

**Diocese of Milwaukee  
Executive Council Meeting  
January 18, 2014 10:00 a.m.  
St. Mary's, Dousman**

Present: The Rt. Rev'd Steven A. Miller; The Rev'd Dr. Jonathan Grieser; The Rev'd Dr. Paula Harris; The Rev'd Dr. Miranda Hassett; Mr. Patrick Johnson, Trustees of Funds & Endowments; The Rev'd Gary Lambert, Diocesan Executive Secretary; Mr. Rob Mortensen; Dr. Gust Olson; Mr. Christopher Schatzman and Ms. Janice Watter

Others present: Canon Peggy Bean, Bishop's Assistant for Congregational Development; The Rev'd Carla McCook, Bishop's Assistant for Christian Formation and The Rev'd David Pfaff, Canon to the Ordinary

Absent: The Rev'd Steve Capitelli; The Very Rev'd Kevin Carroll, President, Standing Committee; Ms. Taryn Lantz; The Rev'd Gary Manning; Mr. Steve Martinie, Diocesan Treasurer; Mr. Henry Peter and The Rev'd Scott Seefeldt, President, Commission on Ministry

Guest Presenter: Mr. Mike Hagon

- **Call to order/Opening Prayer – Bishop Miller**

Bishop Miller called the meeting to order at 10:07 a.m. and opened with prayer.

- **“Getting to Know You” – Mr. Rob Mortenson**

Mr. Rob Mortenson led the members of the Executive Council in a two-phase exercise which offered the members insight into the wide range of personal life journeys.

- **Work Session #1 – Mr. Gust Olson**

Mr. Gust Olson checked that the members had the documents needed for today's meeting. A brief discussion began, touching base on the various options for disseminating materials to the council members: drop box, google docs or a secure portal on the diocesan web-site, weighing the pros and cons. Further discussion of this topic was shifted to the afternoon business session.

Mr. Gust Olson asked that the members take out a sheet of paper and that each member list the hope/hopes they have for this session/next session, next year and the future of the Executive Council. Then as each member gave his/her ideas, Mr. Gust Olson noted them on newsprint which was later displayed around the room. (These hopes are attached as Appendix A.)

- **Break 10:53-11:10**

- **Continuation of Work Session #1 – Mr. Rob Mortenson, The Rev'd Dr. Jonathan Grieser**

Mr. Rob Mortenson called attention to the Behavior Norms for Executive Council (Appendix B) that currently exist.

He asked if there were any additions, deletions or changes. He noted that it appears that the big issue for the Executive Council, as was noted at the beginning of the work session, is the dissemination of material to the Executive Council and that this topic will be dealt with later in the meeting. Hearing no other comments, Mr. Rob Mortenson stated that, at this time, the behavior norms for Executive Council will remain as is.

### **Review of Strategic Planning – The Rev'd Dr. Jonathan Grieser**

Mr. Rob Mortenson noted that the report of the Strategic Planning Task Force was the result of a 6-8 month effort. He then turned the meeting over to The Rev'd Dr. Jonathan Grieser.

The Rev'd Dr. Jonathan Grieser stated that:

- There is a sense of urgency since the Church/Christianity are facing significant challenges as culture changes become manifest in various ways.
- We need to figure out how we adapt/embrace future changes.
- We need to recognize that we have to do things differently on every level, in every facet of what we do.

Canon Peggy Bean suggested that the members pull out the one page vision statement as a guide. (Appendix C)

### **Financial Background – Mr. Mike Hagon**

Bishop Miller stated that a large part of the responsibility of the Executive Council is fiduciary. He then turned the meeting over to Mr. Mike Hagon.

Mr. Mike Hagon gave a two-part “power” point presentation.

#### Part One – Financial Outlook 2013

Source of Income: parishes—94%; investment/endowment income—4%; grants and rental income—2%

Expenses: Office of the Bishop—14%; Personnel—33%; Diocesan Programs—22%; wider church and ecumenical—19%; Communications—2%; Administration—10%

#### Part Two – Historical background and Program/Budget (2005)

##### Budget Goals

- Begin to move Diocesan Programs to Parish Level
- Reduce Parish Assessments by \$150,000.00
- Reduce Diocesan Expenses
- Enable Parishes to Expand Mission and Ministry

##### Budget Summary

- Reduced Total Expenses by \$158,000.00
- Reduced base assessment rate from 11% to 10.5%
- Reduced top assessment rate from 20% to 17.1%
- Reduced Total Parish Assessments by \$192,000.00

- **Noon Day Prayer – Mr. Gust Olson**

- **Lunch/Free Social Time 12:02-12:35**
- **Community Building – Tricky Trivia Contest**
- **Work Session #2**

**Bishop’s Vision for Executive Council accomplishments through the year – Bishop Miller**

Bishop Miller gave the following as his vision for the Executive Council 2014-1015:

1. Develop a firm policy for unpaid assessments, one “with teeth in it”
2. Canonical adjustment—strive to strengthen the work of the Executive Council as well as other committees (i.e. the Executive Council would “task” the work and serve as liaison, overseeing the work of others)
3. Revisit the loan policy and clarify which groups have to affirm the loan before sending it to the Executive Council for the final decision
4. Change the Canons relative to the beginning of the term for Executive Council (i. e. January as oppose to immediately after election)

**Approval of the Minutes from the November 23<sup>rd</sup>, 2013 Executive Council Meeting**

Bishop Miller asked if there were any additions, deletions or changes to the minutes of the November 23<sup>rd</sup>. 2013 Executive Council Meeting. Mr. Gust Olson moved that the minutes be approved as written. Ms. Janice Watter seconded it. The minutes were approved as written

Mr. Patrick Johnson asked if hand-outs from the meeting could be incorporated in the minutes in the interest of transparency. The recorder of the minutes will insure the inclusion of pertinent documents.

- **Business Session**

**Loan to St. Martin’s, Brown Deer – The Rev’d David Pfaff**

The Rev’d David Pfaff noted that this section was a revisiting of St. Martin’s request for a loan, He reviewed that:

- The money was for replacing the parking lot not resurfacing it.
- The proper procedure to secure a loan had not been completed. (Appendix D –Diocesan Loan Policy)
- They are requesting at least several years of forbearance since they have just completed at 3 fund raisers (roof, heating/ac and organ.)
- They are debt free.

The Rev’d Dr. Jonathan Grieser moved that a loan for \$20,000.00 for the replacing of the parking lot at St. Martin’s, Brown Deer be approved with no payments in year one; a minimum of 1% interest on the principal for years 2 – 5 encouraging minimum payments, with the final full payment at the end. Mr. Christopher Saltzman seconded it.

The motion passed unanimously.

The Rev’d David Pfaff noted that the start date would be when they receive the money.

## **St. Mary's, Dousman. Diocesan Capital Fund Matching Initiative**

Canon Peggy Bean reminded the Executive Council of the Loan Reduction Program that was approved for the parishes of St. Aidan's, Hartford, St. Bartholomew, Pewaukee and Good Shepherd, Sun Prairie as well as their current status in the program.

She noted that:

- St. Mary's, Dousman was requesting to be included in this program. (e-mail of January 7, 2014)
- Both the Commission on Mission and Development and the Finance Committee support including St. Mary's in the program.
- St. Mary's, Dousman has built a church and has had two capital campaigns to pay down their debt.
- St. Mary's, Dousman would be a positive model to hold up to the diocese. (The Rev'd Gary Lambert said that it could serve as an impetus to other congregations.)

Discussion focused on:

- clarifying the financial statistics of each parish and the history and financial status of St. Mary's, Dousman
- determining—
  - if this action would be setting a precedent
  - if it would be appropriate and incumbent on the Executive Council to develop a policy

Bishop Miller noted that:

- St. Mary's, Dousman is a defined as a "mission" not as a parish. (The other congregations in the program are also missions).
- It is important to invest in and underwrite the missions in order to create their independence from diocesan support freeing up monies for other uses.
- Assessments for the parishes in the diocese would therefore decrease.

Mr. Rob Mortenson moved to include St. Mary's, Dousman in the Debt Reduction Program that was adopted in July. It was seconded by The Rev'd Paula Harris.

The motion passed unanimously.

### **Announcement – Bishop Miller**

Bishop Miller announced that Ms. Diane Blank was back and assisting in preparing the financial reports. Mr. Tyrone Diggs was terminated; the search for a financial officer was reopened with an emphasis on securing someone with an accounting degree and familiarity with the software.

Mr. Patrick Johnson wondered about the possibility of retaining Ms. Diane Blank in a remote employment position. Bishop Miller indicated that such an arrangement doesn't always work especially with the need to safeguard the program and maintain separation of duties.

### **Good Shepherd, Sun Prairie, Bank Loan –Bishop Miller**

Bishop Miller called attention to the Good Shepherd, Sun Prairie loan renewal information that had been entered into the drop box and noted that a resolution was needed.

Mr. Patrick Johnson moved that the Good Shepherd, Sun Prairie bank loan with the Bank of Sun Prairie be renewed with Bishop Steven Miller and Mr. Steve Martinie as authorized signatures. Mr. Christopher Schatzman seconded the motion.

The motion passed unanimously.

**Proposal: Reallocation Percentages of Meachem Funds – Canon Peggy Bean**

Canon Peggy Bean presented the history and current reality of the Meachem Grant. (See: Appendix E)

After clarification of the request for reallocation of the funds from the Meachem Grant, Mr. Christopher Saltzman moved that the reallocation of the income from the Meachem Funds, beginning in 2014, be done in the following manner:

--70 % of the income to support, strengthen and grow Hospitality Ministries throughout the Episcopal Diocese of Milwaukee.

--30 % of the income to continue the support of the Diocesan Church Development Insitute (DCDI) in the Episcopal Diocese of Milwaukee.

Mr. Patrick Johnson seconded it.

A concern regarding how the overall plan for the 70% will be executed and evaluated was expressed.

The Rev'd Dr. Jonathan Grieser moved that the above motion,

--70 % of the income to support, strengthen and grow Hospitality Ministries throughout the Episcopal Diocese of Milwaukee.

--30 % of the income to continue the support of the Diocesan Church Development Insitute (DCDI) in the Episcopal Diocese of Milwaukee,

be approved with the provision that the Commission on Mission and Development present to the Executive Council the specific plan for the 70% of the income for further approval.

The Rev'd Dr. Paula Harris seconded it.

Hearing no further discussion, Bishop Miller called for a vote on the amended motion.

The motion passed unanimously.

- **File sharing – Bishop Miller**

Once again the pros and cons of the various options were presented:

--drop box (storage issues)

--google docs (need a google e-mail address)

--web portal (uneditable and only one person can upload materials)

Bishop Miller stated that:

--It appears that it is a trade-off – one problem for another.

--At this time, Executive Council material will continue to be disseminated through drop box.

--An e-mail will be sent to the Executive Council members when materials are uploaded to drop box.

- **“Hopes” Revisited – Mr. Gust Olson**

Mr. Gust Olson asked if there were any thoughts regarding the “hopes” expressed in the morning work session and how what was done during the day reflected them.

Mr. Rob Mortenson suggested that, since the time to adjourn was already past, it might be helpful if the Steering Committee considered and collated the ideas presented and bring them back to the Executive Council at the next meeting.

The meeting ended with a closing reflection and was adjourned at 2:10 p.m.

**Final Items:**

The next meeting is March 29<sup>th</sup>, 2014 from 10:00 to 12:30 p.m. at St. Mary’s, Dousman.

Further meeting dates are: May 31<sup>st</sup> and Sept. 13<sup>th</sup> also at St. Mary’s, Dousman.

Diocesan Convention is October 10<sup>th</sup> and 11<sup>th</sup> at the Madison Marriott West Hotel & Convention Center, Middleton, Wisconsin.

Respectfully submitted,

Rev’d Margaret M. Kiss  
Deacon  
Recorder of the Minutes

## Appendix A

### Hopes for this/next session, next year, the future of Executive Council as expressed by the Executive Council members

Clarify the direction and vision of the Diocese of Milwaukee  
Determine criteria for parishes that are “hospice” and for parishes that have the ability to grow in order to make strategic decisions  
Personal (6<sup>th</sup> year) – finish well  
Sense of new life  
Publish a document delineating, for new members, the expectations (the commitment they are buying into, etc.)  
Have a separate one day planning session to determine the goals and objectives of Executive Council and to establish committees that are responsible for successfully achieving them  
Demonstrating the concepts of: “faithful, effective, innovative”  
Be a manifestation/instrument (symbol) of the diocese  
Healthy “channel” – love of God/individuals  
Resources to Bishop/congregations for sound decision making  
Create policies and procedures for clarity  
Channel to and with various working committee (COM, COMD, etc.)  
Resources/help/aid  
Agreement on scheduling (days/times) and stick with it  
Canonical resolution that the Executive Council term begin in January  
Clarify expectations of *ex-officio* members (Ex: COM)  
Clarify the relationship of Executive Council and other committees  
Examine the composite of the Executive Council in conjunction/relationship with other committees  
Clarify purpose of the Executive Council in relationship with other committees  
Work with Bishop and other committees (2013 value statement)  
Continuity  
Established goals that carry over  
Continue strategic process  
Be more relevant to parishes so that they understand who Executive Council is  
Be part of something bigger  
Personal – Better understanding of the leadership role of Executive Council  
Do a better job of disseminating what Executive Council is and how it works  
Personal – understand what’s going on along with own strengths/weaknesses  
Professional – be vested in the strategic planning process, the issues and the future of the diocese  
Viability and sustainability of resources  
How incarnate diocese in the 21<sup>st</sup> Century  
Communicate appropriate images and structure (church/diocese in flux)  
Ability to use all the resources we have  
Strive to be an icon of leadership  
Creatively effect support in parishes/listen (reallocating resources)

## **Appendix B**

### **Behavior Norms for Executive Council Meetings**

- Timeliness
- Attentive listening – one person speaks at a time
- Respecting all viewpoints
- No text/e-mail/cell phones; if it is necessary to use, state the circumstances up front
- Documents may be read on electronic devices during the meetings
- Electronic communication confirmed
- Prayerful preparation
- Carpooling/ride sharing
- Confidentiality – clarify when the Council moves into an Executive Session
- Name conflicts of interest
- E-mail communications remain within the group
- Material from the past will be explained
- Don't be afraid to ask questions
- Avoid citing anonymous sources
- Support action of the whole regardless of opinion
- Clarity about communication to the diocese regarding an issue
- Willingness to hold each other accountable to the norms – name it when it happens
- Regularly check in with goals
- Attention to the vision

## Appendix C

### **Vision Statement**

Strengthen congregations, forming Disciples to do the work of God's Kingdom.

### **Core Values**

Grounded in our faith in Jesus Christ as experienced in scripture and the Anglican tradition, ministry in the Episcopal Diocese of Milwaukee will be characterized by our common values of *discipleship*, *relationship*, *stewardship* and *worship*.

### **Vision Statements based on our values**

***Discipleship***, responding to Jesus' call to follow him, is integral to Episcopal life. Members and ministries of the Diocese will work to equip members to live, learn and share our faith that it might grow.

- Active evangelism to invite and develop new disciples is a mark of every committed Episcopalian.
- We will develop and share resources for Christian formation for all ages among congregations and across the diocese.
- We recognize that each and every member, ministry and worshipping community has equal value and potential to serve as a disciple of Jesus.

***Relationship*** reminds us that together we are the body of Christ and together we will do His work.

- We share our belief in the Incarnation, that God gave us his Son, as a human, to do God's work on earth. God has asked us to do the same, not as individuals or parishes, but as one body of Christ.
- Effective, intentional and accessible communication is at the heart of any successful relationship.
- We commit to collaboration and cooperation, to replicate and improve successful models for ministry throughout the Diocese.
- We will share our successes throughout the Diocese, not hoard them for our own control or accolades.
- We believe that we all are stronger when each one is stronger.

***Stewardship*** honors God's abundance and cultivates God's blessings to assure the future of the Episcopal Diocese of Milwaukee. Effective stewardship is required to assure our ability to answer God's call to us.

- All ministries, programs, parishes, worshipping communities and entities within the Diocese commit to effective and responsible stewardship of all resources in their care
- Tomorrow is at least as important as today. Yesterday may be celebrated or mourned, but tomorrow is vital to carrying out God's call to us.
- Our primary call is to do God's work on earth. Sometimes responsible stewardship requires us to do that work in a different, but perhaps even more effective way than current practice.
- The Diocese will seek innovative ways to fund ministries and worshipping communities in order to maximize their impact and minimize their use of limited resources.

***Worship*** is at the center of our common life. Our liturgy and tradition of Anglican openness set us apart from other Christian groups. Whether traditional or non-traditional, wherever and whenever it is practiced, worship defines us as Episcopalians. It is an essential dimension of our mission; it shapes our common life, and forms us as disciples of Jesus Christ.

- We value Episcopal presence wherever it is and we seek to grow that presence in new people and places within the Diocese.
- We honor our liturgical foundation and incorporate it into all ministry.
- We believe worship may be as simple as a prayer before a meal or as elaborate as a majestic Eucharist in a spectacular cathedral. Each is equally valuable.

## **Appendix D**

### **Diocesan Loan Policy**

#### **Diocesan Loan Policy**

The Diocese of Milwaukee can make loans to parishes at lower than commercial rates.

The Diocese could also guarantee loans.

The payback schedule would be up to 5 years.

Interest Rates charged will depend on the interest rate environment, but the interest rate will increase each year the loan is outstanding. Currently, the interest rate would be 0% for the first year, increasing by a percentage point per year. In a future, higher interest rate environment, rates would be tied to the prime rate.

#### **Chain of Decision Making**

1. COMD (Commission Mission and Development) is the first to review these requests. The COMD makes recommendations to the Finance Committee.
2. The Finance Committee reviews the requests from a strictly financial perspective and makes recommendations to the Executive Council.
3. If parish property is to be encumbered, approval is also needed by the Standing Committee and the Bishop.
4. Final approval/rejection would rest with the Executive Council.

#### **Loan Application Required Information**

1. Name of borrowing entity
2. Is a loan or guarantee requested?
3. How much money is requested?
4. How will the money be used? Normally, loans should be for expenditures in the nature of an investment, such as improvements that save energy or serve more parishioners or repairs that avoid higher future maintenance costs. Loan should not be for operating costs.
5. Do they have a plan to pay it back? i.e. a capital funds drive or a special pledge campaign.
6. Provide 3 years worth of Financial Statements.

#### **We May Also Ask**

7. Has there been an appraisal?
8. Have bids been solicited?
9. Has a commercial loan been sought? Approved? At what interest rate?

## Appendix E

To: Executive Committee of the Episcopal Diocese of Milwaukee

From: The Rev'd Gary B. Manning, Executive Committee Member on behalf of  
the Commission on Mission & Development, Episcopal Diocese of Milwaukee

Re: Request for Reallocation of Funds from the Meachem Grant

### History

In July 2006, the "Meachem Funds Task Force" presented and the Executive Committee of the Diocese of Milwaukee approved a plan for the distribution of income derived from the four Meachem Funds and the Julia Frances Camp Fund. The allocations were as follows:

10% of the income to support Parish Nurse programs in the Episcopal Diocese of Milwaukee

20% of the income to offer scholarships for clergy and lay persons of the Episcopal Diocese of Milwaukee to participate in the Diocesan Church Development Institute (DCDI) and to make cash grants to congregations with DCDI graduates to implement congregational development programs as a result of their participation in DCDI.

30% to be invested in new congregations and expenses related to the development of new congregations in the Episcopal Diocese of Milwaukee.

40% to Congregational Development programs and other aid to congregations as requested and approved by the Commission on Mission and Development.

### Current Reality:

Since 2009, the Meachem Funds have generated an annual income for distribution of approximately \$100,00 per year, with those monies distributed in accordance with the above percentages. Because there have been no new congregations begun during this time, \$167,648 has now accrued for the purpose of such work in the future.

Over the past year, two things have become obvious to the Commission on Mission and Development:

1. Our Diocesan Church Development Institute (DCDI) continues its good work in training lay and clergy leaders and this work is bearing fruit in the strengthening of relationships across the Diocese as well as building skills for strengthening congregations in their particular contexts. A good portion of the DCDI budget continues to be funded from the operating budget of the Diocese and the trainers for DCDI continue to offer their work on behalf of the Diocese *gratis*.

2. Hospitality Ministries are part and parcel of “who we are” and “who we are becoming” as a Diocese. In places like Racine, Whitewater and Portage location specific ministries have grown and are providing Episcopal presence within those communities in vibrant witness to the Gospel of Jesus Christ. The Commission on Mission and Development very much would like to see Hospitality Ministries not only strengthened, but expanded throughout the Episcopal Diocese of Milwaukee.

Proposal:

To that end, the Commission on Mission and Development requests Executive Committee to authorize, pending approval by the Trustees of Funds and Endowments of the Episcopal Diocese of Milwaukee, the reallocation of the income from the Meachem Funds, beginning in 2014 in the following manner:

70% of the income to support, strengthen and grow Hospitality Ministries throughout the Episcopal Diocese of Milwaukee.

30% of the income to continue the support of the Diocesan Church Development Institute (DCDI) in the Episcopal Diocese of Milwaukee.