Grace and St. Michael's paid, things would be all right, but that as of this meeting he was unsure. He noted that year-end fundraising would need to be monitored. Ascension, Frankfort owes \$16,000 from 2007 but they have until 2009 to pay. A message has been left for their interim, but nothing has been heard in return.

Mr. Gabbard reported that the transition period from Molly to Holli and the new accounting system is going well. He further reported that the Committee has reviewed the "bad debt reserve" for loans and will be leaving the reserve where it is. They have been focusing on asset management but will be beginning to address internal controls.

The Finance Committee submitted their report (attached herewith) with the following recommendations (attached herewith):

Finance Committee Resolution A

BE IT RESOLVED that the Investment Portfolio of The Domestic and Foreign Missionary Society of The Protestant Episcopal Church in the United States of America (DFMS) be authorized for use as an investment by all Diocesan organizations, and

BE IT FURTHER RESOLVED that the officers of the Diocese of Lexington be authorized to take the necessary action to place funds in the DFMS with Stacy Sauls, Ann Davis McClain, and Gerry Yeiser authorized to act for the Diocese with regard to the DFMS, and

BE IT FURTHER RESOLVED that the Diocese accept the national church's determination of income for funds placed in the DFMS.

The motion passed.

Finance Committee Resolution B

BE IT RESOLVED that the Cathedral Domain pool upgrade is authorized as described in the Proposed Pool Improvements for Compliance with State Regulations schedule up to a total of \$81,000.00, and

BE IT FURTHER RESOLVED that the treasurer of the Diocese of Lexington is authorized to liquidate temporarily restricted Cathedral Domain investments to fund the cost of the pool upgrade in an amount up to \$81,000.00 less contributions restricted or designated for that purpose. This authorization expires December 31, 2009.

The motion passed.

Finance Committee Resolution C

BE IT RESOLVED that the treasurer of the Diocese of Lexington is authorized to liquidate temporarily restricted Cathedral Domain investments to fund the 2008 Cathedral Domain deficit in an amount up to \$60,000.00. This authorization expires December 31, 2009.

The motion passed.

Finance Committee Resolution D

BE IT RESOLVED that the 2008 Mission & Ministry Budget be amended to decrease the loan payment to the Loan Fund for the Madison County real estate loan from \$9,967.00 to -0-, and increase the loan payment to the Bishop's Discretionary Fund Endowment Fund from \$10,000.00 to \$19,967.00.

Carried.

Mr. Gabbard then explained the spreadsheet which detailed the current cash balances as well as what the cash balances would be if the interfund accounts were settled (attached herewith).

The Very Rev. Russell Johnson, Assistant to the Bishop, reported to the Council the information he had concerning the assessments for St. Michael's, Lexington and Grace, Florence. Fr. Johnson, after being called, came to the Meeting at the request of the Council.

Mrs. Mary T. Yeiser, Budget Chairman reported for the Appeals Committee, noting that letters had gone out October 8, 2008 with the information that all appeals should be submitted by January 15, 2009. There has been a followup e-mail sent and the information has been posted on the website.

It was reported that Mrs. Yeiser had received an e-mail from the Communication Committee concerning the updating of the information on the website. The Committee said they had received that information. Much information has been added to the website, but there are issues with releases not being signed by individuals to allow their information to be posted. Discussion followed.

Mr. Bungee Bynum, Executive Director of Reading Camp reported the following:

1. Six Reading Camps next year

2. The second South African Reading Camp in July
3. Substantial interest from parishes in Paducah (Grace) and Leesburg, Virginia (St. James) in beginning a Reading Camp Ministry in 2009
4. New interest from the Anglican Diocese of South East Mexico

Mr. Andy Sigmon, Cathedral Domain Manager, submitted the Proposed Pool Improvements for Compliance with State Regulations (attached herewith). He reported that the pool plans have been finalized and have been mailed to Frankfort. Work is to begin mid-January.

The Camps and Conferences Board did meet but did not have a quorum. They did discuss opportunities for fundraising, including grants and St .George's Day.

Mr. Gerry Yeiser, Assistant Treasurer for the Domain noted that at Convention this year new members of the Camps and Conferences Board will be appointed, not elected.

There being no other business the Meeting was adjourned.

Respectfully submitted,

Marie C. Rogers (Mrs. H. Allen)