

**Transcript of the October 13<sup>th</sup> Online Roll-out Meeting  
for the  
2021 Convention of the Diocese of New York**

Choir: (singing)

Bp. Mary Glasspool: Good evening. I'm Mary Glasspool, Bishop Assistant in the Episcopal Diocese of New York. I'm speaking to you here from Donegan Hall in Diocesan House. On behalf of our Bishop Diocesan, Andy Dietsche, and our Bishop Suffragan, Allen Shin, and all the wonderful people of the Diocese of New York, I welcome you to this portion of the 245<sup>th</sup> Diocesan Convention of the Diocese of New York.

The theme of this convention comes from scripture, two places in two different gospels, where Jesus says, "Your faith has made you whole." He says it in Luke's gospel to the tenth leper who comes back to thank him after Jesus has healed ten lepers, and he says it to the woman in a crowd in Mark's gospel, who pushes her way through the crowd to touch the hem of Jesus' garment and be healed. He turns to her and says, "Your faith has made you whole."

Healing is an integral part of everything we're doing during the course of this convention. We thought, those of us who have been instrumental in putting the convention together are trying to recognize that we're all in need of a bit of healing, maybe a lot of healing after the previous year and a half of pandemic and other crises and issues that have come before us. As a brief housekeeping detail, you'll see on the bottom of your screen, we're operating out of a Zoom webinar. That there is an icon that looks like a globe. We ask that each one of you click on that icon, if you are able, and check or click on the language that you would like to hear this roll-out meeting in. There is a Spanish translator who will be translating everything we say. If you just click on that icon and click on Spanish, you will hear the Spanish translation. But we encourage you to, if you're an English speaker, to click on English as well. Maybe just so you can feel gratified at following directions.

Many people have worked on this convention, and I want to call out three of the people that I depend on mostly. One is the Reverend Matt Heyd, who is Secretary of Convention, in addition to being rector of Church of the Heavenly Rest. The second is Jeannine Otis, who is coordinating our liturgies and the music for the roll-outs and for the convention on November 13<sup>th</sup>. And then Lucy Breidenthal, who brings together all the technical pieces for these roll-out meetings. I am quick to say there are many other people, and we have a slide of the credits that will be shown at the end of this meeting. But thank you friends. Thank you one and all.

This is the second of our five roll-out meetings and tonight's meeting features the budget. Now, you might think that the budget would not garner much attention, but I'm here to tell you that in fact people are so passionate about their various ministries, that many follow the budgetary machinations with a magnifying glass.

Then there's the Reverend Matt Mead, rector of Christ the Redeemer in Pelham Manor, whose creative and informative videos, and the video presentation tonight, are more than worth the price of admission. That's the main focus of tonight's meeting. The budget, the diocesan proposed budget for 2022. I welcome you all and I'm glad that you tuned in and we will now move to our opening song and prayer.

(singing)

The Rev. Bill Baker: Good evening. Let us pray. Generous and loving God, we give thanks for the many blessings which you have bestowed upon us. We acknowledge that everything we have and everything we are comes from you. We thank you for our lives, for this earth which allows us to move and work, for our families and friends, and for the fellowship and love we share in our churches and communities in the Diocese of New York. As we consider this budget for the diocese this night, and in the days to come, help us to use all of the resources and gifts you have given us rightly. Grant us wisdom to make choices that use what has been given to us to fulfill your will on earth. Guide our hearts and thoughts to mirror the same generosity and love you have shown us as we discern during this budgeting process. All this we ask in your name and to your honor and glory. Amen.

Bp. Mary Glasspool: Thank you, Bill Baker. I've already indicated to you that we will be considering the proposed budget of the Diocese of New York for 2022. And so, without further ado, I turn this meeting over to the Reverend Matt Mead, chair of the budget committee.

The Rev. Matt Mead: Thank you, Bishop Glasspool. The budget committee has prepared three files for you all to help you all to understand and pour over the 2022 proposed budget. First is a spreadsheet with all of the numbers. Second is a narrative for those who like to read, mark, and inwardly digest numbers. Third is a video presentation for everybody. All three of these files are available on the diocesan website and I will drop a link into the chat. In a moment we will watch the video. If you have any questions or comments, please post them into the chat, and I will address them in the Q&A after the video finishes. Thank you. I'll see you all in 22 minutes when the video concludes. Please roll tape.

“Hello. My name is Matthew Mead. I am the chair of the Budget Committee of the Diocese of New York. In this presentation, I will walk you through the 2022 budget for next year, providing information on income and disbursements. The budget spreadsheet that you will see in this video, as well as the budget narrative, are available on the diocesan website under budget. And if you have any questions, please feel free to reach out to me. My email is [matthew@christchurchpelham.org](mailto:matthew@christchurchpelham.org). Okay, let's jump in and start with a little bit of background. Last year, in 2020, when we crafted the budget for this year, 2021, we faced two major challenges. The first was the likelihood that many of our congregations would have trouble paying their normal apportioned shares. With the assistance of the Adjustment Board, we were able to plan for and budget significant apportioned share relief.

Our second challenge was not knowing when or how pandemic-related restrictions on in-person activities would wind down. The 2021, this current year, budget assumed limited or no in-person activities or travel for the majority of the year. The 2021 budget, again, the year that we are currently in, also temporarily deferred and cut where possible. Essentially, that meant reducing the budget by about \$1.5 million down from a normal year. So, when you're looking at the spreadsheet, 2020 looks like a normal year, even though it became abnormal as the year went on, but the budget for it looks like a normal year. 2021 is a very abnormal year in that sense, and it's about \$1.5 million down from a normal year. Now, our assumptions for 2021, the current year we're in, were accurate. More than 90 congregations asked for and received adjustments of up to 25% for at least one quarter of 2021.

And though it has been a bit slower than many hoped, in-person restrictions continued to be modified and lifted. Most of our churches are open, and though we are still not back to normal, many ministries and programs have resumed. This is the presentation for next year. The 2022

budget assumes lesser forms of the same challenges. We now have the benefit of seeing which congregations requested adjustments and can therefore project more accurately what our income will be. That leads to the question of whether or not the Adjustment Board is going to offer a blanket adjustment as they did in 2020, or a nearly blanket easy request adjustment for any congregation as it did in 2021. And the answer to that is that the Adjustment Board will go back to the normal process, so any congregation that wants an adjustment needs to and can appeal to the Adjustment Board.

We also know that many ministries and programs that were on hiatus have resumed or plan to resume in the near future, either in-person or online. For 2022, we have budgeted for improved but still lower-than-normal apportioned share income, and we have budgeted for the full return of all diocesan ministries, programs, and congregational support. Now, an astute viewer or listener will perceive that we must have an income gap. How can it be that we can budget for improved but still lower-than-normal apportioned share income, and at the same time budget for a full return of all diocesan ministries, programs, and congregational support? There must be a gap, right? Well, actually, our diocese has what I would call an income throttle. It's a canonical cap built into the canons of the Diocese of New York. Canon 17, which is the funding canon, section three, part four...

And that states, and I'll read it to you, "If the apportioned share of any congregation shall exceed 25% of the total budget of diocesan expenditures in any one budget year, the excess shall be applied to the Diocesan General Endowment Fund." Now, this cap is designed to do two things, and both of them are good things. First, it's designed to ensure that no single congregation supports the bulk of the operating budget. And second, it's designed to grow the endowment, by transferring the portion of any congregation's apportioned share that exceeds that set percentage of 25% of the total budget into the endowment. Now, the diocese keeps all of the money. It's just a mechanism of how the diocese allocates its money. The intent was to limit occasional excessive spending by transferring excess income to the endowment. Until 2016, the diocese rarely hit the cap, but we have hit it every year since 2016.

Also, the endowment has been growing in other ways, such as when the diocese sells real estate, and by the fact that we do not ever overdraw our endowment. The financial realities of the past few years have warped the original intent as the cap has become a throttle that depresses spending on mission and depletes our cash reserves so that the endowment can grow in a way that was not intended when the cap was established. Balancing the budget for 2022, next year, with this 25% cap in place would require cutting an additional \$600,000 in ministry and congregational support out of the budget, all so that we could transfer money to the endowment. Last year's budget committee dealt with the same issue and recommended that the cap be examined and possibly modified in 2021. We knew last year that this was a problem, but we weren't sure how to deal with it. The budget committee this year is confident that the cap is going to present an increasing problem with our budget into the future over the next few years.

If it remains at 25%, it will be an increasing problem. So, we recommend increasing it to 33%, which would maintain the spirit of the cap, and provide us with relief for 2022 and beyond. And it would give our diocese a few years to determine if the cap should be further modified in any way. So, we want to change it from 25% to 33%. Now, accordingly, the budget committee has proposed a resolution to convention to change the cap. A canonical change requires either the unanimous approval of convention, or a vote by orders, clergy and lay, with each order approving the change by two-thirds majority. Now, assuming this canonical change is made, we

can un-throttle our income and fully fund the mission of the diocese in 2022 and beyond. So, I heartily encourage you to approve this canonical change, which will fully fund our mission.

In summary... And we'll jump into income and disbursements in a second. But in summary, the 2022 budget fully funds the mission of the Diocese of New York. The 2022 budget addresses the missional priorities of our diocese for 2022, and funds all normal staff, congregational and ministry support, programming, and grants. The budget spreadsheet that we're going to look at includes the 2020 budget, the 2021 budget, and the 2022 proposed budget. Now, for the purposes of comparison, as I mentioned, it is helpful to assume that the 2020 budget is a normal year. Now, we all know 2020 was not a normal year, but we went into it with a budget that was a normal budget. 2021 would be a very strange year in terms of budget, and 2022 is what we're looking for for next year. Now, let's look at income. Income from apportioned shares is projected for 2022 to be down from a normal year, due to projected adjustments and non or underpayment.

Our projection for 2022 is based on looking at every congregation's current and recent payment patterns, including the many congregations that received adjustments of up to 25% in 2021. Now, overall, we project about 2.09 million in projected bad debt, or underpayment, and projected adjustments. That's in line 004 of the budget. This is in addition to more than \$140,000 in already agreed-upon adjustments for 2022. That's line 002. The totals of line 004 and line 002 is \$2.23 million in adjustments or unpaid apportioned shares or projected adjustments. For context, this falls somewhere between 2020, a normal year in terms of budget, and 2021, a non-normal year. Net income from apportioned shares, that's line 005, is projected to be \$11.19 million, which remains below a normal year. Income from other sources is \$1.08 million. That's line 011, and that's more than a normal year.

Now, this increased. Why is it more? This increase is due to the assumed canonical modification of canon 17.3.4. Again, that's the one that increases the cap from 25% to 33%, which will zero out the reduction seen in past years in line 007. Now, as we did in 2020, we have also budgeted a contingency of 3%, that's line 012, of our total income. So total income, which is line 013, is projected to be \$11.9 million, which is in line with a normal year. Now, we are as confident as we can be based on what we know and the research we have done that we are being neither overly conservative nor overly optimistic with our income projections. And again, for this income to work, we need to change our cap from 25 to 33%, which only reallocates our own money and allows us to use it in this year.

Now, let's look at disbursements or expenses. In 2020, the Episcopal church granted permission for any diocese to defer payments and invited appeals for 2020 and 2021. We, our diocese, requested a reduction of 25% of our 2021 assessment to the Episcopal church, and accordingly, we deferred payment pending appeal. Thus, the 2021 budget, line 101, shows only 75% of the full 2021 Episcopal church assessment. Our appeal was not granted, and we will pay our full assessment for 2021 by year's end. But I need to absolutely make it clear that the 2021 budget line only shows 75% of the full assessment, though we will pay all of it, 100%. Our assessment to the Episcopal church for 2022 decreased by \$231,000. Now, if you're looking at the spreadsheet, it looks like it goes from 1.7 in 2020 down to 1.3 in 2021, back up to 1.5 for 2022. But keep in mind, the 2021 line is only 75%, though we are paying 100%. Our assessment to Province II, this is line 102, increased by about \$7,000 due to a change in the formula agreed upon by the Province. Our funding reserves for Deputies to General Convention and Provincial Synod, this is line 203, is increased by \$15,000 to cover a depleted reserve after last General Convention. The other reserves are all the same. Line 304, Bishops' Shared Travel, is increased to cover additional costs associated with general convention. Line 305, Bishops' Hospitality, is restored to normal.

Section 400, which is Episcopal Support Staff, and Section 500, Staff Supporting Congregations and Diocesan Ministries, are all funded at normal levels for 2022. Section 600, Strategic and Mission Settings, which are supported by the diocese, are funded at normal levels for 2022. Now, several lines in this section were reorganized and renamed for clarity. You'll see lines 602a and 602b were split into other lines throughout the section.

There's a new line called Curacy Initiative, which is line 605, which will be overseen by the transition ministry office, and is designated to help priests newly ordained by the Diocese of New York to find curacies within our diocese. The line Episcopal Futures, which is line 608, is broken out from Church Plants and Revitalization, which is line 609, and that represents the diocese second annual co-payment of this Episcopal Futures program that is primarily funded by grants from the Lilly Endowment and Trinity Wall Street. It's over five years that we receive \$1.1 million in grants, while we will contribute over five years, a total of \$500,000. Section 700, Diocesan Ministries and Outreach, is funded at levels that are requested or restored to normal 2020 levels or kept flat from 2021. I do want to note one line there, social concerns, line 705, was increased from 2021 levels by \$12,000 to fund a request from the Reparations Committee for the annual Absalom Jones Celebration. Line 801, property support grants, was increased by \$45,000.

The Next Step Grants, line 803, was not restored, as the scope of the new line 605 Curacy Initiative, overlaps with the intent of the next step grants. Line 901, Administration, includes the finance operations and human resources staff as well as regular office and professional expenses. Now, the budget committee intends to break this line up into smaller parts in 2022. It's a big line. There's a lot in it, though, and it's all essential, but we do want to break it apart for more clarity. We just ran out of time to do that in 2021. The Finance Committee will find an alternate funding source for line 903, Special Finance Committee Projects. We're still going to do those; we're just not going to fund them from the operating budget. Section 910, Total Unallocated Cost for Mission was split from section 900 where it used to live, which is Diocesan Finance and Operations.

This section, 910, our Unallocated Costs for Mission, and they affect many areas across the Diocesan budget and should be understood as a shared cost of the entire diocese. Professional Expenses, line 913, is increased to cover anticipated attorney's fees that the diocese will incur related to the Child Victims Act. Line 915, Cathedral Cost Sharing and Rent, remains at \$1 per a five-year agreement between the cathedral and the diocese. Now, this agreement takes into account the unique relationship between the cathedral and the diocese, which includes one: that the cathedral's portion share is calculated on the operating income of the congregation of Saint Savior, and two: that the Diocese of New York utilizes a number of buildings owned and maintained by the Cathedral of St. John the Divine, including office and meeting spaces, as well as a residence for Bishop Dietsche. Line 916, Property Management, is increased to cover the maintenance and management costs of the various properties owned and maintained by the diocese.

These properties include some closed church properties that cannot be sold and/or can be replanted at some point. The budget also includes a provision for 3% salary and 5% health insurance increases for all personnel paid by the diocesan budget. These are cost of living increases, and they are in line with the recommendations from the Human Resources Committee.

In summary, the assumed modification of Canon 17, 3, 4, the 25% cap. The assumed modification of that Canon and cap allows us to propose a balanced budget that addresses the

missional priorities of our diocese in 2022 and funds all normal staff, congregational, and ministry support programming and grants.

On a personal note, it is an honor to serve as the Chair of the Budget Committee, and I am happy to present a budget that is driven by our shared commitment to mission in 2022. I am grateful for the support and oversight of Bishop Dietsche and his staff, in particular Esslie Hughes and Karin Almquist, and also our treasurer, Sister Faith Margaret, and John Trammell, who is Chair of the Finance Committee, as well as for all of the members of the Budget Committee.

The Budget Committee recommends approval of the 2022 proposed budget. We also recommend that you change that cap from 25% to 33% when that comes up for a vote at convention. The proposed budget was approved by council on September 28th, 2021. Once again, thank you so much. If you have any questions, comments, or concerns, please feel free to reach out to me. My name is Matthew Mead, and my email is [matthew@christchurchpelham.org](mailto:matthew@christchurchpelham.org). God bless you all, and thanks so much for your time.”

Lucy Breidenthal: Thank you so much, Father Mead and the Budget Committee, for a compelling and rich presentation on the budget. I'm not seeing questions in the chat, but if you do have questions, please be sure to reach out to Father Mead. I will just ask one question on behalf of the group gathered, which is: Aside from the change to the Canon for the cap, what might be the most important thing about the budget or most important change that we should look for aside from that?

The Rev. Matt Mead: I would say it's just, it's restoring everything back to a place where we can move forward without worrying about every single ministry belt tightening. The change to the cap is something that years ago, it was a good thing, and it has just become a weight around all of our ministries. To me, the biggest change is that we, maybe unexpectedly, are looking towards a normal year, which I think is really, really good. That's my biggest change thing, so I'm looking forward to that.

Lucy Breidenthal: Wonderful. Thank you. We do have a question: In 2023, the amount of 25% will return if it is changed to 33% for the next year?

The Rev. Matt Mead: No, that's a great question. It's a canon change, so once it's changed, it is changed until it gets changed again. The 25% originally is somewhat arbitrary other than that it's one in four and 33% is one in three. It continues, whatever the percentages, it continues as the spirit of it so that no one congregation is funding the entire budget, and it still does keep some semblance of that throttle in there if there is a year where we've got a lot of excess income... Wouldn't that be great... That the cap will kick in again, at some point down the road.

It gives us enough wiggle room to not have to worry about it. I think it threads the needle of keeping the spirit of the cap and the goodness of it without it being a weight on us. The answer, shortly, is that once it's changed to 33%, the only way to get it back is to change it back. I would recommend changing to the 33, as does the whole Budget Committee and Council. We talked about this as well when they recommended the budget and approved it, also agreed with that.

Lucy Breidenthal: Thank you. Very informative. We have lots of gratitude flying into the chat for your good work, so thank you so much. I will pass it on to the Reverend Matt Heyd for a little background on voting. Thanks so much.

The Rev. Matt Heyd:

Thanks, Lucy, and thanks, Matt. Actually, I want to back up today and give a little bit of background about what's happening with [inaudible 00:41:35] overall, just so we have a full picture of what's happening through the fall. As is clear, this is the second of our four roll-out meetings in October. We're working on one in early November to talk about resolutions and candidates. We'll do voting in the second week of November, and then we have our one-day convention on Saturday, November 13th. The Bishop, at the beginning, gave the values which are guiding all of our planning this fall with the theme, "Your faith has made you whole." Our values are stay safe, keep connected, and be accessible in all that we do to the entire diocese.

We've been listening this fall, to how we might Diocesan Convention together, and we had several listening sessions with the elected leadership of the diocese, with the Standing Committee, the Trustees' Council members, about where their communities are right now and what they need, what their communities need, from convention this fall. The group had really moving discussions about what they'd done through the pandemic and described both a concern about safety and deep desire for connection. We've been listening to that and seeing what we can do. We also convened parish leaders from every part of the diocese about their own safety procedures with COVID to help the Bishops decide about an in-person convention, November 13th. The Bishops make a final decision by October 15th, so this week. We have talk next week about what we're going to do. Again, the values are safety, connection, accessibility for everybody for our convention.

Terrific keynote presentations on budget reparations, creation care, and Episcopal Futures along with liturgy and prayers, the roll-out meetings. This has shifted from this summer. The plan is for voting for candidates, budget, resolutions to take place the week of November 8th. We're working out some of the quirks of this. We'll practice voting in the weeks to come, but voting will happen the week before, so it is accessible. We have all day to vote, [inaudible 00:13:43.] last year. Then, convention, we expect to be the Bishops' Addresses, Eucharist, recognition for leadership in the diocese, and the moments of connection, which is what our listening sessions told us that we wanted to do. Just a note about the convention leadership this fall, as we plan. It's led by Bishop Glasspool as Bishop's Liaison and by Senior Assistant Secretary, Sara Saavedra. I'm grateful for both of their leadership.

I can mention Executive Committee is coordinating policy. That includes the Chancellor, Alice Yurke, Geoff Smith from the diocese, along with Nick Richardson and Jeannine Otis from our Liturgy Committee, and Peter Innes from the cathedral. We have a Convention Planning Committee handling implementation. The Convention Planning leadership... Grateful to Jeannine, just for all her leadership with the liturgy, both in the roll-outs, and she's preparing for the Eucharist on November 13th. Lucy is doing a wonderful job directing the online roll-outs, as you've just seen. Anne Sawyer, again, is leading the Resolutions Committee. Mary Barber will be Assistant Secretary handling credentials for the day of convention. Chris Colón is Inspector of Elections this year. We've got a number of other leadership positions that we are going to talk about in the coming weeks and how we gather together, how we handle safety on the day of convention and so we'll share that. Grateful for the leadership across the diocese. The convention planning committee is from every part of the diocese and from every order of ministry, including four deacons. So grateful to the entire planning committee for their work in the coming weeks to help us get ready for convention and we'll practice voting the next couple of weeks to make sure all of us have a way in which we understand that we can vote for candidates and resolutions and for the budget. And we get ready for our November 13th convention. Grateful for everyone's support and feedback. Trying very hard to listen so we can be safe, stay connected, and [inaudible 00:45:54] for all of us is fall for convention. Thank you.

**Bp. Mary Glasspool:**

Thank you, Matt. And thank you, Matt. And thank you all for your participation. Each roll-out meeting, we have a time of three or four minutes with some background music during which we pray together and the ways in which we pray together include typing in the chat room or chat box any intercessions, petitions, prayers of thanksgiving, celebrations, anything you feel the spirit is moving you to put in the chat box, but it is a time also for us to sit and be with each other in spirit. So, I invite your prayers at this time while we listen to some music and think and pray for our entire diocese.

(singing).

**The Rev. Trevor Babb:**

Let us pray. O generous and gracious God. We are thankful for every good and perfect gift you have bestowed upon us during this ongoing pandemic and throughout our years. You have blessed us with the resources for ministry and mission; you have protected us with health and resilience in these times of uncertainty; you have provided for us human creativity and technology to be about our Father's business. Now Lord, as we come to the close of this day and this session of our 245th Diocesan Convention, we ask that we will continue to find you ever present in all our undertakings for the extension of your kingdom, as we seek to transform lives through all that is good and purposeful, all to your honor and glory and in the name of Jesus. Amen.

**Bp. Mary Glasspool:**

Thank you my brother, Trevor. Before I offer a final blessing, I want to thank all of you who are tuned in and all of the participants in this wonderful diocese of New York. And I want to encourage you to hang in there for the final song. You won't want to miss this, and you'll be sorry if you sign off before the final song on our program tonight. Go forth into the world in peace. Be of good courage. Hold fast that which is good. Render to no one evil for evil. Strengthen the faint hearted, support the weak, help the afflicted, honor all people, love and serve the Lord; and the blessing of God Almighty, the Father, the Son, and the Holy Spirit, be upon you and remain with you this night and always. Amen.

(singing).

(silence).