



JOURNAL OF THE PROCEEDINGS

of the

TWENTY FIFTH ANNUAL CONVENTION

of the

EPISCOPAL CHURCH

DIOCESE OF EASTERN MICHIGAN

held in

Bay City, Michigan

at

DoubleTree Riverfront by Hilton

OCTOBER 18 - 19, 2019

Together with the Constitution and

Canons of the Diocese

Revised to Date

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Saginaw, Michigan

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DIOCESAN CONVENTION AGENDA

Friday, October 18th

9:00 a.m.	Registration opens and Exhibits
10:00 a.m.	Dismantling Racism Training at Trinity, Bay City
10:00 a.m.	New Comer Orientation led by Rev. Mike Spencer
11:00 a.m.	Words of Welcome and Introduction of Jerusalem Greer
12:30 p.m.	Lunch
1:30 p.m.	Workshop Session I
3:00 p.m.	Workshop Session II
6:00 p.m.	Dinner
7:30 p.m.	Keynote followed by Compline
9:00 p.m.	After Party with Cash Bar

Saturday, October 19th

8:30 a.m.	Holy Eucharist
11:00 a.m.	Business Session I
12:30 p.m.	Lunch
1:15 p.m.	Business Session II
2:45 p.m.	Convention 2019 Adjourned

GENERAL RULES

1. Each business meeting of the Convention will open with a prayer.
2. All Resolutions to be considered by the Convention must be submitted in accordance with Title 1, Canon 3, Section 6. The Committee on Resolutions shall report to Convention its action on each submitted Resolution.
3. All reports which have been posted to the diocesan website prior to the convening of the body and not requiring Convention action shall be presented by title only.
4. On the request of any ten members of the Convention, a roll call vote shall be taken and entered in the minutes.
5. No member of Convention shall speak twice on the same subject until all others desiring to speak shall have had the opportunity to speak one time.
6. Each speaker shall be allowed up to three (3) minutes per speech.
7. All committees shall be appointed by the President with the consent of the Convention except where other provisions have been made.
8. Except for the election of a Bishop or Bishop Coadjutor, all elections shall be governed by the provisions of Title 1, Canon 6.
9. The Rules contained in "Robert's Rules of Order - Revised" shall govern the Convention in all cases to which they are applicable, and in which they are not inconsistent with the Constitution and Canons of the Episcopal Church and this Diocese or the special rules of order of this Convention.
10. The Rules shall not be suspended or amended except by a vote of two-thirds of the members voting, a quorum being present.
11. Alternate Delegates may replace only Registered Delegates.

JOURNAL OF THE PROCEEDINGS OF THE TWENTY FIFTH ANNUAL CONVENTION OF THE EPISCOPAL DIOCESE OF EASTERN MICHIGAN

On October 19, 2019, the day and place designated for the meeting of the Annual Convention of the Episcopal Diocese of Eastern Michigan, The Rt. Rev. Catherine Waynick opened the meeting with prayer and called the Convention to order.

ELECTION OF SECRETARY

Bishop Waynick introduced Mrs. Angela Krueger, Assistant to the Bishop, and asked for a motion from the floor to elect her Secretary of Convention. Motion was moved, supported, and passed.

INTRODUCTIONS

Bishop Waynick introduced Mr. Edward Henneke, St. Paul's, Flint, Chancellor of the Diocese and Rev. Dan Scheid, President of the Standing Committee.

ELECTION OF CHANCELLOR

Bishop Waynick nominates Mr. Edward Henneke, St Paul, Flint, as Chancellor. Motion was moved, supported and passed.

QUORUM

It was reported that of forty-three congregations, forty one were present with voting delegates. Grace, Long Rapids and St. John's, Sandusky were not in attendance. Bishop Waynick declared a quorum was present.

RULES OF CONVENTION

Bishop Waynick asked Mr. Edward Henneke to explain the rules of convention. Mr. Henneke noted that "Rules for Decorum and Debate" and "Quick Guide to Roberts Rules" are on the convention website.

CREDENTIALS COMMITTEE

Bishop Waynick recognized Mrs. Angela Krueger, Chair of the Credentials Committee. Mrs. Krueger moved that "pursuant to Title 1, Canon 12, Section 2, all of the forty three congregations of the 2018 calendar year of the Diocese of Eastern Michigan have filed their parochial reports in a timely fashion and will have voice and vote of their lay delegates and clergy at this convention. Motion was moved, supported and passed.

MINISTRY CHANGES

Bishop Waynick announced the following ministry changes:

New Order:

Rev. Derek Stefanovsky – Transitional Deacon 1/12/19. Priest 9/21/19

Rev. Tom Manney – Transitional Deacon 6/23/19

Rev. Dan Maxwell – Deacon 6/23/19

Rev. Harold Schneider – Transitional Deacon 8/11/19

Rev. Paul Brunell – Transitional Deacon 10/13/19

Clergy Calls and Transitions:

Rev. Dan Maxwell – serving as Deacon at Trinity, Alpena

Rev. Derek Stefanovsky – serving as Assistant Rector at St. Luke's, Darien, CT

Canonical resident change:

Rev. Drew Christiansen from Diocese of Eastern Michigan to Diocese of Western Louisiana.

Rev. Jim Harrison from Diocese of Fond du Lac to Diocese of Eastern Michigan.

Rev. Dcn. Judith Marinco from Diocese of Michigan to Diocese of Eastern Michigan.

Rev. Mike Marinco from Diocese of Michigan to Diocese of Eastern Michigan.

WEST MICHIGAN GUESTS

Rev. Valerie Ambrose

Rev. Ann Hallmark

Mrs. Tammy Mazure

Rev. Nuria Parish

Rev. Bill Spade

BISHOP'S APPOINTMENTS**To Disciplinary Board**

Newly appointed – Lewis Crusoe of St. James, Cheboygan

TO COMMISSION ON MINISTRY

Re-Appointed: Rev. Sue Colavincenzo, Rev. Anna Leigh Kubbe and Joyce Thewalt

TO CONSTITUTION AND CANONS COMMITTEE:

Rev. Tom Downs, Clergy, St. Paul's, Gladwin

Rev. Ann Grady, Clergy, Diocese of Eastern Michigan

Rev. Mary Jo Schuetz, Clergy, St. John's, Midland

Mrs. Linda Rathburn, Lay, St. Christopher's, Grand Blanc

TO THE RESOLUTIONS COMMITTEE:

Mrs. Amy Simons, Lay, St. John's, Saginaw, Chairperson

Rev. Charles Curtis, Clergy, Diocese of Eastern Michigan

DESIGNATED OFFERING

The offering will go to Waycross Camp and Conference Center in honor of Bishop Cate Waynick service to the Diocese of Eastern Michigan for the past 2 years.

TREASURER'S REPORT

Bishop Waynick recognized Mr. Mike Turnbull, Diocesan Treasurer for the financial report.

2018 Financial assets had an 8.7% decrease, and the Trustee funds decreased 7.8%.

The Diocesan net assets for 2018 are currently at \$10 million. 2017 assets were at \$11 million, and 2016 assets were at \$10 million.

The 2019 Financial highlights are as follows.

- Projected operating surplus of \$93k because of reduced expenses and a part time Bishop
- Investments gain projected to be up about 8%
- Transfer of Breaking New Ground (BNG) Funds of \$200k in 2019 to assist in funding the Coppage-Gordon school and the Camp Chickagami Director/Diocesan Youth Coordinator
- Budgeted grant distributions of 40k

A total of \$108,000. was given in Social Grants to the following for the year ending 2019:

Trinity, Bay City; Grace, Port Huron; St. Mark's, Atlanta; St. Andrew's, Flint; St. Andrew's, Harrisville; Family Promise of Genesee County; Crossover Downtown Outreach Ministry; and Grace Center, Grayling

2020 through 2022 Budget Assumptions:

- Congregational income – 95% excluding prior year tithing
- National Church commitment of 15%
- Budgets include the Office of the Bishop – ½ time
- Diocesan Outreach of \$100,000 per annum
- Maintain funding for Coppage-Gordon and the Camp Chickagami Director/Diocesan Youth Coordinator
- Funding for the Curacy Program support
- Maximum funding for Loans and Grants requests

Operating Expenses total \$1,395,947, Trustee Funds projected at \$8.2 million at the end of 2019. The trustee return since 2010 is 7.85%.

In summary mission and ministry activities are still being developed throughout the diocese. We continue to support Coppage-Gordon and Camp Chickagami. The Diocese will also continue to fund social service grants in the amount of \$100k through the Social Services and Ministry Networks Committee. Loans and Grant funds also are available to congregations. Long term mission and ministry funding in the Diocese will continue to be monitored and require financial discipline and openness to creative and collaborative opportunities.

Budget received and accepted by the convention.

The budget had been approved prior to convention by the Diocesan Council.

WRITTEN REPORTS

Bishop Waynick asked the Convention to receive by title the reports from, Camp Chickagami, Chaplain to Retired Clergy and Spouses, Commission on Ministry, Coppage-Gordon School, Recovery Outreach Ministry, Report of the Registrar, Standing Committee and Trustees Reports.

CAMP CHICKAGAMI | REPORT TO DIOCESAN CONVENTION 2019

HISTORY

Camp Chickagami is the camp and retreat center of the Episcopal Diocese of Eastern Michigan. Established in 1929, we're celebrating 90 years of youth camping in 2019. Located about 20 minutes north of Alpena, Camp Chick offers respite and retreat in the midst of God's beautiful creation in Northern Michigan. As a spiritual home for the diocese, Chickagami offers summer youth camping for ages 6-18, family camping, young adult ministry with staff members starting at 16 years of age, facilitated retreats and space for rental groups from inside and outside of the diocese.

YOUTH + FAMILY CAMPING

In the summer of 2019, over five weeks and eight programs, Camp Chickagami welcomed 185 campers. Our numbers have stabilized in the past couple of years with a slight uptick from 2018 in 2019. Camp Chickagami has continued to develop partner relationships with organizations and ministries around the State of Michigan to bring more of God's children to camp. Some of the partner organizations from 2019 are Church at Crossroads in Detroit, Crossover Downtown Outreach Ministries in Flint as well as communicating information about camping programs to all of the parishes in the Episcopal Diocese of Michigan. In 2019 we will be offering transportation options to camp from Flint and Grayling. In 2019, 54% of the campers at Camp Chickagami received some sort of scholarship assistance from Camp Chick, their home church, or another granting organization. Crossover Downtown Outreach Ministries sponsors up to 40 children from inner city Flint to attend camp at Camp Chick. Church at Crossroads in Detroit sponsored two families to attend our Family Camp program. We welcomed 30 young adults as staff members this summer, 40% of whom were previously campers at Camp Chickagami. Our Christian Formation teams are made up of volunteers from within and outside of our diocese. In 2019, 50% were clergy and 50% were lay people. In summer 2020, we will offer new programming options and a new programming schedule. Try Out Camp for 1st through 3rd graders will be new, we will offer two day camp sessions for 1st-7th graders and an out of state Trip Camp. Our schedule will run Sunday through Friday for residential youth camp sessions.

RENTAL GROUPS

In summer 2019, we welcomed 16 rental groups to Camp Chick totaling 305 individuals. These include congregational retreats, school and community groups and family vacations. In 2020 we will be advertising rental availability on Airbnb.

AMERICAN CAMP ASSOCIATION

The American Camp Association is the only nationwide organization that accredits children's camps. The ACA Accreditation process is a voluntary commitment by camps to the highest standards of health, safety and program quality.

In 2019 Camp Chickagami got accredited!

FINANCIAL HIGHLIGHTS

Actual income from Youth/family camp exceeded budgeted amount. We are anticipated to bring in close to \$58,000 in youth/family camp income which exceeds our budgeted amount of \$52,000. While our numbers remained about the same, and we budgeted for a slight camper increase - our tiered pricing system allowed for us to bring in a little more. This is up from 2018 at about \$53k. Our overall youth camp expenses were less than budgeted. Facility expenses exceeded budgeted amount due to aging infrastructure and deferred maintenance. Facilities study was done in the spring of last year. 2019 was tackling larger projects. In 2019 we began to offer tiered pricing for youth camp fees. This tiered pricing structure allows us to offer three different prices for camping programs that allow people to opt into slightly higher costs voluntarily to support the larger mission of camp and closer to the actual cost to run a program. We budget for the lowest price per person and anything else that comes in helps the bottom line. In 2019 we welcomed Sara Philo as our bookkeeper who is the financial manager of the diocese. While Sara is our bookkeeper, our financials are actually completely independent of the diocesan operating funds. Camp Chick operations, programming, upkeep and costs are accounted for in our own budget. We also received a generous donation from the St. Paul's Flint Barth Trust which will give to camp about \$30k per year for next five years. What an incredible blessing! One third will go to programming, one third to facility and one third to savings.

BOARD OF ADVISORS

At the end of 2018, in response to the sustainability study for Camp Chickagami, Diocesan Council approved a formation of a Board of Advisors for Camp Chickagami. The Board of Advisors has been charged to work with the Executive Director to support the health and development of Camp Chickagami.

The Board of Advisors is made up of 12 people from within and outside of our diocese. The board is broken into subgroups focusing on programming, fundraising and development, evangelism and networking and facilities. In 2019 the groups focused on and developed the following items: Programming: 2020 Leadership Camp for 9th-12th grade students based around the Dismantling Racism for Youth Curriculum in collaboration with the Episcopal Diocese of Michigan.

Fundraising and Evangelism: 90 for 90 fundraising campaign asking for \$90 individual donations in honor of 90 years of summer camping and planning a 90 Year Celebration on December 7th at St Christopher's in Grand Blanc.

Facilities: Planning, Intense study, Tackling deferred maintenance projects, and NEW DOCKS donated by an alumni group called the Friends of Camp Chickagami.

Ministry at Camp Chickagami always requires your prayers, donations and other community support.

Respectfully submitted, McKenzie Bade, Executive Director of Camp Chickagami

Chaplain To The Retired Clergy and Spouses, and Surviving Spouses

The Chaplain to the Retired Clergy and Spouses, and Surviving Spouses is a program of the Episcopal Church that is supported through the Church Pension Group. Chaplains are appointed by the diocesan bishop, and serve at their pleasure. Some dioceses have a single chaplain; others have more than one. In many dioceses a retired clergy member and spouse serve together. Chaplains meet in provincial gatherings every other year. I attended the Provinces V, VI, and VII Gathering of Chaplains to the Retired that met October 9-12, 2018 in Nebraska City, NE, my first chaplain's gathering after assuming the position of Chaplain to the Retired from The Rev. Chuck Curtis. The next provincial gathering will be October 6-9, 2020 in Kansas City, MO. In addition to provincial gatherings, Chaplains to the Retired from throughout the Church meet triennially in various places throughout the country. The most recent National Chaplain's Conference, which I attended, was May 14-17, 2019 in Denver, CO.

Both of these gatherings afforded me the pleasure of meeting the chaplains to the retired from the other three dioceses of Michigan – The Rev. Sally Boelter, Michigan; the Rev. Tom and Peg Lippart, Northern Michigan; and The Rev. Ed and Ann Emenheiser, Western Michigan. We take every opportunity we can to work together.

My primary task is to engage in bereavement care when a retired clergy, spouse or surviving spouse dies. I communicate with the designated next of kin by hand written notes that are sent on a regular schedule for thirteen months following the death. At Easter I sent a card to every retired clergy and spouse, and surviving spouse for whom I have an address. I plan to do so at Christmas as well.

Thank you to +Cate Waynick for the opportunity to serve the Diocese of Eastern Michigan in this capacity, and to The Rev. Chuck Curtis for his ongoing support and his amazing institutional memory.

Respectfully submitted, The Rev. Ann Grady, Chaplain to the Retired Clergy and Spouses, and Surviving Spouses

Commission on Ministry Report 2019

The following is the Mission Statement of the Commission of Ministry:

To assist all individuals, alongside the Office of the Bishop, in fulfilling their call to ministry.

Scripture to support our Mission Statement: *The gifts he gave were that some would be apostles, some prophets, some evangelists, some pastors and teachers, to equip the saints for the work of ministry, for building up the Body of Christ.* Ephesians 4:11-12

The means to accomplish our Mission:

1. *Provide resources to assist all God's people as they discern their gifts for ministry.*
2. *Support the ministry of all God's people.*
3. *Oversee the discernment of those seeking ordination.*
4. *Support the Bishop in articulating the ministry of Christ.*

One of the goals of COM has been to encourage more effective communication between COM, the Standing Committee, Supervising Clergy, the Bishop's office, Vestries, and all persons who are involved in this holy process, providing clarification where needed.

This past year COM has spent many hours under the guidance of Bishop Waynick revising the Ordination Manual to ascertain compliance with the Canons of the National Church. The revised manual will be approved and available after Bishop Houglund is installed as Bishop of the Diocese of Eastern Michigan.

We support the work of the Canon to the Ordinary Michael Spencer and the Vocational Leadership Academy in their efforts in lay ministry training and development. One goal COM has for lay ministry is to help churches identify the Spiritual Gifts of its members.

Since Oct. 2018, The Rt. Rev Cate Waynick has taken the following actions after consulting with COM and the Standing Committee. The Rev. Derek Stefanovsky was ordained a Transitional Deacon in January, 2019, and a Priest in September, 2019. The Rev. Dan Maxwell was ordained a Vocational Deacon in June, 2019. The Rev. Michael Spencer was ordained a Transitional Deacon in October, 2018, The Rev. Tom Manney was ordained a Transitional Deacon in June, 2019, the Rev. Harold Schneider was ordained a Transitional Deacon in August, 2019, and the Rev. Paul Brunell was ordained a Transitional Deacon in October, 2019.

The COM currently has eight members who have been appointed by the Bishop, four lay persons and four clergy. Members of COM are: The Rev. Sue Colavincenzo, Ms. Emily Klein, The Rev. Anna Leigh Kubbe, The Rev. Pam Lynch, Ms. Ellen McVey, Ms. Doris Sutton, Ms. Joyce Thewalt, and as Ex-officio, The Rt. Rev. Cate Waynick. COM would like to thank the Rev. Sharon Voelker and Mr. Jon Steele for their excellent work with COM. Both have served with discernment and compassion. We would also like to thank Ms. Angela Krueger, Assistant to the Bishop, for her patience and excellence in working with COM. She remains invaluable to us.

Members of COM continue to serve with integrity, generosity of spirit, love, and a willingness to seek God's will in all we do. I thank them.

Respectfully submitted by Sue Colavincenzo, Chairperson of COM for the Diocese of Eastern Michigan



Academy for Vocational Leadership

At our June graduation we celebrated five new graduates from the Academy for Vocational Leadership. The Academy provides the educational component of preparation for local ordination to holy orders. This three-year joint program with the Dioceses of Michigan and Western Michigan has just begun its sixth year. Nineteen people have now completed this program, including eight from the Diocese of Eastern Michigan. Of the eight, five have been ordained and are beginning their ministries, and three are continuing in the ordination process.

Licensed Lay Preaching

Last year's offering of Licensed Lay Preacher training at the Academy was well received, and we are continuing it this year with nine students from Eastern Michigan and Michigan. This training includes the Academy classes in Holy Scripture and Homiletics. Participation in the Academy Bible class or a comparable program is an expectation for those seeking to become licensed preachers in the Diocese of Eastern Michigan.

Formation for All

New this year, Coppage-Gordon is offering online congregational resources for formation and study:

Formation Videos for Congregational Use from the Iona Center

This new video series comes to us from the Iona Center at Seminary of the Southwest and includes short video presentations by seminary faculty with study guides. Topics include biblical study, church leadership, prayer, spirituality, and Anglicanism and worship. Coppage-Gordon is providing these resources at no cost to congregations. To register for access to these materials, contact vfargo@eastmich.org or 877-752-6020.

ChurchNext

ChurchNext is an online learning community offering hundreds of online courses for individuals and congregations on topics ranging from spirituality to church management led by renowned mainline church leaders. Congregations in the Diocese of Eastern Michigan have access to a discounted subscription. Details [http://eastmich.org /resources/development-formation/](http://eastmich.org/resources/development-formation/)

The Academy classes in Bible, Church History, and Theology and Ethics, held once a month on a Saturday, continue to be open to anyone interested in exploring these topics. This year Coppage-Gordon also provided leadership formation opportunities through Safeguarding trainings and worship leader training. Information about these programs may be found on the Coppage-Gordon page in the Ministries section of the diocesan website www.eastmich.org.

Respectfully submitted by: The Rev. Dr. Valerie Fargo, Director, Coppage-Gordon School for Ministry

Recovery Outreach Ministry

The Rev. Brian Chace accepted the position of chair of this committee after the retirement of Doug Pryor as clinical director of the G.R.A.C.E. Center in March of 2019 and his subsequent move to Goderich, Ontario, Canada.

The yearly 11th Step Retreat hosted by the committee in conjunction with the G.R.A.C.E. Center was held May 31 – June 2 at its usual location at the CYO Girl's Camp in Port Sanilac. The retreat continues to be popular and well attended, as well as financially self-supporting. The committee will be looking at continuing the retreat in the absence of Doug Pryor, who has been a co-leader since the first one was held.

The committee is also continuing to plan a Healing Service along the lines of one that's been held at Sacred Heart Roman Catholic Church in Evert for the past several years on the first Sunday in Advent. This service has been attended by many from the various 12-Step communities. The current plan includes holding the healing service at Trinity Episcopal Church in West Branch in early November. The committee has contacted the Rev. Joe Fix, the planner and host of the services held in Evert, for his blessing and advice.

Respectfully Submitted: The Rev. Brian Chace, Recovery Outreach Ministry Committee Chair

Report of the Registrar

This is a report of the actions taken by the Bishop and/or the Standing Committee from **October 26, 2018 to October 18, 2019**. All records in the Diocesan office are in good order and preserved in a seemly manner.

Actions taken were:

Ordinations to the Priesthood	1
Ordinations to Deacon	5
Baptisms	0
Confirmations	22
Receptions	9
New Clergy Received	2
Clergy Transferred Out	1
Clergy Renunciations/Depositions	0
Clergy Funerals	2
Consecrations of Buildings	1
Deconsecrations of Buildings	1
Visitations	24
Celebrations of New Ministries	0

Respectfully submitted by Angela Krueger, Assistant to the Bishop

Standing Committee Report

It has been another exciting year to be part of the Episcopal Branch of the Jesus Movement in Eastern Michigan, and the Standing Committee has been busy at its work.

Much of our work was the routine parts of our charge. We worked with Bishop-Provisional Cate Waynick and diocesan council and staff regarding diocesan ministries, policies, procedures, and finances. We consented to the ordinations of several bishops throughout the church. We provided our canonical oversight of people in the ordination process and consented to the ordinations of several in our own diocesan household.

We also continued in our work overseeing the transition process from one bishop to the next. The Eastern Michigan household did much of this work in 2018, completing the tasks set before us at last year's diocesan convention by asking the standing committee to nominate Bishop Wayne Hougland of Western Michigan to be elected our new bishop-provisional at our 2019 convention.

The standing committee assisted Western Michigan in their discussion and discernment process of consenting to Bishop Hougland's election here. Vice President Janet Huff Worvie and I attended three regional meetings in Western Michigan, and the findings of these meetings led to Bishop Hougland accepting our "invitation to dance," as he put it.

We will present to you for election at this 2019 diocesan convention Bishop Wayne Hougland to serve as our new bishop-provisional for a term of up to five years, and we anticipate working closely with Bishop Hougland and the Western Michigan standing committee next year and beyond as we discern our future.

We remain thankful for God's blessings and grace and anticipate God's continued goodness. And we remain thankful to you, the Eastern Michigan household, for your faithfulness. This year's standing committee members are; Janet Huff Worvie, Vice-president; Carol Moggo; the Rev. Sue Rich; the Rev. Phil Seitz; and Bill Thewalt.

Respectfully submitted by the Rev. Dan Scheid, President of the Standing Committee

Trustee Report – As of June 30, 2018

The Episcopal Diocese of Eastern Michigan started the 2018 year with an endowment of \$9.54 Million. As of September 30, 2017, interest and dividends appreciated \$197,744 and stocks depreciated \$170,565 and \$123,089 was withdrawn for expenses. The value of the endowment as of June 30, 2018 was \$9.44 Million. The June 30, 2018 allocation has 65% equities, 29% Bonds and 6% cash, which has provided a Year to Date investment return of 0.29%. This rate is superior to the Dow Jones return of -1.81% for the same time period.

The trustees now manage the following funds:

- Main Endowment
- McMath, Batchelder and Demille Funds
- Breaking New Ground Fund
- The McElroy Fund
- The CDRF Fund
- Loans and Grants Fund
- Growth and Income Fund
- Charitable Contributions Fund

Respectfully submitted by Michael Keenan, President

CLERK OF NOMINATIONS REPORT

Bishop Waynick recognized Canon Michael Spencer, Clerk of Nomination for his report. Canon Spencer thanked the Diocesan Discernment Committee for its service. Members include the Rev. Brian Chace of Trinity, West Branch; the Ven. Rev. Linda Crane, Arch Deacon of the Diocese; the Rev. Tracie Little of St. Jude's, Fenton; Jeledia Ford-Geraghty, of St. Paul's, Flint and Carol Moggo of St Francis', Grayling.

The committee presented the following candidates to the 25th Convention of the Diocese of Eastern Michigan:

For Bishop Provisional:

Rt. Rev. Whayne Hougland, Jr.

For the Diocesan Council:

In the clergy order:

Rev. Anna Leigh Kubbe of Holy Family, Blue Water

In the lay order:

Kathryn Coman of St. John's, Saginaw; Kay Leclair of Grace Lapeer

There were no nominations from the floor.

For the Standing Committee:**In the clergy order:**

Rev. Brian Chace, Trinity, West Branch

In the lay order:

Gary Grinn, St. Paul's, Gladwin

There were no nominations from the floor.

For the Trustees:

No one ran for the Trustees position.

There were no nominations from the floor.

Deputy for General Convention**In the clergy order:**

Rev. Pam Lynch, St. Andrew's, Gaylord; Rev. Sue Rich, Trinity, Bay City; Rev. Tyler Richards, Transfiguration, Indian River; Rev. Lydia Speller, Grace, Port Huron; Rev. Michael Spencer, St. Christopher's, Grand Blanc.

In the lay order:

Elizabeth Jordan, St. Paul's, Flint; Carol Moggo, St. Francis, Grayling; Ellen Redfield, St. John's, Midland; Sara Philo, St. John's, Midland; Linda Rathburn, St. Christopher's, Grand Blanc.

There were no nominations from the floor.

ELECTION OF CANDIDATES

Ballots are cast and collected to be tabulated.

ELECTIONS RESULTS

For Bishop Provisional: Rt. Rev. Whayne M. Hougland, Jr.

For the Diocesan Council: Rev. Anna Leigh Kubbe, Kay Leclaire

For Standing Committee: Rev. Brian Chace, Gary Grinn

For Deputy to General Convention:

Clergy order: Rev. Pam Lynch, Rev. Sue Rich, Rev. Tyler Richards and Rev. Mike Spencer.

Lay order: Elizabeth Jordan, Carol Moggo, Ellen McVey and Sara Philo.

BISHOP WAYNICK'S ADDRESS

Convention address Eastern Michigan 2019

Dear Brothers and Sisters in Christ,

Let me begin by thanking you for welcoming me to join your journey two years ago! You have allowed me the great honor of serving as your Bishop Provisional, and during this time I have had the privilege and pleasures of encountering longtime friends and colleagues, making new friends, and sharing in all the joys and a few of the frustrations and challenges that are part of being a household of faith.

It has been wonderful to worship with you, to learn about the ministries being carried out in your communities, to have you share with me your hopes for our Church in a world that is not automatically appreciative of our message or attracted to our disciplines and beliefs. Our Presiding Bishop recently described our current experience as being like the time of Pentecost, when the first followers of Jesus had encountered the presence and gifts of the Holy Spirit but were still struggling to share the message of God's liberating and life-giving love with the world around them. And we share that struggle.

We find ourselves misunderstood some of the time, because being religious does not make us perfect, and our imperfections can look like hypocrisy to the world around us. We are misunderstood at other times because some who use the name 'Christian' proclaim a rather different message than ours. So we have our work cut out for us – to live as witnesses to what we believe – that there is nothing that can come to us in this life that is beyond the power of God's love and grace to heal. When we anchor our hearts and our lives in the life-giving, liberating love of God, the world around us can be changed.

I see you, the clergy and people of the Diocese of Eastern Michigan, already traveling the Way of Love in many ways: you feed the hungry, clothe the naked, nurture the sick. You pay attention to the needs of your communities and you step up to meet those needs, in ways too numerous to list here.

I have also learned that many of you take your life of faith for granted – and that can be a very good thing! You take for granted that you're going to gather for worship together week by week! You take for granted that you're going to continue to learn what following Jesus means for each of us and all of us! And of course you're going to pray every day, and bless others by showing generosity and compassion! Of course you're going to do these things! You get it! God loves the world and every person in it – and our lives as followers of Jesus must consistently show that love! Of Course!

But the world around us does not necessarily get it. They may know that there's a church on the corner where they can go to get food. But they don't necessarily know *why* that church is feeding them – or that the members of this church would welcome them as friends, welcome them as companions, as brothers and sisters, who could join them in learning what it means to be loved by Jesus, and to walk the Way of Love. To help them understand this truth we may need to use our words, and many of us may find that challenging. But we're all in this together - we can help each other find the words and the ways to say out loud that God's love truly is for everyone – and you've been hearing from Jerusalem and from Katie about some ways to practice doing that. It's important because the Good News is that every life can be liberated and re-formed by living the Way of Love.

Any Bishop expects to encounter this kind of devotion and ministry – and I have encountered it among you.

But you also had another project during this two years. You were engaged in discerning what to do about calling and electing a new Bishop. Twenty five years ago you became the Diocese of Eastern Michigan, with the desire to try new things, and by learning from holy experiments. It has been exciting to see you come together, to claim those things which have enhanced your life, acknowledge those things which have not worked as hoped, and share with each other the dreams you have for the future.

With regard to a Bishop you explored several options, and prayerfully decided to move forward with an experiment to share episcopal leadership with the Diocese of Western Michigan. Last year, at this convention, you voted to nominate the Rt. Reverend Wayne Hougland, and to invite him and the Diocese of Western Michigan to consider joining you in this experiment in leadership. As you know, they have responded with enthusiasm and excitement!

Just before we adjourn for lunch you will have the opportunity to ratify that choice, and to officially elect Bishop Hougland to be your Bishop Provisional for the next three to five years by marking your ballot. This is a slightly different process than usual, but it will complete the process which began with your vote last year.

Please allow me to share an observation about your life with your new Bishop. He will be termed Bishop Provisional because his episcopate is for a stated length of time. He will have the full authority of the office, just as I have during this two years with you.

My agreement with the Executive Council was that I would be working among you, living within the Diocese, for what we termed ‘half-time.’ What it didn’t take long to discover was that this living arrangement did not make a half-time place for you in my heart! My ministry with you was never dependent on my physical presence among you, and the same will be true of your relationship with Bishop Hougland. He is *not* becoming the half-time Bishop Diocesan of Western Michigan in order to also become the half-time Bishop Provisional of Eastern Michigan!

Consider it this way – there are a number of Dioceses in The Episcopal Church which are about twice the size of either Western or Eastern Michigan - and have only one Bishop, who is Bishop to all of them all the time! So please – never think of Bishop Hougland as your part-time Bishop – because I know this guy – and I can guarantee that he will never think of his relationship to you as part-time.

Because this new arrangement is not a merger, Bishop Wayne will be working with two Councils, two budgets, two Standing Committees, two Commissions on Ministry, and two sets of Diocesan Canons. But Western and Eastern Michigan already share a Disciplinary Board, a Canon for evangelism and networking, and the Coppage School and Academy for Vocational Leadership. You already collaborate on ministries with youth and young adults. Each Diocese will continue to function as in the past, and when new possibilities for collaboration arise, you will explore them together. It’s exciting to me to think you may find ways of stewarding resources which will provide a model for the wider Church.

By way of further encouragement I would share that this past spring the clergy of Western and Eastern Michigan had a time of retreat together, which was grace-filled and entirely positive. The groups were amazingly open to each other, and clearly accepted one another as colleagues and friends. This positive energy in the clergy leadership will be an asset in this partnership. It's exciting – and I'm really proud of all of you!

In every Diocese there are people who take on leadership roles, elected or appointed, whose work is largely behind the scenes and invisible. We honored two such people last night. But now I think of members of the Disciplinary Board, the Board of Advisors of Camp Chickagami, members of the liturgy planning team which helps arrange our Confirmation celebrations, ordinations, and convention worship, and many others who take on special projects from time to time – we are grateful for all of their work.

I want especially to recognize the members of the Executive Council, Standing Committee, and Commission on Ministry, who have stepped up to their responsibilities and have served you well. They would make any Bishop proud.

Finally, let me say that you have a Diocesan staff which is second to none. They are hard-working, faithful, and dedicated to serving you and enabling your ministries, and they have made my time among you as easy as it possibly could have been. Please join me in thanking them....

You have journeyed together as the Diocese of Eastern Michigan for twenty-five years. As you continue to celebrate what has worked, to learn from what has not, and to discern God's call into the future, be sure to set your hearts on Jesus, walk the Way of Love, and know that my heart and my prayers are with you.

Glory to God, whose power working in us can do infinitely more than we could ask or imagine; glory to God from generation to generation in the Church, and in Christ Jesus forever and ever. *Amen.*

Ephesians 3:20, 21

+Catherine M. Waynick
Bishop Provisional
Diocese of Eastern Michigan
Bay City, Michigan
2019

TEXT OF THE SUBMITTED RESOLUTIONS

Resolution 1

Proposed amendment to Canon 16, Sec. 1 and 2

Originator the Diocesan Council

Resolution 1

Sec. 1

The Annual Convention, at its meeting in the second year prior to the year of each triennial General Convention, shall elect, by ballot, ~~four (4)~~ eight (8) lay members of the Church, each of whom is a communicant in good standing in some congregation of the Diocese, and ~~four (4)~~ eight (8) presbyters and/or deacons, each of whom is entitled to vote in such Annual Convention, to act as Deputies and Alternates from the Diocese to the General Convention (until their successors have been chosen). *The four (4) members of the clergy and four (4) laypersons receiving the highest number of votes on the first ballot shall be designated as Deputies and the members of the clergy and laypersons receiving the next highest number of votes shall be designated as Alternate Deputies, all in numerical order of the votes received by them.*

Sec. 2.

It shall be the duty of the Deputies-elect to signify to the President of the Diocesan Council, at least sixty (60) days before the meeting of the General Convention, whether, or not, they will attend such meeting.

(a) Should a Deputy not be willing or able to so attend, the Diocesan Council shall fill such vacancy by appointing ~~a Deputy~~ *persons of the same order in which there is a vacancy, having the same qualifications as those elected, beginning with the alternate receiving the highest number of votes and continuing in numerical order of the votes received by them.*

Strike through is to be deleted from our current canons. The portions in *Italic* are additions.

Passed

Resolution 2

WITHDRAWN

Resolution 3 –

Proposed amendment to Canon 9

Originator: The Standing Committee

Sec. 1.

There shall be a legal advisor to the Bishop to be known as the Chancellor of the Diocese of Eastern Michigan, who shall be a ~~resident~~ communicant in good standing of some congregation of the ~~Diocese~~ *Episcopal Church* and ~~an~~ *a licensed attorney in the State of Michigan*. The Chancellor shall take office upon nomination by the Bishop to, and receiving the approval of, the Annual Convention of the Diocese and shall serve at the pleasure of the Bishop.

Strike through is to be deleted from our current canons. The portions in *Italic* are additions.

Passed

NOON TIME PRAYERS WITH NECROLOGY

Clergy: Robert “Bob” Diehl
William “Bill” Elliott - St. John’s, Midland

Lay: Vincent Marinco, Jr.
Joseph McGivern
Margaret Scheid
Alannah Smallman
Judy Stuart

SECOND BUSINESS SESSION 1:15 p.m.**Resolution 4*****Proposed Substitution for Title I, Canon 28***

Originator: The Diocesan Council

Proposed Substitution:

CANON 28 Of Camp Chickagami

Sec. 1.

The operation of Camp Chickagami shall be under the direction of the Diocesan Council.

Sec. 2.

The Diocesan Council shall have full powers over all property comprising Camp Chickagami, or any property that shall be transferred, conveyed or held in trust for Camp Chickagami.

Sec. 3.

The Diocesan Council may create commissions, task forces, committees, and boards to carry out the work of Camp Chickagami. These entities will operate under the guidelines and time frames established by the Diocesan Council. Any entity created by the Diocesan Council for Camp Chickagami may also be terminated by the Diocesan Council.

Sec. 4.

The Bishop shall appoint the Executive Director of Camp Chickagami who shall report regularly to the Diocesan Council, and make a presentation and report to the Annual Convention.

Sec. 5.

Camp Chickagami, in all operations, procedures, rules, policies, duties and functions shall be governed by the Constitutions and Canons of the Episcopal Church, the Constitution and these Canons of the Episcopal Diocese of Eastern Michigan, and all pertinent policies of the Episcopal Diocese of Eastern Michigan adopted by the Annual Convention, the Bishop and/or by the Diocesan Council.

Existing Canon:**CANON 28 Of the Camp Chickagami Board****Sec. 1.**

The operation of Camp Chickagami shall be under the direction of the Camp Chickagami Board.

Sec. 2

The Camp Chickagami Board shall consist of nine (9) persons. At least seven (7) of the members must reside in the Diocese of Eastern Michigan and at least five (5) of the members must be communicants in good standing of a congregation in the Diocese of Eastern Michigan. All members shall be appointed by the Diocesan Council to three year terms, beginning and ending immediately following the Annual Convention. Diocesan Council minutes will reflect all names proposed or considered for membership on the Board. No member having served two or more consecutive terms shall be eligible for appointment to an immediate succeeding term. All members shall serve until a successor is installed.

Sec. 3.

Initial appointees in 2013 will have staggered terms of service with subsequent annual appointments following the guidelines delineated in Section 2 above

Sec. 4.

The Board shall have such powers and duties as may be assigned to it by the Diocesan Council. The Board may, subject to the Diocesan Council, adopt its own procedures and rules for the performance of its duties and functions, provided that it shall in all matters be governed by the Constitution and Canons of the General Convention and of the Diocese of Eastern Michigan, the actions of the Annual Convention of the Diocese of Eastern Michigan, and all pertinent policies of the Diocese of Eastern Michigan adopted by the Annual Convention, the Bishop, and/or the Diocesan Council.

Sec. 5

The Board shall file with the Bishop and with the Diocesan Council a copy of the Minutes of each meeting, and it shall submit a written report to the Annual Convention, to be filed with the Secretary of the Convention at least sixty (60) days before the Convention.

Passed

COURTESY RESOLUTIONS

Courtesy Resolutions On behalf of the Resolutions Committee,

I move the following courtesy resolutions.

1. WHEREAS, this gathering cannot take place without considerable preparation, for which we depend upon our staff and many dedicated volunteers,

BE IT THEREFORE RESOLVED, that this 25th Annual Convention of the Diocese of Eastern Michigan extends its grateful appreciation and thanks to our Diocesan Staff and Volunteers who have made this gathering possible.

2. WHEREAS, the attendees of this convention have the opportunity to become better ministers and more fully live into the Way of Love as we turn, learn, pray, worship, bless, go, and rest,

BE IT THEREFORE RESOLVED, that this 25th Annual Convention of the Diocese of Eastern Michigan conveys our gratitude to Jerusalem Greer for growing our understanding of Episcopal evangelism within the Jesus Movement. And to the Rev. Ken Hitch, Canon Katie Forsyth, and McKenzie Bade for offering more insight into how each of us can communicate our faith stories and stay faithful in prayer.

3. WHEREAS, the congregation, clergy, musicians, and ministry leaders of Trinity Episcopal Church in Bay City have graciously led the celebration of the Holy Eucharist,

BE IT THEREFORE RESOLVED, that this 25th Annual Convention of the Diocese of Eastern Michigan does offer its gratitude for their support in our communion and worship.

4. WHEREAS, we celebrate the 25th anniversary of the Diocese of Eastern Michigan and the 90th anniversary of Camp Chickagami,

BE IT THEREFORE RESOLVED, that this 25th Annual Convention of the Diocese of Eastern Michigan communicate our gratitude and goodwill, and prayers for continued ministry to their staffs and leaders.

5. WHEREAS, our diocese has now been blessed by the cherished memory of two living former bishops,

BE IT THEREFORE RESOLVED, that this 25th. Annual Convention of the Diocese of Eastern Michigan extends our affection and greetings for the Rt. Rev. Edwin M. Leidel Jr. and the Rt. Rev. S. Todd Ousley, and their spouses with our prayers for their good health and Godspeed in their current ministries.

6. WHEREAS the Rt. Rev. Catherine Waynick, retired bishop of Indianapolis, has completed her commitment as bishop provisional of the Diocese of Eastern Michigan

BE IT THEREFORE RESOLVED that this 25th. Annual Convention of the Diocese of Eastern Michigan, our thanks for her willingness to serve as such and our prayers for God-speed in her future ministry.

7. BE IT FINALLY RESOLVED, that this 24th Annual Convention of the Diocese of Eastern Michigan prays that the Secretary of the Convention will convey to the appropriate persons these thanks and greetings. Madam President, this concludes our report.

CLOSE OF BUSINESS

2020 Convention will be a combined convention with Western Michigan on 10/30 – 10/31.

CONGREGATIONS FOR ROLL CALL 2017

CITY	<u>CONGREGATION NAME</u>	<u>PRESENT</u>	<u>CONVOCATION</u>
Alma	St. John's		Saginaw Valley
Alpena	Trinity		Northern
Atlanta	St. Mark's		Northern
Bad Axe	St. Paul's		Saginaw Valley
Bay City	St. Alban's		Saginaw Valley
Bay City	Trinity		Saginaw Valley
Cheboygan	St. James'		Northern
Corunna	St. Paul's		Flint River Valley
Davison	St. Dunstan's		Flint River Valley
Dryden	St. John's		Flint River Valley
East Tawas	Christ Church		Northern
Fenton	St. Jude's		Flint River Valley
Flint	St. Andrew's		Flint River Valley
Flint	St. Paul's		Flint River Valley
Flushing	Trinity		Flint River Valley
Gaylord	St. Andrew's		Northern
Gladwin	St. Paul's		Saginaw Valley
Grand Blanc	St. Christopher's		Flint River Valley
Grayling	St. Francis		Northern
Harrisville	St. Andrew's-By-The-Lake		Northern
Harsens Island	St. Paul's		Blue Water
Higgins Lake	St. Elizabeth's		Northern
Hillman	Calvary		Northern
Indian River	Transfiguration		Northern
Lapeer	Grace		Flint River Valley
Lexington	Trinity		Blue Water
Long Rapids	Grace	Not present	Northern
Midland	Holy Family		Saginaw Valley
Midland	St. John's		Saginaw Valley
Mio	St. Bartholomew's		Northern
Oscoda	Hope St. John's Parish		Northern
Otter Lake	St. John's		Flint River Valley
Owosso	Christ Church		Flint River Valley
Port Huron	Grace		Blue Water
Rogers City	St. Luke's		Northern
Saginaw	St. John's		Saginaw Valley
Saginaw	St. Matthew's		Saginaw Valley
Saginaw	St. Paul's		Saginaw Valley
Sand Point	St. John's		Saginaw Valley
Sandusky	St. John's	Not present	Blue Water
Standish	Grace		Saginaw Valley
St. Clair	Holy Family		Blue Water
West Branch	Trinity		Northern

DIOCESAN CONVENTION--OCTOBER 18-19, 2019
CLERGY/DELEGATE REGISTRATION

<i>Alma</i>	St Johns Episcopal Church Mrs Angie Ballard Mr Doug Ballard Ms Kimberly Winnie	Alpena	Trinity Episcopal Church The Very Rev William McClure, Jr The Rev Deacon Dan Maxwell Mrs Marge Larkin Mr Robert Larkin Mr Edward Rockwell Mr Philip Goddard
Atlanta	St Marks Episcopal Church The Rev Phil Seitz Mrs Debra Bowers Mr Mark Bowers Mrs Naomi Deo Mr Tarry Deo	Bad Axe	St Pauls Episcopal Church Mrs Mary Kain Ms Beverly Reilich Mrs Dorothy Shinault Mrs Daphne Thomas
Bay City	St Albans Episcopal Church The Rev Nancy Mayhew Ms Stacey Albaugh Ms Rose Duncan Ms Debra Grochowski Ms Sharon Jehnson	Bay City	Trinity Episcopal Church The Rev Sue Rich Ms Faith Culler Mrs Maureen Leibrand Mrs Patricia Maxim Mrs Shelley Whitehead
Blue Water	Holy Family Episcopal Church The Rev David Vickers Ms Margaret Heaslip Ms Mary Jones Ms Lorna MacDonald Ms Debbie Turnbull	Cheboygan	St James' Episcopal Church The Rev Lewis Crusoe Ms Sue Bronson Ms Anna Coleman Mr Richard Sangster
Corunna	St Pauls Episcopal Church The Rev Russ Merrill The Rev Deacon Linda Ash Ms Carol Amsterburg Ms Margaret Loffelman	Davison	St Dunstons Episcopal Church The Rev Sue Colavincenzo The Rev Deacon Tom Smith Mr Lee Hartman Ms Welma Jones Ms Debbie Kekel
Dryden	St Johns Episcopal Church The Rev Nancy Steele Mr Neil Hargrave Mr Russell Underwood Ms Joyce Walker	East Tawas	Christ Episcopal Church Ms Nancy Jo Beckley Ms Sharon Huitema Ms Kathy Nelkie
Fenton	St Judes Episcopal Church The Rev Tracie Little The Rev Mike Marinco The Rev Deacon Judy Marinco Ms Beverly Mills Mr Jack Mills Mrs Carol Pettipher Mr John Pettipher	Flint	St Andrews Episcopal Church The Very Rev Jay Gantz Mr Aaron Baird Mr Randy Hall Mrs Vicki Julian

Flint	St Pauls Episcopal Church The Rev Daniel Scheid Ms Jenny Field Ms Jelicia Ford Mr Craig Leavitt Ms Jaz Meeks	Flushing	Trinity Episcopal Church The Rev Barb Cavin Ms Linda Niedecken Mrs Shirley St John
Gaylord	St Andrews Episcopal Church The Rev Pam Lynch Mr. Alan Ochsner Mrs Annette Ochsner Ms Jacqueline Skinner	Gladwin	St Pauls Episcopal Church The Rev J Thomas Downs Mrs Nancy Doyle Ms Marilea Levine Ms Merrill Downs Ms Mary-Jane Ogg
Grand Blanc	St Christophers Episcopal Church The Rev Donald Davidson The Rev Cannon Michael Spencer Mrs Linda Rathburn Ms Ellen Safley Mrs Coleen Shrank	Grayling	St Francis Episcopal Church The Rev Elizabeth Chace Ms Debby Anthony Mrs Carol Moggo Mrs Judy Woodland
Harrisville	St Andrews-By-The-Lake Episcopal Church The Rev Joe Jenney Mrs Jeanne Meskus Mrs Sue Wander	Harsens Island	St Pauls Episcopal Church The Rev Rebecca Lepley Mr Robert Lepley
Higgins Lake	St Elizabeths Episcopal Church The Rev Mary Shortt Mr Don DeWalt Ms Leah Babcock-Wolf Ms Renee Babcock-Wolf	Hillman	Calvary Episcopal Church Ms Linda Albright Mrs Brenda Bailer Mrs Karen Porter
Indian River	Transfiguration Episcopal Church The Rev Tyler Richards Ms Kathy Piotracsk Ms Karen Stausbaugh	Lapeer	Grace Episcopal Church The Rev Sarah Parks The Rev Deacon Larry Parks Mr Terry Cook Mr Jack Lewis Mr Robert Thomas Ms Barb Wilson
Lexington	Trinity Episcopal Church The Rev Kay Houck Ms Beth Barkley Ms Debbie Bussineau-King Ms Michelle Irwin Mr Troy Irwin	Long Rapids	Grace Episcopal Church No Delegation
Midland	Holy Family Episcopal Church Mrs Bethany Grubb Ms Alicia Miller Mrs Betty Ujevich	Midland	St Johns Episcopal Church The Rev Kenneth Hitch Mrs Betsy Greenwood Ms Ellen McVey Mr Lee Smith Ms Alicia Watt

Mio	St Bartholomews Episcopal Church The Rev Allan Feltner Mrs Donna Ott Ms Sharon Sieting Ms Tiffany Ware	Oscoda	Hope-St John's Episcopal Church Ms Dot Bissell Mrs Margaret Krause
Otter Lake	St Johns Episcopal Church The Rev Ann Norton The Rev Harold Schneider Ms Debra Hemingway Ms Janet Huff-Worvie Mr Joe Norton	Owosso	Christ Episcopal Church Mrs Carolyn Koenig
Port Huron	Grace Episcopal Church The Rev Lydia Speller The Ven. Rev. Linda Crane The Rev Shirley Seeley Ms Mary Lou Creamer Ms Jeanette Ettin Mr Brian Wandelt	Rogers City	St Lukes Episcopal Church Mrs Maggie Michaud
Saginaw	St Johns Episcopal Church The Rev Curt Norman The Rev Pam Renna Ms Mary Baukus Ms Kathy Coman	Saginaw	St Pauls Episcopal Church Mr Daniel Evans Dr Caroline Scott Ms Doretta Williams
Saginaw	St Matthews Episcopal Church The Rev Mary Jo Hudson Mr Rick Stuart Ms Beth Taylor Mr Donald Taylor	Sand Point	St Johns Episcopal Church The Rev Deacon Jane Spencer Mr Darnell Beedle Mr Joseph Beedle Mr Doug Freeman Mr Jim McCallum
Sandusky	St Johns Episcopal Church No Delegation	Standish	Grace Episcopal Church Mrs Beryl Tarrant
West Branch	Trinity Episcopal Church The Rev Brian Chace Dr Martha Bamfield Mr Michael Busch Ms Debra Heisler		

**DIOCESAN CONVENTION--OCT 18-19, 2019
CLERGY LISTING**

**CLERGY PRESENT AND ELIGIBLE TO VOTE,
NOT LISTED ELSEWHERE**

Waynick	Cate	Bishop
Barta	Heather	Provisional
Brunell	Paul	Clergy
Curtis	Charles	Clergy
Fargo	Valerie	Clergy
Grady	Ann	Clergy
Houle	Mike	Clergy
Kubbe	Anna Leigh	Clergy
Manney	Thomas	Clergy
Michaud	Bruce	Clergy
Owsley	Rebecca	Clergy
Stefanovsky	Derek	Clergy

**CLERGY NOT PRESENT AND NOT
ELIGIBLE TO VOTE**

Houghton	Frederick	Clergy
Knotts	Wayne	Clergy
Laycock	John	Clergy
King	Edward	Clergy
Wilson	Mike	Clergy

**CLERGY NOT PRESENT,
BUT ELIGIBLE TO VOTE**

Ash	Linda	Clergy
Boli	Judith	Clergy
Bennett	Franklin	Clergy
Breznau	Nancy	Clergy
Clark	Marlene	Clergy
Delaney	Mary	Clergy
Diehl	Jane	Clergy
Finn	Robert	Clergy
Harpfer	Nancy	Clergy
Harrison	James	Clergy
MacDonald	John	Clergy
Merrill	Russ	Clergy
Michaud	Bruce	Clergy
Naughton	Sharon	Clergy
Otto	Susan	Clergy
Rehagen	Gerald	Clergy
Schneider	Ned	Clergy
Schuetz	Mary Jo	Clergy
Sorenson	James	Clergy
St. Pierre	Joanne	Clergy
Tepe	Don	Clergy
Thompson	Karen	Clergy
Vince	Gail	Clergy
Young	Sherry	Clergy



May 1, 2019

Management and the Diocesan Council
Episcopal Diocese of Eastern Michigan
Saginaw, MI 48604

We have completed our audit of the financial statements of The Episcopal Diocese of Eastern Michigan (the Diocese) as of and for the year ended December 31, 2018, and have issued our report dated May 1, 2019. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The appendices to this letter set forth those communications as follows:

I Auditors' Communication of Significant Matters with Those Charged with Governance

In addition, we have identified an additional matter that is not required to be communicated but we believe is valuable for management:

II Matter for Management's Consideration

We discussed these matters with various personnel in the Diocese during the audit and have already met with management. We would also be pleased to meet with you to discuss these matters at your convenience.

These communications are intended solely for the information and use of management, the Diocesan Council, and others within the Diocese, and are not intended to be and should not be used by anyone other than those specified parties.

Yeo & Yeo, P.C.

Saginaw, Michigan

Appendix I
Auditors' Communication of Significant Matters with Those Charged with Governance

Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 3, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Diocese are described in Note 1 of the financial statements. The Diocese has adopted FASB ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 is effective for years ending December 15, 2018 and later. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We noted no transactions entered into by the Diocese during the year where there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting Episcopal Diocese of Eastern Michigan's financial statements was:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole and free from bias.

Disclosures in the financial statements are neutral, consistent and clear.

Accounting Standards and Regulatory Updates

- *Tax Reform*
Everyone is well aware that tax reform has become law. There are two sets of potential direct effects on nonprofits that could have significant taxable impacts, even to entities that previously had no taxable income.

The first major direct effect is taxable nondeductible expenses. The impact of this started on January 1, 2018, *regardless* of fiscal year end date. In order to put nonprofits and for-profits on a level playing field, the following expenses are not only nondeductible when incurred in an unrelated trade or business, but nondeductible (i.e. taxable expenditures) when incurred in a related or excluded trade or business. These expenses include qualified transportation fringe benefits, parking facilities used in connection with qualified parking, and on-premises athletic facilities. The law *still* states that these amounts are *excluded* from *employees'* wages; if the expense meets the definition, there appears to be no leeway to push the expense to the employee. However, when the expense is excluded from employees' wages, it triggers

the nondeductibility aspect. For-profits and unrelated trades or businesses see this as a nondeductible expense, thus increasing taxable income. Related trades or businesses or excluded income have no taxable income to begin with, so to get the same impact, these expenses get *added* as taxable income.

The biggest issue tends to be the qualified parking (one of the qualified transportation fringe benefits.) In general, if your organization owns or rents parking spaces for your employees in an area where there is a value associated with rental of a parking space, you likely have qualified transportation fringes, and therefore taxable income. The entire 990-T form gets a \$1,000 standard deduction. So if the total of taxable expenditures plus gross unrelated business income is \$1,000 or less, there is no tax impact. If it is greater than \$1,000, there is likely a tax impact. These qualified transportation expenses, parking facilities used in connection with qualified parking, and on-premises athletic facilities expenses could be the only items on Form 990-T and could cause you to have a Form 990-T when you have never had one in the past.

The second direct effect is on traditional unrelated business income. Starting with the 2018 return, each activity will have to be tracked separately. One activity's losses cannot offset another activity's income. Net operating loss carryforwards will only be applicable to the activity that generated the net operating loss carryforward. In addition, the other nondeductible expense rules which apply to corporations, such as entertainment being nondeductible, will also apply to unrelated business income.

We are working through the tax law and trying to determine how it will impact the nonprofit industry and our clients in particular. However, the IRS is still in the process of issuing regulations on all the different tax law changes. The IRS regulations, once issued, may confirm or change interpretations of the law. We suggest paying close attention to developments with respect to these matters, considering the impact they could have to your organization, and, generally, planning for more taxable income than you've had in the past.

- *Impact of Decision in South Dakota v. Wayfair*

In June of 2018, the Supreme Court overturned the 1992 case of *Quill Corp. v. North Dakota*, as part of their decision in deciding *South Dakota v. Wayfair*. This potentially affects any organization making sales of goods or services. Formerly, you needed to be physically present in a state to have a responsibility to collect sales tax on purchases or services provided in that state; that is no longer always the case. Further, goods and services in that are not taxable in Michigan, may be taxable in another state. Exemption rules and reporting requirements also vary by state. If you are party to transactions with out of state purchasers, you may be required to collect and remit sales tax for another state. Also, if you make purchases from out of state vendors, you may be required to remit use tax to the state of Michigan. We recommend that your sales and use tax exposure be evaluated regularly to limit exposure of non-compliance.

- *Contributions Received and Contributions Made*

Standards delineating between exchange revenue and contribution revenue, as well as those delineating between unconditional and conditional contributions, have been updated and are applicable for the fiscal year ending December 31, 2019. In general, if the resource provider does not receive commensurate value in return for the resources transferred, the revenue is contribution revenue. However, this standard goes on to explain that if the value is received by the general public, and not the resource provider, it is a contribution. In addition, conditional contributions are those contributions which have a barrier that must be overcome before the recipient is entitled to the assets and there is a right of return or right of release on those assets by the resource provider. This standard will cause many Federal grants to be considered conditional contributions, rather than exchange transactions. This will increase disclosures, but may not significantly impact the timing of revenues. Contributions made (expense transactions), will also be similarly accounted.

- *Revenue Recognition*

There is a new revenue recognition (exchange transactions not contributions) standard that will be applicable for the fiscal year ending December 31, 2019. However, if comparative financial statements are presented, all years shown will need to follow the same guidance. Therefore, for comparative financial statements, this new standard may need to be run side by side with the existing standard for the year ending December 31, 2018. The new standard has a five step process for recognizing revenue. 1) Identify the contract with the customer. 2) Identify the performance obligations within the contract. 3) Determine the transaction price. 4) Allocate the transaction price to the performance obligation. 5) Recognize revenue when the performance obligation is met. This standard aligns all revenue recognition to similar concepts, rather than industry specific standards. In addition, it discusses some concepts, such as material rights and performance obligations for "free" goods and services that may not have been covered in previous standards. Look for additional guidance to be released in the future as the Financial Accounting Standards Board (FASB) wrestles with implementation of many nuances of this standard.

- *Cybersecurity Posture*

Cybersecurity posture, an overall measure of cybersecurity strength, is more prevalent than ever as organizations continue to face cybersecurity risks. Billions of emails are sent every day, some of which contain attachments with malicious files or malicious embedded links aimed at negatively impacting unsuspecting organizations. A recent study showed as many as four out of five US Companies have suffered from an attack. Not only can a successful attack cost thousands of dollars and put a strain on IT resources while remediation efforts are underway, but sensitive information may be breached.

Risk assessment is a first step in mitigating cybersecurity risks and improving your organization's overall cybersecurity posture. The National Institute of Standards and Technology published Framework for Improving Critical Infrastructure Cybersecurity, which "enables organizations, regardless of size, degree of cybersecurity risk, or cybersecurity sophistication, to apply the principles and best practices of risk management to improving the security and resilience of critical infrastructure." The framework is designed to cover five areas including identification, protection, detection, responsiveness and recovery. The publication can be found at www.nist.gov.

Placing significant emphasis on evaluating your organization's cybersecurity posture, and channeling sufficient resources towards proper risk assessment, implementation, and education will reduce the likelihood of a cybersecurity threat, and help lessen the impact of a breach.

- *Leases*

There is a new Accounting Standards Update which will significantly change accounting for leases by both lessors and lessees. The new guidance, requires the right of use model in accounting for all leases, with limited exceptions. As a result, lessees will be required to recognize assets and liabilities arising from operating leases. Lessees will recognize interest expense on the liability and amortization of the right-to-use asset in their results of operations. Capital lease accounting will also change due to changes in guidance related to options and contingent rentals. Rules may be simplified for leases with terms of twelve months or less but will be applied to all existing leases upon adoption. The guidance could have implications, not only for the Organization's financial statements, but also for any applicable debt covenants. The standard that will be applicable for the fiscal year ending December 31, 2020. However, if comparative financial statements are presented, all years shown will need to follow the same guidance. Therefore, for comparative financial statements, this new standard may need to be run side by side with the existing standard for the year ending December 31, 2019.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial. The adjustments identified during the audit have been communicated to management and management has posted all adjustments.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

There were no uncorrected misstatements that were more than trivial.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We had no disagreements with management during the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Diocese's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Diocese's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Qualified Opinion

The Diocese expenses are reported by natural classification. Accounting principles generally accepted in the United States of America require functional reporting of expenses. This results in a qualified opinion, which is expected to read:

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Episcopal Diocese of Eastern Michigan as of December 31, 2018, and the results of its operations for the year then ended in accordance with the cash basis of accounting.

Emphasis of Matters in Independent Auditors' Report

Our report will include the following emphasis of matter paragraphs:

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. These financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, The Episcopal Diocese of Eastern Michigan changed its method of accounting for net assets in 2018 as required by the provisions of FASB Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Appendix II
Matter for Management's Consideration

In planning and performing our audit of the financial statements of the Diocese as of and for the year ended December 31, 2018, we considered the Diocese's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, we do not express an opinion on the effectiveness of the Diocese's internal control.

However, during our audit we became aware of a matter for management's consideration that is an opportunity for strengthening information technology internal controls. This letter does not affect our report dated May 1, 2019, on the financial statements of the Diocese. Our comment and recommendation regarding that matter is:

Information Technology

During the course of our audit, we obtained an understanding of internal controls over the information technology (IT) system. It was noted that the Diocese currently does not have any policy that requires users to change their passwords periodically. We recommend that management draft a password policy and that it be approved by the Diocesan Council. An effective password policy should include items such as minimum password length, password expirations after a set period, and/or lock out after three failed attempts. Having a strong password policy will help to ensure that Diocese data is better safeguarded.

The Episcopal Diocese of Eastern Michigan

Financial Statements

**December 31, 2018 (With Summarized
Comparative Information for 2017)**

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Independent Auditors' Report

To the Diocesan Council
The Episcopal Diocese of Eastern Michigan
Saginaw, Michigan

We have audited the accompanying financial statements of The Episcopal Diocese of Eastern Michigan, which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2018, and the related statement of revenues, expenses, and changes in net assets – cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As described in Note 1 to the financial statements, the expenses of The Episcopal Diocese of Eastern Michigan are reported by natural classification in the financial statements. Accounting principles generally accepted in the United States of America require functional reporting of expenses. The effect on the accompanying financial statements of the failure to report expenses on a functional basis has not been determined.

Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Episcopal Diocese of Eastern Michigan as of December 31, 2018, and the results of its operations for the year then ended in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. These financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, The Episcopal Diocese of Eastern Michigan changed its method of accounting for net assets in 2018 as required by the provisions of FASB Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited The Episcopal Diocese of Eastern Michigan 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Yeo & Yeo, P.C.

Saginaw, Michigan

May 1, 2019

The Episcopal Diocese of Eastern Michigan
Statement of Assets, Liabilities and Net Assets - Cash Basis
December 31, 2018
(With Summarized Comparative Information for 2017)

	2018			2017
	Operating Fund	Endowment Fund	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 746,320	\$ 449,278	\$ 1,195,598	\$ 1,358,487
Loans receivable				
Congregations	8,834	-	8,834	31,612
McGehee Fund	8,000	-	8,000	8,000
Total current assets	763,154	449,278	1,212,432	1,398,099
Long-term investments	1,348,398	6,574,289	7,922,687	9,149,487
Loans receivable, net of current portion	500,000	-	500,000	-
Property and equipment, net	234,862	-	234,862	251,905
Total assets	\$ 2,846,414	\$ 7,023,567	\$ 9,869,981	\$ 10,799,491
Liabilities and Net Assets				
Pass through liabilities	\$ 10,062	\$ -	\$ 10,062	\$ 27,983
Net assets				
Without donor restrictions				
Designated by the Diocesan Council for Endowment Fund	-	4,557,710	4,557,710	4,990,661
Designated by the Diocesan Council for Loans and Grants Fund	420,191	-	420,191	446,158
Designated by the Diocesan Council for operations	1,245,235	-	1,245,235	894,005
Designated by the Diocesan Council for Congregational Development Fund	729,879	-	729,879	771,059
Designated by the Diocesan Council for Indigenous Human Needs Fund	38,755	-	38,755	52,054
Designated by the Diocesan Council for the 1% Debt Relief Fund	7,857	-	7,857	8,420
Invested in property of equipment	234,862	-	234,862	251,905
Total without donor restrictions	2,676,779	4,557,710	7,234,489	7,414,262
With donor restrictions				
Perpetual in nature	-	608,911	608,911	608,911
Purpose restrictions	159,573	1,856,946	2,016,519	2,748,335
Total with donor restrictions	159,573	2,465,857	2,625,430	3,357,246
Total net assets	2,836,352	7,023,567	9,859,919	10,771,508
Total liabilities and net assets	\$ 2,846,414	\$ 7,023,567	\$ 9,869,981	\$ 10,799,491

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
For the Year Ended December 31, 2018
(With Summarized Comparative Information for 2017)

	Operating Fund		Endowment Fund		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	2018	2017
Revenue and support						
Diocesan Council						
Congregation income	\$ 452,255	\$ -	\$ -	\$ -	\$ 452,255	\$ 457,328
Growth and Income Fund	19,828	15,916	-	-	35,744	34,399
Tannahill Trust Fund	74,375	-	-	-	74,375	72,500
Tretheway Downs	41,354	-	-	-	41,354	46,463
Loan and Grant Fund - investment income	26,114	-	-	-	26,114	24,609
Loan and Grant Fund - loan interest	627	-	-	-	627	762
Sale of property	25,983	-	-	-	25,983	254,474
CDRF investment income	49,785	-	-	-	49,785	50,941
Indigenous Human Needs Fund investment income	3,332	-	-	-	3,332	2,665
Other	33,375	-	-	-	33,375	73,079
Total Diocesan Council revenue	727,028	15,916	-	-	742,944	1,017,220
 Bishop's Fund - McElroy						
Contributions	-	151,271	-	-	151,271	132,308
Investment income	-	7,818	-	-	7,818	9,640
Total Bishop's Fund revenue	-	159,089	-	-	159,089	141,948
 Trustees - investment income						
Charitable Contributions Fund	-	-	-	21,651	21,651	19,508
Growth and Income Fund	-	-	-	47,565	47,565	47,294
Endowment Fund	-	-	304,630	-	304,630	304,448
Breaking New Ground	-	-	-	73,746	73,746	100,948
Trust Fund	-	-	-	25,386	25,386	25,137
Total Trustees revenue	-	-	304,630	168,348	472,978	497,335
 Net assets released from restrictions	224,010	(224,010)	-	-	-	-
Total revenue and support	951,038	(49,005)	304,630	168,348	1,375,011	1,656,503

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
For the Year Ended December 31, 2018
(With Summarized Comparative Information for 2017)

	Operating Fund		Endowment Fund		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	2018	2017
Gains and (losses)						
Diocesan Council						
Indigenous Human Needs Fund	\$ (7,230)	\$ -	\$ -	\$ -	\$ (7,230)	\$ 1,246
Church Development and Redevelopment Fund	(83,444)	-	-	-	(83,444)	66,604
Loan and Grant Fund	(47,473)	-	-	-	(47,473)	23,886
Loss on disposal of property and equipment	-	-	-	-	-	(26,897)
Total Diocesan Council gains and (losses)	(138,147)	-	-	-	(138,147)	64,839
Bishop's Fund - McElroy gains and (losses)	-	(12,845)	-	-	(12,845)	12,394
Trustees						
Charitable Contributions Fund	-	-	-	(36,154)	(36,154)	27,528
Growth and Income Fund	-	-	-	(121,045)	(121,045)	65,699
Endowment Fund	-	-	(506,623)	-	(506,623)	424,447
Breaking New Ground	-	-	-	(128,826)	(128,826)	146,441
Trust Fund	-	-	-	-	-	33,888
Total Trustees gains and (losses)	-	-	(506,623)	(286,025)	(792,648)	698,003
Total gains and (losses)	(138,147)	(12,845)	(506,623)	(286,025)	(943,640)	775,236

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
For the Year Ended December 31, 2018
(With Summarized Comparative Information for 2017)

	Operating Fund		Endowment Fund		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	2018	2017
Expenses						
Diocesan Council expenses						
Ministry of the Diocese	\$ 107,001	\$ -	\$ -	\$ -	\$ 107,001	\$ 73,014
Ministry of the Diocese - Networking	92,810	-	-	-	92,810	76,405
National Church	126,132	-	-	-	126,132	135,054
Office of the Bishop	138,241	-	-	-	138,241	170,072
Office administration and support	290,495	-	-	-	290,495	223,631
Communications	99,445	-	-	-	99,445	86,964
Other	8,203	-	-	-	8,203	1,175
Canon to the Ordinary	92,257	-	-	-	92,257	83,853
Depreciation	17,043	-	-	-	17,043	33,399
Restricted funds	6,124	-	-	-	6,124	24,409
Grants and loans to churches and dioceses	30,000	-	-	-	30,000	57,580
Indigenous human needs grants	12,000	-	-	-	12,000	10,000
Camp Chickagami	85,233	-	-	-	85,233	79,112
Church development and redevelopment	26,836	-	-	-	26,836	398,330
Total Diocesan Council expenses	1,131,820	-	-	-	1,131,820	1,452,998
Bishop's Fund - McElroy expenses	174,746	-	-	-	174,746	161,651
Trustees expenses						
Growth and Income Fund	-	-	-	35,744	35,744	35,000
Investment fees	-	-	650	-	650	150
Total Trustees expenses	-	-	650	35,744	36,394	35,150
Total expenses	1,306,566	-	650	35,744	1,342,960	1,649,799

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
For the Year Ended December 31, 2018
(With Summarized Comparative Information for 2017)

	Operating Fund		Endowment Fund		Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	2018	2017
Transfers in (out)						
Transfers in	\$ 746,852	\$ 51,057	\$ -	\$ (500,000)	\$ 297,909	\$ 450,508
Transfers out - Trustee Funds	-	-	-	(67,602)	(67,602)	(231,779)
Transfers out - Endowment Fund	-	-	(230,307)	-	(230,307)	(218,729)
Total transfers in (out)	<u>746,852</u>	<u>51,057</u>	<u>(230,307)</u>	<u>(567,602)</u>	<u>-</u>	<u>-</u>
Change in net assets	253,177	(10,793)	(432,950)	(721,023)	(911,589)	781,940
Net assets - beginning of year	<u>2,423,602</u>	<u>170,366</u>	<u>4,990,660</u>	<u>3,186,880</u>	<u>10,771,508</u>	<u>9,989,568</u>
Net assets - end of year	<u>\$ 2,676,779</u>	<u>\$ 159,573</u>	<u>\$ 4,557,710</u>	<u>\$ 2,465,857</u>	<u>\$ 9,859,919</u>	<u>\$ 10,771,508</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2018 (With Summarized Comparative Information for 2017)

Note 1 – Summary of Significant Accounting Policies

The Episcopal Diocese of Eastern Michigan (The Diocese) includes the Episcopal Churches in the Northeast quadrant of the lower peninsula of Michigan. The Diocese's primary revenue sources are contributions from congregations, as provided by Diocesan Canon, bequests and investment earnings. The Diocese was established late in 1994 as a separate Diocese from The Diocese of Michigan.

Basis of Accounting

The Diocese's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because The Diocese has not recognized accounts receivable, prepaid expenses, accounts payable to vendors, and the related income and expenses in the financial statements.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Diocesan Council has designated, from net assets without donor restrictions, net assets for various purposes as identified on the statement of assets, liabilities and net assets – cash basis.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed

restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Diocese reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of revenues, expenses and changes in net assets – cash basis as net assets released from restrictions.

Functional Expenses

The expenses of the Diocese are reported by natural classification in the financial statements. This is a departure from Generally Accepted Accounting Principles.

Comparative Financial Information

The financial information for the year ended December 31, 2017, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Reclassification

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

Cash and Cash Equivalents

The Diocese considers all unrestricted and highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2018 (With Summarized Comparative Information for 2017)

The Diocese invests temporary cash primarily in money market funds in a bank in Michigan and brokerage firms. The carrying amount of Diocese deposits with financial institutions at year end was \$1,195,598. The actual bank balances amounted to \$1,258,400, of which \$874,798 at the end of the year was uninsured by FDIC.

Investments

Investments in debt and equity securities with readily determinable fair values are carried at fair value based on quoted prices in active markets. Realized and unrealized gains and losses are recognized in the statement of revenues, expenses, and changes in net assets – cash basis under the gains and losses section.

The Diocesan Council investment policy was established to provide high levels of funding for church projects while preserving the purchasing power of the invested money in the time frame for which investments are made. Investments are diversified to minimize the risk of large losses, unless under the circumstances it is not prudent to do so. The goal is to achieve a 5% average annual real rate of return. The return is recognized as investment income and gains and losses in the financial statements.

Property and Equipment

The Diocese follows the practice of capitalizing all expenditures in excess of \$1,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Major improvements are capitalized while ordinary maintenance and repairs are expensed.

The Diocese evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Gifts of land, buildings, equipment and other long-lived assets are also reported as revenue without donor restrictions and net assets, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Income Tax Status

The Diocese is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization other than a private foundation, as described in Section 509(a).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through May 1, 2019, which is the date the financial statements were available to be issued.

Change in Accounting Principle

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2018 (With Summarized Comparative Information for 2017)

investment return. The Diocese has adjusted the presentation of these statements accordingly.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,195,598
Accounts receivable	516,834
Long-term investments	<u>7,922,687</u>
 Total financial assets - end of year	 \$ 9,635,119
 Less: Financial assets unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions	
Restricted by donor with purpose restrictions	(2,625,430)
 Diocesan Council designations:	
Endowment Fund	(4,557,710)
Loans and Grants Fund	(420,191)
Operations	(1,245,235)
Congregational Development Fund	(729,879)
Indigenous Human Needs Fund	(38,755)
1% Debt Relief Fund	<u>(7,857)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 10,062</u>

Although it appears that the Diocese has very little financial assets to meet cash needs for general expenditures within one year, there are several qualitative factors that contribute to their ability to continue

operations. A large portion of the Diocese's cash and investments are designated by the Diocesan Council for various purposes, one of which includes an operating reserve that could be used, upon approval by the Council, to fund operations. Further, the Diocese receives tithes from local congregations throughout the year which contributes to their ability to meet operational expenses throughout the year.

Note 3 – Investments

Investments as of December 31 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Indigenous Human Needs Fund	\$ 38,755	\$ 52,054
McElroy	108,517	142,221
Loans and Grants Fund	420,191	446,158
CDRF Fund	729,879	771,059
Charitable Contributions Fund	324,174	342,331
Growth and Income Fund	683,262	741,430
Endowment Fund	4,415,890	4,681,925
Trustee Breaking New Ground Fund	821,716	1,579,474
Trustee Designated Trusts Fund	<u>380,303</u>	<u>392,835</u>
	<u>\$ 7,922,687</u>	<u>\$ 9,149,487</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2018 (With Summarized Comparative Information for 2017)

Fair value of investments is determined by Level 1 inputs, which generally use quoted prices in active markets for identical assets that the Diocese has the ability to access. The fair value at December 31 is summarized as follows:

	2018	2017
Cash and money market	\$ 31,283	\$ 70,975
Fixed income	-	344,172
Mutual funds	<u>7,891,404</u>	<u>8,734,340</u>
Total investments	<u>\$ 7,922,687</u>	<u>\$ 9,149,487</u>

Investment income received during 2018 and 2017 is summarized below:

	2018	2017
Dividends and interest	\$ 560,027	\$ 585,190
Realized gain (loss)	307,711	295,369
Unrealized gain (loss)	(801,622)	1,293,951
Less: investment fees	<u>(1,250)</u>	<u>(931)</u>
	<u>\$ 64,866</u>	<u>\$ 2,173,579</u>

Note 4 – Loans Receivable

The Diocese's policy is to hold loans receivable until maturity or until payoff. Loans receivable are reported net of an allowance for loan losses. The loans are deemed to be collectible and the allowance for loan losses is \$0, for the years ended December 31, 2018 and 2017. Interest is recognized as it is earned. As of December 31, 2018 and 2017, the following loans were outstanding:

	2018	2017
McGehee Fund	\$ 8,000	\$ 8,000
St. Alban's, Bay City	-	3,897
St. Dunstan's, Davison	6,237	8,756
St. Francis, Grayling	-	3,297
St. John's, Otter Lake	-	1,400
Calvary, Hillman	-	8,638
St. Christopher Grand Blanc	<u>502,597</u>	<u>5,624</u>
Total loans receivable	<u>\$ 516,834</u>	<u>\$ 39,612</u>

Loans outstanding represent unsecured notes at an interest rate of 3%. Current portion due within the next year amounts to \$8,834.

Note 5 – Property and Equipment

The historical cost of property and equipment at December 31 is as follows:

	2018	2017
Building	\$ 471,139	\$ 471,139
Vehicles and office equipment	65,070	65,070
Less: accumulated depreciation	<u>(301,347)</u>	<u>(284,304)</u>
	<u>\$ 234,862</u>	<u>\$ 251,905</u>

The Episcopal Diocese of Eastern Michigan
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December 31, 2018 (With Summarized Comparative Information for 2017)

Depreciation expense is calculated on the straight-line basis over the estimated useful life of the asset ranging from 3 to 40 years. It was \$17,043 and \$33,399 for the years ended December 31, 2018 and 2017, respectively.

Note 6 – Grants Payable (Footnote Disclosure Only)

The Diocese has grant commitments as of December 31, 2018 to be payable in the future:

	Grants to Churches
Grants payable at beginning of year	\$ -
Additions: grants awarded	30,000
Deductions: payments made	(30,000)
Grants payable	<u>\$ -</u>

Note 7 – Board Designated Net Assets

The Diocesan Council of the Diocese has voluntarily designated \$6,999,627 and \$7,162,357 as of December 31, 2018 and 2017, respectively, whose purposes are outlined on the face of the statement of assets, liabilities and net assets – cash basis.

Note 8 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2018	2017
Subject to expenditure for specified purpose:		
McElroy - Education	\$ 108,517	\$ 132,994
Growth & Income - CESA	1,213	1,213
Growth & Income - Kleinpell	4,375	1,963
Growth & Income - Sheridan	39,692	30,116
Growth & Income - Williams	3,775	2,747
Growth & Income - Wolf	2,001	1,333
Trustee Funds - Charitable Contributions	328,809	343,362
Trustee Funds - Growth & Income	107,398	223,345
Trustee Funds - Batchelder (Children)	66,743	73,946
Trustee Funds - DeMille (Clergy)	244,497	270,444
Trustee Funds - McMath (Lectures)	14,334	16,477
Trustee Funds - Breaking New Ground	<u>1,095,165</u>	<u>1,650,395</u>
Total purpose restrictions	<u>2,016,519</u>	<u>2,748,335</u>
Perpetual in nature:		
Trustee Funds - Growth & Income	554,182	554,182
Trustee Funds - Batchelder (Children)	10,877	10,877
Trustee Funds - DeMille (Clergy)	35,102	35,102
Trustee Funds - McMath (Lectures)	<u>8,750</u>	<u>8,750</u>
Total perpetual restrictions	<u>608,911</u>	<u>608,911</u>
Total net assets with donor restrictions	<u>\$ 2,625,430</u>	<u>\$ 3,357,246</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
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Note 9 – Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2018	2017
Satisfaction of purpose restrictions	\$ 224,010	\$ 194,438

Note 10 – Endowment

Endowments include both donor-restricted funds and funds designated by the Diocesan Council. As required by the cash basis of accounting, net assets associated with endowment funds, including funds designated by the Diocesan Council to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Trustees have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to permit expenditure for the uses and purposes for which endowment funds have been established.

Five percent of the Trustee endowments are made available to The Diocese for operations each year.

The Trustees have the responsibility over the management of endowment funds entrusted to them. The main purpose of the funds is to provide income toward the support of the annual expenses of the Diocese. Emphasis is placed on the asset growth necessary to preserve the purchasing power of assets over time. Net asset growth should outpace inflation in order to ensure this objective is met. Emphasis is also placed on growth of capital while controlling risk. Short-term volatility will be tolerated.

Endowment net asset composition by type as of December 31, 2018 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	\$ 4,557,710	\$ -	\$ 4,557,710
Donor-restricted	-	2,465,857	2,465,857
	<u>\$ 4,557,710</u>	<u>\$ 2,465,857</u>	<u>\$ 7,023,567</u>

Endowment net asset composition by type as of December 31, 2017 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	\$ 4,990,660	\$ -	\$ 4,990,660
Donor-restricted	-	3,186,880	3,186,880
	<u>\$ 4,990,660</u>	<u>\$ 3,186,880</u>	<u>\$ 8,177,540</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2018 (With Summarized Comparative Information for 2017)

Changes in endowment net assets for 2018 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Beginning of year	\$ 4,990,660	\$ 3,186,880	\$ 8,177,540
Distributions	(230,806)	(500,000)	(730,806)
Investment income (loss)	(202,144)	(221,023)	(423,167)
End of year	<u>\$ 4,557,710</u>	<u>\$ 2,465,857</u>	<u>\$ 7,023,567</u>

Changes in endowment net assets for 2017 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Beginning of year	\$ 4,480,644	\$ 2,987,216	\$ 7,467,860
Distributions	(218,729)	(266,779)	(485,508)
Investment income (loss)	728,745	466,443	1,195,188
End of year	<u>\$ 4,990,660</u>	<u>\$ 3,186,880</u>	<u>\$ 8,177,540</u>

Note 11 – Retirement

The Diocese offers lay staff employees the opportunity for participation in a 403(b) contributory retirement plan. The Diocese contributes 9% of the employee's income to the fund for employees who work 1,000 or more hours during the year. The expense to The Diocese for 2018 and 2017 was \$28,213 and \$21,703, respectively.

The Clergy members of the Diocesan staff participate in The Church Pension Fund. The Diocese contributes 18% of their base compensation to the Fund. The Episcopal Diocese of Eastern Michigan contributed \$0 and \$12,246 for 2018 and 2017, respectively.

Note 12 – Subsequent Event

During December 2018, the Diocese issued a note receivable for \$200,000 to Holy Family Episcopal Church of Blue Water for the purchase of a church. The amount was not listed as a loan receivable on the Diocese's book at yearend as the funds were not actually disbursed to Holy Family until January 2019.

Constitution and Canons of The Diocese of Eastern Michigan

as adopted by the Primary Convention,
October 28-29, A.D. 1994

and

as amended by Annual Convention
through
October 19, A.D. 2019

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**THE CONSTITUTION
OF THE DIOCESE OF EASTERN MICHIGAN
ARTICLE I
Territory**

The Diocese of Eastern Michigan embraces all that part of the Lower Peninsula of the State of Michigan lying within Cheboygan, Presque Isle, Otsego, Montmorency, Alpena, Crawford, Oscoda, Alcona, Roscommon, Ogemaw, Iosco, Gladwin, Arenac, Midland, Bay, Huron, Gratiot, Saginaw, Tuscola, Sanilac, Clinton (that portion north of Price Road), Shiawassee, Genesee, Lapeer, St. Clair, and Oakland (that portion within Holly Township) counties.

**ARTICLE II
Loyalty**

As a constituent part of the Protestant Episcopal Church in the United States of America, the Diocese of Eastern Michigan accedes to, recognizes, and adopts the Constitution and Canons of the General Convention, and acknowledges their authority.

**ARTICLE III
The Bishop**

A. The Bishop, an apostle of Jesus Christ, is the chief priest and pastor of this Diocese; in the exercise of this ministry the Bishop is its Ecclesiastical Authority. In case of the Bishop's absence or disability the Bishop may temporarily designate the Bishop Coadjutor as the Ecclesiastical Authority. If no Bishop is qualified and able to act, or in case of a vacancy in the Episcopate, the Standing Committee shall be the Ecclesiastical Authority.

B. Whenever the Constitution or Canons of this Diocese make provision for action by the Bishop, such action, except where otherwise specifically provided, shall be taken by the Ecclesiastical Authority as defined above.

C. The Bishop or Bishop Coadjutor of this Diocese shall be elected in an Annual Convention or in a Special Convention called for that purpose. Notice of such election shall be given at least sixty (60) days prior to such Convention. A two-thirds vote of those present and eligible to vote shall be required for election.

**ARTICLE IV
The Convention**

A. There shall be an Annual Convention of this Diocese as provided by Canon.

1. The Convention shall be composed of the following members with voice and vote: The Bishop, at least one lay delegate from each of the congregations in union with the Convention, and all deacons, presbyters, and other bishops canonically and actually resident within the Diocese. Any other baptized members of this Diocese who are present shall have voice but no vote.

a. The mode of determining the number of lay delegates, of electing lay delegates, and of admitting congregations into union with the Convention shall be prescribed by Canon.

b. The mode of identifying and determining those deacons, presbyters, and other bishops shall be prescribed by Canon.

c. Provision in the Canons may be made for the denial of vote at a Convention of which they may be members to lay delegates and clergy on the basis of failure to submit the Annual Parochial Report required in Title I, Canon 11, Section 2 (Of Parish and other Congregation Registers and Parochial Reports) of the Canons of this Diocese.

2. In all matters which shall come before the Convention, the lay delegates and clergy shall deliberate and vote in one body. A majority of those voting shall be required to approve any matter before the Convention, except proposals to amend the Constitution and Canons and to elect a Bishop or Bishop Coadjutor.

3. The President of the Convention shall be the Bishop, or in the Bishop's absence the Bishop Coadjutor, or in the absence of both the Bishop and the Bishop Coadjutor, if any, the President of the Standing Committee. In the absence of all the foregoing the senior presbyter (by length of time in canonical residence in this Diocese) present shall call Convention to order, and the Convention shall elect a President *pro tempore*.

4. At each Annual Convention a Secretary shall be chosen, and shall remain in office until the next Annual Convention and until a successor be chosen. The Secretary shall perform such duties as may be prescribed by Convention and by Canon. If a vacancy occurs it may be filled by the Bishop with the consent of the Standing Committee.

B. Special Conventions may be called:

1. by the Bishop or the Standing Committee, or
2. by the Standing Committee, if a petition to convene a Special Convention, signed by a majority of each of the governing boards (Vestry or Committee) of ten different congregations in union with the Convention of this Diocese, and also fifteen presbyters canonically and actually resident in this Diocese, is presented to the Standing Committee.

The convener shall notify the Secretary of the Convention specifying the purpose, date, time and place of the proposed Special Convention. The Secretary of the Convention shall give notice to the lay delegates and clergy of the Special Convention in a manner as provided by Canon. The business at such Special Convention shall be limited to the matters set forth in that notice.

C. Every Convention shall include such services of worship as shall be approved by the Bishop, including at least one celebration of the Holy Eucharist.

ARTICLE V

Convocations

Regions of the Diocese to be known as Convocations shall be created as prescribed by Canon.

ARTICLE VI

Canons

Canons, not in conflict with this Constitution, may be adopted by the Convention to implement the provisions of this Constitution and to prescribe the operation of this Diocese. Such proposed Canons or amendments thereto may be adopted, which shall require a two-thirds vote of the members present and eligible to vote at such Convention.

ARTICLE VII**Amendments**

A. Any proposed amendment shall be submitted to the Secretary of the Convention at least one hundred twenty (120) days before the Convention at which it is to be considered. It shall then be filed by the Secretary of the Convention with any committee as determined by Canon, which committee shall report on the proposed amendment, with or without a recommendation, to the Secretary of the Convention not less than sixty (60) days before the date of the Convention.

B. The Secretary shall mail copies of the proposed amendment, including any such report, to the lay delegates and clergy of the Convention at least thirty (30) days prior to the date of such Convention, and shall report the same to the Convention.

C. When such proposed amendment is before the Convention for first consideration, changes may be made during the debate and before the final vote.

D. If such proposed amendment, with any changes made during the debate, is approved by a two-thirds vote of the members present and eligible to vote, it shall lie over to the next Annual Convention for final approval or rejection.

E. When such a proposed amendment comes before the next Annual Convention for final approval, its reading shall be the first order of business. If the amendment is adopted by a two-thirds vote of the members present and eligible to vote, such amendment shall be effective immediately and shall govern all matters coming before the same Convention and thereafter.

THE CANONS OF THE DIOCESE OF EASTERN MICHIGAN

TITLE I: ORGANIZATION AND ADMINISTRATION

CANON 1 Of Lay Delegates

Sec. 1. Each congregation in union with the Convention is entitled to a maximum of four (4) lay delegates to the Convention, and to a corresponding number of alternate delegates. Immediately upon the admission of a congregation into union with the Convention its delegates shall be entitled to vote.

Sec. 2. Each lay delegate has one (1) vote in the Convention.

Sec. 3. Each lay delegate and alternate must be an adult (sixteen years of age or older) communicant in good standing (as defined by Title I, Canon 17, Sec. 2 and 3 (*Of Regulations Respecting the Laity*) of the Canons of the General Convention) in the congregation which they represent. No person under ecclesiastical censure is eligible to be a lay delegate or alternate to the Convention.

Sec. 4. The lay delegates and alternates are to be elected by a simple majority of the members present at the Annual Meeting of the congregation to serve from the time of election. The Clerk of the Vestry shall send a Congregational Data Form containing the names and addresses of the newly elected lay delegates and alternates to the Secretary of the Convention at the Diocesan Center on or before March 1 each year. If, at the time of the Annual or any Special Convention, a congregation has fewer than four (4) duly elected Delegates and Alternates willing to serve, the Vestry of that congregation may elect a sufficient number of qualified persons to so serve. The Clerk of the Vestry shall provide a list of such persons to the Secretary of the Convention before such persons may be recognized as Delegates and/or Alternates.

Sec. 5. The lay delegates of any congregation which has failed to file the annual report required by Title I, Canon 12, Sec. 2 on or before March 1 of any year shall lose their vote at the next Annual Convention and any intervening Special Conventions, except as determined by the Bishop with the consent of the Convention.

CANON 2 Of a List of the Clergy

Sec. 1. On or before the day of the meeting of the Diocesan Convention the Bishop, or if there be no Bishop, the President of the Standing Committee shall cause to be prepared a List of the Clergy, consisting of all bishops, priests and deacons, canonically and actually resident in the Diocese, annexing to the names of the deacons the name of the congregation, other community of faith, or non-parochial ministry to which the deacon is assigned as in Title III, Canon 7, Section 4 (*Of the Life and Work of Deacons*) of the Canons of the General Convention, and to the names of priests the name of the congregation, chaplaincy or other setting (non-parochial) to which the priest is appointed as in Title III, Canon 9, Section 3 (*Of the Life and Work of Priests*) of the Canons of the General Convention; but no clergy while under ecclesiastical discipline shall have a place in such list. The list thus made shall be laid before the Convention immediately after it shall have been called to order. It shall also be appended to the Journal, and sent to the Secretary of the General Convention. For the purposes of interpreting the phrase "actually resident in the Diocese," those clergy whose respective congregations or other places of assignment or appointment noted above are located within the Diocese shall be deemed to be actually

resident, the location of their domiciles notwithstanding; for all other clergy the location of their domicile shall so determine.

Sec. 2. If the right of any of the clergy to a seat in the Convention is disputed, the Convention shall determine whether his or her name should be inserted or deleted in the list aforesaid according to the provisions of the Constitution.

Sec. 3. Any of the clergy who shall have failed to submit the annual report required by Title I, Canon 12, Sec. 2 by March 1 of any year, shall lose their vote at the next Annual Convention and any intervening Special Conventions, except as determined by the Bishop with the consent of the Convention.

Sec. 4. It shall be the duty of all clergy having a vote in the Convention to attend every meeting thereof unless excused by the Bishop.

Sec. 5. Reference in the Canons of this Diocese to ordained persons or to clergy is intended to include bishops, presbyters, and deacons without any distinction or differentiation, except where reference to one or more of those orders is specifically made.

CANON 3 Of the Annual and Special Conventions

Sec. 1. The Diocese will hold an Annual Convention in accordance with Article IV of the Constitution. The date, time, and place shall be determined by the previous Convention; but if the date, time, and place shall not have been so appointed, it shall be determined by the Bishop. The Bishop or Standing Committee calling a Special Convention shall give the Secretary of the Convention reasonable notice as to the proposed date, time, place, and purpose of such Special Convention.

Conventions shall be held in various locations throughout the Diocese.

Sec. 2. The Secretary of the Convention shall give written notice of the date, time, and place of any Convention, annual or special.

(a) Notices will be sent to the lay delegates of the congregations in union with the Convention and to all clergy canonically and actually resident in the Diocese.

(b) Notices of Annual Conventions must be transmitted no less than ninety (90) days prior to the Convention date. Notices of a Special Convention must be sent at least thirty (30) days prior to the Convention date and shall contain the purpose for which the Convention is being called. Notices of a Special Convention for the election of a Bishop or Bishop Coadjutor must be sent at least sixty (60) days prior to the Convention date and contain the purpose for which the Convention is being called.

Sec. 3. The Secretary of the Convention is responsible for the preparation and presentation of the agenda for the Convention.

Sec. 4. Lay delegates entitled to vote from no less than one-half of the congregations in union with the Convention and at least one-half of the List of Clergy prepared according to Title I, Canon 2, Section 1 constitutes a quorum for the transaction of business.

Sec. 5. The Bishop shall appoint members to the following committees. All committee members hold office from the close of the Convention at which they were appointed until the close of business of the following Annual Convention. The Secretary of Convention shall notify all members so appointed, and, with the exception of subsection (a) below, shall designate one of the members of each Committee to convene each Committee's first meeting. Each Committee shall then elect one of its members to serve as Chair. Vacancies will be filled by the Bishop.

(a) CREDENTIALS COMMITTEE, consisting of one (1) person, lay or ordained, responsible for certifying the lay delegates and clergy, including compliance with Title I. Canon 12, Sec. 2.

(b) COMMITTEE ON CONSTITUTION AND CANONS, consisting of three (3) ordained persons and three lay persons, plus the Chancellor of the Diocese, responsible for reviewing all proposed changes to the Constitution or Canons and recommending approval or rejection, insuring that the proposed change is in proper form and style and not in conflict with the Constitution and Canons of the General Convention prior to presentation to Convention.

(c) RESOLUTIONS COMMITTEE, consisting of two (2) persons, one (1) ordained person and one (1) lay person, responsible for presenting to Convention those resolutions offered to the Convention for consideration.

Sec. 6. Resolutions will be submitted to the Convention through the Resolutions Committee in the following manner: Resolutions may originate in the Diocesan Council, in the Standing Committee or in a petition from at least four (4) lay delegates to the Convention and four (4) ordained persons canonically and actually resident in the Diocese.

(a) All proposed resolutions must be received by the Resolutions Committee no later than sixty (60) days before the date of the Convention.

(b) For each proposed resolution, the Resolutions Committee will determine that the resolution complies with this Section as to origination and timeliness, and ensure that it is in the proper form and style (not altering its intent nor content, nor combining it with other resolutions), and present it to the Convention for action.

(c) The Resolutions Committee shall submit its report to the Secretary of the Convention at least thirty five (35) days before the Convention. The Secretary of the Convention shall forward this report to the lay delegates and clergy at least thirty (30) days before the Convention.

(d) The Resolutions Committee shall submit a written report to the Convention of the title of proposed resolutions not received in a timely fashion according to this Section.

Sec. 7. An Annual Convention from time to time may adopt, alter, or delete permanent rules of order not inconsistent with the Constitution and Canons of the General Convention and of this Diocese for itself and subsequent Annual and Special Conventions. Where not otherwise provided, the rules contained in *Robert's Rules of Order – Revised* shall govern the Convention in all cases to which they are applicable, and in which they are not inconsistent with the Constitution and Canons of the General Convention and of this Diocese or the rules of order of the Convention.

CANON 4 Of the Secretary of the Convention

Sec. 1 There shall be a Secretary of Convention, elected upon nomination by the Bishop at the opening of the Convention. An Assistant Secretary may be appointed but need not be confirmed by the Convention.

Sec. 2 The Secretary shall be responsible for the keeping of an accurate record of the Convention actions, and shall transmit a copy of the Journal of every Convention to the Clerk of the Vestry of every congregation in union with the Convention, each of the clergy entitled to vote in the Convention, the Chancellor, and two copies to the Secretary of the General Convention. The Secretary shall also perform such duties as are prescribed by the canons of this diocese.

Sec. 3. The expenses incurred by the Secretary in the performance of official duties shall be paid out of Diocesan funds.

Sec. 4. The Secretary shall notify, in writing, the members of all committees named as a result of any action of the Convention, within fourteen (14) days of their appointment.

CANON 5 Of the Clerk of Nominations of the Convention

Sec. 1. A Clerk, lay or ordained, shall be appointed by the Bishop at each Annual Convention to serve a term of one year, commencing with the close of Convention and ending at the close of the next Annual Convention.

Sec. 2. The Secretary of Convention shall notify the Clerk no more than thirty (30) days after an Annual Convention of those positions and offices due to be filled by election or appointment at the next Annual Convention. The Secretary of Convention also shall notify the Clerk in a timely manner of any changes to the positions and offices due to be filled by election or appointment.

Sec. 3. The Clerk of Nominations of the Convention shall appoint, with the advice and consent of the Bishop, three (3) lay persons and (3) clergy to serve as a Discernment Committee. The Clerk shall chair the Discernment Committee, whose purpose is to discern, receive and verify nominations for Convention elections and appointments and any other bodies as prescribed by Canon, except nominees for the election of a bishop.

(a) The Clerk will forward to the Secretary of Convention a list of nominees for election and persons to be appointed, along with a picture, a brief biographical description and the signed consent of each nominee, at least sixty (60) days before the Convention at which said elections and appointments are to take place.

(b) The Secretary of Convention shall forward this report to the lay delegates and clergy at least thirty (30) days before that Convention.

(c) This report shall indicate that additional names may be added by petition to the Clerk signed by at least eight (8) members of the Diocese and received by the Clerk at least fifteen (15) days before that Convention. Any petition must include a picture of the nominee, a brief biographical description of the nominee and the signed consent of the nominee. The Clerk shall verify the qualification of each person so nominated.

CANON 6 Of Elections

Sec. 1. A Committee on Elections, consisting of three persons, lay and/or clergy, shall be appointed by the Secretary of the Convention. The Committee will provide for and manage the procedure of elections at Conventions of the Diocese and report on the results of the same in a manner consistent with these Canons and as approved by the Convention or the Standing Committee.

Sec. 2. In the election of a Bishop or Bishop Coadjutor the names of all persons nominated shall appear on each ballot, unless the President of the Convention is advised by the nominee or the nominee's authorized representative that the nominee desires to withdraw his or her name from the list of nominees on the ballot, in which case that nominee's name shall be withdrawn on subsequent ballots.

Sec. 3. In all other elections of the Convention the first ballot for an election shall contain the name of all persons as nominated by the appropriate Committee. Any person(s) receiving a majority of the votes cast shall be declared elected.

Sec. 4. Should fewer than the necessary number of persons to fill the positions of an office being elected receive a majority of the votes cast in the first ballot, a second ballot shall be prepared. The names of the remaining unelected nominees receiving the most votes shall, in order of most votes received, be placed on the second ballot in sufficient number to provide only twice the number of names as positions to be elected. Any person(s) receiving a majority of the votes cast in the second ballot shall be declared elected. Should fewer than the necessary number of persons to fill the positions of an office being elected be elected on the second ballot, a third ballot shall be prepared and taken as provided in this Section for the second ballot.

Sec. 5. Should an election by a majority vote be inconclusive after a third ballot, a deadlock shall be declared. Any persons elected on the first, second, and third ballots shall be declared elected, and the remaining unfilled positions shall be filled as provided for the filling of vacancies in the Canon governing that office. Should that vacancy be required to be filled by election at an Annual Convention of the Diocese, that vacancy shall hold over and the next subsequent Annual Convention or Council meeting shall fill that vacancy by election; the person(s) then elected shall serve the unexpired remainder of the original term.

CANON 7 Of the Standing Committee

Sec. 1. There shall be a Standing Committee to perform the various functions and duties prescribed by the Constitution and Canons of the General Convention and the Constitution and Canons of this Diocese.

Sec. 2. When the Standing Committee shall act as the Ecclesiastical Authority under Article III, Section A of the Constitution, it shall have the powers and duties normally performed by the Bishop in matters of discipline, the exception being those cases where the powers and duties are specifically designated to the ordained members of the Standing Committee, in which case such powers and duties shall be exercised by the ordained members alone.

Sec. 3. The Standing Committee shall present to the Annual Convention each year a report of its work and activities during the preceding year, except such as pertain to the exercise of its function as The Council of Advice to the Bishop.

Sec. 4. The Standing Committee shall be composed of six (6) persons serving three-year terms.

- (a) Three (3) lay persons and Three (3) ordained persons shall be elected by the Annual Convention in 2013 with terms designated in each order as three- (3), two- (2), and one- (1) year based on number of votes received.
- (b) In subsequent years, One (1) lay person and (1) ordained person shall be elected at the Annual Convention to serve three-year terms.
- (c) A vacancy in the term of a person elected as provided above shall be filled by vote of the remaining members of the Standing Committee.
- (d) Diocesan Staff (stipendiary or non-stipendiary) are not eligible to serve as members of the Standing Committee.
- (e) No person can serve more than two consecutive terms as a member of Standing Committee.

Sec. 5. The Secretary of the Convention shall convene the first meeting of the Standing Committee following each Annual Convention. At that first meeting the Standing Committee shall:

- (a) Elect from its own members a President, Vice-President, and Secretary.
- (b) Determine the specified date, time, and place of its regular meetings. Such dates, times and places shall be posted at the diocesan office and on the internet. The Secretary of the Standing Committee shall notify all members of the specified date, time, and place of these regular meetings.

Sec. 6. Special meetings of the Standing Committee may be called in accordance with Title I, Canon 12, Section 1 (Of Standing Committees: Meetings) of the Canons of the General Convention, on forty-eight (48) hours' notice; said notice may be waived by consent of the members of the Standing Committee.

Sec. 7. The Secretary of the Standing Committee shall keep faithful record of all its proceedings; preserve the originals of all papers and letters addressed to the Standing Committee; attest to its acts; and deliver to a successor all books and papers which, by virtue of that office, have been received. The minutes of the Standing Committee, and all papers in its hands relative to the Church, shall be subject to the examination of the Convention and the Diocesan Council.

CANON 8 Of the Diocesan Council

Sec. 1. There shall be a Diocesan Council to administer the secular affairs of the Diocese pursuant to the statutes of the State of Michigan and to perform the various functions and duties prescribed by the Constitution and Canons of the General Convention and the Constitution and Canons of this Diocese.

Sec. 2. The Diocesan Council shall function as the governing authority of the Episcopal Diocese of Eastern Michigan, a Michigan ecclesiastical corporation. It shall prepare and adopt the annual financial budget of the Diocese.

Sec. 3. The Diocesan Council shall have full powers over all property conveyed or transferred to it, in trust or otherwise, or held or received by it, for or in connection with the work and business of the Church and the Diocese, or elsewhere, and to collect, pay out, and dispose of all income received or held by it for any such purpose aforesaid, subject, however, to the terms of the trust or trusts under which any such property or money may have been received by it.

Sec. 4. The Diocesan Council may create commissions, task forces, committees, and boards to carry out its work. These entities will operate under guidelines and time frames established by the Diocesan Council. Any committee, board, etc. created by the Diocesan Council can also be terminated by it.

Sec. 5. The Diocesan Council shall provide the following review, approval or disapproval: no congregation which receives financial aid from the Diocese, or which requires permission of the Bishop acting with the advice and consent of the Diocesan Council to encumber property in order to finance any construction project, shall erect any new building or make changes in existing buildings until the plans for such erection or alteration shall have been approved by the Diocesan Council. Any such congregation that fails to comply with this provision shall render itself liable to the forfeiture of its aid, and/or liable to disapproval of the Diocesan Council to encumber property.

Sec. 6. The Diocesan Council shall monitor compliance with the requirements of Title I, Canon 8 (*Of the Church Pension Fund*) of the Canons of the General Convention in a timely and effective manner and work to resolve any deficiencies in that compliance.

Sec. 7. The Diocesan Council shall present to the Annual Convention each year a report of its work and activities during the preceding year. All rules and by-laws of the Diocesan Council shall be published annually in the Journal of the Convention.

Sec. 8. The Diocesan Council shall be composed of twelve (12) persons serving terms of three years each.

(a) All Members of the Standing Committee (6)

(b) Three (3) lay persons and Three (3) ordained persons shall be elected in by the Annual Convention in 2013 with terms designated in each order as three- (3-), two- (2-), and one- (1-) year based on number of votes received.

(c) In subsequent years, One (1) lay person and (1) ordained person shall be elected at the Annual Convention to serve three-year terms.

(d) A vacancy in the term of a person elected as provided in (b) and (c) above shall be filled by vote of the remaining members of the Diocesan Council.

(e) Diocesan Staff (stipendiary or non-stipendiary) are not eligible to serve as members of the Diocesan Council.

(f) No person can serve more than two consecutive terms as a member of Diocesan Council.

Sec. 9. The Bishop, serving as President, shall convene the first meeting of the Diocesan Council following each Annual Convention. At that first meeting the Diocesan Council shall:

- (a) Elect from its own members a Vice-President, and Secretary.
- (b) Elect a Treasurer of the Diocese and such other officers, as it deems necessary.
- (c) Determine the specified date, time, and place of its regular meetings. Such dates, times and places shall be posted at the diocesan office and on the internet. The Secretary of the Diocesan Council shall notify all members of the specified date, time, and place of these regular meetings.

Sec. 10. Special meetings of the Diocesan Council may be called by the Bishop or a two-thirds majority of the members of the Diocesan Council on forty-eight (48) hours' notice - said notice may be waived by consent of the Bishop and a simple majority of the members of the Diocesan Council.

Sec. 11. The Secretary of the Diocesan Council shall keep faithful record of all its proceedings; preserve the originals of all papers and letters addressed to the Diocesan Council; attest to its acts; and deliver to a successor all books and papers which, by virtue of that office, have been received. The minutes of the Diocesan Council, and all papers in its hands relative to the Church, shall be subject to the examination of the Bishop and of the Convention.

CANON 9 Of the Chancellor of the Diocese

Sec. 1. There shall be a legal advisor to the Bishop to be known as the Chancellor of the Diocese of Eastern Michigan, who shall be a resident communicant in good standing of some congregation of the Diocese and an attorney. The Chancellor shall take office upon nomination by the Bishop to, and receiving the approval of, the Annual Convention of the Diocese and shall serve at the pleasure of the Bishop.

Sec. 2. The Bishop may, upon the request of the Chancellor, appoint a Vice-Chancellor and Assistant Chancellors of like qualification, to assist the Chancellor. These shall also hold office at the pleasure of the Bishop.

Sec. 3. If for any reason the Chancellor shall be unwilling or unable to act, the Vice-Chancellor, if there be one, shall succeed to the office of Chancellor until the next Annual Convention.

CANON 10 Of the Registrar

Sec. 1. There shall be elected annually by the Convention, upon nomination by the Diocesan Council, an officer to be called the Registrar of the Diocese, who shall hold office until a successor shall have been chosen. Should a vacancy arise in the office during the recess of the Convention, it may be filled by appointment by the Diocesan Council.

Sec. 2. The Registrar shall be responsible for the safekeeping of all registers, documents, and papers belonging to the Diocese and not required to be kept by any other person or officer, shall cause to be collected and preserved such materials as can be obtained relative to the history of the Diocese and of particular congregations, and shall so arrange, catalogue, and classify all such books, documents, and

papers as to make their contents accessible for reference and use by the members of the Diocese, under such regulation as may be prescribed by the Bishop and the Diocesan Council.

Sec. 3. The Registrar shall also be responsible for the keeping of a book containing a record of all consecrations of church buildings, of all confirmations, with the names of the persons confirmed, of all ordinations, of all sentences and acts of deposition for offenses in the Diocese, of all admissions and dismissals of clergy into or from the Diocese, and of all deaths of clergy belonging thereto.

Sec. 4. The Registrar shall annually present to the Convention a report showing the condition of the collections for which the Registrar is responsible and the additions made to them, with suggestions concerning their preservation, arrangement, and increase, and concerning the best method of securing to the Church a knowledge of all matters of importance contained therein.

CANON 11 Of the Trustees of The Episcopal Church for the Diocese of Eastern Michigan

Sec. 1. The Trustees shall establish, maintain, and administer a Church Trustee Corporation (Public Act A, No. 327, MCLA 450.159) composed of eight (8) Trustees elected from the Diocese (undistinguished as to ordained or not ordained). The Trustees shall elect from among themselves, a President, Vice-President, Secretary, Treasurer, and any other officers they deem necessary.

Sec. 2. Each Annual Convention shall elect from the persons nominated, two (2) persons to be Trustees for four-year terms. In the case of a vacancy, the Diocesan Council shall elect a person to serve the remainder of the unexpired term. No Trustee who has served for more than two years of an expiring term shall be eligible for re-election until at least one year shall have elapsed after the Trustee's second consecutive term of office shall have expired.

Sec. 3. The Trustees shall have full powers over all property devised, conveyed, or transferred to them in trust or otherwise for the use and benefit of the Church in this Diocese, or of any congregation, organization or institution therein, and to collect and receive all income there from, and to pay out such part of the principal and of the net income there from for the purposes aforesaid, pursuant and subject to the terms of the trust or trusts under which any such property or money shall have been received by them. The Trustees shall have such authority as is provided by the laws of the State of Michigan.

Sec. 4. The principal of the several trusts, or such part thereof as the Trustees deem advisable, unless the terms of such trust shall require separate investment, may be combined for the purpose of investment, in a single fund, and the income from such fund shall be paid over proportionately to the beneficiaries of the several trusts.

Sec. 5. The Trustees shall report to the Annual Convention each year, including in that report a statement of all sales, conveyances or mortgages of real estate made by them and all income, expenses, gains, and losses during the preceding year, and of the property held by them as Trustees.

CANON 12 Of Parish Registers and Parochial Reports

Sec. 1. It shall be the duty of all clergy in this Diocese to record in the appropriate Parish Registers all those official acts listed in Title III, Canon 9, Sec. 5(c) (*Of the Life and Work of Priests: Rectors and Priests-in-Charge and Their Duties*) of the Canons of the General Convention.

Sec. 2. A report of every congregation, and of every bishop, presbyter, and deacon whose report is not included in the report of a congregation of this Diocese, shall be prepared annually as required by and in the manner set forth in Title I, Canon 6, Sec. 1 and 2 (*Of the Mode of Securing an Accurate View of the State of this Church*) of the Canons of the General Convention.

CANON 13 Of Business Methods in Church Affairs

Sec. 1. Every congregation shall follow the standard business methods as outlined in Title I, Canon 7 (*Of Business Methods in Church Affairs*) of the Canons of the General Convention.

Sec. 2. The Diocesan Council shall itself, or may designate a committee or other subdivision thereof, to exercise the duties and responsibilities of "The Finance Committee or Department of Finance of the Diocese" as assigned in Title I, Canon 7 (*Of Business Methods in Church Affairs*) of the Canons of the General Convention.

Sec. 3. It shall be the duty of the treasurer of each congregation and of the treasurer of every organization within each congregation to present an annual report in written form to the annual meeting of the congregation. It shall further be the duty of the treasurer of each congregation to present a monthly written financial accounting of the affairs of such congregation to the Vestry thereof.

CANON 14 Of Diocesan Finance

Sec. 1. (a) The Diocesan Council shall prepare, for presentation at the Annual Convention, a Budget for the following year including its share for the support of The Episcopal Church. The Diocesan Council will then notify each congregation of that Diocesan Budget.

(b) Subject to the Constitution and Canons, the Diocesan Council shall have power, between the meetings of the Convention, to adjust at its discretion, any of the items in the Budget.

Sec. 2. The Budget of the Diocese shall be based in part upon the contribution of its congregations for the common mission and ministry of the Diocese. A congregation's Minimum Congregational Contribution shall be an amount equal to 10% of the average of its annual Total Operating Revenues (Unrestricted/Undesignated) for the preceding three years as reported by each congregation on Line "A" of the Annual Parochial Report. Total Operating Revenue includes pledges and open plate; transfers to the operating budget from unrestricted endowments, gifts, bequests, and interest; other operating income such as rental and building use donations; gifts from congregational organizations; and all other unrestricted income.

Sec. 3. The Treasurer shall inform each congregation by August 1 of its Minimum Congregational Contribution for the next calendar year as set forth in Sec. 2 above. Within sixty (60) days each congregation shall respond to the Treasurer in writing as to its commitment for the next calendar year. Each congregation not able to make a commitment equal to at least its Minimum Congregational Contribution should inform the Diocesan Council in writing of its desire to enter into a constructive dialogue pursuant to Title I, Canon 23, Sec. 3.

Sec. 4. Each congregation will forward by the 25th of each month to the Treasurer an amount equal to at least one-twelfth (1/12th) of its commitment for that calendar year.

Sec. 5. Each congregation shall institute a program of stewardship education (including tithing, the minimum standard of giving) designed to emphasize and ensure that stewardship is a continuing mission embracing all aspects of the Church's life.

Sec. 6. Any proposed resolution calling for a Diocese-supported or Diocese-conducted fund appeal must be submitted in accordance with Title I, Canon 3, Sec. 6.

Sec. 7. The Bishop, or the Presiding Bishop of The Episcopal Church, may make direct appeal to the congregations and members of the Diocese for response to emergency needs in extreme or unusual circumstances.

CANON 15 Of The Church Pension Fund

Sec. 1. In conformity with Title I, Canon 8 (*Of the Church Pension Fund*) of the Canons of the General Convention, the Diocese of Eastern Michigan accepts and adopts the system of The Church Pension Fund.

Sec. 2. It shall be the duty of all clergy in the Diocese receiving a stipend, and of every congregation or other ecclesiastical organization paying a stipend or stipends, to furnish a statement thereof upon request to any committee charged by the Canons or Diocesan Council to report on compliance to the provisions of the Church Pension Fund.

CANON 16 Of Deputies to the General Convention

Sec. 1. The Annual Convention, at its meeting in the second year prior to the year of each triennial General Convention, shall elect, by ballot, four (4) lay members of the Church, each of whom is a communicant in good standing in some congregation of the Diocese, and four (4) presbyters and/or deacons, each of whom is entitled to vote in such Annual Convention, to act as Deputies from the Diocese to the General Convention (until their successors have been chosen).

Sec. 2. It shall be the duty of the Deputies-elect to signify to the President of the Diocesan Council, at least sixty (60) days before the meeting of the General Convention, whether, or not, they will attend such meeting.

(a) Should a Deputy not be willing or able to so attend, the Diocesan Council shall fill such vacancy by appointing a Deputy.

(b) The Secretary of Convention shall convene the Deputies of General Convention, as soon as practically possible following their election, for the purpose of selecting a Deputation Chair. The Deputation Chair will be designated as Deputy L-1 or C-1, depending upon order, lay or clerical. The remaining members of the deputation will be designated based on number of votes received at the Annual Convention.

(c) Any duly elected Deputy who, though qualified for election at the time of the election, shall become unqualified as provided by this Canon after that election, may be removed from the Deputies by the Diocesan Council for that cause only, acting with the advice and consent of the Bishop.

CANON 17 Of Deputies to the Provincial Synod

In the year preceding a General Convention, the Convention of the Diocese of Eastern Michigan shall elect from among the current General Convention Deputies, in as equal numbers Lay and Clerical as may be practical, such Deputies as may, from time to time, be needed to represent the Diocese at the Synod Council of the Fifth Province.

CANON 18 Of Convocations and Missional Networks

Sec. 1. The Diocese shall be divided into geographic areas, to be known as Convocations. The Bishop shall establish and may alter the list of congregations within each Convocation with the advice and consent of the Diocesan Council.

Sec. 2. The Diocese, from time to time, may be organized into various networks for strategic missional purposes. These Missional Networks may be established by the Bishop in consultation with the Diocesan Council or by any collaboration of individuals, congregations, agencies, or mission partners.

Sec. 3. The Diocesan Council shall establish a Social Service Council comprised of lay and ordained representatives from around the Diocese for the purpose of administering the common diocesan social service ministry, according to guidelines established by the Diocesan Council.

CANON 19 Of the Organization of New Congregations

Sec. 1. (a) The written consent of the Bishop, acting with the advice and consent of the Diocesan Council, shall be sufficient authority for the formation of a new congregation. The Bishop shall notify the three closest congregations of such intent before granting permission.

(b) No new congregation shall be organized or regular services instituted in any location without the approval of the Bishop acting with the advice and consent of the Diocesan Council.

(c) The site of any existing congregation shall not be changed without the consent of the Bishop acting with the advice and consent of the Diocesan Council; and further, no building thereon may be removed, taken down or otherwise disposed of for any worldly or common use, except as provided in Title I, Canon 22, Section 3.

Sec. 2. An Organizing Fellowship may be formed in accordance with Sec. 1 of this Canon by:

(a) at least six adult members of this Diocese, or

(b) a person authorized by the Bishop, with the advice and consent of the Diocesan Council, to start a new congregation.

Sec. 3. (a) An Organizing Fellowship must apply in writing to the Bishop for Recognition by the Annual Convention at least ninety (90) days before the next Annual Convention.

(b) If the Bishop approves such Application for Recognition, the Bishop shall so inform, in writing, the Secretary of the Convention at least sixty (60) days prior the date of such Convention.

(c) The Secretary of the Convention shall notify the lay delegates and clergy of the Convention at least thirty (30) days prior to the date of such Convention of such Application, and shall report the same to the Convention.

(d) Upon approval by the Convention of such Recognition, the Secretary shall add this Organizing Fellowship to the List of Recognized Organizing Fellowships. As provided in Article IV.A.1 of the Constitution, the members of Recognized Organizing Fellowships who are present and otherwise qualified shall have voice, but no vote, in the Annual Convention of the Diocese.

Sec. 4. A Recognized Organizing Fellowship which does not apply for Admission as a Congregation into Union with the Convention of this Diocese within three (3) years from the date of its Recognition may be removed from the List of Recognized Organizing Fellowships by the Secretary of the Convention, upon direction of the Bishop.

CANON 20 Of the Admission of a Congregation into Union with the Convention of this Diocese

Sec. 1. (a) A congregation may request Admission into Union with the Convention of this Diocese by submitting, in writing, to the Secretary of the Convention at least ninety (90) days before any Annual Convention, an Application for Admission and also the following:

- (i) The minutes of a meeting of the members applying to become a congregation showing that a majority of the members present has voted in favor of making such application and has elected at least three members to act as incorporators of the congregation;
- (ii) A certificate from the Bishop acknowledging the intention of said congregation to incorporate, and approving the Application of such congregation.
- (iii) Proof that the provisions for notification in Title I. Canon 19 have been satisfied.
- (iv) Proof that the Basic Standards in Sec. 2 of this Canon can be met.

(b) At the Convention at which Application for Admission is made, the proofs required in Sec. 1. (accepting the Report in Sec. 2.i) shall be presented covering at least one full calendar year prior to that of the Convention. A copy of the proposed Articles of Incorporation and By-Laws shall also be submitted.

(c) Should the Convention accept this Application, the congregation desiring to be admitted shall then immediately complete its incorporation and also submit a Parochial Report for the year in which the application is accepted.

Sec. 2. The Basic Standards for congregations shall be:

- (a) A congregation will conform to the doctrine, discipline and worship of The Episcopal Church.
- (b) A congregation, as a constituent part of The Episcopal Church, and the Episcopal Diocese of Eastern Michigan, will accede to, recognize and adopt the Constitution and Canons of the General Convention and of the Diocese of Eastern Michigan.
- (c) A congregation will order its common life in concert with the Published Policies set forth by the Bishop and the Diocesan Council of the Diocese of Eastern Michigan.
- (d) A congregation will offer a weekly worship opportunity, with the Holy Eucharist being the principal act of worship on the Lord's Day whenever possible, and at minimum once a month.

- (e) A congregation will elect a Vestry of at least six (6), but not more than fifteen (15), members.
- (f) A congregation will be incorporated according to the laws of the State of Michigan, and a copy of their current Articles and By-Laws will be filed with the Diocese of Eastern Michigan.
- (g) A congregation will call and retain a Rector, or be placed in the charge of a Priest-in-Charge, Pastoral Leader, or commissioned Baptismal Ministry Team by the Bishop, in accordance with the Published Policies of the Diocese of Eastern Michigan.
- (h) A congregation will have representation present at the Diocesan Conventions.
- (i) The Vestry will approve an Annual Budget and present it at the Annual Meeting. The Vestry will complete a yearly audit, submit a Parochial Report, and demonstrate the ability to pay its bills.
- (j) A congregation will contribute to the Diocese at least ten percent (10%) of its Total Operating Revenue, as outlined in Title I, Canon 14, Sec. 2.

Sec. 3. At the next Annual Convention, following the Convention's acceptance of the Application for Admission, all of the evidence and documents required by Sec. 1, including a certified copy of the Articles of Incorporation, appropriate reports covering the time between the Annual Conventions, and proof that the Basic Standards in Sec. 2 of this Canon have been met, shall be presented. That Convention may then take final action to confirm acceptance or reject the Application of said congregation; if confirmed, the Convention thereby admits the congregation into Union with the Convention effective immediately.

CANON 21 Of Congregational Meetings

Sec. 1 The first meeting of a congregation after its Articles of Incorporation have been duly filed may be called by any three or more incorporators, as soon as practical. Notice shall be given to all incorporators and interested parties.

- (a) The incorporators and any persons sixteen (16) years of age or older who are baptized shall be entitled to vote at that meeting, provided that all those so voting first signify an intention of becoming attached to such congregation.
- (b) Those entitled to vote shall
 - (1) choose a person to preside at the initial meeting and appoint a secretary and two persons to judge elections.
 - (2) elect Vestry members of the congregation by a majority of all votes cast. No person may be elected to the Vestry unless they are sixteen (16) years of age, baptized and a regular worshiper for six (6) months prior to the election.
 - (3) adopt a set of By-Laws to govern the management of the temporal affairs of the congregation. The By-Laws shall conform to the Constitution and Canons of this Diocese and of the General Convention and to the laws of the State of Michigan.

Sec. 2. At all subsequent meetings of the congregation, the right to vote shall be confined to such persons who are sixteen years of age or older, for six months prior to the meeting have been regular worshippers in such congregation, are baptized, and are physically present at the meeting.

Sec. 3. An annual meeting shall take place in January of each year. Notice shall be given by the Rector, or in the Rector's absence by either Warden, on each of two Sundays immediately preceding the meeting.

(a) At each annual meeting sufficient numbers of persons shall be elected to constitute a Vestry consisting of not fewer than six (6) nor more than fifteen (15) members.

(1) The congregation may decide to classify Vestry members into three equal classes;

(i) Except for the first election, their terms shall be for three (3) years.

(ii) On the first election, one class shall hold office for one year, one for two years, and one for three years.

(iii) Each annual meeting will elect successors to fill the places made vacant.

(iv) Members shall serve no more than two (2) consecutive three (3) year terms.

(2) If Vestry members are elected for a three-year term, no Vestry members so elected shall be eligible for re-election until one year after his or her second consecutive three year term expires.

(i) Except at the initial meeting, the Wardens, when present, shall be the judges of the election. A majority of all persons present and eligible to vote is necessary to elect.

(ii) The Rector, when present, shall preside at all congregational meetings.

(b) A full and complete record of all meetings of the congregation shall be kept by the Clerk of the Vestry.

(c) The congregation may conduct such other business as may be brought before it. Unless otherwise required by the By-Laws all issues voted upon shall be passed by a majority of those present and eligible to vote.

Sec. 4. Special meetings of the congregation may be called by the Vestry, the Wardens, or the Rector, upon seven (7) days' notice to the Vestry and to the congregation at a regular Service of the Church and a posting of a conspicuous notice at the church building; the purpose of the special meeting shall be incorporated in a notice.

CANON 22 Of the Vestry

Sec. 1. (a) The Vestry members shall annually choose by ballot from their own body two members to be Wardens and one member to be Clerk.

(b) The Vestry shall appoint a Treasurer and may appoint a Secretary and such other agents as may be required at their discretion (who need not be members of the Vestry).

(c) A schedule of regular meetings of the Vestry shall be established at the first meeting of the Vestry after the Annual Meeting, and it shall be posted in a conspicuous place.

(d) Special meetings of the Vestry may be called by the Rector or by one-third of the Vestry members by giving notice thereof at a regular service of the Church and by mail or personal notice to all members of the Vestry.

Sec. 2. A majority of the Vestry members shall constitute a quorum. The Rector, or such other member of the Vestry designated by the Rector, shall preside at all meetings of the Vestry. In the absence of a Rector, one of the Wardens, or a Vestry member chosen by the Wardens, shall preside.

(a) The Rector shall have no vote at the meeting except when presiding, and then only in the event of a tie.

(b) All vacancies in the Vestry may be filled by the remaining Vestry members at any meeting, and the person so elected shall hold office for the unexpired term of the predecessor.

(c) Only those members present may cast a vote on any matter coming before the meeting.

(d) The Clerk shall (i) note and record, in a book provided for that purpose, the minutes of the proceedings of the Vestry meetings (which duty may be delegated to a Secretary appointed by the Vestry). (ii) attest to the public acts of the Vestry, (iii) preserve all records and papers belonging to the Congregation and not required to be kept by any other person or officer, and (iv) perform such other duties as may be assigned. The Clerk shall faithfully deliver into the hands of his or her successor all books and documents belonging to the Congregation that may be in his or her possession.

(e) The Treasurer shall receive all monies collected under the authority of the Vestry and shall disburse the same under the direction of the Vestry.

Sec. 3. Subject to the Canons of this Diocese and the General Convention and the laws of the State of Michigan,

(a) The Vestry shall have authority

(1) in the corporate name of the Congregation, to lease or to purchase and hold such real estate as shall be reasonably necessary for the Congregation's purposes.

(2) to erect, alter, enlarge, take down, or remove and rebuild any church or other building belonging to the Congregation provided such Vestry shall have first obtained the consent of said Congregation.

(b) The Vestry shall have the power to alienate or encumber any assets of the Congregation; except that it shall have no power or authority to alienate or encumber real estate without first being authorized to do so by: 1) a vote of the members of the Congregation at an annual or special meeting called for such purpose, and 2) the prior consent of the Bishop acting with the advice and consent of the Diocesan Council of the Diocese. Should the Vestry encumber real property, it shall, within thirty (30) days thereafter, prepare and furnish the Bishop and the Diocesan Council with a statement showing the date and principal amount of such note and mortgage, the rate of interest thereon, the date and terms of payment of the principal and interest, the date of maturity thereof, and the name(s) and address(es) of the mortgagee(s). The Vestry shall make annual reports to the Bishop and the Diocesan Council as to the status of said mortgage payments until said mortgage is fully paid.

(c) Except for the refinancing of an existing indebtedness, no indebtedness shall be incurred by a Congregation without the approval of the Bishop and the Diocesan Council with these two exceptions:

(1) When the indebtedness is to be incurred for permanent improvements, replacements or additions to real estate or equipment, and where the amount of such indebtedness, together with all other indebtedness of the Congregation, shall not exceed fifty percent (50%) of the average annual receipts of such Congregation during the previous three (3) years.

(2) When the indebtedness is to be incurred for current expenses, and where the amount of such indebtedness, together with all existing indebtedness for current expenses shall not exceed twenty percent (20%) of the total current receipts of such Congregation during the preceding year, and the payment of all indebtedness for current expenses shall be provided for in the budget of the next two (2) years with reasonable expectation of its payment. The principal of endowments and bequests and receipts for purposes other than current expenses shall be excluded from computing receipts under this provision. Whenever approval is required, the Congregation requesting such approval shall furnish a statement of the amount and terms of payment of said indebtedness, the reason for its necessity, and a plan for its retirement.

Sec. 4. (a) All documents requiring corporate signature shall be signed, in the name of the Corporation, by one of the Wardens and by the Clerk, or by such other members of the Vestry as shall be authorized to do so by resolution of the Vestry.

(b) The Vestry shall be responsible for the maintenance of the assets of the Congregation. It shall elect, call and provide for the maintenance of the Rector, keep order in the church during divine worship, and in general act in support of the Rector in whatever is appropriate for the furtherance of the Gospel.

(c) The Vestry shall keep a record of its proceedings together with a record of the meetings of the Congregation. Such records shall be kept open for inspection of the Rector, of any person qualified to vote at the annual meetings of the Congregation, and of the Bishop or the Bishop's designee.

(d) Whenever a Congregation shall fail to fill the vacancies in the Vestry or fail to elect Vestry members, fail to organize or be without a qualified and acting Vestry for a period of two years, it shall be the duty of the Bishop to appoint the proper number of Wardens and Vestry members with the advice and consent of the Diocesan Council. These appointees shall constitute the Vestry of such Congregation until such Congregation is dissolved or a Vestry is duly elected and organized.

(e) Should any member of the Vestry be absent from the regularly scheduled meetings of the Vestry for a period of three consecutive months, the remaining members of the Vestry may, at their discretion and with the advice and consent of the Rector, declare that seat to be vacant and elect a qualified person to fill the unexpired term. In the absence of a Rector, the advice and consent of the Bishop shall be secured.

(f) Any Vestry member under ecclesiastical discipline may be expelled from the Vestry upon the Vestry's determination that the Vestry member so accused is guilty of the violations charged with two-thirds of the Vestry concurring. The person expelled shall have the right to appeal to the Bishop, whose decision shall be final.

Sec. 5. (a) The control of the worship and spiritual jurisdiction of the Congregation shall be under the exclusive direction of the Rector with the godly counsel of the Bishop.

(b) It shall be the duty of the Vestry, when the Congregation is without a Rector, to provide for regular public worship and the instruction of the Congregation led by clergy or by lay persons as circumstances may permit.

CANON 23 Of the Renewal of Congregations

Sec. 1. (a) Written notification to the Bishop of a congregation's possible inability to live into the Basic Standards for Congregation (Title I, Canon 20.2) may be made by the Rector or Priest-in-charge, the Pastoral Leader, the commissioned Baptismal Ministry Team, the Vestry, the Standing Committee, or the Diocesan Council.

(b) Upon receipt of such Notification the Bishop shall then notify the Vestry of such congregation and the Diocesan Council of such possible inability within ten (10) days. The Vestry of such Congregation shall then so notify the members of such congregation within twenty (20) days of its receipt of notice from the Bishop. The Bishop shall, within ten days, communicate in writing to the Vestry of such congregation the date of the next regular meeting of the Diocesan Council at least thirty (30) days thereafter.

Sec. 2. Members of the affected congregation may give witness to the desire to work through the difficulties or for closure.

Sec. 3. The Bishop, in consultation with the Diocesan Council, may recommend that the congregation be facilitated into living into the Basic Standards for Congregations.

(a) The Bishop, three (3) members of the Diocesan Council, and the leadership of the congregation will be the primary participants in developing a plan of action.

(b) Progress reports shall be made to the Diocesan Council every ninety (90) days until the Basic Standards for Congregations are met, or a decision to close the congregation is made.

Sec. 4. The Bishop, in consultation with the Diocesan Council, may recommend closure of the congregation.

CANON 24 Of the Closure of Congregations

Sec. 1. If the Bishop, in consultation with the Diocesan Council, recommends closure of the congregation in accordance with Title I, Canon 23, the Bishop will notify the Congregation within ten (10) days of such decision.

Sec. 2. A service for the celebration of the life and ministry of the congregation shall be scheduled, and, if appropriate, a rite for the secularizing of a consecrated building shall be included.

Sec. 3. All assets shall become the property of the Episcopal Diocese of Eastern Michigan. Financial and non-financial assets, real and personal property, including restricted funds, memorial funds, trusts, etc., will be property of the Diocese to be managed, allocated and disposed of by the Diocesan Council.

Sec. 4. The Bishop shall encourage and assist the communicants of the closing congregation in transferring their membership to other nearby Episcopal congregations.

Sec. 5. A congregation shall not be closed solely on the basis of noncompliance with Published Policies (Title I, Canon 20.2.c) without a minimum of one (1) year of dialogue with the proper ecclesiastical authority and without an opportunity to challenge the policy before the Annual Convention of the Diocese.

CANON 25 Of Chapels

Sec. 1. A Chapel shall be a church without a resident congregation of Members or one which is open only part of the year.

Sec. 2. The title to the property of such Chapel shall be vested in the Diocese. An Offering shall be taken on at least one Sunday of each season for the missionary work of the Diocese.

Sec. 3. A Chapel Committee may be appointed by the Bishop in consultation with the Diocesan Council, which will work with the Bishop on the ministry and mission of the Chapel. Such a Committee shall report to the Bishop at least annually on its activities and finances.

CANON 26 Of Clergy and Congregations Seeking Affiliation with This Diocese

Sec. 1. Whenever a Congregation of Christian people located within the boundaries of this Diocese shall seek affiliation with The Episcopal Church under the provisions of Title I, Canon 16 (*Of Clergy and Congregations Seeking Affiliation with This Church*) of the Canons of the General Convention, the Bishop shall report to the Secretary of the Convention of this Diocese when such affiliate status has been granted by the Presiding Bishop.

Sec. 2. The Secretary shall report to the Convention and list such Congregations separately as “Affiliate Congregations” in reports and listing of Congregations. The Clergy and members of “Affiliate Congregations” shall have seat and voice in the Annual Convention of this Diocese until such time as a) that status is revoked by the Presiding Bishop, b) the oversight of such Congregation no longer rests with the Bishop of this Diocese, or c) such Congregation is admitted into union with the Convention of this Diocese under the provisions of Title I, Canon 20 of the Canons of this Diocese. Should such a Congregation be admitted into Union with the Convention of this Diocese, the clergy thereof may be given vote in the Convention of this Diocese only by admission to the List of the Clergy (Title I, Canon 2) in accordance with the provisions of Title III, Canon 10 (*Of Reception of Clergy from Other Churches*) of the Canons of the General Convention.

CANON 27 Of the Jurisdiction of the Bishop in Communicant Status and Marital Status and the Solemnization of Marriages

All matters which are subject to review under Title I, Canons 17 (*Of Regulations Respecting the Laity*), 18 (*Of the Solemnization of Holy Matrimony*), and 19 (*Of Regulations Respecting Holy Matrimony*) of the Canons of the General Convention may, upon written application, be inquired into, reviewed and disposed of by the Bishop (or, otherwise, in accordance with Article III of the Constitution of this Diocese) in a manner as determined by the Bishop.

CANON 28 Of the Camp Chickagami Board

Sec. 1. The operation of Camp Chickagami shall be under the direction of the Camp Chickagami Board.

Sec. 2 The Camp Chickagami Board shall consist of nine (9) persons. At least seven (7) of the members must reside in the Diocese of Eastern Michigan and at least five (5) of the members must be communicants in good standing of a congregation in the Diocese of Eastern Michigan. All members shall be appointed by the Diocesan Council to three year terms, beginning and ending immediately following the Annual Convention. Diocesan Council minutes will reflect all names proposed or considered for membership on the Board. No member having served two or more consecutive terms shall be eligible for appointment to an immediate succeeding term. All members shall serve until a successor is installed.

Sec. 3. Initial appointees in 2013 will have staggered terms of service with subsequent annual appointments following the guidelines delineated in Section 2 above

Sec. 4. The Board shall have such powers and duties as may be assigned to it by the Diocesan Council. The Board may, subject to the Diocesan Council, adopt its own procedures and rules for the performance of its duties and functions, provided that it shall in all matters be governed by the Constitution and Canons

of the General Convention and of the Diocese of Eastern Michigan, the actions of the Annual Convention of the Diocese of Eastern Michigan, and all pertinent policies of the Diocese of Eastern Michigan adopted by the Annual Convention, the Bishop, and/or the Diocesan Council.

Sec. 5 The Board shall file with the Bishop and with the Diocesan Council a copy of the Minutes of each meeting, and it shall submit a written report to the Annual Convention, to be filed with the Secretary of the Convention at least sixty (60) days before the Convention.

TITLE II: WORSHIP

CANON 1 Of Ordering the Worship of the Church in this Diocese

The Bishop, in consultation with the Diocesan Council, may appoint such bodies as deemed appropriate to further the provisions of Title II (*Worship*) of the Canons of the General Convention.

TITLE III: MINISTRY

CANON 1 Of the Ministry of All Baptized Persons

This Diocese shall make provision for the development and affirmation of the ministry of all baptized persons in the Church and in the world.

CANON 2 Of the Commission on Ministry

Sec. 1. Duties: There shall be a Commission on Ministry whose duties shall be to advise and assist the Bishop, as prescribed by Title III, Canon 2, Section 2 (*Of Commissions on Ministry*) of the Canons of the General Convention.

(a) The Commission shall have authority to appoint sub-committees, drawn from and beyond its own membership.

(b) The Commission shall make a report concerning its work to each Annual Convention of the Diocese.

Sec. 2. Members: The Commission on Ministry shall consist of no fewer than four (4) and no more than five (5) appointed members of the Clergy who are canonically resident in the Diocese; and no fewer than four (4) and no more than five (5) appointed Lay Persons, each of whom is over sixteen (16) years of age, confirmed, a regular attendant in good standing, and a contributor for at least twelve (12) months to the support of a congregation in the Diocese.

Sec. 3. Appointment:

(a) Members shall be appointed by the Bishop for terms of three (3) years. The Bishop shall appoint two (2) laypersons and two (2) ordained persons each year and fill any vacancies as needed, reporting such appointments at the opening of each Annual Convention.

(b) No member may serve more than four (4) successive 3-year terms.

CANON 3 Of the Election of a Bishop

Sec. 1. The election of a Bishop or a Bishop Coadjutor of this Diocese shall be in an Annual Convention, or in a Special Convention called for that purpose in accord with Title III, Canon 11 (*Of the Ordination of Bishops*) of the Canons of the General Convention. The concurrence of two-thirds of the members of the Convention present and voting shall constitute an election.

Sec. 2. Whenever the Bishop of this Diocese shall call for the election of a Bishop or Bishop Coadjutor, the Diocesan Council shall work with the Presiding Bishop and the Office of Pastoral Development to establish a process of discernment and election that follows recommended best practices for episcopal elections. In following said best practices, honor will be given to the unique culture of the Diocese of Eastern Michigan, with particular attention paid to participation of all the baptized.

CANON 4 Of the Calling of Rectors

Whenever a Rectorate becomes open the Vestry shall fill such Rectorate according to the provisions of Title III, Canon 9, Section 3.a (*Of the Life and Work of Priests: The Appointment of Priests: Rectors*) of the Canons of the General Convention; provided, however, that no election shall be had unless and until all requirements of the Church Pension Fund in that congregation shall be paid in full, and the current Diocesan policy on Salary and Benefits be met unless other arrangements are approved by the Bishop.

CANON 5 Of the Reconciliation of Disagreements Affecting the Pastoral Relation

When the pastoral relationship in a Congregation between a Rector and the Vestry or congregation is imperiled by disagreement or dissension, and the issues are deemed serious by the Rector or by a majority vote of the Vestry, either party may petition the Bishop, in writing, to intervene and assist the parties in their efforts to resolve the disagreement in accordance with the provisions of Title III, Canon 9, Section 12 (*Of the Life and Work of Priests: Reconciliation of Disagreements Affecting the Pastoral Relation*) of the Canons of the General Convention.

CANON 6 Of the Dissolution of the Pastoral Relation

Sec. 1. Except upon mandatory resignation by reason of age, a Rector may not resign as Rector of a Congregation without the consent of its Vestry, nor may any Rector canonically or lawfully elected and in charge of a Congregation be removed therefrom by the Vestry against the Rector's will, except as provided in Title III, Canon 9, Section 13(a) (*Of the Life and Work of Priests: Dissolution of Pastoral Relation*) of the Canons of the General Convention.

Sec. 2. If for any urgent reason a Rector or Vestry shall desire a separation and dissolution of the pastoral relation, and the parties cannot agree respecting a separation and dissolution, either party may act in conformity with and subject to Title III, Canon 9, Section 13(b) and following (*Of the Life and Work of Priests: Notice to Ecclesiastical Authority*) of the Canons of the General Convention.

Sec. 3. In regards to the provisions of Title III, Canon 9.13(e) (*Of the Life and Work of Priests: Dissolution of the Pastoral Relation*) of the Canons of the General Convention, the provisions of subsection (e) shall apply in the case of a Rector. In the case of a Vestry, the Bishop may act in accordance with Title I, Canon 23, Section 1(b) of these Canons, said failure constituting a failure to live into the provisions of Title I, Canon 20, Section 2(a).

CANON 7 Of Priests-in-Charge

Sec. 1. All Clergy called or appointed to authority in a congregation, who are not called as Rectors in accordance with Title III, Canon 9, Section 3.a (*Of the Life and Work of Priests: The Appointment of Priests: Rectors*) of the Canons of the General Convention (as provided in Title III, Canon 4 of these Canons), shall be appointed by the Bishop as Priest-in-Charge in accordance with Title III, Canon 9, Section 3.b (*Of the Appointment of Priests: Priests-in-Charge*) of the Canons of the General Convention.

Sec. 2. This Canon shall also apply to any member of the clergy, by whatever title designated, who is called to a congregation for a stated period of time, or whose service to a congregation is limited to a stated period of time by Title III, Canon 9, Section 7 (*Of the Life and Work of Priests*) of the Canons of the General Convention.

Sec. 3. Priests-in-Charge may have a letter of agreement with the Bishop setting forth the mutual responsibilities of the appointment. The Bishop may also have a letter of agreement with the Vestry of the congregation setting forth mutual responsibilities regarding the ministry of a Priest-in-charge.

TITLE IV: ECCLESIASTICAL DISCIPLINE

CANON 1 Of the Administration of Ecclesiastical Discipline

The Diocese of Eastern Michigan adopts by reference Title IV (*Ecclesiastical Discipline*) of the Canons of the General Convention, as adopted in 2009, effective July 1, 2011, and as amended from time to time, applicable to the Ecclesiastical Discipline of Priests and Deacons, and as it pertains to the practices and procedures set forth. To the extent, if any, that any of the provisions of this Title are in conflict or inconsistent with the provisions of Title IV (*Ecclesiastical Discipline*) established by the General Convention, the Canons of the General Convention shall govern.

CANON 2 Of the Discipline Structure

Sec. 1. Disciplinary Board

(a) The Board shall consist of not fewer than seven persons, the majority of whom shall be priests and/or deacons, but by no more than one.

(b) The members of the Board shall be appointed by the Bishop with the advice and consent of the Diocesan Council. The ordained members of the Board must be canonically and geographically resident in this Diocese. The lay members of the Board shall be adult communicants in good standing, and geographically resident in this Diocese. Members shall be appointed for a three-year

term, beginning on the first day of the year following their appointment. Membership on the Board shall meet the limitations set forth in Title IV, Canon 5, Section 3 (*Of Disciplinary Structures: Rules of operation*) of the Canons of the General Convention.

(c) Vacancies on the Board shall be filled by the Bishop with the advice and consent of the Diocesan Council, upon notice by the President of the Board of such vacancy.

(1) Persons appointed to fill vacancies shall complete the vacated term and shall be of the same order as the Board member replaced.

(2) Should a vacancy occur as a result of a challenge, a replacement Board member shall serve only for the proceeding for which the regular Board member is not serving as a result of the challenge, and shall be of the same order.

(d) The Board shall elect from its members a President and one or more Vice-Presidents. The Board shall also appoint a Clerk, who shall be custodian of all records and provide administrative services as needed by the Board. The Clerk may be a member of the Board.

(e) The REFERENCE PANEL shall be composed of an Intake Officer, the Bishop Diocesan, and the President or a Vice-President of the Disciplinary Board. The Reference Panel shall review the Intake Report to determine how to refer the Report for further considerations. All deliberations shall be confidential, except as required by the law or as deemed pastorally appropriate by the Bishop.

(f) A HEARING PANEL of three members of the Disciplinary Board, selected by the President of the Board, shall serve as the body before which a hearing is held as provided by Title IV, Canon 13 (*Of Hearing Panels*) of the Canons of the General Convention.

Sec. 2. Personnel

(a) INTAKE OFFICER. An Intake Officer shall be appointed from time to time by the Bishop after consultation with the Board. The Bishop may appoint one or more Intake Officers according to the needs of the Diocese. The Bishop shall publish the names and contact information of the Intake Officer(s) throughout the Diocese, with methods and means of reporting information concerning alleged offenses. All communications shall be confidential, except as required by law or as deemed pastorally appropriate by the Bishop.

(b) INVESTIGATOR. The Bishop shall appoint an Investigator, in consultation with the President of the Board. The Investigator may, but need not be, a member of the Church. The Investigator shall be skilled and able to conduct investigations under this Title.

(c) CHURCH ATTORNEY. Within 60 days following each Annual Convention, the Diocesan Council, in consultation with the Bishop and Disciplinary Board, shall appoint an attorney to serve as Church Attorney for the following calendar year. The person so selected must be a member of the Church and a duly licensed attorney, but need not reside within the Diocese. The Church Attorney will represent the Church in proceedings under this Title.

(d) **PASTORAL RESPONSE COORDINATOR.** The Bishop may appoint a Pastoral Response Coordinator, to serve at the pleasure of the Bishop in coordinating the delivery of appropriate pastoral responses provided for in Title IV, Canon 8 (*Of Pastoral Response*) of the Canons of the General Convention and this Title. The Pastoral Response Coordinator may be an Intake Officer, but shall not be a person serving in any other appointed or elected capacity under this Title.

(e) **ADVISORS.** In each proceeding under this Title, the Bishop shall appoint an Advisor each for the complainant and for the respondent. A person serving as an Advisor shall hold no other appointed or elected position provided for under this Title; and shall not include persons serving as Chancellors, Vice-Chancellors, or Assistant Chancellors of this Diocese, or any person likely to be called as a witness in the proceeding. An Advisor shall be available for purposes of support, assistance, consultation, and advice regarding the process provided in this Title and the pertinent rights, responsibilities, consequences, and alternatives.

(f) **CONCILIATOR.** The Bishop shall appoint a Conciliator to assist in reconciling the parties and issues involved. The Conciliator shall be a person skilled in dispute resolution and without conflict of interest in the matter.

CANON 3 Of Inter-diocesan Agreements

This Diocese may agree with one or more of the Dioceses in the State of Michigan to develop and share resources necessary to implement this Title, including all boards, panels, and personnel, and administrative and financial support for proceedings under this Title. Such agreement may be established by the Diocesan Council, with the advice and consent of the Bishop, and subject to such changes to this Title as may be necessary to realize full implementation of such an agreement.

TITLE V: CANONICAL LEGISLATION

CANON 1 Of Additions and Amendments to the Canons

Sec. 1. All proposed amendments or additions to the Canons shall be submitted to the Secretary of the Convention at least one hundred twenty (120) days before the Convention at which they are to be considered.

(a) They shall then be filed by the Secretary of the Convention with any committee as determined by Canon, which committee, if any, shall report on the proposed amendments, with or without recommendation, to the Secretary of the Convention not less than sixty (60) days before the date of the Convention.

(b) The Secretary shall mail copies of the proposed amendments or additions, including any such report, to the lay delegates and clergy of the Convention at least thirty (30) days prior to the date of such Convention, and shall report the same to the Convention.

(c) No amendment or addition to the Canons shall be considered by the Convention unless so reported to it by the Secretary.

Sec. 2. When any proposed amendment or addition is before the Convention for consideration, changes may be made by a majority vote during the debate and before final vote. No amendment or addition to the Canons shall be finally adopted and approved unless concurred in and adopted by a two-thirds vote of the members present.

Sec. 3. New canons, deletions of whole canons, and additions to, amendments of, and deletions from existing canons, unless otherwise expressly ordered, shall take effect on the first day following the adjournment of the Convention at which they were enacted or made.

Adopted by the Primary Convention of the Diocese of Eastern Michigan, October 28-29, A.D. 1994, and as amended by Annual Convention of the Diocese of Eastern Michigan through October 27 A.D. 2018.