



**THE EPISCOPAL DIOCESE OF PENNSYLVANIA
DIOCESAN COUNCIL
Saturday, January 7, 2012
St. Thomas' Church, Whitemarsh**

MINUTES

Attendance (arranged by Deanery)

Rt. Rev. Charles Bennison

Brandywine: Patrick Connelly

Bucks: Rev. Ernest Curtin, Doug Fonte, Emily Wolf

Delaware: Rev. Michael Knight

Merion: George Vosburgh, Rev. Jane Cornman, Sarah Boote

Montgomery: Elise Bowers

Pennypack: Rev. Jonathan Clodfelter, Peter Datos, Carole Baxter

Schuylkill: Debora Brown, William Berry

Southwark: Rev. Joy Segal, Paul Yaros, Jeanette Woehr

Valley Forge: Barry Norris, Beverly Loftus

Wissahickon: Victoria Sicks, Patricia Smith, Rev. Elliot Waters

Guests: John Loftus, Rob Rogers, Rev. Hillary West, Richard Woehr, Rev. Ledlie Laughlin, Mary Kohart

1. Opening of the meeting (*20 minutes*) Bishop Bennison
 - a. Prayer
The meeting was opened with prayer at 9:00 am by Bishop Bennison.
 - b. Welcome and introductions
Rev. Hillary West welcomed Diocesan Council to St. Thomas, Whitemarsh.
 - c. Adoption of the agenda
A motion was made by Pat Smith and seconded by Elise Bowers to adopt the agenda. Motion carried.
 - d. Recognition of Visitors
Richard Woehr, Rob Rogers, Norman McClave –Treasurer
2. Minutes of the November 19, 2011 meeting of Diocesan Council (*5 minutes*) Ms. Jeanette Woehr, Secretary

A motion was made by Doug Fonte and seconded by George Vosburgh to accept the minutes of the November 19, 2011 meeting of the Diocesan Council. Motion carried.
3. Bishop's Report (*20 minutes*) Bishop Bennison

**The State of the Diocese:
The Diocese of Pennsylvania in 2012
The Feast of the Epiphany**

If you see something, say something.

Department of Homeland Security

*Our little systems have their day;
They have their day and cease to be;
They are but broken light of thee,
And thou, O Lord, art more than thee.*

Alfred Lord Tennyson



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"If you see something," blares announcement throughout high-risk areas of our airports and train stations, "say something." I see that, given our average age, in twenty years – if not ten – our diocese, like the Episcopal Church, will face a death tsunami unless we make ministry to, with, and by our children and youth our "Number One" program and budget priority.

At the same time, I see numerous parishes and mission churches in our diocese doing just that and more, and, consequently, experiencing enormous growth and vitality. We can all learn from them.

Today, 60 of our 141 churches (or 43%) are, or are soon to become, "non-traditional," i.e., unable to sustain a traditional ministry with a full-time priest, property, and program.

At a recent Episcopal Clergy Association of Pennsylvania conference, the keynoter Diana Butler Bass began by saying, "Please know that the Episcopal Church is not in decline. It has collapsed!" She proceeded to iterate the cultural forces that have had a deleterious effect on belief, and on confidence in the church and its purpose. She assured us that we should not feel guilty for what has happened, for its control is beyond our reach.

We may not need to feel guilty, but as diocesan leaders we do remain responsible for the institutions of the Episcopal Church and the Diocese of Pennsylvania which, like all "institutions", exists to pass on to the next generation its "institutes" or values.

It is clear from responses to my recent Convention Address, in which I spoke about our need to address the numerical losses in the Episcopal Church and most religions, that the Diocese is coming to terms with the fact that having fewer church buildings will advance, not diminish, our effort to fulfill the Gospel mandate to make more Christians.

We are also coming to realize that our present diocesan "systems" are often serious stumbling blocks to our advancing Christ's mission. "Our little systems," Tennyson wrote, "have their day," and the God whose plan we are to serve is "more than they." As a diocese, we must adapt or die, and adapt in the following ways:

New Diocesan Canons: In my 2011 Convention Address, I asked the Finance Canons Review Committee and the Diocesan Mission Planning Commission (DMPC) to continue their collaboration so that, because form follows function, the canonical changes proposed at our next Convention can reflect DMPC's mission strategy.



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Given the enormity of the challenges we face, however, I now believe that such an approach is too timid, piecemeal, and insufficient to effect the changes we need to become not just a viable, but a truly vital, diocese. Therefore, we need to bring before the 229th Convention: (a) a resolution calling on the DMPC to set forth in greater detail than heretofore our diocesan mission strategy, and (b) a resolution calling for the Finance Canons Review Committee to be expanded and re-organized as a Diocesan Canons Revision Committee. The committee would draw on the work of many other dioceses and the general Episcopal Church which have revised, or are in the process of revising, their canons, and would work in collaboration with the Diocesan Committee on Constitution and Canons over a three-year period 2013-2015, allowing for my successor to participate in creating a complete, new set of diocesan canons to be presented to the 232st Diocesan Convention in 2015.

Parishes and Mission Churches: During 2011, thirty clergy began new ministries as rectors, vicars, priests-in-charge, or assistants. Three parishes where the clergy announced a date certain for their retirements in 2012 have begun their discernment processes. Ten churches paired with another church and in five pairs are sharing a priest. One parish is served by a priest who receives no compensation. At present, there are fourteen churches in transition.

In 2012, the number of “non-traditional” parish that cannot afford a full-time priest and staff will continue to increase, making our diocese a truer reflection of most others in the Episcopal Church (the Diocese of Alaska, for example, has 56 churches, but only six full-time priest). Our diocesan mission strategy must aim toward not just the viability, but the vitality, of our parishes and missions based less on their number of people at worship than on the extent to which their members are sharing the “Good News” and working for justice in a world increasingly divided between those who have and those who have not, between those who can read and those who cannot, those who are online and those who are not.

Bearing in mind that the God of the Bible never rejects our justice because of our lack of worship, but always rejects our worship because of our lack of justice, I ask the DMPC to: (a) revisit the vision statement adopted at the 2011 Diocesan Convention in terms of what it means to be an “apostolic” church committed to the world, rather than to itself, and thereby a “catholic” church marked by true diversity, and thereby a “holy” church distinct from the world to which it is sent, and thereby “one” church united through baptism in the Body of Christ; (b) examine where we are “land poor” with too many properties that require our stewardship of time and money that otherwise could be used for ministry and justice on behalf of people, and propose strategies for downsizing and consolidating such



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properties; (c) validate the parishes and missions that may not be able to afford a priest but are nonetheless performing valuable ministry and justice work; (d) draft for a Diocesan Canons Revision Committee a proposed canon whereby parishes and missions can spend their endowment principal only with the permission of the Bishop, Standing Committee, and Committee on Finance and Property; (e) draft for a Diocesan Canons Revision Committee a proposed canon clearly defining an independent parish from a mission church under the Bishop's direct oversight, and the circumstances under which a mission would become a parish, and a parish, a mission; (f) draft for a Diocesan Canons Revision Committee a proposed canon whereby any parish receiving financial assistance of any kind from diocesan resources would become a mission under the Bishop's direct oversight.

With the retirements in 2010 and 2011 of our vicars at the Church of the Advocate, the Free Church of St. John the Evangelist, St. Mary's, Bainbridge Street, St. Dismas', Graterford, and now La Iglesia de Cristo y San Ambrosio, five of our seven mission churches welcomed new vicars. (The other two are All Souls' Church for the Deaf and St. Gabriel's).

On August 29, 2011, the Montgomery County Orphans' Court ruled that David Moyer had to remove himself from acting as the incumbent of the Church of the Good Shepherd, Rosemont, and those vestry members who participated with him in seeking to alienate the people and property of the parish from the Diocese had to resign from the vestry. On October 9, the parish elected a new vestry, which in turn immediately made a pledge to the Program Budget of the Diocese. On November 27 Bishop Michel made the first full Episcopal Visitation to the parish in many years. Thus, of the eleven parishes whose clergy fifteen years ago were seeking in one way or another to alienate from the Diocese and the Episcopal Church their people and property, eight are now functioning parishes within the Diocese, one (St. James-the-Less) offers a non-parochial ministry as an Epiphany/Miguel school under the aegis of St. Mark's, Locust Street, one has closed, and the vestry of All Saints', Wynnewood, remains, after more than a decade, in violation of the canons by employing a priest who is not licensed to serve in the Diocese.

Children in the Liturgy: Inasmuch as participation in the Eucharist and reception of the sacrament is central to the life of the baptized, incorporation of baptized children in the Sunday Eucharist in its entirety remains an important issue in many of our parishes and mission churches. At St. Martin's-in-the-Fields, Chestnut Hill, on May 5, 9:00 a.m. to 2:30 p.m., the Diocesan Liturgical Commission will host "You Must Be As A Child: Children in the Word," a conference for clergy, children, and adult laity about how we can incorporate our children into the Body of Christ through liturgy. Bill Gordh, a



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renowned biblical educator, adjunct at General Theological Seminary and Union Theological Seminary, story-teller and banjo player, will lead clergy and laity, adults and children in experiencing a number of working approaches to children's liturgical formation.

Minority Aspirant Recruitment: A pressing issues facing the Episcopal Church is our need for more clergy of color to serve in all parishes and mission churches, regardless of their racial and ethnic mix. This issue is especially acute for our diocese, historically one that has had the largest African-American membership in the Episcopal Church, and where the only person of color in the ordination process today is Barbara Robinson, a member of Calvary/St. Augustine Church, who is preparing for the diaconate.

This is not the first time we have confronted this crisis. More than seven years ago a group of clergy met overnight with me at Wapiti. From that conversation emerged the twelve-member Black Aspirants Recruitment Consultation Task Force chaired by the Rev. Renee McKenzie-Hayward. The Reverend Randolph Williamson served the Task Force as its researcher. A year later at Wapiti, on January 10-11, 2006, the Task Force presented its initial report to the members of the Consultation for their comments and critique. The final report was presented to the Diocese at the Annual Absalom Jones Festival on February 11, 2006, with a copy mailed to every parish. The work made a difference: soon we had five persons of color come forward as aspirants.

Because it is time we do this work again, I have invited our active clergy of color and clergy serving minority churches to meet again at Wapiti on Monday-Tuesday, February 13-14, to advance again the number of people of color aspiring to ordained ministry.

Anti-Racism Training: Every member and the Clergy and of diocesan governing bodies, parish vestries and mission committees is expected to take the training offered by the Antiracism Commission of the Diocese through the Crossroads Antiracism Organizing & Training group. Concerned that many of our clergy have not taken the training because it usually occurs over a weekend, I am using my discretionary fund so that a session can occur during the week this coming April 24-26. A second training will occur over the Columbus Day Weekend October 8-10. It is incumbent upon every member of the Standing Committee, Diocesan Council, the Committee on Finance and Property, the Deans' Council, the Cathedral Chapter, the Wapiti Boards, and the Church Foundation to avail themselves of these opportunities for the training. Register online at www.diopa.org/news/topics/education/antiracism-training-on-columbus-day-weekend/

Finance and Property: Our 2010 diocesan audit was the cleanest audit in my tenure.



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The Diocese ended 2011 close to forecast with approximately \$250,000 in the operating account. Designated cash balances exceed \$1,500,000 and represent monies segregated for specific purposes within the Diocese. Unpaid pledges and unpaid assessments exceed \$100,000 in both instances, but that is fairly normal based on past experience. We have historically received 2011 pledges and assessments into February of the following year. We anticipate closing our 2011 books on or about January 20th, 2012, in line with previous years' closings. We received 52 audits and 136 parochial reports; that 90 parishes did not do a 2010 audit, and 6 failed to submit a parochial report, represents a serious lack of accountability and is a cause for major concern.

The Standing Committee, Committee on Finance & Property, and Diocesan Council adopted strong Conflict of Interest and Whistleblower Policies assuring transparency and integrity in our financial and management practices. Our task now is to assure adherence to these policies.

I am extremely grateful to Norman McClave for accepting my appointment as Diocesan Treasurer, beginning January 1, and to John Loftus for continuing as Assistant Treasurer. The Rev. Kirk Berlenbach, Chair, and Jack Henn, Vice-Chair, continue to offer superb leadership to the Committee on Finance and Property. The Rev. Michael Knight and Debora Brown last year completed the Program Budget process in record time and presented a budget based on full disclosure of all funding sources from those applying for support in 2012. They are already hard at work on the 2013 budget.

I am asking the Standing Committee and the Program Budget Committee to build 2013 budgets which reflect: (a) the impact the increasing number of non-traditional churches (many of which do not pledge to the Program Budget and cannot make their assessments) and of the canonically-mandated Denominational Health Plan (whereby all lay employees working 30 hours or more a week are to receive the same level of health insurance as do our clergy), to take effect January 1, 2013, will have in 2013 on the Program Budget and the Diocesan Assessments; (b) my sincere hope that, inasmuch as each year I as Bishop request from Standing Committee its consent to allocate from investment revenue a large portion of the income to the Program Budget, the Program Budget Committee will voluntarily honor my request that it allocate a 10% tithe – or approximately \$500,000 – of our total diocesan income as our pledge to the Episcopal Church; (d) my recommendation that the committees move 50% of the costs of the finance and audit expenses from the Program Budget to the Episcopate Budget; (e) my recommendation that we establish an entirely separate budget for the Property Fund, recognizing that this function is self-sustaining, and meets the costs for property maintenance, repair, and personnel in carrying out the function; (f) my recommendation that the committees include in their budgets allocations not only \$75,000 annually to be accrued during 2012-2015 to fund the succession process for the election, consecration, and employment of the next Bishop, but also an annual amount to be accrued for transitional salaries for other new employees whom we will need to have overlap with our present employees, many of whom may retire about the time I do.



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The Cathedral: On February 28, the Chapter voted to pay the 3919 Corporation of the Church Foundation \$3500/month in order to have an option giving it the right of first refusal on any offer on the building. When the Church Foundation proceeded to market the property adjacent to the Cathedral at 3719 Chestnut Street and received a \$2.6M offer, the Cathedral Chapter exercised its option and on August 16 purchased the property for \$2.7M. On December 19, the Chapter voted unanimously to approve an agreement with the Radnor Property Group (RPG) for the development on the now-expanded Cathedral property site of a high-rise building with student housing, ground-level commercial space, Cathedral offices, meeting spaces, and potentially, offices for the next Bishop and diocesan staff. On December 20, the Standing Committee voted unanimously to grant consent to my agreeing to the agreement.

Church House: Last year Sean McCauley, Diocesan Property Manager, convened and chaired a committee with representatives from the Standing Committee, Diocesan Council, and the Committee on Finance and Property to study the sale of Church House and the relocation of diocesan staff to the Cathedral, were its development project to proceed. Sean listed the operating costs associated with Church House operations and costs that would be associated with moving with the Cathedral Staff to rented office space in West Philadelphia if and when the development of the Cathedral property proceeds as planned. The study showed that Church House is oversized for present staff needs, inefficient as an office building, lacks adequate parking, and, at \$200,000/year, extraordinarily costly to maintain.

On the February 2 and 3, 2011, Cushman Wakefield, Colliers, Prudential Fox Roach, and Binswanger (real estate brokers) reported to the committee their assessments of the real estate value of Church House, its pros and cons relative to both the residential and commercial real estate markets, and their firm's strategies and fees for marketing it. Anticipating that Church House could take a long time to sell, I hope that we can look seriously at putting it on the market in 2012.

Diocesan Convention: I announced at the 288th Convention that the 229th Convention would take place at the Cathedral on November 10, 2012. Progress at the Cathedral is such, however, that the undercroft will be under construction at that time to accommodate the Cathedral offices during the upcoming development project, and later, when the project is finished, a day-care center for young neighborhood children. Consequently, Convention will be held at Episcopal Academy in Newtown Square.

Diocesan History: The Diocesan History Commission, chaired by the Rev. Dr. Jean Mather, has completed its decade-long project by signing a contract with Penn State Press to publish by mid-2012 *This Far By Faith*, the first in-depth history of Pennsylvania Episcopalians in the context of their times. I believe the book will be an invaluable tool when the Diocese drafts its profile in the process of discerning whom it will elect as its next Bishop. To celebrate the volume's publication, the



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Commission, in collaboration with historiographers in the other four dioceses in the Commonwealth, arranged for a Service of Evensong at Christ Church, Philadelphia, at 5:00 p.m. on Sunday, October 7, 2012, with the Rt. Rev. William Franklin (a former Professor of Church History at the General Theological Seminary, one-time Curate of St. Mark's, Locust Street, and now Bishop of Western New York) as the preacher. Each of the ten historians who authored one of the book's ten chapters has agreed to preach or speak in one of our ten deaneries the morning of October 7, 2012, to participate in the celebration at Christ Church that afternoon, and to present the learning from their research at the Annual Clergy Day on October 9, 2012. I have invited to participate in the celebration and Clergy Day all active and retired Episcopal bishops in the Commonwealth.

Ecumenical Relations: In the face of the temptation on the part of most religious bodies today to succumb to a self-centered survival mentality because of their present numerical decline, ecumenical theology and ecumenical relations demand more than ever our recognition that our present divisions severely weaken Christ's mission, and that our schisms are a scandal, though we are far too seldom scandalized by them.

We usually distinguish between ecumenicity, referring to intra-Christian activity, on the one hand, and "inter-faith relations" among separate religions, on the other. But if we take the New Testament Greek "oikomene" literally as referring to "all people everywhere," we would recognize the distinction is misleading and start, instead, with the experience of people everywhere with or, in many cases, without, God.

With conversations about the experience of "all people everywhere" with "the mighty acts of God," the Rev. Daniell Hamby, our Ecumenical Officer, the Rev. Henry Galganowicz, long involved in "interfaith relations," and I are seeking to revitalize ecumenical theology and ecumenical relations in our diocese. We will widen our circle at a dinner in my home at 279 South Fourth Street, Philadelphia, on Tuesday, January 24, 5:00 – 9:00 p.m. If you are committed to pondering what is in your heart and the hearts of "all people everywhere" as ecumenical work, please join us by contacting Linda Hollingsworth in my office (lindah@diopa.org) to let us know of your interest.



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The Most Rev. Charles Chaput, Archbishop of Philadelphia, has accepted my invitation to address our Diocesan Convention November 10. The Rev. Robert Tate now represents us on the Administrative Group of the Religious Leaders' Council on which I sit. The Interfaith Center of Greater Philadelphia has its offices at our Cathedral. I actively represent us in the Pennsylvania Council of Churches.

At my request, the Rt. Rev. Frederick Borsch, President Philip Krey, and Professor Storm Swain of the Lutheran Theological Seminary at Philadelphia are drafting a proposal for us to offer, on the analogy of Safe Church Training and Anti-Racism Training, what I have called "Religious identity Sensitivity Training," so that we can be better equipped to respond when, say, one of our members marries a Muslim or Hindu or Jew or Sikh or Buddhist.

Camp Property: The Wapiti Land Company has published and posted online Guidelines for the Use of Wapiti, and vestries, church staffs, and diocesan organizations are using the property and helping to defray its operating expenses.

The Standing Committee and I approved (a) the expenditure of monies from the Property Fund and proceeds from the sale of Christ Church, Eddington, allowing the Wapiti Land Company of the Church Foundation to retire on December 5 the \$1.5M M+T Bank loan on the Wapiti Farm property, and (b) the commitment of the proceeds from the imminent sales of St. John's, Lansdowne (anticipated to be \$950,000), and St. Peter's, Germantown (anticipated to be \$400,000), for the creation of a Wapiti Loan Retirement Fund, to be used to pay off the remaining debt, giving the Diocese outright ownership of the property.

On the principle that individuals may use their assets to speculate by hoping to borrow at a rate cheaper than what their own money will earn invested in the bank, but doing so is not appropriate practice for a non-profit entity such as the Diocese, once the proceeds from the sales of the vacant properties of St. John's, Lansdowne, and St. Peter's, Germantown, are deposited in the Wapiti Loan Retirement Fund, I will request from the Standing Committee its advice and consent to use the Fund to reduce or retire completely the TD Bank loan, on which there is to be no pre-payment penalty.

General Convention: Among the issues coming before The Episcopal Church (TEC) next summer in Indianapolis, at least two may impact our diocese significantly: (a) The resolution adopted by our 228th Diocesan Convention memorializing General Convention to establish a Commission on Missional



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Structure which, if adopted, could eventuate in a complete re-structuring of TEC in 2015 and become a model for the restructuring of the Diocese of Pennsylvania in that same year; (b) Resolution C-056, authorizing in our parishes and missions the blessing of same-gender unions, has numerous theological, liturgical, pastoral, and legal implications. Our Diocesan Liturgical Commission is sponsoring on Tuesday, February 21, at the Cathedral, a conference led by the Rev. Dr. Patrick Malloy, Professor of Liturgics, General Theological Seminary, on those implications.

In conclusion, 2012 will see us not only continuing to engage many of the challenges we faced in 2011, but also experiencing greater creativity, innovation, risk-taking, loss, and new vitality. There are days I conclude that though we are now a smaller church, we are more truly the church. There are other days when I see signs that we are actually reversing the decline and meeting Christ's great commission to make disciples. But never does a day go by but what I give thanks to God for the privilege of serving Jesus Christ through the Episcopal Church in our beloved diocese.

61 Church cannot afford a full time priest

4. Executive Committee report (20 minutes)

Mr. Paul Yaros

- a. Election to 'Clergy Compensation and Employee Benefits'
The Reverend Edward Shiley, Rector of Redeemer, Springfield
A motion was made by Paul Yaros and seconded by Rev. Ernie Curtin to elect the Rev. Edward Shiley to the Clergy Compensation and Employee Benefits committee. Motion carried.
- b. Correspondence from The Reverend Claire S. Burkat, Bishop of the Southeastern Pennsylvania Synod of the Evangelical Lutheran Church in America



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Southeastern Pennsylvania Synod
Evangelical Lutheran Church in America

God's work. Our hands.

Office of the Bishop

December 2011

The Right Reverend Charles E. Bennison
Executive Committee of the Diocesan Council
Church House
240 South 4th Street
Philadelphia, PA 19106

RE: The Lutheran Episcopal Campus Ministry at Temple University

So we who are many, are one body in Christ . . .

Romans 12:5

Dear Bishop Bennison and Members of the Diocesan Council:

As we know, non-profit organizations continue to struggle financially, and denominations have difficult decisions to make regarding support. Not surprisingly, the current economic climate has caused the Southeastern Pennsylvania Lutheran Synod to suffer a significant decrease in partnership support from our congregations and other sources in 2010.

As a result, the Finance and Executive Committees of the Synod, recommended a 2011 spending plan and a 2012 budget to our synod assembly which reflected reductions in spending, with the goal of a balanced budget. At the Synod level, these necessary measures included among other things, the elimination of two staff positions, the reduction of one staff member to part-time, and no salary increases for staff for the third year in a row. Be assured that these changes approved by Assembly were difficult.

Sadly, it also included an overall 2012 Budget reduction to our social ministry partners. Your support from the Synod for the 2012 year will be reduced by \$2,000 to **\$12,000**. We are pleased to be able to continue to support LECM for 2012.

We continue to hope to see an increase in 2011 Partnership Support, so that we may provide more support to LECM into the future.

I am pleased to learn of the new direction for shared ministry at Temple. The Southeastern Pennsylvania Synod and I are grateful for your partnership in the Gospel. Though many, we are one body in Christ.

Thank you and bless you with the amazing grace of our Lord and Savior Jesus Christ.

With and In Christ,

Claire S. Burkat, Bishop

c: The Rev. Rene McKenzie Hayward



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At a meeting with the Executive Committee Bishop Burkat stated to reach out to her directly in the future. This is a valuable ministry to continue to be in communion with us. She wants to keep the ministry going and will support it with volunteers and as financially as possible. The Lutherans are not stepping back

- c. RCMI (Retired Clergy Medical Insurance) Working Group
This group is forming from two members each from Standing Committee, Finance and Property and Diocesan Council
A motion was made by Pat Smith and seconded by Barry Norris to appoint Rev. Elliott Waters and Elise Bowers to RCMI. Motion carried.
The Rev. Daniell Hamby is the chair of group.
- d. Wapiti
- i. Committee for the Sale of Wapiti - Approval of Diocesan Council Representatives
The Rev. George Master & Ms. Patricia Smith
A motion was made by Paul Yaros and seconded by Joe Madison to appoint the Rev. George Master and Patricia Smith to the Committee for the Sale of Wapiti. Motion carried.
- ii. Wapiti Wilderness Retreat Board (WWR) – Appointment of Diocesan Council Representative
Ms. Patricia Smith
The Wapiti Wilderness Retreat Board (WWR) is reforming.
A motion was made by Paul Yaros and seconded by Joe Madison to appoint Patricia Smith to the WWR. Motion carried. Alan Lindsay is president of Wapiti Land Company.
- iii. Update on Wapiti Land Corporation (WLC) Ex Officio Membership
Standing Committee, Finance and Property and Diocesan Council requested ex-officio membership to the Wapiti Land Corporation. WLC declined the request stating it was not needed. Standing Committee will have a conversation with them. WLC consists of Dick Smoot and six others. The group claims not to been given direction to sell Wapiti. They are moving forward to use Wapiti as a Convention/Camp site. We need to indicate our position. It is not a good practice to have the same people to sell the property and those holding the property. Diocesan Council should be part of the process. WLC and Church Foundation should be invited to report at Council meetings.
Alan Lindsay to be invited to a meeting. The Wapiti property was appraised at \$5 million. The Diocese has \$10.5 million invested in the property. The property loss is \$12 million. Even though fees have come in from activities, it has cost much more. WLC holds the title to the land but does not have the authority to put the property back in activity. Appraisal is low only to cover loan. Three bodies have to give approval for sale – Diocesan Council, Standing Committee and Finance and Property.
A motion was made by Paul Yaros and seconded by Joe Madison - Diocesan Council reauthorizes and directs WLC to list the Wapiti property for sale. Motion carried.
Bishop Bennison is paying maintenance costs.
- e. Directory
Each representative was provided a directory with meeting schedule, list of members, list of committees, What is Diocesan Council, Standing Rules of Council and Responsibilities of Diocesan Council Representatives. Council was reminded to submit a brief written report from committees and commissions to the secretary to be included in the minutes.

5. Standing Committee Report (20 minutes)

The Rev. Ledlie Laughlin

Discussion of the 'call for the election of a coadjutor in 2014' (30 minutes)

The Rev. Ledlie Laughlin



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Succession process consists of two options. Option A - The Bishop can call for election of a co-adjutor to become the Diocesan Bishop. A meeting will be held with the Standing Committee and Rev. Clay Matthews. Standing Committee to set up a search committee. Option B – not elect bishop co-adjutor but have a provision bishop come (interim bishop) serve as long as we would wish – 2 years then elect a new bishop.

Election of co-adjutor – have successor in place as soon as the Bishop retires. Preparing for future. We would elect his successor when we are still in reactive mode of Bishop Bennison's leadership. Option B provisional have space and time. The Presiding Bishop's office would provide a name of someone to help us heal and for clarification. It is a really long time to be without clear leadership. We are now in a holding pattern. Bishop Bennison will be bishop until 2015. The proposal for co-adjutor came from Bishop Bennison. Two members from Standing Committee met with Rev. Matthews We would restrict Bishop Bennison's influence in selection. Bishop Bennison decides what area the co-adjutor handles. Bishop Bennison's role would be limited. Convention must accept and approve the call of co-adjutor. All Bishops and Standing Committees of the Episcopal Church need to give consent also. A search committee is created and appointed by Standing Committee. Also a transition committee is created. Short overlap time of co-adjutor. Set date of electing convention. Need for healing.

Option A – None

Option B unanimous

Standing Committee gave consent to appoint a treasurer.

Agreed of property guideline

6. Financial Management (45 minutes)

a. Treasurer's Report

Mr. John Loftus, Asst. Treasurer & Mr. Norman McClave III, Treasurer

Diocese of Pennsylvania
Treasurer's Report
For the Period Ended 11/30/2011

I Cash Collections: Assessments & Pledges

Through November 2011, overall, we are unfavorable to last year by (\$ 58 K) and unfavorable to the 2011 Budget through November by (\$ 50 K).

Last year, actual pledge collection roughly equaled the planned amount in our 2011 budget and we will surpass that number in 2011. But it will not offset the unfavorable Episcopal variance..

Conclusion: Total cash collections for 2011 are expected to be unfavorable to budget by (100 K).

	YTD Nov 2010 Actual	YTD Nov 2011 Budget	YTD Nov 2011 Actual	Var from 2011 Budget	Var from 2010 Act
Source of Cash Collections					
Episcopate Assessment	816	840	770	(70)	(46)
Retired Clergy Medical Asst	571	539	554	15	(17)
Clergy Financial Assistance	109	90	108	18	(1)
Sub-Total Assessments	1,496	1,469	1,432	(37)	(64)
Pledges	577	596	583	(13)	6
Total Cash Collected	2,073	2,065	2,015	(50)	(58)



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II. Cash Balances- (\$ x 1000)

Operating cash is approximately \$ 462 K at the end of November and represents about five weeks of normal Diocesan spending.

III. Budget Performance-The Episcopate Budget

Episcopate Budget actual spending is favorable through November. One item of concern is Legal fees which are unfavorable to budget by \$ 58 K.

IV. The Program Budget

Program Budget actual spending is slightly unfavorable thru November.

V. The Consolidated Fund

Consolidated Fund unit share prices decreased from \$ 117.571/share in October to approximately \$115.990 in November or approximately 1.3 % for the month. From January 1 (December 31, 2010) to November 30, 2011, the CF share value moved from \$ 117.90/share to \$ 115.990/share or negative 1.3 % for the year . The market continues to be volatile reacting to headings about the economy domestically and internationally and hopefully, we will hit Dec 31, 2011 on an up day.

The market has shown us volatility and a downward trend. The income payout to investors in the Consolidated Fund, such as the Diocese, is based on the three year rolling average of the December 31 market values. Applied against this average is a rate set by the Investment Committee of The Church Foundation. The rate is set in February and it can be between 2 and 7 percent per annum according to Pennsylvania law. Losing a low value in 2008 is a positive event, but it may be dampened by a low value in 2011. The goal is to provide a reasonable and consistent income whilst conserving principal.

VI. Property and Nunn's Fund Balances @ 10/31/2011

In November 2011 , \$ 600 K was transferred from the Property Fund to be used in the Wapiti loan refinancing.

Property and Nunn's Balance as of the M/E indicated	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
Nearest K\$													
Nunn's Fund													
Consolidated Fund	4,852	5,068	5,096	5,226	5,228	5,305	5,266	5,190	5,084	5,812	5,446	5,859	5,790
Money Market													
Restricted Funds (Checking Acct)	534	519	572	566	554	604	591	574	621	608	602	629	567
Total Nunn's Fund	5,386	5,587	5,668	5,792	5,782	5,909	5,857	5,764	5,705	6,420	6,048	6,488	6,357
Property Fund													
Consolidated Fund	1,865	1,948	1,899	1,948	1,839	1,780	1,766	1,642	1,565	1,492	1,394	1,516	941
Money Market	69	1	1	1	1	1	1	1	1	1	1	1	1
Checking Account	21	44	29	37	14	154	1	65	109	82	38	35	56
Total Property Fund	1,955	1,993	1,929	1,986	1,854	1,935	1,768	1,708	1,675	1,575	1,433	1,552	998
N.B. Fund balances may have not been reconciled to the General Ledger at the date of this report.													



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VII. Reporting Requests/Concerns:

1) From Bishop Bennison's address to the Convention on November 5, 2011. "In the next year, working with the outstanding Deans of our deaneries, my staff and I, led by Sean McCauley, the Diocesan Property Manager, will seek to: (1) do a property audit of every church, deanery by deanery; (2) establish a set of guidelines for re-organizing struggling churches for the sake of, not just their sustainability, but their vitality and mission; and (3) support and serve all congregations with property issues"

- It is recommended that the Diocese establish a 2012 Property budget. Presently, there are actual income and expense but no budget.
- Expenses are paid from the Property Fund and the Property Manager costs are shared by Property Fund and Church House.
- It is no longer an insignificant amount of money from sales of closed churches and expenses associated with closed churches not sold (\$500K +). And will continue to grow as more churches are sold and/or closed.
- This activity is self-funded from sales of churches and should be budgeted accordingly.
- The Diocese has an experienced real estate professional in Sean McCauley and should take advantage of his skill to create a 2012 budget.
- This would give more transparency to sale of churches, cost incurred in sale, maintenance costs for closed churches, etc.
- The Diocese has an experienced real estate professional in Sean McCauley and should take advantage of his skill to create a 2012 budget.

A motion was made by Barry Norris and seconded by George Vosburgh to accept the Treasurer's Report. Motion carried.

b. Finance and Property Committee

The Rev. Kirk Berlenbach, Chair

Since Council last met the Committee for Finance and Property has met once. We would like to highlight the following:

We discussed the issues around the re-financing of the balance of the Wapiti Loan and await communication from Foundation and/or WLC that the new loan has been secured. We also discussed Foundation's refusal to admit representatives from the governance bodies to the WLC. It is our hope that mutual trust can be ensured by working out a plan clear communication and a working relationship to ensure that the property gets marketed and that progress towards the goal of



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sale is ensured. Please note that at our November meeting we passed a resolution directing WLC to list the property for sale.

We had two presentations: One from Canon Rob Rogers on how Assessments are calculated and the other from Marc Andonian on the new realities and costs of healthcare and on the national canon changes. We will continue to communicate closely with the Commission on Clergy Salaries and Employee Benefits (formerly CS&P) and recommend that Council also further its own education about these complex and critical issues.

We discussed a vacancy of a clergy seat brought about by the resignation of the Rev. Koshy Mathews. We also passed a resolution of sympathy for the passing of Bob Swartz and took up a collection in his honor to be sent as a memorial.

Our congregational services sub-committee will be offering another workshop on parish finances on March 17th. We anticipate high turnout given that more than 100 attended the last one.

Finally, we welcomed Mr. Norman Mc Clave to our meeting in his role as Treasurer. We look forward to working with him and would also like to express our gratitude to John Loftus for his excellent work as interim Treasurer.

- c. Program Budget Committee Report Ms. Debora Brown & The Rev. Michael Knight
This year's committee is still confirming members. The committee is working on formalizing a process for accountability of spending the funds given.

7. Committee Liaison Reports (15 minutes)

(A brief report should be submitted in writing prior to each meeting, discussion as time permits or as requested)

- a. Anti-Racism Commission Ms. Victoria Sicks
Selling books. There will be a mid-week workshop in April
- b. Companion Diocese Committee Ms. Martha Thomae
No report
- c. Campus Ministry TBD
No report Bishop Bennison reported that the four chaplains meet regularly.
- d. Cathedral Chapter The Rev. Ernest Curtain
The dean has done an excellent job with details moving the Cathedral forward. The Cathedral project will not cost the Diocese any money.
- e. Convention Committee Mrs. Jeanette Woehr
The convention will be held on November 10 at the Episcopal Academy.
- f. Diocesan Consultation Team The Rev. Joy Segal & Patrick Connelly
Bishop Bartlett will chair the Diocesan Consultation Team for another year. Rev. Joy Segal is the Vice-Chair. Rev. Tom Wand is secretary. There are currently five projects.
- g. Diocesan Mission Planning Commission The Rev. John Sorenson
Transforming workshop with fourteen churches signed up. Nora Adelman leader of group. Insert report



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- h. Financial Review Commission Douglas Fonte
The Commission is considering a new structure. The first priority is to work on the current canons and fix some of the confusing wording. Looking at issues to clarify and make recommendations of rewritten canons. The commission is working on having canons consistent.
- i. Liturgy Committee TBD
Barry Norris to serve on this committee.
- j. Middle East Study Committee Ms. Elise Bowers
Next meeting will be held on January 11 St. Asaph. A workshop is scheduled at St. Martin-in-the-Field. Meetings are held quarterly. Cliff Cutler is chair.
- k. Nominations Committee Ms. Martha Thomae & The Rev. Earnest Curtin
No report
- l. Retired Clergy Medical Insurance Working Group TBD
No report
- m. Spiritual Growth The Rev. Marek Zabriskie
Committee recommends people for spiritual director. The committee produces the prayer calendar.
- n. Stewardship Committee The Rev. Marek Zabriskie
No report
- o. Wapiti Sale Committee Ms. Patricia Smith & The Rev. George Master II
No report
- p. Youth Advisory Board The Rev. Jane Cornman
The Youth Advisory Board is in transition. Three students attended the Provision III event. Night watch was held at two locations with over 90 students attending these events. A program with Montgomery Deanery working with parents and the role of their teenagers is being held. City camp will hire counselors and would like to have representation from every deanery. This is a leadership opportunity for youth. Camp is planned for six weeks this year. Camp will be held at St. James the Less with a pilot city camp at the Free Church of St. John. Communications need to be sent to congregations regarding events for youth.
8. Old business
A question was raised regarding Rob Rogers offer for an orientation.
9. New business
10. Schedule of upcoming meeting Mrs. Jeanette Woehr
The next meeting will be held on March 3 at Gloria Dei (Old Swedes) Church.
11. Reflections (*5 minutes*)
Michael Knight commented on 15 minutes allowed for 16 reports. Written reports should be distributed ahead of time. Elise Bowers likes that there are times on the agenda to keep the meeting on schedule. Bishop Bennison would like a larger table.
12. Closing Prayer Bishop Bennison
The meeting was adjourned at 11:50am with a blessing.