

**DRAFT**

**Strategic Planning Process  
The Episcopal Diocese of New York**

**Report and Proposals**

**August 16, 2016**

# TABLE OF CONTENTS

<b>1. Letter from The Rt. Rev. Andrew ML Dietsche</b>	<b>Page 3</b>
<b>2. Introduction and Timeline</b>	<b>Page 4</b>
<b>3. Advisory Group and Task Force Membership</b>	<b>Page 8</b>
<b>4. Task Force A on Governance and Diocesan Structures: Report and Proposals</b>	<b>Page 15</b>
<b>5. Task Force B on Congregations: Report and Proposals</b>	<b>Page 22</b>
<b>6. Task Force C on Financial Matters: Report and Proposals</b>	<b>Page 36</b>
<b>7. Compendium of Proposed Resolutions</b>	<b>Page 52</b>

**Separate Document:  
Compendium of Proposed Changes to the Canons of the Diocese of New York**

**Placeholder for  
LETTER FROM BISHOP DIETSCHKE**

## **INTRODUCTION AND TIMELINE**

The report you are reading is the result of a year-long effort involving, so far, more than seven hundred members of the Diocese of New York. Their reflections and work have shaped the Strategic Planning Process, the fruits of which we now present to you.

At the November 2014 Convention of the Diocese, Bishop Dietsche announced his intention to initiate a strategic planning process within the diocese following the 2015 General Convention of The Episcopal Church. In August he began conversations with two consultants, the Rev. Gay Jennings and Mr. Steve Smith, who had facilitated a somewhat similar effort in another diocese to good result. Those conversations shaped a rough process and tentative objectives.

### **INITIAL OBJECTIVES OF ENGAGEMENT**

1. Identification of opportunities, strategies, and vision that position the Diocese of New York to engage God's mission in ways that are sustainable, innovative, and accessible.
2. Revision or replacement of the 1970 Mission Statement.
3. Review of the diocese's governing bodies and practices with recommendations for improvements that would advance God's mission in the diocese.
4. A common understanding of the marks of a healthy congregation.
5. New ways of helping congregations to address their futures.
6. A model diocesan budget that reflects the stated mission and is affordable and understandable.
7. A revised and widely supported assessment formula.

### **INITIAL WORK PLAN**

#### **Phase #1 – Data Collection and Organization Assessment**

- ❖ Assemble and review existing relevant material including diocesan Canons, Convention journals, financial statements and budgets, information on diocesan policies and programs, and current organizational structure.
- ❖ Meet with and conduct in-depth in-person interviews with the bishop(s); the bishop's senior management staff; and an Advisory Group appointed by the bishop.
- ❖ Conduct in-depth in-person interviews with selected diocesan leaders (15-20).

## **Phase #2 – Expanded Data Collection throughout the Diocese**

- ❖ Conduct three regional focus groups.
- ❖ Administer Organizational Culture and Organizational Effectiveness Inventories for 250 persons in order to assess the current organizational culture of the diocese, the hoped-for ideal organizational culture which will further mission and ministry in the diocese; and factors contributing to or hindering diocesan effectiveness.

## **Phase #3 – Analysis of Data and Development of Recommendations**

- ❖ Analyze all data – interviews, focus groups, and inventories.
- ❖ Formulate preliminary recommendations for review by Bishop Dietsche, persons designated by Bishop Dietsche, and the Advisory Group.
- ❖ Revise recommendations as appropriate.
- ❖ Conduct three regional focus groups for testing and improving of hypotheses and recommendations.

## **Phase #4 – Presentation and Implementation**

- ❖ Refine recommendations and develop steps for implementation.
- ❖ Finalize recommendations for presentation at 2016 Diocesan Convention.
- ❖ Write final report.

The work plan was intended to be organic, and it was. Both the process and the objectives morphed as the plan unfolded. The abundance of talent and energy we found on the Advisory Group, for instance, led to a much more active role for its members than we'd envisioned, so much so that the consultants wound up advising the advisory group rather than vice versa. Another learning was that there is not wide support for changing the current assessment formula, especially compared with any alternatives, making it unnecessary and unwise to rush to modify it. Similarly, attempts at a new mission statement for the diocese weren't ringing true. Bishop Dietsche concluded one discussion on this topic succinctly: "The Gospel is our mission statement. I think that's all we need."

Still, we wind up in this report at a place reasonably close to where we were aiming when we started out. The fruits of the process take three forms:

1. Recommendations regarding the administration of the diocese.
2. Resolutions proposed for action at the 2016 Diocesan Convention.
3. Changes to the Canons of the diocese, also proposed for action at the 2016 Diocesan Convention.

Here is how we got there.

In October, the consultants met with Bishop Dietsche and conducted individual interviews with Bishop Shin and eighteen members of the bishop's staff. The Advisory Group of twenty-eight persons was constituted and met with the consultants to review the objectives and work plan.

In November and December, the consultants conducted individual interviews with about twenty diocesan leaders.

In January, three hundred members of the diocesan community (lay leaders, bishops, staff, deacons, and priests) were invited to participate in on-line surveys about the organizational culture of the Diocese of New York. The *Organizational Culture Inventory*®, administered by Human Synergistics, Inc. ([www.humansynergistics.com](http://www.humansynergistics.com)), is a tool used by organizations to quantify, envision, and work toward their ideal organizational culture based on shared values and beliefs. The ideal culture is used as a benchmark against which the actual organizational culture can be compared. The *Organizational Effectiveness Inventory (OEI)* measures organizational effectiveness and identifies appropriate levers for change to enhance strategies for mission.

In February, results and learnings from the interviews and from the surveys were presented to Bishop Dietsche. Based on their findings to date, the consultants made three recommendations to Bishop Dietsche: 1) to formalize a Bishop's Executive Team and regularize its meetings to assist in the management and administration of the Diocese; 2) to establish and fill a Human Resources Officer position in order to implement a variety of "best practice" processes to fully empower the talent on the bishop's staff and to be a resource to congregations seeking human resources expertise and advice; 3) to reexamine the financial and administrative relationships between the Diocese and the Cathedral.

Also in February, the Advisory Group met for the second time. The consultants presented the survey results and, importantly, the Advisory Group organized itself into three task forces, each of which would drive toward specific objectives of the engagement.

- ❖ **Task Force A (Governance and Diocesan Structures)** chaired by the Rev. Bradley C. Dyche to review the diocese's governing bodies and practices with recommendations for improvements that would advance God's mission in the Diocese of New York.
- ❖ **Task Force B (Congregations)** chaired by the Rev. Claire A. Woodley to discern a common understanding of the marks of a healthy congregation and to suggest new ways of helping congregations to address their futures.
- ❖ **Task Force C (Financial Matters)** chaired by the Rev. Matthew H. Mead to consider the diocesan budget and the current assessment formula.

In March and April, the task forces met multiple times to do research, to discuss learnings, and eventually to prepare draft recommendations. In late April, Bishop Dietsche made the Strategic Planning Process the center of the annual Priests Conference, and the one hundred and seventy-five priests who attended, heard and responded to the draft recommendations.

In May, the task forces shared their work with interested lay persons in four listening sessions in the Bronx, Manhattan, Poughkeepsie and Tarrytown. Also in May, the consultants presented the work of the task forces to the Wardens' Conference and to an assembly of the deacons of the diocese. All told, nearly six hundred persons attended these meetings. At each one, written feedback about the draft recommendations was solicited. Said feedback was compiled, summarized, and provided to Bishop Dietsche and to the respective task forces.

In June the Advisory Group met again, and the task forces went to work on refining their recommendations based on the aforementioned feedback. They provided their final reports to the consultants at the end of June.

It is July as we write this. We are collating and checking for consistency the three reports into one comprehensive document and we are assisting to create the language for resolutions and canonical amendments for consideration by the 2016 Diocesan Convention. From here, the plan is for a draft report to go to Bishop Dietsche and his Executive Team, to Chancellor George Wade, and to the Advisory Group. From there, it will be posted to the diocesan website for review and comment by anyone interested. The Advisory Group will meet one more time in September to consider the feedback received and to finalize the report which will be presented for discussion at pre-Convention hearings.

It has been an honor and a privilege to work with so many gifted and committed people who love the Diocese of New York and are deeply committed to a common vision of mission and ministry in the name of Jesus Christ.

The Rev. Gay C. Jennings and Mr. Steve Smith

## **Strategic Plan Advisory Group Members, Task Forces, and Consultants**

### **Task Force A – Governance and Diocesan Structures**

The Rev. Bradley C. Dyche, chair	St. Augustine’s Church, Croton-on-Hudson
The Rev. Roy A. Cole	St. John’s Church, Staten Island
The Rev. Dr. Gawain F. de Leeuw	St. Bartholomew’s Church, White Plains
The Rev. Deacon Gail Ganter-Toback	St. James’ Church, Hyde Park
Mrs. Robin Ingram	St. John’s (Fountain Square), Larchmont
Mr. W.B. McKeown	The Cathedral Congregation of St. Saviour, Manhattan
Mr. George J. Wade, Esq.	St. James’ Church, Manhattan

Task Force A members have served, serve at, regularly attended, or have been affiliated with the following congregations and communities in the Diocese of New York:

#### **Mid Hudson Region**

St. James’ Church, Hyde Park

#### **Region 2**

St. Augustine’s Church, Croton-on-Hudson  
St. Bartholomew’s Church, White Plains  
St. John’s Church (Fountain Square), Larchmont  
St. Mark’s Church (Nepera Park), Yonkers  
St. Paul’s Church, Yonkers

#### **New York City**

The Cathedral Congregation of Saint Saviour  
St. James’ Church

Task Force A members serve or have served on the following committees, commissions, and organizations or held the following positions in the Diocese of New York:

- ❖ Commission on Congregational Development
- ❖ Commission on Ministry
- ❖ Committee on Canons
- ❖ Committee to Elect a Bishop
- ❖ Diocesan Board of Examining Chaplains
- ❖ Diocesan Council
- ❖ Diocesan Task Force on Socially and Environmentally Responsible Investing
- ❖ Diocese of New York, Chancellor
- ❖ Diocese of New York, Deans
- ❖ Diocese of New York, Episcopal Relief and Development Coordinator
- ❖ Episcopal Charities, Advisory Committee
- ❖ Episcopal Charities, Board of Directors
- ❖ Episcopal Charities, Grants
- ❖ General Convention, House of Bishops & House of Deputies Secretariats



- ❖ Mid-Hudson Interparish Council
- ❖ Richmond Clericus and Richmond Interparish Council
- ❖ Search Committee for Chief of Finance and Operations
- ❖ Standing Committee
- ❖ Trustees of the Diocese of New York

## **Task Force B – Congregations**

The Rev. Claire A. Woodley, chair	St. Mary’s Church, Mohegan Lake
The Rev. Luis Barrios, PhD, STM	Grace Church and La Gracia, White Plains
	John Jay College of Criminal Justice
The Rev. Theodora N. Brooks	St. Margaret’s Church (Longwood), Bronx
Ms. Gina Brown	St. Peter’s Church, Manhattan
The Rev. Dr. Pierre André Duvert	St. Luke’s Church, Bronx
The Rev. Canon Jeffrey Gollhofer, PhD	St. John’s Memorial Church, Ellenville
The Rev. Stephen Harding	St. Peter’s Church, Manhattan
The Rev. Matthew F. Heyd	The Church of the Heavenly Rest, Manhattan
The Rev. Brenda Husson	St. James’ Church, Manhattan
The Rev. Gabriel Lamazares	The Church of St. Luke in the Fields, Manhattan
Mr. John D. Lent	The Parish of Christ the Redeemer, Pelham
Br. Luis Antonio Rivera-Rivera	The Cathedral Congregation of St. Saviour, Manhattan
The Rev. Filomena Servellon	Holy Cross Church and Santa Cruz Mission, Kingston

Task Force B members have served, serve at, regularly attended, or have been affiliated with the following congregations and communities in the Diocese of New York:

### **Mid Hudson Region**

Holy Cross Church and Santa Cruz Mission,  
Kingston  
Iglesia Virgen de Guadalupe, Poughkeepsie  
St. Andrew’s Church, Beacon  
St. John’s Memorial Church, Ellenville  
The Church of the Holy Innocents, Highland Falls  
and St. Mark’s Chapel, Fort Montgomery

### **Region II**

All Saints’ Church, Briarcliff Manor  
Grace Church and La Gracia, White Plains  
St. John’s Church, New City  
St. Joseph of Arimathea Church, White Plains  
St. Mary’s Church, Mohegan Lake  
St. Peter’s Church, Peekskill  
The Church of St. Barnabas, Irvington-on-Hudson  
The Church of St. Mary the Virgin, Chappaqua  
The Parish of Christ the Redeemer, Pelham

## New York City

All Angels' Church  
St. Ann's Church, Bronx  
St. Luke's Church, Bronx  
St. Margaret's Church (Longwood), Bronx  
St. Mary's Church, Manhattanville  
St. Peter's Church  
The Cathedral Congregation of St. Saviour  
The Church of the Heavenly Rest  
The Church of St. Luke in the Fields  
Trinity Church

Task Force B members serve or have served on the following committees, commissions, and organizations or held the following positions in the Diocese of New York:

- ❖ Anglican Communion Office at the United Nations, Program Director for the Environment and Sustainable Communities
- ❖ Budget Committee
- ❖ Church Warden
- ❖ Commission on Ministry
- ❖ Committee for Campus Ministry
- ❖ Committee to Elect a Bishop
- ❖ Committee on the Environment
- ❖ Congregational Development Commission
- ❖ Diocesan Disaster Response, Coordinator
- ❖ Diocesan Task Force on Socially and Environmentally Responsible Investing
- ❖ Diocese of New York Hispanic-Latino Ministry
- ❖ Environmental Justice and Sustainable Communities, Canon
- ❖ Episcopal Charities, Advisory Committee
- ❖ Episcopal Charities, Board of Directors
- ❖ Fire Department of New York, Protestant Chaplain
- ❖ General Convention Alternate Deputy
- ❖ General Convention Deputy
- ❖ Global Women's Fund
- ❖ Interim Ministry Team
- ❖ Lay Eucharistic Minister
- ❖ Pastoral Care Team
- ❖ Province II Evangelism Team
- ❖ Province II Synod Representative
- ❖ Social Concerns Commission
- ❖ South Bronx Interparish Council
- ❖ Standing Committee
- ❖ Trustees of the Cathedral Church of Saint John the Divine
- ❖ Trustees of the Diocese of New York
- ❖ Vestry Member

## **Task Force C – Financial Matters**

The Rev. Matthew H. Mead, chair  
The Rev. Frank Alagna

Mr. Wolcott B. Dunham, Jr., Esq.  
Sister Faith Margaret, CHS  
Ms. Ursula Moran  
Ms. Diane B. Pollard

The Rev. Nora Smith  
Mr. Michael Wood

The Parish of Christ the Redeemer, Pelham  
Holy Cross Church and Santa Cruz Mission,  
Kingston

St. James' Church, Manhattan  
The Community of the Holy Spirit, Manhattan  
St. Michael's Church, Manhattan

The Church of the Crucifixion, Manhattan and  
Trinity Church, Manhattan

The Church of St. Barnabas, Irvington-on-Hudson  
Christ Church, Poughkeepsie

Task Force C members have served, serve at, regularly attended, or have been affiliated with the following congregations and communities in the Diocese of New York:

### **Mid Hudson Region**

Christ Church, Poughkeepsie  
Holy Cross Church and Santa Cruz Mission, Kingston  
St. Andrew's Church, Beacon  
St. Margaret's Church, Staatsburg  
The Church of the Regeneration, Pine Plains

### **Region 2**

All Saints' Church, Briarcliff Manor  
St. Peter's Church, Peekskill  
The Church of the Good Shepherd, Granite Springs  
The Church of St. Barnabas, Irvington-on-Hudson  
The Parish of Christ the Redeemer, Pelham

### **New York City**

St. Bartholomew's Church  
St. James' Church  
St. Michael's Church  
The Church of the Crucifixion  
The Church of the Intercession  
The Church of St. Mary the Virgin  
The Community of the Holy Spirit  
Trinity Church

Task Force C members serve or have served on the following committees, commissions, and organizations or held the following positions in the Diocese of New York:

- ❖ Adjustment Board
- ❖ Audit Committee
- ❖ Budget Committee
- ❖ Committee on Canons
- ❖ Committee to Elect a Bishop (2011)
- ❖ Committee to Elect a Bishop (2014)
- ❖ Commission on Ministry
- ❖ Congregational Support Plan Committee
- ❖ Credit Union Task Force
- ❖ Deputation to General Convention
- ❖ Diaconal Formation Committee
- ❖ Diocesan Council
- ❖ Diocese of New York Deans
- ❖ Diocese of New York, Treasurer
- ❖ Ecclesiastical Trial Court
- ❖ Ecumenical & Interfaith Commission
- ❖ Episcopal Charities, Board of Directors
- ❖ Finance Committee
- ❖ Hispanic Grants Committee
- ❖ House of the Redeemer
- ❖ Human Resources Committee
- ❖ Indaba of the Diocese of New York
- ❖ Investment Committee
- ❖ Property Support Committee
- ❖ Real Estate Committee
- ❖ Special Committee on Diocesan Budget Process and Assessments
- ❖ Standing Committee
- ❖ Task Force on Socially and Environmentally Responsible Investments
- ❖ Trustees of the Diocese of New York
- ❖ Trustees of The Cathedral of St. John the Divine
- ❖ Urban Mission Committee
- ❖ Venture Fund Board

**Ex Officio**

The Rt. Rev. Andrew M.L. Dietsche                      Bishop of New York

**Bishop's Staff**

The Rev. Canon Wm. Blake Rider                      Canon to the Ordinary  
Ms. Esslie W. Hughes                                      Chief of Finance and Operations

## **Consultants**

The Rev. Gay C. Jennings  
Mr. Steve Smith

Sagamore Hills, Ohio  
Dorset, Vermont

**Gay C. Jennings** currently serves as the president of the House of Deputies of The Episcopal Church and vice president of the Domestic and Foreign Missionary Society. Before her election she served as the Associate Director of CREDO Institute with oversight of curriculum development and more than 120 faculty members. She was the Canon to the Ordinary in the Diocese of Ohio for 17 years and served in hospital and parish settings before serving on the bishop's staff. She is a nine-time deputy to General Convention and The Episcopal Church's clergy representative to the Anglican Consultative Council.

Gay has extensive experience consulting with congregations, clergy, dioceses, and bishops. She has worked with nearly 25 dioceses and bishops in such areas as mutual ministry review of the bishop, organizational development and structural reorganization, staff development and personnel matters, Title IV training and case management, risk management, and congregational and vestry consulting. She was a search and transition consultant for congregations and dioceses for 22 years. She has also been a presenter or keynoter at numerous clergy conferences, gatherings of church-related organizations, and diocesan conventions.

Her bachelor's degree is in religion and anthropology from Colgate University, and she received the Master of Divinity degree from The Episcopal Divinity School.

**Steve Smith** served for twenty years in senior roles for financial services firms including five years as Executive Vice President of the Church Pension Group in charge of its property-casualty and medical insurance operations. He now maintains a part-time practice as an executive coach and as organizational consultant to not-for-profit organizations. Coaching clients include executives at five Fortune 500 firms, and consulting clients have included three Episcopal dioceses. He travels frequently to client locations throughout the East and Midwest.

Steve has also served the Episcopal Church as a volunteer in a variety of ways. He has been treasurer of two parishes (Church of St. Luke-in-the-Fields, NY and St. James' Church, Arlington, VT), of the Diocese of Vermont, and of Province One. He currently serves as trustee of the Diocese of Vermont and chairs its Loan Review Committee. He is also trained as a diocesan companion, representing the diocese and supporting congregations who are in discernment to identify new leadership. He has been a deputy to General Convention and has twice served on the Joint Standing Committee on Program, Budget and Finance of The Episcopal Church.

His bachelor's degree is in economics from the University of Michigan, and he obtained an MBA from Harvard University.

## **Task Force A – Governance and Diocesan Structures Report and Proposals**

*To restore all people to unity with God and each other in Christ.*

The Catechism, Book of Common Prayer,  
An Outline of the Faith, page 855

*Continue in the apostles' teaching and fellowship,  
in the breaking of bread, and in the prayers;*

*Persevere in resisting evil, and, whenever you fall into sin,  
repent and return to the Lord;*

*Proclaim by word and example the Good News of God in Christ;*

*Seek and serve Christ in all persons, loving your neighbor as yourself;*

*Strive for justice and peace among all people, and  
respect the dignity of every human being.*

The Baptismal Covenant,  
Book of Common Prayer, pages 304-5

### **Guiding Assumptions**

Task Force A on Governance and Diocesan Structures affirms that the primary responsibility of a diocese is mission: to empower and encourage congregations to do the tasks we are called to in our communities. The task force to restructure our governance and diocesan structures seeks to enhance that dynamic, mutually beneficial relationship between congregations and the diocese. Through sharing gifts, discerning best practices, and harnessing economies of scale, we hope to foster collaboration between congregations, develop leadership, and promote mission effectively. To that end, our governance and structures should offer satisfying, desirable incentives to foster collegiality and mission and hold people accountable.

To this end, Task Force A had several tasks. We hoped to clarify the purpose of structures and the various roles of decision-making bodies, including those of Trustees, Diocesan Council, Standing Committee and Deans. Accordingly, we are proposing canonical changes. We also sought to reinvigorate the Canon on Missions, now called the Canon on Congregations in Strategic Settings, so that as the Congregational Support Plan sunsets, we are able to effectively help, intervene, and direct congregations in their life in the diocese. We were also tasked with creating a Vulnerable Congregation Canon to better serve congregations when difficulties arise.

One of the most important parts of this process has been the diocesan listening sessions. During these sessions, we met with priests, deacons, wardens, and laity. All were invited, and more than six hundred people attended the various sessions. For the task forces, this was an opportunity to present preliminary findings and gain feedback. The responses were wide and varied.

During the listening sessions, we proposed two ideas: First, hiring a Human Resources Director to ensure that all who work for the diocese have good and regular supervision and are able to set goals within the context of our diocesan mission. We are incredibly thankful to Bishop Dietsche for moving ahead with this idea and hope that this helps him in his episcopacy.

Second, we recommended an Executive Committee to be formed with senior staff and the bishops to help coordinate the work of the three main bodies of the Diocese: the Standing Committee, the Trustees, and the Diocesan Council. Here too, we are thankful that with the voices from the listening sessions, this has already been accomplished.

We are also thankful for the suggestion through the listening sessions that individuals who are deans and/or lead diocesan commissions and committees be compensated for their time. This could be done through grants given to the congregations they serve. This sort of collaboration is what we see as a good way forward for the life of the diocese, ensuring that congregations want their clergy and members to serve their congregations as well as the wider diocese. We would ask the bishop to direct the Budget Committee to think through how these changes might be implemented for the 2018 Diocese of New York Budget.

### **We propose evolving the work of the Diocese accordingly**

Through reflection and the listening sessions, Task Force A has sought to further clarify the work of the Trustees and Standing Committee. One of our early ideas was to give full responsibility to the Trustees for their work on the diocesan budget. Hearing resistance from the diocese, we have held off on that front. That said, we affirm the work of the Trustees. With a bolstered Canon on Congregations in Strategic Settings, they will be responsible for managing the assets of those congregations. We have also asked that the Standing Committee, in coordination with the Trustees, look more closely at the selling, leasing, or building on church property. Specifically, because the Trustees represent financial and real estate expertise, we want to ensure that we steward our gifts well. We also have empowered the Standing Committee to work within the Canon on Aided Intervention For Vulnerable Congregations so that in the course of their work, should they have concerns about a congregation, there is an ability to adequately respond.

Much of our work has concerned the Diocesan Council. In fact, when our group first met, there was some discussion as to whether or not we needed such a council. Through reflection and the listening sessions, however, we have come to realize that the Diocesan Council serves a vital role in the diocese, although some of their work needs modification.

The Diocesan Council's primary role is to assist the diocese and its congregations in our mission. Although we keep much of the same structure in terms of commissions and committees, we invite Council to strategically examine its own Bylaws and the commissions and committees which it oversees.

More significantly, we have tasked Council with helping the diocese and its congregations in implementing resolutions passed by Diocesan and General Conventions. We have also asked that the Council be responsible for a yearly diocesan calendar. Similar to the budget

process, this calendar will be coordinated with the bishop's staff to ensure announcements are timely, scheduling conflicts are reduced, and the greater mission of the diocese is enhanced.

Additionally, we have reinstated Interparish Councils so that we have a system of raising lay leadership and creating joint mission opportunities between congregations. This seems like a useful tool in the keeping members of the diocese in communication with each other. We also looked at the Clericus/Dean system and concluded that we simply want to commend Bishop Dietsche and his staff for beginning to codify and detail expectations of deans and clericuses. Finally, we looked at the location of diocesan offices. As much of the feedback during the Listening Sessions revealed a sense of "siloeing" in the diocese, we reaffirm the bishop's ability to relocate diocesan offices should he so choose.

### **Canonical Changes**

With the Chancellor serving on Task Force A, this seemed like the right opportunity to systematically work through the Canons and propose relevant changes. Many of these changes are points of clarification. There are some typos corrected. And further, we seek to create Canons that speak to the new realities of church and world. This includes more heavily relying on electronic communications and making Convention Canons that allow for electronic balloting. See below for a more systematic explanation for each change.

#### **Canon 2. Sec. 4**

Please see notes regarding Canon 28 where we define and offer guidance for the reasoning of using the words "Priest-in-Charge" and "Congregations in Strategic Settings."

#### **Canon 3. Sec. 1**

We have made changes due to the fact that in recent years, inclement weather has occasionally required postponing Convention. This allows the bishop and the president of the Standing Committee to postpone Convention accordingly.

#### **Canon 4. Sec. 1**

This allows for an electronic announcement of Diocesan Convention.

#### **Canon 5. Sec. 2**

This update allows the Calendar of Convention to be electronically distributed.

#### **Canon 6. Sec. 2**

This change clarifies that any Assistant Secretary of Convention serves only with that Secretary. Assistant Secretary terms do not outlast the Secretary's term.

#### **Canon 7. Sec. 1**

This update is changed to reflect current practice and for uniformity.

#### **Canon 7. Sec. 3**

This change reorders the paragraphs for structural clarity and to reflect current practice.



**Canon 8. Sec. 3**

This change eliminates the provision which requires that the chancellor and vice-chancellor not receive any compensation for their work. This requires some clarification as it is not intended to create a new paid position. Both the chancellor and vice-chancellor have declared that they have no intention of being compensated for their work as chancellors. Instead, when the diocese needs to actually hire an attorney for matters requiring litigation, the bishop should be able to, should the bishop so choose, hire the firm of the chancellor or vice-chancellor. Current Canons prohibit this.

**Canons 9 and 10 combined**

This change reflects current practice. We currently do not have a registrar. That said, a historiographer could help ensure that accurate and up to date records are held for all clergy serving the diocese.

**Canon 10. Sec. 7**

This change allows for electronic voting at conventions.

**Canon 11. Sec. 3**

This change corrects a typographical error.

**Canon 13. Sec. 1**

This change removes the chancellor from the Committee to Elect a Bishop and stipulates that the appointments by the Bishop shall be one clergy person and two lay persons, retaining the five clergy and four lay persons balance of the committee. Although the chancellor will convene the first meeting, responsibility then falls to the chair of the committee rather than the chancellor.

**Canon 13. Sec. 7**

This allows for the electronic distribution the Report of the Committee to Elect a Bishop.

**Canon 13. Sec. 9**

This change streamlines nominations from the floor into nominations by petition. Currently, the diocesan Canons allow for any nominations from the floor at any point during the Electing Convention. This does not allow either the Committee to Elect a Bishop or the Standing Committee to adequately perform background checks. This change also brings our process more in line with current Episcopal practices.

**Canon 13. Sec. 10**

This reflects the practice employed in recent elections and streamlines the Convention.

**Canon 13. Sec. 11**

This further delineates how background checks are conducted so that the Committee to Elect a Bishop and the Standing Committee have all relevant information about the candidates.

### **Canon 13. Sec. 12**

Section 12 is a new section that clarifies who calls the first meeting of the Committee to Elect a Bishop. This section also now requires the chair of the committee to report regularly to the president of the Standing Committee. As the Standing Committee must ratify the Convention's choice, this more ably allows the Standing Committee to have all necessary facts about the state of the search and eventually about the candidates.

### **Canon 14. Sec. 3.4**

As the Budget Committee remains a committee of Diocesan Council, this change allows for representation on the Budget Committee by two Trustees appointed by the Bishop (see Canon 17.2.1) who will be responsible for implementing the budget. Changing "monthly" to "quarterly" reports reflects current and accepted practices. This change also eliminates the Episcopal Housing Corporation, which is no longer in existence.

### **Canon 14. Sec 3.15-16**

These changes allow for the creation of a Finance Committee for the Trustees and invites coordination with other diocesan bodies.

### **Canon 15**

This canonical change seeks to bolster the role of the Diocesan Council in implementing the mission, program, and calendar of the diocese. A diocesan calendar becomes one of the chief roles of the Council, working with staff, commissions, and committees to ensure that events are organized and announced in a timely fashion. This change also mandates that Council report to congregations and conventions any relevant changes in practice from Diocesan and General Convention resolutions.

### **Canon 16. Sec 4**

This canonical change reinstates Interparish Councils as a chief tool in organizing groups of congregations together for mission. Although the Clericus/Deanery structure is helpful for clergy in terms of mutual support and information-sharing (and we have no intention of changing that), we hope to add laity into these organizations which foster mission and support. If there is ever a time for congregations to come together, this is it. We also re-task the Interparish Councils to name lay and clergy who are willing to serve on Diocesan Council, and to raise laity, in general, to places of leadership within the diocese. We also envision that Interparish Councils will be the most appropriate places for pre-convention caucuses.

### **Canon 22. Sec. 3**

This updates language to current parlance: The Episcopal Church.

### **Canon 23. Sec. 1**

Please refer to Canon 28 for a further explanation.

### **Canon 23. Sec. 5**

This change reflects the change of Canons 9 and 10 and replaces the reference to a "Registrar" with "Historiographer."

## **Canon 24**

Title: A congregation without clergy is not “Vacant” whole stop but rather has a vacancy in Cure.

### **Canon 24. Sec. 1-4**

Simply capitalizes what is an official term of this Canon. Please refer to Canon 28 for the explanation of new terms.

### **Canon 24. Sec. 5**

Section 5 needs to be eliminated to reflect current best practices as defined by The General Convention’s Canon III.9.3(c).

## **Canon 25**

These changes simply capitalize what are terms of this Canon and changes “parish” to the more generalized “Congregation.”

### **Canon 26. Sec. 5**

This change simply capitalizes what is an official term of this Canon.

## **Canon 27**

Again, see Canon 28 for further clarification on “Congregations in Strategic Settings.” Twenty people seems like a fair threshold to undertake this process, and the other changes reflect the reality that congregations often involve people from wide geographic areas.

## **Canon 28**

The Task Force recommends a complete overhaul of the Mission Canon to effectively deal with new realities and the conclusion of the Congregational Support Plan.

- ❖ The Canon renames “Missions” as “Congregations in Strategic Settings” and eliminates the older practice of labeling clergy as “Vicars,” instead offering “Priest-in- Charge.”
- ❖ “Congregations in Strategic Settings” retains the word “Congregation” but also clearly describes the type of congregation: the front lines of ministry, supported by the diocese.
- ❖ “Priest-in-Charge” is an effort to create a more horizontal and less vertical description of the various roles clergy play in different sorts of congregations.
- ❖ This Canon also clearly states that the bishop is in charge of such congregations but also makes allowance for designees to oversee such congregations should the bishop so choose.

## **Canon 29**

Canon 29 on Aided Intervention for Vulnerable Congregations is a proposed new Canon and provides the spiritual and temporal resources of the diocese to aid congregations that have become unsustainable. In addition, this Canon provides the means by which a congregation can collaborate with the diocese to create sustainability.

Under this Canon, a congregation is encouraged to access the full range of diocesan resources to assist the congregation in the amelioration of the conditions, whether situational or systemic, that has placed the viability of that congregation at risk.

In those circumstances where a congregation's historic mission and sacramental ministry are no longer sustainable, provision is made to complete the existence of that congregation. Then, this Canon makes provisions for the remaining resources to be made available to support new missional initiatives in that region. In this way, the sacramental legacy of that congregation is preserved so as to ensure the continued proclamation of the Gospel of Jesus Christ for generations to come.

### **Canon 32**

Canon 32 is a proposed new Canon intended to provide a process for becoming a "Designated Ministry" of the Diocese of New York. The proposed Canon will strengthen such relationships by providing structure, support, and accountability.

Examples of such Designated Ministries might include the establishment of a relationship with the Church of South India Hudson Valley congregation currently renting the parish property once occupied by St. Mary's in Scarborough, the establishment of new church plants, house churches, or intentional communities.

This proposed Canon is a result of the concern that due to the customary burden of infrastructure associated with being a more traditional Congregation, some worshipping communities in the future might form without such an infrastructure yet still wish to be part of a wider diocesan community. The Canon provides such groups voice and a connection to the diocese.

### **Canon 33**

These changes bring this Canon in line with Title IV (disciplinary Canons) of the General Convention Canons.

### **Canon 34. Sec. 1, 3, 6**

These changes correct a typographical error and provides for consistency of terms.

### **Canon 35**

Amending a Constitution should be a two-year process, but Canons should be allowed to be changed by a simple majority at one convention. This change ensures that we can more effectively respond to changing situations in the diocese.

### **Canon 36**

This change reflects a more concerted effort to save paper and allow for electronic means of communicating diocesan business.

## Task Force B – Congregations Report and Proposals

The charge to the Advisory Group was to identify opportunities, strategies and vision that position the Diocese of New York to engage God’s mission in ways that are sustainable, innovative and accessible. Task Force B was asked to develop a common understanding of the marks of a healthy congregational life and identify ways of helping congregations address their futures.

Be not afraid. Be of good cheer. We are in a place of wonderful opportunity. We are being invited into conversation to build a transformative ministry together. There are many options and avenues open to us, the work of the Holy Spirit is dynamic, and will call forth creativity we did not know we had. We are committed to learning and using honest, appreciative and truthful dialogue as we move into our new future together. We are full of hope.

The strategic plan is not about the diocese closing churches, but a clear-eyed assessment of our times and God’s call today. We are at a cross road, which means we have choices before us.

Here is a list of our congregations’ current leadership configuration as of July 2016:

<b>Ordained Leadership</b>	<b>Number of Congregations</b>
Full time Rector with a Curate, or other clergy on staff	20
Full time solo Rector or Priest-in-Charge	66
Shared Pastorate	13
$\frac{3}{4}$ Time	6
$\frac{1}{2}$ Time	24
Less than $\frac{1}{2}$ Time	10
Supply only	24
Congregational Support Plan	22
Closed, moving towards repurposing	7
<b>Total Number of Congregations</b>	<b>192</b>

We have lived through a century of constant change. Most of our churches were built in a time of great expansion and spiritual ferment in the 1800s. However, there were no cars, people walked to church, and wood stove heating put limits on church size. Over 100 churches closed between 1900 and 1960, consolidating with other congregations; or, finding that their mission was completed, closing and releasing resources to other mission and ministry.

The configuration of the congregations above reflect the actual fluidity of our common life and the practice of choices made at other cross road times in the Diocese of New York. For a deeper exploration of just how fluid our actual life has been, see, [This Planted Vine: A Narrative History of the Episcopal Diocese of New York](#) by the Rev. James Elliot Lindsley, available online in the Diocesan Archives.

The Diocese of New York has not undertaken a comprehensive strategic plan since 1974 when these three priorities were agreed upon:

1. Effective Church Presence in Poor Communities
2. Increased Leadership and Program Capability
3. Revitalization of Congregations

These strategies for diocesan growth were not passed in 1974 due to disagreement.

1. By proclaiming evangelistic witness through His word and sacraments.
2. By cultivation of our Christian commitment through training in interior life and spiritual discipline.
3. By the practice of Christian community made evident in programs and service to our various localities.
4. By extending the work of the church through the judicious use of their resources.

Both what was adopted and what was not adopted shed light on our current status.

The context of our church life and times has changed enormously. As Dr. Phyllis Tickle observed, we are in a time of “the great emergence.” People are seeking a deeper spiritual life amidst the ephemera but traditional expressions are not their first consideration. Bringing contextualized responses of the Gospel to these various communities is necessary. Like Paul, Priscilla and Aquila, we must learn to be all things to all people taking into consideration language, culture groups, urban and ex-urban life, and migration. We have a deep tradition of God’s love in Jesus amongst us expressed in scripture, tradition and reason. We are wonderfully equipped to meet this day and this time.

Task Force B on Congregations has researched, studied, discussed and prayed upon Bishop Dietsche’s charge to our group. We expanded slightly the objectives for our work and set about to answer the following questions:

1. What constitutes a healthy, vital and viable congregation?
2. What are realistic, concrete practices for congregations in the diocese to move forward and become truly vital and viable?
3. What action for change and capacity-building must be undertaken to assist congregations in their growth?

We hope and believe that this report will establish a common understanding and language, across the diocese, of what constitutes a viable and vital congregation, and provide congregations proven approaches and strategies to plan their itineraries for growth. The report focuses on both the “what” and the “how” required to build and sustain healthy parishes. We suggest *what* the key characteristics of healthy congregations are, and *how* parishes may get ready for a new cycle of growth to create a plan for moving forward.

This report provides information, tools and resources to help every congregation in the Diocese of New York in three sections:

### **Section 1**

Levers for Change and Building our Common Life

### **Section 2**

Vitality Practices and Characteristics of Effective, Viable and Vital Congregations

### **Section 3**

Marks of Viability and Standards for Viability Assessment

Task Force B recognizes that this invitation to congregations to conduct honest, open assessments of their viability and vitality, and to begin to chart a way forward, is offered at a moment when many Episcopal congregations are at a cross road. We believe all of us are called into imagining and planning for new ways of “being church.” Carrying forward the essential beauty and practice in new contexts and expressions is a task filled with promise and challenge. We pray that the strategies and examples provided here will empower people to meet the new day and we have great hope and excitement in discovering what God is calling us to do.

Our report borrows extensively from other Episcopal dioceses and organizations that are doing strong work in congregational development. We thank our brothers and sisters for their research, insights, information, tools, and support.

The Diocese of Massachusetts: For characteristics of Viability and Vitality.

The Diocese of Chicago: For strategies, process, and model of the Canon for Vulnerable Congregations and information on Fierce/Essential Conversations training.

The Diocese of Connecticut: For congregational practices.

The Diocese of Toronto in the Anglican Church of Canada: For the Sustainable and Strategic graph.

Forward Movement and RenewalWorks: For the five best practices.

## **Section 1**

### **Levers for Change and Building our Common Life**

strat·e·gy 'stradəjē/ *Noun* 1. a plan of action or policy designed to achieve a major or overall aim

Both in listening to the diocese and in our conversations we have discovered the following obstacles to our common health which must be addressed for any strategic plan to succeed:

- ❖ A sense of isolation
- ❖ Competition
- ❖ Lack of clarity
- ❖ Diocesan bottlenecks
- ❖ Anxiety
- ❖ Lack of identified resources

The following levers for change were identified in the Human Synergistics Report undertaken by the diocese to analyze our common life and practices. There are gaps between our ideal life and practice and our actual life and practice. To realign our present practice with our future hope, change is necessary.

The primary levers for change and health are:

- ❖ Training and Development
- ❖ Task Facilitation
- ❖ Fairness of Appraisals
- ❖ Lay/Congregational Involvement
- ❖ Interdependence
- ❖ Congregational Service Focus
- ❖ Combined influence (for optimal impact levers must be activated jointly)

Open and sturdy relationships will be key to effecting the levers for change necessary to build our common life and capacity to respond to God's call. Therefore, building upon the unexpected joy experienced by congregations who participated in the Indaba experience, we propose the following resolution to build up our common life and increase our joy and love of God and one another.



## **Resolution: Towards Building our Common Life**

*Resolved*, That, in order to build up our common life as a community of Christians in the Episcopal tradition in the Diocese of New York, and to foster shared discipleship, exchange of resources and support, the bishops, staff, and people of the Diocese of New York commit to implementing the following:

1. The institution of an annual diocesan-wide shared Bible Study, scripture and themes to be decided by our bishops.
2. A continued Indaba experience on a triennial rotation with each congregation encouraged to participate in building our common life and understanding together with three partner congregations, facilitated through the diocese.
3. That each member of our congregations be encouraged to give a minimum of five hours of gift work annually to other congregations, diocesan commissions, committees or Episcopal Church programs, and that a ministry bank be maintained by the Human Resources Office of the Diocese of New York.
4. That Eastertide be a season of pulpit exchanging throughout the diocese, sharing the inspiration and insight with which God has gifted the people of the diocese.
5. That diocesan-wide festivals for acolytes, altar guilds, dancers, liturgists, musicians, preachers, psalmists and poets, visual and media artists be called by the Commission on Liturgy to build the excellence of our services and inspire passionate worship in the people of God.

## Section 2

### Vitality Practices and Characteristics of Effective, Viable and Vital Congregations

vī'talədē/ noun 1. the state of being strong and active; energy

#### **Characteristics and practices of healthy/vital congregations**

These characteristics of health have been developed to help build a shared vision across the Episcopal Church in our time. These practices are used to help build a common language of development and marks of vitality across churches, regions and ministries. They are not dependent on financial resources, geography or size. Not all practices in each section will be done, but the practice of some portion of each section is necessary for vitality.

#### **Welcome**

*Show hospitality,  
love what is good,  
and be reasonable, ethical,  
godly and self-controlled.*

Titus 1: 18

- ❖ The congregation seeks new disciples and has a culture of community engagement and invitation.
- ❖ The congregation reflects the language, ethnicity and culture of its surrounding community and is culturally literate in its invitation and welcome.
- ❖ Congregations take advantage of such resources as the Diocesan Hispanic Missioner, New Camino, and Nuevo Amanecer in building authentic welcome strategies for Latino communities.
- ❖ The congregation has adequate outdoor lighting and signage; signage (indoors and outdoors) and bulletin boards are neat, clear, accurate, engaging and readable; and phone messages are welcoming, timely and contain hours of worship and location of the church building.

#### **Communications**

*How beautiful are the feet of those who bring good news!*

*Romans 10:15*

- ❖ Members of the congregation know and can share the good news of God in Christ and how it is being lived out in their congregation.
- ❖ The congregation uses electronic and print communications vehicles including newsletters, Website, social media, and electronic newsletters which are engaging, accurate and timely and include contact information for the church office and clergy and lay leaders, as well as directions, service times, and mission statement.

- ❖ If appropriate to the congregation's context, the congregation has a media relations strategy that builds good relations with local media, including press releases, op/ed commentary articles, letters to the editor, and appearances on local cable and radio programs.
- ❖ The congregation conducts creative outreach activities such as special events and collaborations with advocacy groups, non-profits, and community groups.
- ❖ Communications from the congregation take into consideration the languages of the surrounding communities and reflect cultural sensitivity and competency as a sign of welcome before and while these groups are represented in the congregation.

## **Mission Discernment and Accountability**

*Lead a life worthy of the calling to which you have been called,  
with all humility and gentleness, with patience,  
bearing with one another in love,  
making every effort to maintain  
the unity of the Spirit in the bond of peace.*

Ephesians 4:1-3

- ❖ The congregation has a mission and/or vision statement which is clear, concise, broadly known, and periodically reviewed by the vestry and congregation, and the ministry and mission of the congregation reflect this vision.
- ❖ The congregation has achievable and measurable goals, strategies, and objectives which members know and support.
- ❖ The congregation engages in ongoing mission discernment to seek God's activity and blessing locally, within the diocese, and overseas, bringing together those within and without the congregation to make God's love and justice real.
- ❖ The congregation takes into consideration their changing communities, seeking local leadership from growing ethnic and language groups and to build culturally appropriate congregational strategies.
- ❖ The vestry and clergy engage in bi-annual mutual ministry reviews that practice ongoing self-reflection, building the capacity for honest conversation, speaking the truth in love, caring for one another, building each other up into Christ's likeness, and encouraging the achievement of goals in the context of the congregation's participation in God's mission.

## **Education/Formation for Discipleship**

*To equip God's people for works of service,  
so that the body of Christ may be built up  
until we all reach unity in the faith  
and in the knowledge of the Son of God and become mature,  
attaining to the whole measure of the fullness of Christ.*

Ephesians 4:12-13

- ❖ The congregation focuses on developing the spiritual life of all its members as a primary task.
- ❖ Biblical literacy is a foundational goal and the Bible is embedded in all formation.
- ❖ Education and formation opportunities for discipleship are offered to children, youth, young adults, adults and elders. Discipleship is understood as living our lives following the example of Jesus' life and teaching, in fulfillment of our baptismal covenant.
- ❖ There is clear designation of clergy and lay leaders responsible for planning and implementing education and formation programs.
- ❖ The curriculum or educational programs or resources offer a global perspective and celebrate ethnic diversity and gender equality.
- ❖ Congregational life is marked by encouragement, candor, and kindness moving people more deeply into the life of Christ. Forgiveness, the making of amends, and reconciliation as spiritual practice is evident and encouraged.
- ❖ Training for the apostolic ministry of taking the good news of Christ in word and deed out into the world, and ongoing evangelism and conversion of life for new disciples is practiced.
- ❖ The congregation has strategies for young adult ministry and to local colleges, building relationships with the present and future church.

## Fellowship

*They devoted themselves to the apostles' teaching  
and to fellowship, to the breaking of bread and to prayer.*

*Acts 2:24*

- ❖ The congregation has opportunities outside of coffee hour for fellowship (e.g. dinner groups, meals in the homes of parishioners, discussion groups, Bible study, prayer groups).
- ❖ The congregation uses fellowship opportunities to deepen the discipleship of its members.
- ❖ The congregation gathers to celebrate, support and care for each other in the midst of parish life.
- ❖ Fellowship includes spiritual mentoring and the congregation practices holy friendship.

## Worship

*Love the Lord your God with all your heart  
and with all your soul and with all your strength  
and with all your mind;  
and, Love your neighbor as yourself.*

*Luke 10:27*

- ❖ Worship is both vibrant and fresh in expression and rooted in the proclamation of the Gospel and the Christian tradition with the result that people are energized and inspired for discipleship in daily life.
- ❖ The planning and leadership of worship invites participation and engages the creativity of the entire congregation: all age groups, newcomers and established members. Worship expresses the cultural diversity of the congregation and its neighboring communities.
- ❖ Worship is made accessible to visitors with clear directions, bulletins and page announcements.
- ❖ The congregation considers alternative worship times and venues.
- ❖ A holistic understanding of stewardship is expressed through liturgy and worship, including environmental, spiritual, and financial stewardship.

## Gifted for Ministry

*To each is given a manifestation of the Spirit for common good.*  
I Corinthians 12:7

- ❖ The congregation intentionally and systematically helps its members discern their gifts for ministry in the church, in their families, workplaces, communities and beyond.
- ❖ The congregation helps its members to understand where they are called to exercise their gifts and encourages them to train for and pursue that call.
- ❖ The congregation's current mission initiatives stretch its members by calling them to work alongside and on behalf of people who are different from them in language, culture, ethnicity or economic status.
- ❖ Lay and clergy leaders are actively encouraged to enhance their own skills for ministry through participation in diocesan, provincial, and national learning and training opportunities.

## Stewardship

*But we have this treasure in clay jars, so that it may be made clear that this extraordinary power belongs to God and does not come from us.*  
II Corinthians 4:7

- ❖ Members of the congregation understand stewardship as their response to God's love and God's call to tend and care for the whole of creation, including ourselves, our possessions and "this fragile earth, our island home" building sustainable practices in the use of resources.
- ❖ The congregation seeks to identify and participate in the flow of God's infinite variety of resources through the church to the world and the world to the church practicing the provision of the Reign of God.
- ❖ Members of the congregation practice simplicity of life and generosity in giving as spiritual disciplines rooted in gratitude to God.

- ❖ Members of the congregation throughout the year are asked to support the ministry of the church with their time, talents and treasure, especially through the practices of proportionate giving or tithing, and witnessing to God's work in their lives.
- ❖ The congregation pursues “stewardship” in a holistic way to include its financial and environmental dimensions, i.e., the stewardship of God’s creation.
- ❖ The vestry pursues environmental stewardship in relation to church buildings with regard to both energy efficiency and the transition to renewable energy.
- ❖ The congregation engages in a re-visioning of resources, people, assets, buildings using tools/processes such as those offered by:
  - Episcopal Church Foundation (<http://www.episcopalfoundation.org/>)
  - Episcopal Church Building Fund (<http://www.ecbf.org/>)
  - RenewalWorks (<http://renewalworks.org/>)
  - Holy Currencies of the Kaleidoscope Foundation (<http://www.kscopeinstitute.org/holycurrencies1/>)

## Outreach

*They also will answer, ‘Lord, when did we see you hungry or thirsty  
or a stranger or needing clothes or sick or in prison, and did not help you?’  
He will reply, ‘Truly I tell you, whatever you did not do for  
one of the least of these, you did not do for me.’*

Matthew 24:44-45

- ❖ At least ten percent of the congregation’s budget, excluding the diocesan assessment, is spent on outreach.
- ❖ The congregation has at least one signature effort of service, witness, or advocacy that includes a broad cross-section of congregational members and has the support of the entire congregation.
- ❖ The congregation looks for opportunities to engage in collaborative ministry with other churches and faiths in advocacy and action.
- ❖ The congregation participates in community organizing training available to congregational leadership to discern and build new mission in dialogue and partnership with the surrounding communities and organizations.

## Congregational Leadership

*What then is Apollos? What is Paul?  
Servants through whom you came to believe, as the Lord assigned to each.  
I planted, Apollos watered, but God gave the growth.  
So neither the one who plants nor the one who waters is anything,  
but only God who gives the growth.*

I Corinthians 3:5-7

- ❖ The leadership reflects the gifts and talents (including demographic and cultural considerations) of the congregation.

- ❖ The leaders embody the theology of servant ministry. They are scripturally literate, delegate responsibilities and duties, encourage and empower others, and communicate openly.
- ❖ The congregation's budget and financial information are available and transparent to the congregation, and members have an opportunity to engage in a budget process that reflects the mission statement and values of the congregation.
- ❖ The congregation provides ongoing training, development and mentoring for leaders, with a focus on building the congregation's capacity to execute their strategic plan.
- ❖ The congregation participates in trainings offered for laity in church governance and administration for wardens, treasurers, church secretaries and clerks of vestries.

## Spiritual Life of Clergy and Lay Leaders

*Fan into flame the gift of God that is in you from the laying on of hands.*

II Timothy 1:6

- ❖ The vestry is offered training in scripture study as part of vestry training.
- ❖ Lay leaders have regular opportunity to participate in retreats and spiritual formation opportunities.
- ❖ Lay leaders are offered opportunities for renewal and refreshment through regular rotation of leadership.
- ❖ The congregation has identified time for clergy (full or part time) for spiritual retreats, study, and self-care.
- ❖ The congregation encourages clergy to take vacation.
- ❖ The congregation offers support for continuing education and encourages sabbatical time for its clergy.
- ❖ The congregation consciously focuses on the spiritual growth of members, moving them from questioner/seekers to Christ-centered disciples building capacity for congregational health, and sustainability.

## Community Connections

*All of them were filled with the Holy Spirit and began to speak  
in other languages, as the Spirit gave them ability.*

*“And how is it that we hear, each of us, in our own native language?*

*Parthians, Medes, Elamites, and residents of Mesopotamia, Judea and Cappadocia, Pontus and Asia, Phrygia and Pamphylia, Egypt and the parts of Libya belonging to Cyrene, and visitors from Rome, both Jews and proselytes, Cretans and Arabs—in our own languages we hear them speaking about God's deeds of power.”*

Acts 2:4-5, 8-11

- ❖ The congregation has a visible presence in the community, and clergy and lay leaders are engaged in community activities and leadership.

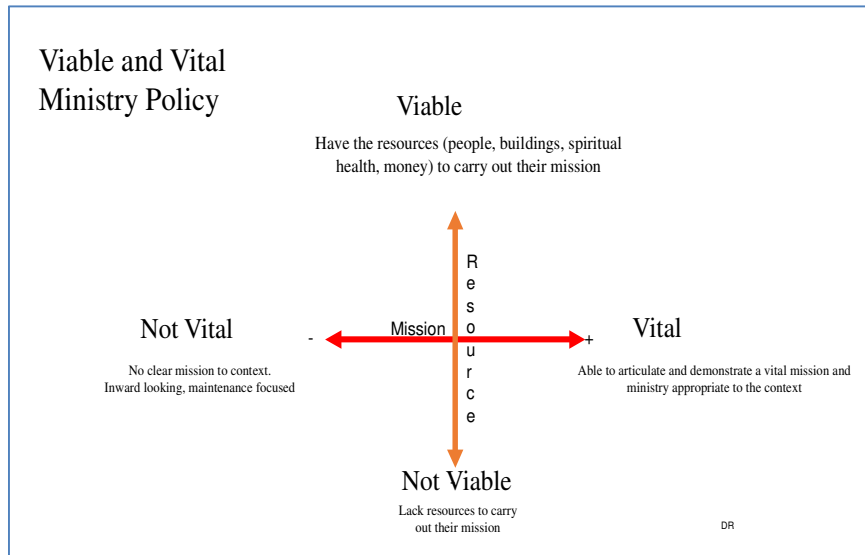
- ❖ People in the community who are not members of the congregation know about the congregation and are regularly informed of the congregation's activities and offerings.
- ❖ People in the community come to the church for a variety of reasons in addition to worship, e.g. lectures, afterschool programs, day care, community discussions, etc.
- ❖ The congregation has engaged a community issue during the past year.
- ❖ The congregation provides a steady presence with open doors, caring for and connecting to, the surrounding communities.



### Section 3

## Marks of Viability and Standards for Viability Assessment

vi·a·ble 'vīəb(ə)l/ *adjective* capable of working successfully; feasible.



All churches encounter some form of static or unsustainable common life or find themselves ready for a new cycle of growth in our lives together. We are moving into a new cycle of how to be the Episcopal Church moving, from where we expect people to come into our churches to initiate a relationship with Christ, into a time of the church going out of our buildings to meet and build relationships with those whom Christ is calling. Viability of a congregation increases proportionately with its interaction with the surrounding community. Take a moment to think about where your congregation might be in relation to the above graph. Take a breath and listen with us to where the Spirit is leading.

### Characteristics of Viable Congregations

Viability characteristics are those elements of congregational and diocesan life that are considered basic and essential. They represent the fundamental obligations and responsibilities that each congregation undertakes as a constituent part of this diocese. While these responsibilities rest largely with the vestry, clergy should work cooperatively with the vestry and congregation to maintain the viability of the parish in these areas:

- ❖ Essential leadership positions (wardens, vestry, treasurer, clerk) are filled and have regular turnover per the by-laws of the congregation.
- ❖ Clergy and staff salaries and pensions are paid in a timely manner and meet at least minimum diocesan recommended compensation levels.

- ❖ The congregation is current with its financial obligations.
- ❖ The congregation supports the mission of the Diocese of New York through fulfilling its assessment.
- ❖ The congregation has an annual stewardship program.
- ❖ The congregation prepares a financial budget annually.
- ❖ Major defects of church properties (buildings and grounds) are being addressed.
- ❖ The congregation files an annual parochial report and a yearly audit and/or a modified audit report.
- ❖ The congregation has by-laws which are reviewed every decade.
- ❖ All clergy and appropriate lay persons have received Safe Church training and Anti-Racism training.
- ❖ The vestry ensures that appropriate insurance coverage is in place: general liability, property, and Directors and Officers coverage. Coverage shall be, at a minimum, equal to the “New York package” as defined by the Church Insurance Company. Proof of up-to-date insurance coverage provided to the Diocese annually.

Task Force B proposes the following resolution to further this work.

### **Resolution on Determining Congregational Health and Viability**

*Resolved*, That congregations of the diocese undertake a self-assessment every three years to assist in determining their viability, sustainability, and strategic potential to effect Christ’s mission in the world as members of the Diocese of New York; and be it further

*Resolved*, That based on viability standards published by the diocese, when a congregation finds that three or more viability markers are not being met it is cause for concern. The clergy and wardens are directed to share concerns with the identified member of the bishop’s staff who will meet with the clergy and wardens to develop strategies and resources; and be it further

*Resolved*, That the congregation re-submit their assessment the following year indicating where progress towards viability has been effected; and be it further

*Resolved*, That if a congregation misses three or more markers on their second assessment they will be referred to the Canon on Aided Intervention for Vulnerable Congregations to formulate next steps.

The Diocese of New York, like dioceses across the Episcopal Church, has many cross road congregations. Cross road congregations are those whose life together, governed by practices that were effective in the past but no longer bring new life and vitality, have come to a place with diminished congregational size and beloved buildings that are increasingly difficult to sustain which must take a new direction. It is vital for us to remember that “for to your chosen people Lord, life is never over, but changed.” Transformation and new life is the hallmark of Christianity and that being at a cross road means choosing a direction.

As our diocesan structure and congregations are transformed by the work of the strategic plan, the choices for congregations to make will become clearer, congregations will be empowered and emboldened and the new life God promises will be manifest in our midst. To accomplish this we must abandon all temptation to cynicism, that the future holds no good, and instead working together, seek the leading of the living God,

*For surely I know the plans I have for you, says the Lord,  
plans for your welfare and not for harm,  
to give you a future with hope.*

Jeremiah 29:11

# **Task Force C – Financial Matters Report and Proposals**

## **Introduction**

This report covers the findings and recommendations of Task Force C on Financial Matters of the Diocese of New York. This report is divided into four parts.

## **Section 1**

Summary Report on the Current State of Financial Matters in the Diocese of New York

## **Section 2**

Summary of Recommendations

## **Section 3**

Theological Reflection

## **Section 4**

Addendums

- A. Recommendations to the Budget Committee
- B. Addition to Canon 15.3 (Trustees) and Amendment of Canon 16.6 (Council)
- C. Canon 18 – Revision
- D. Commentary on Canon 18 Revisions
- E. Resolution on Continuing Financial Education for Clergy and Financial Leaders of our Congregations

Task Force C was instructed to make recommendations covering the following topics:

- 1. Budget
- 2. Assessment formula and Congregational Support Plan payments
- 3. Other Sources of Income and Resources

Work was done by members of the Task Force who reported back regularly to the entire Task Force via email and regular phone conferences. The chair of the Task Force met numerous times with the Task Force chairs, the consultants, the Bishop, the Chief of Finances and Operations, and the Treasurer.

The Task Force members and chair met more than twenty times, either by phone or in person, for a total of more than 80 hours between October 2015 and June 2016.

## **Section 1**

### **Summary Report on the Current State of Financial Matters in the Diocese of New York**

#### **About Our Current Assessment Model**

Canon 18 of the Canons of the Diocese of New York details the funding program of the Diocese of New York. Canon 18 describes:

- ❖ the budget process
- ❖ the definition of and formula determining each Congregation's Apportioned Share (aka assessment) which is based on a congregation's Normal Operating Income (NOI) and how payment of an assessment is to be made
- ❖ the assessment adjustment and appeal process
- ❖ the Congregational Support Plan, and
- ❖ remedies for nonpayment of an assessment.

#### **Seven Key Points about Canon 18**

1. A Task Force on Assessments presented a revision of Canon 18 in 2009 which was approved by Convention.
2. The assessment formula is tiered so that congregations with higher Normal Operating Incomes pay at a higher percentage than congregations with smaller Normal Operating Incomes
3. There is a 12.5% limit on the amount an assessment can increase year over year for any one congregation.
4. If the apportioned share of any one congregation exceeds 25% of the total income of the diocesan assessment budget, the excess amount above that 25% is collected by the Diocese of New York and applied to the Diocesan General Endowment Fund.
5. There is an adjustment and appeal process overseen by the Trustees.
6. Funding for the Congregational Support Plan is embedded in Canon 18.
7. The ultimate remedy for nonpayment in Canon 18 is converting a Parish into a Mission Congregation; this remedy for nonpayment was added in 2009 and has not been applied.

The listening sessions held in the spring of 2016 broadly revealed that across the diocese there is little understanding of how Canon 18 works beyond the effect it has on "my congregation."

#### **Assessment Budget Income**

In 2016 the sum total of Net Assessments and Net Congregational Support Plan Contributions make up about 85% of the total projected Assessment Budget income. The remaining 15% of income comes from a variety of sources (unrestricted endowment, trusts, fees, etc.).

Beginning with the 2015 Assessment Budget report the Net Assessment and Net Congregational Support Plan Contribution lines were broken out in an effort to add transparency. In each case two new lines were added, “Gross [Assessments/Contributions]” and “Projected Unpaid [Assessments/Contributions].”

This revealed that the Diocese receives only about 80% - 85% of calculated assessments, and about 80% of calculated Congregational Support Plan contributions. However, it is not clear in the budget report, as it is currently presented, what of the total amount has been adjusted by the Adjustment Board, nor is it clear what effect the 12.5% cap on annual increases has had on those numbers.

There are nearly 200 congregations in the Diocese of New York. In 2016 the ten congregations that are assessed the ten highest assessments are projected to pay about 60% of the total income of the total Assessment Budget. In 2016 the two congregations that are assessed the two highest assessments are projected to pay about 40% of the total income of the total Assessment Budget. In 2016 the congregation that is assessed the highest assessment is projected to pay about 28% of the total income of the total Assessment Budget. As noted above, Canon 18 places a cap at 25% of total Assessment dollars a given congregation can pay to a given year’s budget, so the extra 3% is transferred into the unrestricted endowment of the Diocese.

In addition to assessment income, the diocese has a reserve fund that is used to cover end-of-year deficits. The diocese also has restricted and unrestricted endowment funds totaling approximately \$29,000,000.

The listening sessions held in the spring of 2016 gave voice to a range of opinions about the current model. Many felt it was fair. Others would like to see the top tier percentages of the assessment formula increased. Still others would like to see the top tier percentages of the assessment formula percentages reduced. In any case, there was no clear movement to change the current model.

### **Assessment Budget Disbursements**

The Assessment Budget supports the operating expenses of the Diocese of New York including the episcopate, diocesan staff, administration, Congregational Support Plan, convention and meeting costs, our assessment to The Episcopal Church, and a wide array of grants and support for congregations and institutions. In 2016 the total projected disbursements were about \$10,225,000.

The listening sessions held in the spring of 2016 gave voice to a range of opinions about the current level of disbursements. Some felt it was in line with the mission of the Diocese of New York. Others felt that the current amount of disbursements was not enough to support the mission of the Diocese of New York and wanted to find ways to increase revenue. Still others felt that the current amount of disbursements was more than enough to support the mission of the Diocese of New York and wanted disbursements, in general, to be cut significantly.

## **Budget process**

The current budget process follows the general procedure outlined in Canon 18. The Budget Committee is appointed each year by the Bishop of New York. The Budget Committee includes members of Council and the Trustees. The committee receives input and requests from the Bishop, Council, commissions, committees, staff, and Trustees of the Diocese and drafts a disbursement budget and accompanying disbursement narrative. That said, no standard budget request form or procedure has been used since 2009. By the end of July the end-of-year projections for income expected from assessments, endowment draws, etc. are reliable enough to begin reconciling disbursements to income. Invariably, there are more disbursement requests than income, and so the Budget Committee's work throughout August involves weighing priorities, finding ways to trim numerous lines, and crafting an Executive Summary of the narrative.

A final draft of the budget and accompanying narrative is sent to Diocesan Council at the end of August for review. The chair of the Budget Committee presents the final draft budget and narrative to Council in September, and the draft budget is approved (with or without amendment) by Council. This approved draft budget is referred to as the "proposed budget." The proposed budget and the Executive Summary of the narrative are included in the Calendar of Business of Convention and sent to every congregation and all delegates to Convention. The full narrative is made available online. The chair of the Budget Committee presents the proposed budget to Convention in November, and the budget may be approved, amended or rejected by Convention.

The budget crafting process begins again at the start of the year, and a new committee is appointed by the Bishop of New York.

When in the course of their duties in managing the finances of the Diocese, the Trustees determine that the diocesan budget needs to be materially adjusted between Conventions, they present the adjustment to the Budget & Finance Committee of Council. The committee reviews the proposed adjustment and presents its recommendation to the Council and, unless the Council objects at its next meeting, the adjustment takes place.

The listening sessions held in the spring of 2016 broadly revealed that the ongoing effort to add transparency to the budget process is appreciated.

## **Ministries supported by Restricted Funds outside of the Assessment Budget**

Other ministries are also supported by the Diocese of New York through restricted endowment funds which are outside the canonical purview of the Budget Committee and are not part of the Assessment Budget. These funds are designated for a variety of purposes, including discretionary funds for the Bishop of New York, funds designated for property support, funds designated for clergy critical needs or continuing education, etc. These restricted funds are not part of the Assessment Budget and are administered by the Bishop of New York and/or designated committees and commissions of the Diocese of New York. Income and disbursements from all restricted funds are overseen by the Trustees of the Diocese of New York.

The listening sessions held in the spring of 2016 broadly revealed that added transparency around restricted funds and access to grants would be appreciated.

### **Available Financial Reports**

The Trustees receive periodic financial statements and an annual report from the Audit Committee of the Trustees related to all diocesan income and spending, including that related to the Assessment Budget and all restricted and unrestricted accounts. The Budget Committee publishes a budget spreadsheet and a detailed budget narrative each year for Diocesan Convention which offers significant detail on the finances of the Diocese of New York. The budget, budget narrative, and audited financial reports are available on the diocesan website. The audited financial reports combine assessment budget income and disbursements with income and disbursements from restricted funds that are not part of the Assessment Budget. Based on the documents available it is difficult to reconcile the budget with the audited financials. The Assessment Budget accounted for about \$10,000,000 in disbursements in 2015. Disbursements from restricted funds accounted for about \$1,500,000.

The listening sessions held in the spring of 2016 broadly revealed that the ongoing effort to add transparency to financial reports is appreciated.

### **Audits, NOI, and Parochial Reports**

Every congregation is required to have an audit. While the General Convention Canons require a CPA audit, each diocese has flexibility to set a different standard for smaller congregations. The Trustees of the Diocese of New York require full, certified financial statements from all congregations with more than \$250,000 of Normal Operating Income. A compilation or a review does not satisfy the audit requirement. The required disclosures consist of:

1. the auditor's opinion
2. statement of financial position (balance sheet)
3. statement of activities (revenue & expense statement)
4. statement of cash flows
5. notes.

According to current guidelines of the Trustees, congregations with less than \$250,000 Normal Operating Income (NOI) may file an "Alternate Audit."

Canon 18 notes that the Assessment for a given congregation is determined by averaging the prior two years' NOI. NOI is submitted with every parochial report.

Though required by Canon 24 to file an audit and a parochial report annually, numerous congregations file one or both of these documents late, and some congregations do not file one or both documents at all. Parochial Report information, including NOI, is not required to appear in the audited financial statements, and the diocese does not have the staff to compare every audit and parochial report, so it is possible for a congregation to list an NOI in the Parochial Report that cannot be reconciled to NOI in the audit.



Transitions of clergy, wardens, treasurers, bookkeepers, etc. often mean that NOI is calculated in a different way after the transition.

The listening sessions held in the spring of 2016 broadly revealed that any financial resources, guidance, workshops, or assistance the diocese currently offers are appreciated and more resources, guidance, workshops, and assistance are requested.

Task Force C also recommends that all audits include specific reporting on withdrawal from savings and/or drawdowns or payouts from endowment or investment accounts including the amounts involved, the percentage of the corpus that was withdrawn, and a projection of the impact on future preservation of the savings, endowments, and investment accounts.

### **Sale of Property, including Air Rights**

There is not broad understanding of the legal and canonical requirements of the sale of property by congregations in the Diocese of New York. Nor is there broad understanding of the current policies of the Bishop and the Standing Committee around the sale of property and air rights. Neither is there broad understanding that all property of every congregation in the diocese is held in trust for the Diocese of New York and the Episcopal Church.

### **The Relationship between the Diocese and its Cathedral**

The Diocese of New York and its cathedral have a unique relationship. The financial reality of that relationship is also unique and quite complicated. The diocesan budget shows a disbursement for “Cathedral Cost Sharing and Rent” of about \$500,000. The Congregation of Saint Saviour, which was formed in 1992, functions as the congregation in the Cathedral.

It is the NOI of the Congregation of Saint Saviour, and not the NOI of all of the Cathedral operations as a whole, that determines the Apportioned Share of the Cathedral.

### **Other sources of income**

The Diocese of New York is made up of nearly 200 congregations. In aggregate, those congregations have vast resources of people, property, and money. The listening sessions held in the spring of 2016 underscored the need to continue to tap those resources to assist our common mission of spreading the Gospel of Jesus Christ.

## **Section 2**

### **Summary of Recommendations**

#### **Apportioned Share Budget**

1. The Apportioned Share Budget of the Diocese of New York is well organized and clearly presented. The Task Force recommends additional clarity, as detailed in *Addendum A* of this report.

#### **Financial Statements and Audited Reports of the Diocese of New York**

1. The Task Force recommends that the Trustees receive accurate, quarterly financial statements that reflect all income and disbursements, and that those statements clearly denote whether income and disbursements relate to Restricted Funds or to the Assessment Budget.
2. The Task Force recommends a canonical addition of the formation of a Finance Committee, as detailed in *Addendum B* and *Addendum C* of this report.
3. The Task Force recognizes that audited financial reports of the Diocese of New York are published online on the Budget and Finance web page of the diocese and include all income and disbursements from the Assessment Budget and all Restricted Funds. Task Force C recommends that those audited financial reports, or supplemental financial reports, clearly differentiate Assessment Budget income and disbursements from Restricted Fund income and disbursements.

#### **Restricted Funds**

1. The Task Force recommends that the Trustees publish an annual report of the restricted endowment funds, including those that support mission expenses of the Diocese of New York.
  - a. This report should not in any way restrict the discretion that the Bishop or any commissions or committees have in distributing these funds.
  - b. The Task Force recommends a simple report that states:
    - i. The official name of the fund
    - ii. A brief description of the purpose of the fund
    - iii. The value of the fund on December 31 in Year A
    - iv. Additions to the fund in Year B
    - v. Disbursements from the fund in Year B
    - vi. Change in value of the fund in Year B
    - vii. The value of the fund on December 31 in Year B
  - c. This report should be made available along with the other financial materials which are on the Budget and Finance web page of the diocese.

## **Property and Air Rights**

1. The Task Force recommends that the Standing Committee and the Chancellor regularly publish the current canonical and legal guidelines, policies, and procedures in the Diocese of New York regarding the sale of property, including air rights.
2. The Task Force recommends that the Trustees regularly publish the current policies about how money the diocese receives from such sales is to be applied.
3. The Task Force recommends that the Standing Committee and any Congregation selling property or real estate each consider retaining the services of an independent real estate attorney. By independent, the Task Force means that the real estate attorney is not a member of the congregation, is not related to a member of the vestry, and is not from a firm or practice to which a member of the vestry might have the appearance of a conflict of interest.

## **Grants**

1. The Task Force recommends that the Trustees publish a list of all grants, whether from Restricted Funds or the Apportioned Share Budget, available to congregations, clergy, laity, and organizations in the Diocese of New York. This list should include basic contact information about whom one contacts to apply for a given grant and to learn about processes and deadlines.

## **Revision of Canon 18: Funding Program of the Diocese**

1. The Task Force recommends a revision of Canon 18, as noted in *Addendum C* of this report. The revisions include:
  - a. Renaming the “Budget and Finance Committee” as the “Budget Committee.” This change is also reflected in our proposed revision of Canon 16, as noted in *Addendum B*.
  - b. Replacing the word “Assessment” with “Apportioned Share.”
  - c. Replacing the word “Parish” with “Congregation.”
  - d. Adding a description of the makeup of the Budget Committee.
  - e. Expanding and clarifying the process of the Budget Committee.
  - f. Clarifying the Budget approval process.
  - g. Modifying the Adjustment procedure to ensure that in the year following a deferral or reduction in a congregation’s apportioned share the apportioned share is determined by the full formula; and the 12.5% cap does not apply.
  - h. Removing reference to and funding for the Congregational Support Plan. This change is also reflected in our proposed revision of Canon 16, as noted in *Addendum B*.
  - i. Rewriting “Remedies” for non-payment and adding incentives.
  - j. Reformatting the entire Canon.

### **Continued study of Apportioned Share Formula**

1. At this time the Task Force does not recommend changing the tiered formula that determines each congregation's apportioned share.
2. The Task Force recommends that the Bishop form a Task Force on Apportioned Shares to continue the work that we have begun, to study the Apportioned Share model in Canon 18 and a variety of other models, and to submit a report to the 2017 Convention.
3. The Task Force recognizes that if we are going to recommend a different model, we need to know exactly what effect it will have on every single congregation. Further, we need to understand the income and expenses necessary to carry out the mission of the diocese as it will be expressed in the Strategic Plan. Any revision of the formula must be fair and just for all congregations, former Congregational Support Plan congregations, missions, and new church plants.

### **Resolution on Workshops for Registers, Parochial Reports, and Audits**

1. The Task Force recommends that the Chief of Finance and Operations, working with the Trustees, offer an annual workshop on budgets, registers, parochial reports, and audits for bookkeepers, priests, wardens, and treasurers.
2. The Task Force recommends a Resolution of Convention that requires all clergy resident in the Diocese of New York to attend one of these workshops at least once every five years as part of continuing financial education, as noted in *Addendum E* of this report.

### **Other Sources of Income**

1. The Task Force recommends that the Trustees of the Cathedral and the Trustees of the Diocese of New York work together to clarify the relationship between the Diocese and its cathedral.
2. The Task Force recommends continued study of how financial, physical, and human resources of the Congregations might be used to benefit the wider mission of the Diocese of New York and the Church.

### **Section 3**

## **Theological Reflection**

We live with a certain tension between sustaining the financial stability of our congregations and our vocation to serve the wider Church. This tension can manifest itself in ways that hinder us from living more fully into the Gospel. We should not identify ourselves primarily as separate entities that make continual appeal to those many legal provisions that protect corporations; rather we are members of the Body of Christ who seek our security in relationships of ever deepening mutuality with one another and with Jesus Christ. This is at the heart of Bishop Dietsche's *Indaba* initiative. The resolution of this tension must always be driven by a call to realize that vision put forth in the Book of Acts 4:32, "No one claimed that any of their possessions was their own, but they shared everything they had, such that no one was in need."

The Task Force recommends specific changes to our governing canons and a number of practical steps for diocesan leadership to aid our congregations. We believe that these recommendations are strategic steps that will ensure ongoing vigilance about our relationship with money and how we hold it, use it, and share it. We believe that these canonical changes build transparency and provide tools that will assist us in determining how much money we have, how much money we spend, and how our money is most wisely handled. Real transparency and useful tools will help make our diocese and our congregations nimble when it comes to allocating our financial resources towards our shared mission of spreading the Gospel locally, regionally, and globally. True transparency and practical tools make it easier to answer the deeper questions that God is asking us about our hearts and our treasure.

What does our treasure tell us about where our hearts truly are? What is the treasure that we hold in trust for the wider church? Do we understand what it really means *to hold it in trust*? What are the financial needs of the diocese to carry out its mission? As we continue on this journey together, we must continue to ask, "What is the Spirit calling us to do?"

## **Section 4 Addendums A-E**

### **Addendum A Recommendations for the Budget Committee**

1. The Task Force recommends that Income lines clearly denote “Calculated Apportioned Shares”, “Adjustments”, “Projected Unpaid”, and “Net Expected Apportioned Shares.”
2. The Task Force recommends breaking out program expenses on Schedule C (Staff & Support for Ministries & Congregations), for example: Canon for Ministry Office” and “Canon for Ministry Program expenses.”
3. The Task Force recommends more clarity in the Budget Narrative on which commission or committee has oversight for the lines in Schedule D (Funding for Leadership in Missions & Congregations).
4. The Task Force recommends more detail in the Budget Narrative of all grants and moneys spent in Schedules E (Grants & Programs for Congregations) and F (Diocesan Ministry & Outreach Programs).
5. The Task Force recognizes that Schedule G (Diocesan Administration) represents one quarter of the total budget, and the Task Force recommends more detailed information in the Budget Narrative and more detailed lines in the Schedule.
6. The Task Force recommends that a Reserve Fund be set up for Diocesan Convention (Schedule I) to ensure that the diocese spends a similar amount on Convention year over year, regardless of whether Convention is one day or two.
7. The Task Force recommends that the Budget Committee continue to represent the diversity of the Diocese of New York – the Committee should continue to represent both Council and the Trustees.
8. The Task Force recommends that the Budget Process include a clearly communicated, timely, and uniform mechanism for commissions, committees, staff, and members of the diocese to submit requests to the Budget Committee.
9. Task Force recommends the Budget Narrative should include a list of all requests and whether they were approved or not approved.
10. The Task Force recommends that the full Budget Narrative be printed in the Calendar of Convention rather than just the Executive Summary.
11. The Task Force recommends that the Pre-Convention Caucuses be revived so that a standard forum is provided before Convention so that a presentation of the budget, introduction of nominees for elected offices, and other reports can be made in person and in advance to Convention delegates.

## **Addendum B**

### **Addition to Canon 15.3 (Trustees) and Amendment of Canon 16.6 (Council)**

Task Force C (Financial Matters) has requested that Task Force A (Governance and Diocesan Structures) recommend the following Canonical changes to Canon 15 (Trustees of the Diocese of New York) and Canon 16 (Council of the Diocese of New York):

#### **Addition to Canon 15, Section 3:**

16. To organize a Finance Committee of which the Chair of the Budget Committee of Council is a member (ex-officio).

#### **Amend Canon 16, Section 6 as follows:**

Sec. 6. Organization of Council: There shall be the following Standing Commissions of Council: Christian Formation Commission, Congregational Development Commission, Congregational Life for Mission Commission, Social Concerns Commission and Leadership Development Commission. In addition, the Budget ~~and Finance~~ Committee ~~and the Congregational Support Committee~~ shall be a ~~standing~~ committees of Council.

## **Addendum C**

### **Revision of Canon 18**

*Canon 18, which is renumbered as Canon 17 in the proposed amendments to the Canons, is printed in the Compendium of Proposed Canonical Amendments.*

## **Addendum D**

### **Commentary on the Revision of Canon 18**

Canon 18, which is renumbered as Canon 17 in the proposed amendments to the Canons, is printed in the Compendium of Proposed Canonical Amendments.

#### **The Budget Committee**

The Budget Committee is in name a Committee of Council, and in practice is a committee made up of both Trustees and members of Council, appointed by the Bishop. This revision normalizes that practice and takes two important steps. First, it ensures that there is significant representation from both Council and the Trustees. Second, it ensures that there is cross over between the Budget Committee of the Council and the Finance Committee of the Trustees.

#### **Approval and changing of Budget**

We recommend retaining the current practice of approval of the draft budget by the Council. We also recommend retaining the current practice as it is outlined in Canon 18 (proposed Canon 17) that the Trustees may modify the budget between Conventions, and that the modifications should be sent to Council which may reject them.

#### **A Congregation's Apportioned Share**

The portions of Canon 18 that deal with the Congregational Support Plan have been removed. We recommend that the Apportioned Share Canon apply to all congregations. Congregation is defined as any Congregation (formerly Parish or Congregation), Congregation in a Strategic Setting (formerly Mission Congregation), or Vulnerable Congregation (new category) in union with the Diocese of New York. In practical terms, with the Congregational Support Plan sun-setting, this will mean each congregation that is currently on the Congregational Support Plan will pay a lower Apportioned Share than that congregation is paying as a CSP contribution.

#### **12.5% cap on year-to-year increase**

The Adjustment and Appeal process in the current Canon had the unintended side effect of permanently adjusting the Apportioned Share of a congregation. For example:

St. Swithin's in the Swamp had an apportioned share of \$600,000 in 2014. Saint Swithin's appealed to the Adjustment Board and was granted an Adjustment in its Apportioned Share to \$200,000. Because an Apportioned Share cannot increase by more than 12.5% under the current Canon it would take more than a decade for Saint Swithin's Apportioned Share to return to its 2014 levels.

Permanent reductions were never intended. The revision makes clear that action by the Adjustment Board affects only the year or years explicitly addressed by the Board, while permitting a congregation to appeal in successive years.



### **Adjustment and Appeal**

The revised Canon retains the power of the Adjustment Board to make a reduction and makes explicit the power of the Adjustment Board to defer a portion of an Apportioned Share to a future year.

### **Late Payments**

The Revision clarifies that payments made after the fifth days of January, April, July and October shall be deemed by the Chief of Finance and Operations to be late.

### **Incentives**

We recommend adding three incentives for congregations to pay their full/adjusted Apportioned Shares. First, grant funds from the Apportioned Share Budget are only available to congregations that paid in the previous year and have no arrears. Second, the Chief of Finance and Operations is directed to report quarterly payment status of all congregations to the Bishop, Trustees, and Council. Third, the Chief of Finance and Operations is directed to report to Convention the filing status, calculated Apportioned Share amount, adjusted Apportioned Shares amount, payment status, and arrears of every congregation.

### **Congregations In Default In Apportioned Share**

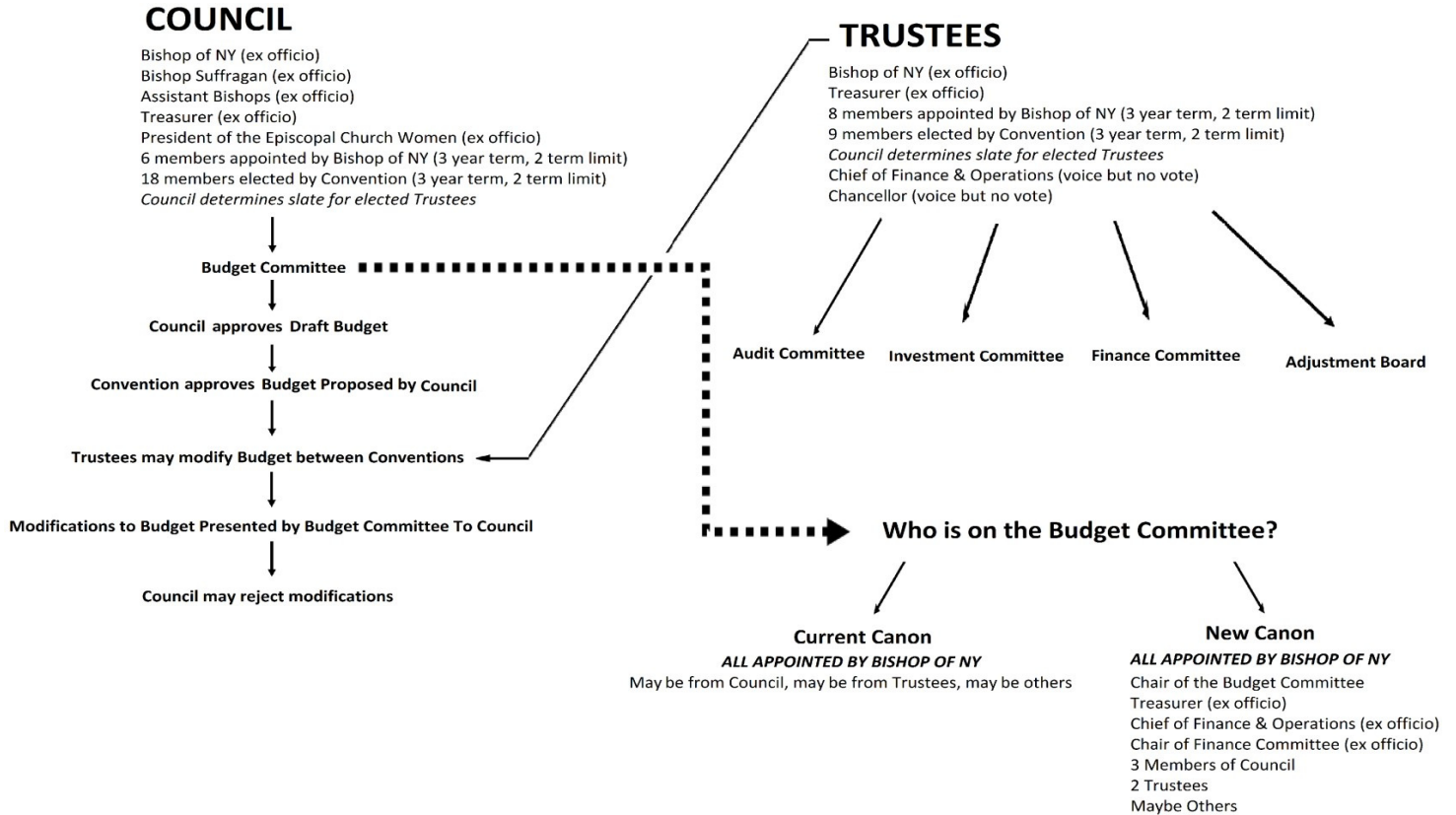
The current Canon lists several remedies: loss of any lay vote, being read out by the Secretary of Convention, or being converted to a Mission Congregation. Taking away only the lay vote seemed one sided. We recommend it to be expanded to include rectors and priests-in-charge of the congregation.

We have expanded the number of things that are published at Convention, and included them as incentives for payment.

The concept that being a Mission Congregation (renamed Congregation in a Strategic Setting in the proposed canonical amendments) is some form of punishment is offensive, and we have excised it from Canon 18. A congregation that is in default is vulnerable in some way, and if moving towards health will come from the congregation being converted to a mission, then that evaluation and process should be part of the Canon on Aided Intervention for Vulnerable Congregations.

## Flowchart representing financial oversight bodies

The chart below shows the various bodies in our diocese that have oversight of finances. The chart lists current organizational structure and a proposed composition of the Budget Committee.



## **Addendum E**

### **Resolution on Continuing Financial Education for Clergy and Financial Leaders of our Congregations**

*Resolved*, That the Chief of Finance and Operations, working with the Trustees, offer an annual workshop on budgets, registers, parochial reports, and audits for Bookkeepers, Priests, Wardens, and Treasurers; and be it further

*Resolved*, That these workshops be offered in a different region of the diocese every year, beginning with New York City in 2017, Mid-Hudson in 2018, and Region 2 in 2019; and be it further

*Resolved*, That these workshops be budgeted in the Apportioned Share Budget under “Continuing Congregational Education”; and be it further

*Resolved*, That all clergy resident in the Diocese of New York attend one of these workshops at least once every five years as part of continuing financial education.

#### **Commentary on Resolution**

Perhaps the single most pressing concern heard throughout the listening sessions was a desire for more assistance and training for congregations (large and small) in the areas of finance. The Parochial Report and Audit, both required by canon to be submitted annually by every congregation, are logical starting points.

The Task Force recommends offering one workshop each year, and the Task Force recommends that that workshop be offered in a different region of the diocese every year, beginning with New York City in 2017, Mid-Hudson in 2018, and Region 2 in 2019.

A single, annual, half-day workshop would allow the necessary staff and volunteers to be present, and it would allow a larger group with greater diversity to take part in the workshop and learn from each other.

The Task Force envisions a visual presentation (PowerPoint) of how correctly to fill in a Service Register, Baptismal, Burial, Confirmation, and Marriage Registers, how correctly to count and record “active baptized members”, and how correctly to fill in a Parochial Report. The presentation would be followed by a question and answer session after which the group would split into two subgroups to talk about Audits.

Participants from congregations with under \$250,000 NOI would meet together to be led through the Alternate Audit form. Participants from congregations with over \$250,000 NOI would meet together to be led through the how a standard audit should be undertaken and given guidelines that can be shared with auditors. Each audit session will conclude with an opportunity to share contact and other information on bookkeepers and auditors used by congregations in the diocese.

## COMPENDIUM OF PROPOSED RESOLUTIONS

### 1) Resolution #1 Proposed by Task Force B on Congregations

#### **Resolution on Towards Building our Common Life**

*Resolved*, That, in order to build up our common life as a community of Christians in the Episcopal tradition in the Diocese of New York, and to foster shared discipleship, exchange of resources and support, the bishops, staff, and people of the Diocese of New York commit to creating and implementing the following:

1. The institution of an annual diocesan-wide shared Bible Study, scripture and themes to be decided by our bishops.
2. A continued Indaba experience on a triennial rotation with each congregation encouraged to participate in building our common life and understanding together with three partner congregations, facilitated through the diocese.
3. That each member of our congregations be encouraged to give a minimum of five hours of gift work annually to other congregations, diocesan commissions, committees or Episcopal Church programs, and that a ministry bank be maintained by the Human Resources Office of the Diocese of New York.
4. That Eastertide be a season of pulpit exchanging throughout the diocese, sharing the inspiration and insight with which God has gifted the people of the diocese.
5. That diocesan-wide festivals for acolytes, altar guilds, dancers, liturgists, musicians, preachers, psalmists and poets, visual and media artists be called by the Commission on Liturgy to build the excellence of our services and inspire passionate worship in the people of God.

## **2) Resolution #2 Proposed by Task Force B on Congregations**

### **Resolution on Determining Congregational Health and Viability**

*Resolved*, That congregations of the diocese undertake a self-assessment every three years to assist in determining their viability, sustainability, and strategic potential to effect Christ's mission in the world as members of the Diocese of New York; and be it further

*Resolved*, That based on viability standards published by the diocese, when a congregation finds that three or more viability markers are not being met it is cause for concern. The clergy and wardens are directed to share concerns with the identified member of the bishop's staff who will meet with the clergy and wardens to develop strategies and resources; and be it further

*Resolved*, That the congregation will re-submit their assessment the following year indicating where progress towards viability has been effected; and be it further

*Resolved*, That if a congregation misses three or more markers on their second assessment they will be referred to the Canon on Aided Intervention for Vulnerable Congregations to formulate next steps.

### **3) Resolution #3 Proposed by Task Force C on Financial Matters**

#### **Resolution on Continuing Financial Education for Clergy and Financial Leaders of our Congregations**

*Resolved*, That the Chief of Finance and Operations, working with the Trustees, offer an annual workshop on budgets, registers, parochial reports, and audits for bookkeepers, priests, wardens, and treasurers; and be it further

*Resolved*, That these workshops be offered in a different region of the diocese every year, beginning with New York City in 2017, Mid-Hudson in 2018, and Region 2 in 2019; and be it further

*Resolved*, That these workshops be budgeted in the Apportioned Share Budget under “Continuing Congregational Education”; and be it further

*Resolved*, That all clergy resident in the Diocese of New York attend one of these workshops at least once every five years as part of continuing financial education.