

**APPROVED/Corrected
MINUTES OF THE EXECUTIVE COUNCIL
Waycross Conference Center
September 7, 2013**

Elected & Appointed Members in attendance:

Kristina Baker, Peter Bunder+, Laurel Cornell, Karen King, Caroline Fairbanks, Coral Hamlin, Peggy Miller, Max Nottingham, C. Davies Reed+, Whitney Rice+, Allen Rutherford+.

Elected & Appointed Members absent:

Jeffrey Bower+, Steve Holt, Joseph Weaver, +Cate Waynick.

Ex-officio Members & Guests in attendance:

Marsha Gebuhr, Bruce Gray+, Thomas Wood, Sally Cassidy.

Minutes: C. Davies Reed+ moved to receive the Minutes of the June 22, 2013 Executive Council Meeting. Seconded by Allen Rutherford+, **passed unanimously.**

Committee Reports:

- Administration & Budget

C. Davies Reed+ invited everyone to look at the document (attached) titled “Presentation of the 2014 Diocesan Budget” and read the Diocesan Budget Priority Statement for 2014. This statement comes from many authors & is reflective of what the Executive Council asked for when we met in June. The statement was read over numerous times.

Diocesan Budget Priority Statement for 2014

The priority of the Diocese of Indianapolis is to spread the love of God, primarily through congregational ministries that serve parishioners and the community beyond the parish. Therefore the diocesan budget priority is in supporting congregations and their clergy.

The Diocese of Indianapolis is one of only two dioceses nationwide that offers health insurance for clergy through the diocesan budget. This support allows congregations of any size to call the clergyperson they believe is their best match without worrying if the parish can afford health insurance. This benefits all of our congregations and our clergy.

Twenty congregations receive direct financial support through diocesan Mission Strategy funding. Many of these congregations are in smaller communities or in areas where demographics are shifting. Each Mission Strategy congregation has a coach to encourage trying new things and participate in diocesan programs such as the Pathways to Vitality program.

Diocesan programming is designed to enhance, support, and build up congregational ministries and their clergy rather than creating programming distinct from congregational life. Vestry College, Education for Ministry, Fresh Start, the Barnabas Project and Pathways to Vitality are just a few of our many offerings. Diocesan staff responsibilities are focused on supporting congregations and their clergy.

Waycross and campus ministries each receive substantial budget support. Their ministries are ones of evangelism and invitation. They serve to both equip current and form future

Episcopalians in spreading the love of God.

The budget also looks beyond the diocese. The budget supports local outreach in every deanery of the diocese through the Episcopal Fund for Human Need and our co-operating ministries. It also offers significant support of the Episcopal Church nationally and through our international partnerships with our companion dioceses of Bor and Brasilia. Beyond the budget the diocese also supports other mission such as our work in Haiti.

Much conversation followed.

C. Davies Reed+ then followed with going over the document titled “**Budget Changes made in the Fourth Draft**” (attached). Canon Gebuhr explained changes in this document. Conversation followed.

The Budget Formation Committee moved that the Executive Council approve the “**Budget Changes made in the Fourth Draft**”.

Discussion followed.

Peter Bunder+ moved to amend the motion by reducing Apportionment in Line 1 to 13.50% (vs. proposed 13.75%) and eliminate funding for co-operating ministries in line 167. Seconded by Kristina Baker. Discussion followed. Caroline Fairbanks called for the vote. The amendment **did not pass** with a show of hands of **5 yes** and **6 no** votes.

Back on the floor is the original motion that the Executive Council approve the “**Budget Changes made in the Fourth Draft**”.

Allen Rutherford+ moved to amend the original motion by keeping 13.75% Apportionment rate, eliminate funding for co-operating ministries in line 167 to 0 and reduce the draw on investments by \$34,766.

Seconded by Laurel Cornell. Discussion followed. The amendment **did not pass** with **1 yes** and **10 no** vote.

Back on the floor the original motion that the Executive Council approve the “**Budget Changes made in the Fourth Draft**”.

Laurel Cornell moved to amend the original motion by keeping 13.75% Apportionment rate, put the \$35,000 into EFHN instead of the co-operating ministries and the co-operating ministries apply like all others to EFHN for funds.

Seconded by Peter Bunder+. Discussion followed. The amendment **did not pass** with **3 yes** and **8 no** vote.

The original motion that the Executive Council approve the “**Budget Changes made in the Fourth Draft**” – no further discussion and the **motion passed** with **9 yes** and **2 no** vote.

C. Davies Reed+ read again the “**Diocesan Budget Priority Statement for 2014**” and the Budget Formation Committee recommends to the Executive Council to approve this as the priority statement for the 2014 budget. Conversation followed. This was **passed** with **10 yes** and **1 no** vote.

The Budget Formation Committee moved that the Executive Council approve the **Budget for 2014 – Fourth Draft 9/5/2013** (attached) to be presented to the 176th Diocesan Convention. Discussion

followed. This motion **passed** with **9 yes** and **2 no** vote.

The Personnel Policy & Compensation Committee and the Budget Formation Committee moved that the Executive Council approve the **“Approval of the benefit offerings for 2014”** (attached). Discussion followed. **Passed unanimously.**

The Personnel Policy & Compensation Committee moved that the Executive Council to approve **“Clergy Compensation Guidelines and Recommendations The Episcopal Diocese of Indianapolis Calendar Year 2014”** (attached). Discussion followed. **Passed unanimously.**

The Personnel Policy & Compensation Committee moved that the Executive Council to approve **“Program of Supplemental Benefits For Clergy and Diocesan Lay Employees Revision of September 7, 2013”** (attached). Discussion followed. **Passed unanimously.**

Tom Wood presented the following Treasurer’s Report:

Treasurer’s Report - Executive Council – Sept 7, 2013

Financial Statement.

The August Financial Report shows a deficit of \$117,965.00. However, some \$168,780.00 in available draw on the Unrestricted Fund has not been taken. If it had been, an excess in receipts over disbursements of some \$50,820.00 would have been shown. As mentioned before, there has been enough cash available to pay bills without having to draw on the investment account.

For the most part, apportionments remain on track with now only one congregation more than 2 months behind. Letters have been sent to all congregations addressing apportionment arrearages. There are still apportionment arrearages from past years, but we are gaining on them.

Investment and Finance.

The committee met on August 21, 2013, and the minutes of this meeting are attached. Our investments continued to do quite well though as most people know, there is a lot of uncertainty in the market with Syria, impending new Fed chairman, the expectation of the Fed starting to taper their purchase of Treasury notes, let alone the basic economy. But, the investment account is still in a growth mode though it shows up being less now that the \$500,000.00 slated for Haiti has been withdrawn. More details are in the Investment and Finance minutes that are attached.

The Treasurer authorized a transfer to Haiti of 60% of the construction cost in the amount of \$228,000.00 of the \$340,000 total for the new school in Mithon. The Haitian diocese waived their right to 10% of the proceeds so that all the funds will go to the school. The large amount of the first payment has been questioned, but it needs to be remembered that 1) in Haiti – material costs far outweigh labor costs (unlike here) and 2) the cost of transport of the materials up the mountain through a dry river bed is not trivial. It was also necessary to have all materials on-site before the rainy season set in.

I anticipate a lively budget discussion. I said my peace in the last minutes I submitted.

Submitted by Thomas Wood
Diocesan Treasurer

Investment and Finance
August 21, 2013

Present:

C. Davies Reed+
Chip Chillington+
Tom Honderich+
George Plews
Rees Olander
John Denson+
Tom Wood, Chair
Canon Marsha Gebuhr – Staff

Absent:

Steve Fales+
Karen King
Canon Bruce Gray – Staff

Guest:

Justin Haskin, Wells-Fargo Advisors

Meeting called to order at 2:00

We welcomed The Rev John Denson, Rector of St. Paul's Indianapolis, to the I&F committee upon appointed by Bishop Cate.

1. The committee reviewed in detail the 2nd Quarter performance with Justin Haskin. The quarter produced a slightly negative return of -1.1%. YTD return is 3.6% while our policy index – a hypothetical index designed to reflect other holdings approximating our asset allocation – showed a 4.8% return. In number values, the Unrestricted Fund has grown by approximately \$500,000.00 since the beginning of the year. This is net of fees, additions, and withdrawals including the \$500,000.00 Haiti allotment.
2. Justin and the committee had a discussion regarding the future. Such items as the economy. Employment, tapering, new Federal Reserve Chairman will all have an effect on the markets.*
3. George Plews was concerned over the large asset-backed securities held by AMI – a fixed income fund. His concern arose over the general loss of value in these funds since the recent rise in Treasury rates. Justin agreed to investigate and write a response. It is attached as part of these minutes.
4. The chair was asked to address two other questions to Justin. 1) What were the S&P performance numbers on our equity funds for both the 2nd quarter and YTD and 2) In dollar value, what has been the total fees incurred by the Unrestricted Fund for the year remembering this also includes all Special Fund fees. The response to these questions is also attached as part of these minutes.
5. Tom Honderich+ supplied the committee with a copy of a spending resolution adopted by congregations with whom he has worked. While not totally appropriate for the diocese, it will provide a starting point. A subgroup was formed to work on a resolution which will eventually be brought to the Executive Council for approval.
6. The meeting was adjourned at 4:10 pm

Submitted by Thomas Wood
Treasurer and Chair

*This meeting took place before the current Syria situation arose. Chair's note.

Peggy Miller moved to accept the Treasurer's report, subject to audit, Karen King seconded – Passed unanimously.

- **Congregational & Community Life** – Peggy Miller reported there was no report.
- **Exploration & Opportunity** – Caroline Fairbanks reported that the **Reimagining Task Force of the Diocese of Indianapolis** will have a report to make to Diocesan Convention.
- **Local & Global Outreach** – report from Grace Burton Edwards+ (sent before meeting). Caroline Fairbanks suggested that Local & Global Outreach set up a website to post the progress of the school building in Haiti. All the churches could access it and track the progress through words and pictures and share in that very special success.
- Canon Gebuhr requested that the Executive Council affirm the majority vote on line to approve the housing amount for the Rev. Susan Bennett in the amount of \$10,140. **Passed unanimously.**
- **New Business:** Calendar change for 2014 for Executive Council Meeting – from September 6, 2014 to **September 13, 2014** at Waycross. Discussion followed - **Passed unanimously.**
- Peggy Miller discussed dates and who will attend which Deanery meetings.
- **Old Business:** Bruce Gray+ gave an update on the program **Pathways to Vitality** – there are 61 people signed up from 22 different congregations – Executive Council members want to come sign up through the Diocese & Waycross – Waycross has 2 rooms left. Hopefully there will be a “catchup evening” for some who just could not make it in the near future.
- **Canon Kissinger** wants all E. C. members to save the date of **April 26, 2014** for the **Holy Currencies Program** in 2014!

Peggy Miller adjourned the meeting at 2:30 pm and Bruce Gray+ prayed for safe travels for all.

Next Meeting:

Friday, November 8 – 9, 2013, starting with dinner at 6:30 pm at Waycross!

Respectfully submitted,



Sally Cassidy

The Rt. Rev. Catherine M. Waynick

