

Minutes of the Executive Council
Episcopal Diocese of Lexington
January 24, 2009

The Executive Council of the Diocese of Lexington met on January 24, 2009 at 10 a.m. at Mission House, Lexington, Kentucky. Members present were the Rt. Rev. Stacy Sauls, Mary T. Yeiser, the Rev. Dr. John Burkhart, C. C. Johnson, Steve Locke, Carla VanMeter, the Rev. Dr. Jan Dunnivant, Pam Knight, Mary Jean Younce, Virginia Robbins-Bugg, David Davidson, Shannon Wilson, Jane Fitzpatrick, the Rev. Elise Johnstone, Katherine Harper, and the Rev. Bob Sessum.

Members present by virtue of their office were Buck Hinkle, Chancellor; Jim Adams, Vice-Chancellor; Ann Davis McClain, Treasurer; Gerry Yeiser, Assistant Treasurer; the Venerable Bryant Kibler, Archdeacon and Bishop's Deputy for Administration; Andy Sigmon, Facility Manager, Cathedral Domain; Steve Gabbard, Finance Committee; Holli Powell, Bishop's Deputy for Finance; and Cindy McKee, Assistant Secretary.

Elected members absent were Tonya Jackson, the Rev. Canon Audrey Miskelley, and the Rev. Melanie Mudge. Members by virtue of their office absent were Nathan Churchill, Camps and Conferences; Bungee Bynum, Reading Camp; Kay Collier-McLaughlin, Bishop's Deputy for Communications; and Marie Rogers, Secretary.

Guests present were Diane Gabbard, ECW president; Kevin Shoupe, Dave Sevigny, the Rev. Ginny Eklund, and Jan Courtney, members of the Budget Committee; and the Rev. Alan Sutherland, John Range, and Ben Harper, the Rector and Wardens of St. John's, Versailles.

The meeting was called to order by Bishop Sauls who led the Council in morning devotions.

Approval of Minutes

Bishop Sauls called for the approval of the December 13, 2008 minutes. The Rev. Bob Sessum moved, Carla VanMeter seconded that minutes be approved. The minutes were amended as follows:

- Page 2, last sentence of last paragraph: change March to April.
- Page 3, first line; change Assistant to Vice
- Page 3, fourth line; change March to April
- Page 3, sixth line (item 3; change not ready for action by Council to submitted for informational purposes.
- Page 3, fourth paragraph, first line; change Assistant for Deployment and Transition to Archdeacon.
- Page 4, seventh line; change to the Bishop to by the Bishop.
- Page 4, twelfth line; change bee to been.
- Page 5, second to last paragraph, first line; change contacted to received an e-mail from
- Page 5, second to last paragraph, add the following sentence before Discussion followed: 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.

The minutes were approved as amended.

Comments from the Chair

1. Spiritual state after sabbatical. The real focus of sabbatical was the renewal that came from being away. Was able to see the diocese with fresh eyes and returned to work mysteriously invigorated. Continues to hope that his episcopacy is marked by prayer and the knowledge that your bishop loves you.
2. Is not interested in leaving this diocese. Has been asked five times since General Convention 2006 to submit name for bishop in other dioceses. Believes God has called him to be the Bishop of Lexington.
3. Jim Adams has been asked to chair a task force to clarify job descriptions and protocols for other diocesan committees and groups, and work on a records retention policy with the diocesan historiographer.
4. Capital funds exploratory committee to work with professional fundraising counsel (paid for by the diocese) to raise capital funds primarily to benefit the congregations and to secure their ministry and secondarily to secure the ministry of the Cathedral Domain.

Bishop Sauls answered questions and received comments from those present.

Chancellor's Report

Mr. Buck Hinkle reported on the following:

1. Close transaction completed and documents signed on December 21. Funds being held for The Close were also transferred.
2. A template has been developed for a month to month lease that will be provided to St. Martha's. The template could be used by other parishes that have similar arrangements.
3. He and Jim Adams recently met with Bishops Sauls to discuss enhanced coordination between the Office of chancellor and other offices and committees. Bishop Sauls was also brought up to speed on Canon X.
4. St. Paul's has hit a stumbling block in their negotiations with the Courthouse Commission in that the existence of the Courthouse Commission is threatened. The Commission is created by statute and may be eliminated. The deal could possibly be salvaged if the diocese is willing to take substantially less. The general feeling is that it would not be appropriate at this time to discuss substantial reductions in price. Negotiations may need to be started over. The deal is a long way from being consummated.

Treasurer's Report

Ann Davis McClain stated that Holli Powell is doing a great job. She also said that everyone needs to take a turn on the Budget Committee. The Budget Committee members were commended for their great work on the 2009 budget.

Other Reports

Canon to the Ordinary – no report.

Archdeacon – The Venerable Bryant Kibler submitted a written report (attached) and further reported on the following:

1. A report will be presented at the April meeting regarding Prevention of Adult Sexual Harassment training.
2. Was contacted by the National Church office about the low number of people taking Safeguarding God's Children online. This is not being pushed in the parishes. Executive Council needs to set the example and complete the required online training at required intervals. Usage and number of completions for each congregation can be monitored. Discussion.
3. Now using ACS for web services and e-mail has been changed to Google mail.
4. Website contact list. When a person's name is submitted for diocesan election or position, that should give us the right to post their name and contact information on the web page. A diocesan e-mail address can be created if the person does not want to use their personal e-mail address. Discussion.
5. Who to contact for what at Mission House information will be posted on the web page.

Executive Council Committees

A. Finance Committee

Holli Powell, Bishop's Deputy for Finance, reported that only \$16,000 has not been paid on 2008 diocesan assessments, and that represents the amount owed by Grace, Florence and Ascension, Frankfort. Ascension, Frankfort is also paying on 2007 receivable. St. Michael's made full payment for 2008 assessment.

Steve Gabbard, Chair, went over the following motions.

Loan from Loan Fund to Mission & Ministry Fund (December 2008 Transaction)

Resolution A: Be it resolved that the payment of the BB&T line of credit from the sweep account on June 26, 2008 in the amount of \$151,396.60 be recognized as a non interest bearing loan from the Loan Fund to the Mission & Ministry Fund. This transaction will be booked as of December 31, 2008.

Discussion. Passed.

Merger of Real Estate Fund with Mission & Ministry Fund and Loan from Bishop's Discretionary Fund Endowment to Mission & Ministry Fund (January 2009 Transaction)

Resolution B: Be it resolved that the Real Estate Fund be merged into the Mission & Ministry Fund effective January 1, 2009.

Discussion. Passed.

Resolution C: Be it resolved that the Mission & Ministry Fund make a payment of \$50,033.00 on its outstanding loan with the Bishop's Discretionary Fund Endowment. This payment will be made in January 2009.

Discussion. Passed.

Loan from Bishop's Discretionary Fund Endowment to Bishop's Discretionary "Operating" Fund and Bishop's Discretionary "Operating" Fund Cash Overdraft in Sweep Account.

No action required.

Finance Committee member Gerry Yeiser reminded Executive Council of the amount of time and effort given by all Finance Committee members. A very complicated diocesan accounting process has been tackled by Steve Gabbard, Molly Lovelock and Holli Powell in a most transparent way.

B. Church Catholic – no report.

C. Personnel – Report will be presented later in the meeting in regard to reorganization.

D. Audit

The audit will take place during the last two weeks of May.

The diocesan clergy minimum was discussed. Motion made by the Rev. Bob Sessum, seconded by the Rev. Elise Johnstone that the clergy minimum salary be adjusted using the same cost of living (COLA) increase as adopted for the diocesan budget. Discussion. Passed.

E. Diocesan Mission – no report

F. Small Church Ministry – no report

G. Appeals

Five congregations appealed their 2009 assessment. St. John's, Versailles, will appeal the decision of the Appeals Committee later in the meeting.

H. Budget

The Budget Committee will make its presentation later in the meeting.

I. Episcopacy and Administration

Notices have been sent to 6-7 parishes that have not yet submitted 2007 audits. Bishop Sauls has canonical right to the church records. These are mostly smaller congregations. Two have indicated they are working on them; no communication from the others. The Rev. Bob Sessum suggested that some members of the Audit Committee be available to work with these smaller congregations.

The Ven. Bryant Kibler reported that a Treasurers and Administrators workshop will be held on March 7.

Camps and Conferences Board

Andy Sigmon reported that the swimming pool repair plans were approved by the Division of Plumbing. The work is expected to begin in two weeks, and kids will be swimming this summer! The contractor work should be completed by the end of April and all repairs completed by the end of May.

Episcopal Church Women (ECW)

Dianne Gabbard, president, reported. An ECW succession plan is in place with Katherine Harper, vice president, as president-elect. The Diocese of Lexington has been the recipient of many UTO grants, and this year Medical Mission Lexington received a fully funded grant. A copy of the ECW newsletter was passed out. The next meeting will be held on February 7 with Nathan Churchill speaking about a partnership with the Camps and Conferences Board to build a new playground for young children at the Cathedral Domain. Information was presented about UTO matching grants. A portion of investment earnings is used to make matching grants to local ECW groups. No grants were made in 2008 because no requests were received. Money is available. The diocesan ECW just met and referred two requests on to the national UTO.

Diocesan Men – no report.

Reports from Russell Johnson (deployment), Reading Camp and Fundraising were forwarded to Executive Council members but are not on the agenda. Bishop Sauls received the Communication Task Force report but has not read it.

Old Business

Loan documentation: The documentation on the loan to St. James is done. The loan documentation for Our Saviour, St. Michael's and St. Raphael's will be discussed at the April meeting. Some original documents for St. Michael's and St. Raphael's were discovered in Holli Powell's office.

St. Martha's lease with counseling center: Covered in Chancellor's report.

St. Paul's, Newport parking lot: covered in Chancellor's report.

New Business

1. Report from Nominating Committee.

The report distributed by the Nominating Committee for Executive Council and Standing Committee did not include clerical trustee nominees for Sewanee. The persons nominated are the Rev. Carol Ruthven and the Rev. Corky Carlisle.

- a. Clergy nominees for Standing Committee are the Rev. Donovan Cain and the Rev. Janey Wilson. Lay nominees are Lisa Foreman, Denise Placido, Kevin Shoupe and Billie Stockton.
- b. Clergy nominees for Executive Council are the Rev. Mark Furlow, the Rev. Michael Henderson and the Rev. Dr. Rob Slocum. Lay nominees are Barbara Crain, Steve Gabbard, Maggie Miles, Carla VanMeter and Sidney Vignes.

- c. The Rev. Jim Campbell has resigned from Standing Committee effective end of Convention.

Motion made by the Rev. Dr. Jan Dunnivant, seconded by Mary Jane Younce to accept the report and send it on to Convention. Passed. Virginia Robbins-Bugg abstained.

2. Records Retention Policy
Previously discussed.
3. Other Committee Descriptions and Protocols
Previously discussed.
4. Grace, Florence request for 2008 assessment reduction
Letter received from Bishop's Council requesting forgiveness of their remaining 2008 assessment. Bishop Sauls met with Henny Grossoehme, Priest in Charge, and Russell Johnson to discuss the status of the diocesan assessment for 2008 and 2009 and plans to get Grace moving. Bishop Sauls stated that Grace continues to have a viable ministry and he is encouraged. The Appeals Committee recommended that Grace add their current budget surplus into one-half of their diocesan assessment.

The Rev. Bob Sessum moved, Pam Knight seconded that the remainder of the 2008 assessment for Grace, Florence be forgiven. Discussion. Passed.

5. Grace, Florence leases
In an effort to address their financial issues, Grace has rented the Rectory and parking lot. However, they did not request permission to do so. Bishop Sauls is working with Henny Grossoehme on this.

Special Order – Mission House Reorganization

Bishop Sauls presented a staff reorganization plan based in part on staff self-evaluations and Personnel Committee interviews with staff members. Bishop Sauls believes the reorganization will better facilitate the mission and ministry of the diocese, increase staff productivity and morale, and ensure that the needs of the diocese are met.

Changes include reassigning responsibilities, moving the Cathedral Domain administrative assistant position to Mission House, and hiring someone as Canon to the Ordinary. The plan includes some currently unfunded positions. Copies of the organizational chart and job descriptions are attached.

Special Order – Reconsider denial of St. John's, Versailles diocesan assessment appeal

The Rev. Alan Sutherland, Rector; Ben Harper, Senior Warden; and John Range, Junior Warden appeared before Executive Council to present additional financial information and answer questions from Council members about the financial situation at St. John's. The Appeals Committee previously denied their written appeal to lower the diocesan assessment for 2009.

All guests were excused and Council entered executive session at 1:27 p.m. Council ended executive session at 1:45 p.m. and guests returned. Proposal to reverse the Appeals Committee decision on St. John's failed for lack of a motion. Treasurer Ann Davis McClain to send a letter to St. John's.

Special Order – Budget Committee Report

Budget Committee members Mary T. Yeiser, Chair; Kevin Shoupe, Dave Sevigny, the Rev. Ginny Eklund, and Jan Courtney presented the post hearing proposed budget for 2009. The budget hearings were not well attended this year. Comments from the budget hearing survey were shared.

A very slight surplus budget for 2009 was presented to Council. Diocesan staff with the exception of Bishop Sauls will receive a 2% cost of living (COLA) salary increase.

The Bishop's Deputy for Communication and Leadership Development is now a full time position (40 hours). Changes are planned for the way diocesan communications are handled, perhaps utilizing more electronic methods. The funding for an NPR campaign was left in the budget.

No funding for the Lutheran Episcopal Campus Ministry. Bishop Sauls stated that his allowing them to use the St. Augustine's property is all he has to offer them at this time.

Mission House telephone expense is under review with a plan to bundle services to reduce the cost.

Discussion regarding the salary amount for Bishop's Deputy for Communication and Leadership Development. The Executive Secretary's salary is more than the newly created Communication and Leadership Development position. Due to Kay Collier McLaughlin's experience, education and training, some felt that a higher salary was warranted.

Jane Fitzpatrick moved, Pam Knight seconded that the budget be amended to increase the annual salary for the Bishop's Deputy for Communication and Leadership Development to an annual rate of \$45,000. Discussion. Passed.

All budgets were then presented for discussion and approval.

Cathedral Domain

No discussion. Passed.

St. Agnes House

No discussion. Passed.

Reading Camp

No discussion. Passed

Small Church Ministry Consortium

No discussion. Passed. Shannon Wilson abstained.

Ministry and Mission budget
No further discussion. Passed.

Bishop Sauls asked for permission to offer the Canon to the Ordinary position to Sam McDonald. Approved.

The next Executive Council meeting will be held on April 24 and 25 at the Cathedral Domain.

There being no further business, the meeting adjourned.

Respectfully submitted,

Cynthia McKee
Assistant Secretary