



JOURNAL OF THE PROCEEDINGS

of the

TWENTY FORTH ANNUAL CONVENTION

of the

EPISCOPAL CHURCH

DIOCESE OF EASTERN MICHIGAN

held in

Flint, MICHIGAN

at

Holiday Inn Gateway Centre

OCTOBER 26-27, 2018

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 26th

10:00 – 4:30 p.m.	Dismantling Racism Training
10:00 a.m.	Safeguarding God's Children Training
11:00 – 5:00 p.m.	Registration Opens in the Foyer
12:00 – 5:00 p.m.	Exhibits
1:00 p.m.	Safeguarding God's People
4:00 p.m.	New Comer Orientation led by Mike Spencer
6:00 p.m.	Dinner
7:15 – 9:00 p.m.	Non-Voting Business Session and Compline

Saturday, October 27th

7:30 – 8:00 a.m.	Breakfast Buffet, drop in
8:15 – 9:15 a.m.	Bishop's Address and Welcome
9:15 a.m.	Business Session and Noon time prayers
12:10 p.m.	Lunch
1:15 p.m.	Second Business Session, Voting
3:00 p.m.	Eucharist at St. Paul's, Flint

GENERAL RULES – ANNUAL CONVENTION NOVEMBER 11, 2016

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 FOURTH ANNUAL CONVENTION OF THE EPISCOPAL DIOCESE OF EASTERN MICHIGAN

Holiday Inn Gateway Centre, Flint, Michigan

Friday, October 26, 2018, 7:15 p.m.
NON-VOTING BUSINESS SESSION

On October 26, 2018, 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 Non-Voting portion of the Convention to order.

MINISTRY CHANGES

Bishop Waynick announced the following ministry changes:

Rev. Tyler Richards accepted a call to Transfiguration, Indian River.

New Order:

Rev. Nancy Mayhew ordained Priest in June 2018, and is now serving at St. Alban's, Bay City.

Rev. Drew Christiansen ordained Transitional Deacon - February 2018, Priest - September 2018.

Now serving as curate at St. Mark's Cathedral in Shreveport, LA.

Rev. Cn. Michael Spencer ordained Transitional Deacon in October, 2018, and is serving at St. Christopher's and the diocese office.

Retired:

Rev. Nancy Harpfer

Rev. Sue Otto

TREASURER'S REPORT

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

In the 2017 financial assets there was an increase of \$992,000 which is a net increase of 10.4%. The Trustee funds return was 16.41%.

2017 year end the diocesan net assets were \$11 Million. 2016 and 2015 both year ends were \$10 Million. In the operations category our 2018 congregation income estimate is a little short of what was budgeted. 2017 year ended with an operations surplus of \$139,820. 2018 is estimated to end with a surplus of \$64,000 due to operation income being less than was budgeted.

2018 Financial highlights:

- Projected operating surplus of \$64K because of below budgeted expenses.
- Investments has a gain projected of 3% or \$300K.
- Budgeted Breaking New Grounds (BNG) funds of \$100K in 2018 and 2019 to fund Coppage-Gordon and Camp Chickagami Director/Diocesan Youth Coordinator over the next two years.
- Budgeted grant distributions of \$30K.

We will continue for 2019 – 2021:

- Congregational income to be 95% less than the prior year.
- Reduce draw from Loans & Grants fund.
- Continue the National Church commitment of 16.5%.
- Budget the Office of the Bishop at full time.
- Continue to budget reserves for the future.
- Keep Diocesan Outreach of 100,000 per annum.
- Maintain funding for Coppage-Gordon and Camp Chickagami Director/Diocesan Youth Coordinator.
- Maximum funding for Loans & Grants requests – 10% of fund balance.

In summary we will continue to:

- Develop mission and ministry activities throughout the diocese.
- Continue to support Coppage-Gordon and Camp Chickagami.
- Continue social service grant funding of \$100,000 through the Social Services and Ministry Networks Committee.
- Make Loans & Grant funds available to congregations.

Long term mission and ministry in the diocese will be possible through continued review of current expenses 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.

BISHOP'S APPOINTMENTS

TO COMMISSION ON MINISTRY

Rev. Tyler Richards

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

Mr. Ed Henneke, Chancellor and Parliamentarian

TO THE RESOLUTIONS COMMITTEE:

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

Rev. Charles Curtis, Clergy, Diocese of Eastern Michigan

DESIGNATED OFFERING

The designated offering for convention will be split between the Dominican Republic and Coppage-Gordon School of Ministry

WRITTEN REPORTS

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

COMMISSION ON MINISTRIES REPORT 2018

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.*

This past year, COM has made revisions to the interview process for persons on the ordination track. We strive to be actively engaged in the discernment process and in supporting vestry involvement for all those seeking ordination. One of the goals of COM is 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.

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. During the past year, COM spent two days in retreat experiencing *Listening Hearts*, a book used in discernment, for the purpose of better understanding how the discernment of gifts and call can be beneficial to lay persons, clergy, and those in the ordination process.

Since Oct. 2017, The Rt. Rev Cate Waynick has taken the following actions after consulting with COM. The Rev. Nancy Mayhew was ordained priest in this diocese and The Rev. Drew Christiansen was ordained priest in Louisiana.

COM currently has nine members who have been appointed by the bishop, five lay persons and four clergy. Members of COM as of Oct. 26, 2018: The Rev. Sue Colavincenzo, Ms. Emily Klein, The Rev. Anna Leigh Kubbe, The Rev. Pam Lynch, Ms. Ellen McVey, Mr. Jon Steele, Ms. Doris Sutton, Ms. Joyce Thewalt, The Rev Sharon Voelker and as Ex-officio, The Rt. Rev. Cate Waynick. We would like to thank Ms. Angela Krueger for her patience and excellence in working with COM. She has been invaluable to us.

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

Respectfully submitted by the Rev. Sue Colavincenzo, Chairperson of COM



In June we celebrated the second graduation ceremony for the Academy for Vocational Leadership. The Academy provides the educational component of preparation for local ordination to holy orders, and 14 people have now completed this program. This three-year joint program with the Dioceses of Michigan and Western Michigan has just begun its fifth year, and we look forward to five more graduates next June.

New this year is Licensed Lay Preacher training at the Academy. This training began in September with nine students from the Dioceses of Eastern Michigan and Michigan and includes the Academy classes in Holy Scripture and Homiletics. Participation in the Academy Bible class or a comparable program is now an expectation for those seeking to become licensed preachers in the Diocese of Eastern Michigan.

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 all of 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: REPORT FOR 2018 ANNUAL CONVENTION

The Recovery Outreach Ministry continued its focus on providing information to the Diocese about the nature of Addiction and Recovery through an educational presentation at the Northern Clericus in mid-January, 2018. Also, several presentations on the subject were done at the local Grayling Gratitude AA open speaker meeting, wherein the general public was invited to attend. During ministry committee meetings in 2018, discussion continued regarding possibly doing an educational workshop about these subjects somewhere more central within the Diocese. It is hoped that this goal will be realized before the 2019 Annual Convention.

Another focus of the committee was the adoption, by the Diocese of Eastern Michigan, of rules and regulations regarding how alcohol shall be treated at parish & diocesan functions. This was something that emerged out of the National Convention of the Episcopal Church, which this committee has been seeking to have adopted by this Diocese. At present, the mechanics of this goal is still being worked out, with the understanding that it may not be a priority while the Diocese is seeking to clarify its vision now that the former bishop was transferred to the Central Office of the American Episcopal Church.

The Committee has continued its activities regarding ministering to the Recovery-Community. The yearly 11th Step Retreat, held the first weekend in June, went rather well. The theme was "Renewing Connections with God, Self & Others". There were 26 participants, and their response to the retreat activities was very favorable, particularly as many of them had been on early retreats held by the Committee, in conjunction with the G.R.A.C.E. center. It was felt, by the presenters, which keeping the attendee's numbers between 25-35 seems to work best, and future retreats will reflect these limits. Financially, the retreat seems to be paying for all its costs, which will allow for more scholarship funds to be available for the next one.

One discussion that has developed within the committee, regarding another ministering-activity to the Recovery Community is to hold a Healing Service at one of the Episcopal Churches in the Northern Area. This idea has already been done by the Roman Catholic Church in Evart, MI., on a yearly basis, and there are many from the various 12-Step communities that attend. Given the positive response that this Service has generated, the Committee felt that this might be a viable means of doing outreach to those in Recovery. Hopefully, this too will be enacted before the 2019 Annual Convention.

Respectfully Submitted by Doug Pryor, Outreach Committee Liaison

REPORT OF THE REGISTRAR

This is a report of the actions taken by the Bishop and/or the Standing Committee from **October 21, 2017 to October 26, 2018**. All records in the Diocesan office are in good order and preserved in a seemly manner.

Actions taken were:

Ordinations to the Priesthood	2
Ordinations to Deacon	2
Baptisms	0
Confirmations	16
Receptions	11
New Clergy Received	2
Clergy Transferred Out	1
Clergy Renunciations/Depositions	0
Clergy Funerals	2
Deconsecrations of Buildings	0
Visitations	34
Celebrations of New Ministries	3

Respectfully submitted by Angela Krueger, Assistant to the Bishop

BISHOP'S CHAPLAIN TO RETIRED CLERGY & SPOUSES AND SURVIVING SPOUSES

At the end of 2017 there were 23 Retired and Senior, Annually-licensed Clergy canonically and actually resident in the Diocese of Eastern Michigan; and of the 23, 14 remained active to some degree in ordained ministry in our congregations (as associates, interims, priests-in-charge, supply clergy, etc.). There were 14 Retired Clergy from other dioceses who live in the Diocese of Eastern Michigan, and of those 14, 8 are licensed and active to some degree in ordained ministry in our congregations. There are 17 Retired Clergy from the Diocese of Eastern Michigan who now live in other dioceses. There are 17 Surviving Spouses (widows or widowers of clergy) who live in the Diocese of Eastern Michigan. There are 8 Surviving Spouses of clergy canonically resident in the Diocese of Eastern Michigan at the time of their deaths who now live in other dioceses.

With my retirement from this office, I appreciate the help of the Church Pension Fund and our Bishops who have supported this ministry, and I look forward to its further growth under the care and nurture of The Rev. Ann Grady, the next Bishop's Chaplain to Retired Clergy & Spouses and Surviving Spouses

Respectfully submitted by the Rev. Charles E. Curtis, Bishop's Chaplain to Retired Clergy & Spouses and Surviving Spouses

STANDING COMMITTEE REPORT

It is an exciting time to be the Episcopal Branch of the Jesus Movement in Eastern Michigan, and in response, the Standing Committee had an exciting year.

We worked with Bishop-Provisional Cate Waynick and diocesan council and staff to help shape diocesan ministries, policies, procedures, and finances. We offered consent to the ordination of bishops throughout the church. We took our part in the oversight of people in the ordination process. All this is the usual work standing committees do.

We're doing some unusual work, too. The eyes of the Episcopal Church look to the Diocese of Eastern Michigan as we explore what new thing God may be calling us to do as the church in the years ahead.

The Standing Committee is the body charged by canons to oversee the transition process from one bishop to the next. In so doing, we have worked with you, the people of Eastern Michigan, to remember where we've been, to evaluate where we are now, and to consider options for our future.

With the "outside" help the Office of Pastoral Development and the "inside" help of our provisional bishop and diocesan staff and council, the Standing Committee has:

- 1) Invited you to five regional self-study meetings and two diocesan-wide meetings, one with our transition consultant the Rev. Dr. Diane Vie and the other with Bishop Sean Rowe from the Diocese of Northwest Pennsylvania.

- 2) Sent you regular electronic communications, with helpful links and videos, to survey you and to keep you informed and up-to-date on the transition process.
- 3) Continued informal yet intentional conversations with the bishop and representatives from the Diocese of Western Michigan around ministries we already share and to consider going deeper into a relationship with each other.
- 4) Brought you three resolutions to pre-convention meetings and to this convention, seeking your broad consensus and support for one of them to shape our work in the coming year.

We are thankful for God's blessings and grace in the past year and are confident of God's continued faithfulness in guiding the work we will do in the coming year. We are thankful to you, the church in Eastern Michigan, for your grace, goodness, and prayerful participation in this process.

Standing Committee members are: Stephanie King, Vice-president, Beth Barkley, Rev. Sue Rich, 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 of the Trustees

CAMP CHICKAGAMI REPORT

A verbal report on the 2018 season at Camp Chickagami was given at Diocesan Convention on October 26, 2018 by Board of Advisors Chairperson and Diocesan Council Member, The Rev. Ken Hitch and Executive Director of Camp Chickagami, McKenzie Bade.

History:

Camp Chickagami is the camp and retreat center of the Episcopal Diocese of Eastern Michigan. Established in 1929, Camp Chick is celebrating almost 90 years of youth camping. As a spiritual home for the diocese, Chickagami offers summer youth camping experiences for ages 8-16, 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.

Camp Chickagami is located about 20 minutes North of Alpena. Camp Chick offers respite and retreat in the midst of God's beautiful creation in Northern Michigan.

Youth and Family Camping:

In the summer of 2018, Camp Chickagami welcomed 180 campers between our eight programs spread over five weeks.

The numbers of campers attending summer camp at Camp Chick has seen significant growth and momentum over the past six years. The opportunity now is for more outreach and continued growth and forward momentum. Leadership will be focusing on establishing more partnership relationships with organizations like the established relationship we have currently with Crossover Downtown Outreach Ministry in Flint with the goals of bringing more young people to camp.

In 2018, 62% of campers at Camp Chick received some sort of scholarship assistance from Camp Chickagami, their home church or another granting organization. Camp Chickagami's scholarship policy is that no child will ever be turned away from camp because they cannot afford it.

This summer, we welcomed 30 young adults as staff members; 60% of whom are previous campers at Camp Chickagami.

Our Christian Formation teams are made up of volunteers from within and outside of our diocese. This summer, 50% of the volunteers were clergy and 50% were lay people.

Rental Groups:

In summer 2018, Camp Chickagami welcomed 21 rental groups to Camp Chick totaling approximately 370 individuals. These include congregational retreats, school and community groups and family vacations.

Sustainability Study:

Bishop Todd's transition led to the appointment of a committee on Diocesan Council to begin a sustainability study of Camp Chickagami. This committee partnered with Episcopal Camps and Conference Centers to work with a consultant to visit Camp Chick and make assessments, recommendations and observations.

One of the results of the consultant's report and sustainability study was the formation of a Board of Advisors for Camp Chickagami. The Board of Advisors has been charged to work with the Executive Director of Camp Chickagami, McKenzie Bade, 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. They met for the first time at the beginning of October.

Diocesan Council continues to hold the role of Board of Directors and fiduciary responsibility of Camp Chickagami.

American Camp Association:

In 2018, Camp Chickagami became an official accredited camp with The 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.

One purpose of the ACA Accreditation program is to educate camp owners and directors in the administration of key aspects of camp operation, particularly those related to program quality and the health and safety of campers and staff. The standards establish guidelines for needed policies, procedures, and practices. The camp is then responsible for the ongoing implementation of the policies.

The second purpose of ACA Accreditation is to assist the public in selecting camps that meet industry-accepted and government-recognized standards. ACA's Find a Camp database is a helpful tool that assists the public in finding an ideal summer camp.

Unlike inspections by state licensing bodies, ACA accreditation is voluntary. The ACA does not have the authority to close or otherwise penalize an entity for not meeting its accreditation criteria, except for the removal of accreditation status. Licensing focuses on the enforcement of minimum standards. Accreditation focuses on education and the evaluation of camp operations, using standards that go beyond the minimum requirements of licensing. Camp Chickagami is also a state licensed program and facility with the State of Michigan.

Financial Highlights:

The actual income from youth and family camping programs exceeded budgeted amount. The overall youth camp expenses were less than budgeted. Facility expenses exceeded budgeted amount due to aging infrastructure and deferred maintenance.

Ministry at Camp Chick is dependent upon donations and other community support. Fundraising and financial development as well as strategic planning for the facility and infrastructure are priority for the rest of 2018 and moving into 2019.

Respectfully submitted, McKenzie Bade Executive Director, Camp Chickagami

NOMINATIONS COMMITTEE

Mike Spencer introduced the candidates running for office that will be voted on at Saturday, 10/27/18 business meeting.

ADJOURNMENT

COMPLINE

Compline was led by the Camp Chickagami youth with music provided by Rev. David Vickers and Brian Ouellette.

SATURDAY, OCTOBER 27, 2018

BISHOP WAYNICK'S ADDRESS

Convention address Eastern Michigan 2018

It is my joy to be with you at this 24th Convention of the Diocese of Eastern Michigan. My ministry among you began just a year ago, and for me, the time has flown by. It has been my privilege to work with diocesan committees and clergy, and have been able to visit twenty-nine parishes sharing worship and have conversations with members and Vestries.

During this year we have shared two celebrations of Confirmation, instituted three rectors or clergy in charge, and ordained one transitional deacon and a priest. And of course, I have been immensely helped and supported by one of the best diocesan staffs in The Episcopal Church!

What I have learned here is what I expected to learn: Episcopalians all over Eastern Michigan are caring for each other, faithfully reaching out to meet a variety of needs within their communities, entering into partnerships with other churches and organizations, and providing a witness to God's love in and through Jesus the Christ. More information about two parishes in particular in just a minute.

I had the joy of representing Eastern Michigan and working alongside your Deputies at the General Convention last July in Austin, TX. They were all very dedicated and hard-working, and you can be justifiably proud of them. You'll hear more from them in the course of this Convention, but I will say that a few of the highlights, for me, were a prayerful listening session in which stories were shared from people who have been sexually harassed or misconduct in our church. They were hard stories to hear, but they were offered in the context of prayer, and reconciliation. We Bishops confessed that we have not always dealt with the victims, parishes, or clergy in helpful ways, and committed ourselves to respond more fully and helpfully in the future.

We also had a significant witness during the convention around the need to address the evil of gun violence. We gathered on Sunday to pray, and to hear from families and students about the ways in which gun violence has intruded into their lives. This is not about eliminating or confiscating guns. It is advocacy for the regulations/laws which will help prevent the current epidemic of gun violence. You may already know this, but it is new information for many others – that every day in the United States – an average of 93 people are killed in gun violence. While we are gathered here for this convention, close to 180 people will die, because guns were obtained illegally, guns were not carefully secured, and often they were stored loaded. We would voice our concern about any other cause of violent injury and death, and it is entirely appropriate for people of faith to advocate for gun safety.

It was great fun to revisit Camp Chickagami – I had been there over 50 years ago, when my little brother attended boy's camp there! You've already had an official report on Camp Chick during this Convention, so I don't need to say more here, except to underscore the fact that support of church camps is one of the most effective ways of engaging and retaining our young members. On the whole, kids who attend camp are more likely to stay involved in the church, so I congratulate and encourage you on your ongoing support of Camp Chick.

Now the two parishes I mentioned earlier.

A particularly heartwarming visit was with Holy Family, Blue Water, where three congregations have been stepping up to the challenge of blending their particular congregational identities into a new community of faith. Work has already begun on making their building accessible, and preparations for reconfiguring the worship space are under way. These brothers and sisters are gaining valuable experience in learning what it means to allow personal preference to take second place to an awareness of God's call to become something new — and they are an inspiration! Please continue to hold them in your prayers as their exciting project continues.

Another challenge which has been met with creativity and faithful determination involves St. Christopher, Grand Blanc. Some of you may be aware that St. Christopher had, for some time, been rather withdrawn from diocesan life. There were a variety of reasons for this, and it would not be appropriate to mention all of them here. But some of you may remember that two years ago (?) several members of the parish came to this Convention and expressed their regret over this estrangement, pledging to help bring St. Christopher more solidly into the diocesan household.

What is less well known is that for more than a decade the inner life of St. Christopher was tightly controlled by one person, including all the financial aspects. Accurate information concerning finances was not made available to the members, including information about the mortgage which had been taken to erect a new building. Financial records were not open and transparent, designated gifts were sometimes used for purposes other than the donor had stipulated. Parochial Reports were not fully transparent and complete, and over time the financial situation became more confused.

The good news is that during these past two years the Priest in Charge and members have been working to bring the parish into new life. It has not been easy for them, but they have done the hard work of changing the culture of the parish to include having members reclaim the responsibilities they should always have had, and to become completely transparent about their finances.

What they learned, and this is the hard part, was that for well over a decade (or more) no payments had been made on the principal of their considerable mortgage. They had been paying interest only. The result is that they have a balloon payment due in February of 2019, and the price tag is 1.7 million dollars.

Over this past year the situation was brought to the attention of the Diocesan Council, a complete audit has been conducted, the parish accounts have been restructured and simplified, conversation has been undertaken with the bank, and a way forward has been identified. Members of the parish have already pledged nearly \$500,000.00, and those contributions will continue to grow. Your Diocesan Council has also made the decision to provide another \$500,000.00 toward making the payment the bank requires in order to refinance the mortgage. These diocesan funds, taken from the Breaking New Ground Fund, are a long term loan, to be repaid after the mortgage is retired. The Council took great care not to unduly deplete the Breaking New Ground Fund, while still providing meaningful support to St. Christopher. The decision of the Council took into consideration the reality that the parish had been miss-guided, and that diocesan leaders had also been kept in the dark.

I have two hopes about this. My first hope is that we might all take a lesson from the experience we share with St. Christopher's. The reason The Episcopal Church insists on accurate record keeping and financial transparency, the reason we insist that more than one person be part of the money handling process, the reason a bishop has the authority and responsibility to examine all parish records – including financial records – is precisely to prevent this kind of situation from developing. In the case of St. Christopher things fell through the cracks, and at this point there is little to be gained by casting blame. The parish will have very tight budgets for many years, and they know the giving level of members will have to keep pace with both their mortgage and their ministries. But the primary lesson here is that there must be NO SECRETS about money!

My second hope is that the response of the whole diocesan household will be deep gratitude that you have the capacity to make this kind of decision. Providing this level of financial support is not possible in many places, and you are blessed to be able to help your brothers and sisters emerge from both a mountain of

debt and estrangement from you. This is one of the advantages in not having a congregational system of governance. As Episcopalians we have automatic allies and partners in each other — and in situations like this one we have the chance to rejoice together!

One of the most pressing issues for you this year has been the work of preparing to make a decision concerning your near future. In preparation, meetings have been held around the diocese, giving you the chance to hear from each other, to share your ideas and feelings, to identify those aspects of your common life you consider to be successful, and what you would like to change or improve.

One issue which was mentioned quite often at these meetings, and which I also heard in conversations with Vestries, is the desire to grow spiritually — to grow in understanding of the faith, in prayer, and in the ability to share your faith with others. One path to the deepening of devotion, and the sharing one's faith, is to adopt practices, or disciplines.....sometimes called a Rule of Life. Our Presiding Bishop has offered an invitation to a Rule of Life he calls The Way of Love. Your General Convention Deputies have information for you about this Rule, and your Diocesan Council is bringing a resolution to you about adopting it on a diocesan level.

Another concern raised in these meetings was about diocesan finances. So at one of the meetings, held last June, you were also provided some information about the financial state of this diocese, and the concerns and questions you raised in response to that meeting have already spurred conversation and action on the part of your Trustees. They will be aggressive in finding ways to maximize the income on your investments, in hopes of giving you more resources for your mission and ministries.

The Standing Committee, some of our staff and I have also been in conversation with leaders in the Diocese of Western Michigan, about the possibility of being increasingly faithful stewards by sharing all kinds of resources. As you know, there is already an impressive list of ministries and programs we share with other Michigan Dioceses. An exciting addition to that list is that Katie Forsyth is now serving as the Canon for Evangelism and Networking for both Eastern and Western Michigan. Bishop Hougland and I are also agreed that we will explore ways to share other staff when openings occur in either diocese. One possibility might be the possibility of sharing of a bishop.

Today you will consider three options for discerning/selecting your next bishop. The first option is to have the Standing Committee select a search committee who will craft a profile and begin the process of electing a bishop as you have done twice in the past.

The second option is to have the Standing Committee find and nominate a Bishop Provisional to serve you for three to five years, during which time you will have a chance to study a variety of approaches, explore ideas you haven't had yet, and come to a somewhat more leisurely conclusion about next steps.

The third option is to elect Bp. Hougland of Western Michigan as your Bishop Provisional for a similar period of three to five years, specifically focusing on ways these two dioceses might have a more robust and intentional common life.

ALL of these options leave you open to consider the sharing of staff/ministries/programs/resources with any other diocese.

NONE of these options locks you into a particular path forever — even option #1 leaves you open, after being served by your own Bishop as you have been in the past, to consider options like #2 or #3 in the future. NONE of these options includes or mandates the co-mingling of funds. Let me repeat that – NONE of these options involves the automatic pooling of your financial assets with another diocese. And this is why, though there has been a good deal of curiosity about the financial details of Western Michigan, there is a sense in which it really doesn't matter!

One of the preparatory gatherings was a Sunday afternoon with Bp. Sean Rowe, the Bishop of Northwestern PA. That diocese and the Diocese of Western New York have been in conversation for several years about trying to share a Bishop. This very weekend, at their convention, Western New York will elect Bishop Rowe to be their Bishop Provisional, and he will serve both dioceses beginning in January, when the current Bishop of Western New York retires.

If you were present for that time with Bp. Rowe, you may remember him talking about some of the challenges this will create for him — he will be dealing with two budgets, two COMs, two Standing Committees, two Diocesan Councils....and two diocesan conventions – probably to be held jointly to enable them to share workshops, education, and worship opportunities. That they are sharing a Bishop does not mean they are merging! They will be operating on parallel paths, so each diocese will send deputies to the General Convention, and each will maintain its particular identity. They are, with great good humor, referring to themselves as the 'diocese of the rust belt,' but that is their own informal way of designating themselves as partners in ministry in an innovative way. So – to reiterate yet again – NONE of these options involves the co-mingling of funds or the automatic merging of the dioceses.

If you choose option number three, your Bishop Provisional will be Bishop Hougland for the next three to five years. During, or at the end of that time, you will be free to decide whether you want to continue that arrangement. You will also be free to decide to elect someone else to be your Bishop Diocesan as you have done in the past, or to move toward an arrangement that might – in the future – lead to merger.

It is not my role to urge you in one direction or another. Any of these options is a faithful way to proceed, any of them can be undone in the future, and any of them can still provide you with ways to be innovative and creative as a diocese. Whatever choice you make about your next bishop, you can't break the diocese! God must really want the Church to exist – if that weren't true, we would have put ourselves out of business a long time ago!

Two weeks ago when the clergy met, I asked them to make just one decision in advance of this convention. NOT a decision about which option they would choose, because I hope you are all here in a spirit of openness. I asked them to decide - in advance - to support whatever decision the Convention makes. I'm making the same request of all of you. You will have a substantial period of time to consider each of the three options around your tables, to share your own thoughts and to listen to what others are saying.

Please enter these conversations with open minds and compassionate hearts, because we all know that when there are options, there will be differences of opinion and preference, and some of you will discover that your preference is not shared by enough other people to prevail. But none of these options is wrong, or bad, or will wreck the diocese. What CAN wreck the diocese is the sour grapes refusal to get on board with the decision of your Convention. So don't do that! Please commit, right now, in this moment, that

whatever choice is made here today, you will share in implementing it, and do your best to make it productive and fruitful.

Decide in this moment that you will continue to be your very best selves....and remain focused on the mandates of our faith. Because as followers and disciples of Jesus, we are not commanded to craft the perfect diocesan structure! Your decision today must be made in service to the mission of the Church. We are commanded to love – and to make the eternal, redeeming, healing, reconciling love of God known to the world. That must be the focus of your passion and the desire of your hearts.

Every year, at our Convention in Indianapolis, I would close by saying that I was blessed beyond telling to be their Bishop, and that I was sure I had the very best job in The Episcopal Church. Today I am saying it to you — thank you for allowing me to be part of your life, and providing me another of the very best jobs in The Episcopal Church!!!!

+ Catherine Waynick, Bishop Provisional

Saturday, October 27, 2018, 9:15 a.m.
FIRST SATURDAY BUSINESS SESSION

On October 27, 2018, 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, seconded, 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.

QUORUM

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

RULES OF CONVENTION

Bishop Waynick noted that copies of "Rules for Decorum and Debate" are on the tables and "Quick Guide to Roberts Rules" was 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, forty two of the forty three congregations of the 2017 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.

VOICE AND VOTING RIGHTS

Bishop Waynick grants voice and vote to Rev. Mary Fitzgerald. Motion was moved, seconded and passed.

ELECTION OF CHANCELLOR

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

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; Jelesia Ford-Geraghty, of St. Paul's, Flint and Carol Moggo of St Francis', Grayling.

The committee presented the following candidates to the 24th Convention of the Diocese of Eastern Michigan:

For the Diocesan Council:

In the clergy order, Rev. Don Davidson, St. Christopher's, Grand Blanc; Rev. Tom Smith, St. Dunstan's, Davison and Rev. Lydia Speller, Grace, Port Huron.

In the lay order, Genevieve Field, St. Paul's, Flint; Gary Grinn, St. Paul's, Gladwin; Elizabeth Jordan, St. Paul's, Flint and Jerry Rucker, St. Jude's, Fenton.

There were no nominations from the floor.

For the Standing Committee:

In the clergy order, Rev. Tracie Little, St. Jude's, Fenton and Rev. Dan Scheid, St. Paul's, Flint.

In the lay order, Beth Barkley, Trinity, Lexington and Janet Huff-Worvie, St. John's, Otter Lake.

There were no nominations from the floor.

For the Trustees:

In the clergy order: Rev. Tyler Richards, Transfiguration, Indian River; lay order: Charles Bash, St. John's, Midland.

There were no nominations from the floor.

Since there is no contest in the election of the Trustees, the committee recommends to elect by acclamation the Rev. Tyler Richards and Charles Bash.

Motion was supported and passed.

ELECTION OF CANDIDATES

Ballots are cast and collected to be tabulated.

ELECTIONS RESULTS

For the Diocesan Council:

Rev. Don Davidson, St. Christopher's, Grand Blanc; Elizabeth Jordan, St. Paul's, Flint

For Standing Committee:

Rev. Dan Scheid, St. Paul's, Flint; Janet Huff-Worvie, St. John's, Otter Lake

TEXT OF THE SUBMITTED RESOLUTIONS

On Behalf of the Standing Committee:

Resolution 1

WHEREAS the Episcopal Diocese of Eastern Michigan remains in transition after the resignation of the Rt. Rev. Todd Ousley, second bishop-diocesan of Eastern Michigan,

BE IT RESOLVED that this 24th Convention ask the Standing Committee to begin the search process for the election of the third bishop-diocesan of Eastern Michigan.

Resolution 2

WHEREAS the Episcopal Diocese of Eastern Michigan remains in transition after the resignation of the Rt. Rev. Todd Ousley, second bishop-diocesan of Eastern Michigan,

BE IT RESOLVED that this 24th Convention asks the Standing Committee to begin the search process for the election of a bishop-provisional, to serve a term of up to five years.

Resolution 3

WHEREAS the Episcopal Diocese of Eastern Michigan remains in transition after the resignation of the Rt. Rev. Todd Ousley, second bishop-diocesan of Eastern Michigan,

BE IT RESOLVED that this 24th Convention asks the Standing Committee to nominate the Rt. Rev. Wayne Hougland, bishop-diocesan of Western Michigan, with the consent of the bishop and the leadership of Western Michigan, to be elected bishop-provisional of Eastern Michigan, to serve a term of up to five years.

DISCUSSIONS ON THE THREE RESOLUTIONS

The delegation is provided with three worksheets to work on as a group. This is to facilitate a conversation about the resolutions to be voted on, and the impact each resolution would have on the diocese. The morning session was spent in discussion of the three resolutions. Voting on the resolutions will be later in the business session. Microphones provided at the back of the conference room for any delegate who has questions for the Bishop and/or the Standing Committee President.

NOON TIME PRAYERS WITH NECROLOGY

Clergy:

Rev. Richard Anderson, formerly of St. John's, Alma

Rev. Jack Breznau, served at St. John's, Sand Point.

Non-Clergy:

Margaret Klumb, She was the first secretary of convention for Eastern Michigan and the long time Registrar of the Diocese of Eastern Michigan.

Jim Schuetz, husband of Rev. Mary Jo Schuetz.

Charles Leibrand, Long time Standing Committee and Personnel Committee member.

SECOND BUSINESS SESSION 1:00 p.m.

VOTING

Voting procedure for the three resolutions explained.

Voting results:

Resolution 1: 37 votes, 22%

Resolution 2: 23 votes, 14%

Resolution 3: 110 votes, 65%

Total votes: 170

Resolution 3 has been passed by the 24th Convention.

TEXT OF THE SUBMITTED RESOLUTION ON BEHALF OF THE DIOCESAN COUNCIL

Resolution 4

WHEREAS the Deputies from the Diocese of Eastern Michigan to the 79th General Convention were inspired by themes of that Convention,

BE IT RESOLVED that this 24th Annual Convention of the Episcopal Diocese of Eastern Michigan encourages all constituent parishes and all individuals in each congregation to adopt a Rule of Life based on any appropriate model including, but not limited to, Presiding Bishop Michael Curry's Way of Love.

A RESPONSE TO THE TREE OF LIFE SYNAGOGUE SHOOTING IN PITTSBURG

Resolution 5

Submitted on the floor by the Rev. Curt Norman, St. John's, Saginaw

WHEREAS the Baptismal Covenant in The Book of Common Prayer calls on followers of Jesus in the Episcopal Church to, among other things, persevere in resisting evil, seek and serve Christ in all persons, love our neighbor as ourselves, strive for justice and peace among all people, and respect the dignity of every human being,

WHEREAS the Episcopal Diocese of Eastern Michigan learned during its 24th Annual Convention of multiple deaths and injuries as the result of gun violence at Tree of Life Synagogue in Pittsburgh, Pennsylvania,

BE IT RESOLVED that the 24th Annual Convention of the Episcopal Diocese of Eastern Michigan condemns in the most strongest terms this and all acts of violence against our Jewish sisters and brothers,

AND BE IT FURTHER RESOLVED that in our individual and corporate life, we endeavor to stretch out our arms of love so that they may continue to know God's loving embrace.

COURTESY RESOLUTIONS

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 24th 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.

WHEREAS, the congregation, clergy, musicians, and ministry leaders of St. Paul's Episcopal Church in Flint have opened their doors as hosts for the celebration of the Holy Eucharist,

BE IT THEREFORE RESOLVED that this 24th Annual Convention of the Diocese of Eastern Michigan does offer its gratitude for their hospitality and support in our communion and worship.

WHEREAS, the attendees of this convention have the opportunity to become better ministers and more fully uphold the promises made in our baptismal covenant to respect the dignity of every human being,

BE IT THEREFORE RESOLVED, that this 24th Annual Convention of the Diocese of Eastern Michigan convey our gratitude to Mr. Bob Lotz, the Rev. Dan Scheid, Mr. Richard Russell, and Ms. Jessica Ford for leading the training course Dismantling Racism; and to the Rev. Heather Barta for conducting training courses within Safeguarding God's Children.

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

BE IT THEREFORE RESOLVED, that this 24th 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.

WHEREAS the Rt. Rev. Catherine Waynick, retired bishop of Indianapolis, has been re-elected bishop provisional of the Diocese of Eastern Michigan

BE IT THEREFORE RESOLVED that this 24th Annual Convention of the Diocese of Eastern Michigan, affirm its disposition with our thanks for her willingness to serve as such and our prayers for God-speed in her ministry.

WHEREAS this convention acknowledges the recent death of the Most Rev. Joseph Cistone, bishop of the Roman Catholic Diocese of Saginaw,

BE IT THEREFORE RESOLVED, that this 24th Annual Convention of the Diocese of Eastern Michigan expresses and conveys our deepest sympathy and offers our prayers for him, his family, and his diocese in their time of sorrow and grieving.

AND WHEREAS the Episcopal Diocese of Eastern Michigan learned during its 24th Annual Convention of multiple deaths and injuries as the result of gun violence at **Tree of Life Synagogue** in Pittsburgh, Pennsylvania,

WHEREAS the Baptismal Covenant in The Book of Common Prayer calls on followers of Jesus in the Episcopal Church to, among other things, persevere in resisting evil, seek and serve Christ in all persons, love our neighbor as ourselves, strive for justice and peace among all people, and respect the dignity of every human being,

AND WHEREAS the Episcopal Diocese of Eastern Michigan learned during its 24th Annual Convention of multiple deaths and injuries as the result of gun violence at Tree of Life Synagogue in Pittsburgh, Pennsylvania,

BE IT RESOLVED that the 24th Annual Convention of the Episcopal Diocese of Eastern Michigan condemns in the strongest terms this and all acts of violence against our Jewish sisters and brothers,

AND BE IT FURTHER RESOLVED that in our individual and corporate life, we endeavor to stretch out our arms of love so that they may continue to know God's loving embrace

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.

Motions were supported and passed.

CLOSE OF BUSINESS

CONGREGATIONS FOR ROLL CALL 2018

CITY	<u>CONGREGATION NAME</u>	<u>PRESENT</u>	<u>CONVOCATION</u>
Alma	St. John's	No	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
Blue Water	Holy Family		Blue Water
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	No	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	No	Blue Water
Standish	Grace		Saginaw Valley
West Branch	Trinity		Northern

**OCESAN CONVENTION--OCTOBER 26-27, 2018
CLERGY/DELEGATE REGISTRATION**

<i>Alma</i>	<i>St Johns Episcopal Church No Delegation</i>	<i>Alpena</i>	Trinity Episcopal Church The Rev William McClure, Jr Mrs Marge Lakin Mr Robert Lakin Mrs Debra McClure Ms Pam Woida
Atlanta	St Marks Episcopal Church The Rev Phil Seitz Mrs Debra Bowers Mr Mark Bowers Ms Amy Soncrainte Mr Joe Soncrainte	Bad Axe	St Pauls Episcopal Church Mrs Carrie Krzeszewski Ms Beverly Reilich Mrs Daphne Thomas
Bay City	St Albans Episcopal Church The Rev Nancy Mayhew Mr Jerry Cody Ms Rose Duncan Ms Mary SanClemente	Bay City	Trinity Episcopal Church The Rev Sue Rich Ms Faith Culler Ms Cathie Leibrand Ms Maureen Leibrand Mrs Patricia Maxim
Blue Water	Holy Family Episcopal Church The Rev David Vickers Ms Margaret Heaslip Ms Lorna MacDonald Ms Debbie Turnbull Ms Mary Jones	Cheboygan	St James' Episcopal Church The Rev Lewis Crusoe Ms Sue Bronson Mr Don Gezon Ms Trish Gezon Mr Richard Sangster
Corunna	St Pauls Episcopal Church The Rev Alice Lewis The Rev Deacon Linda Ash Ms Jan Hebekeuser Ms Margaret Loffelman	Davison	St Dunstans Episcopal Church The Rev Sue Colavincenzo The Rev Tom Smith Mrs Darylee Coplin Mr Lee Hartman Mr Donald Steibel Ms Barbara Taylor
Dryden	St Johns Episcopal Church The Rev Nancy Steele Ms Rebecca Foster Ms Mary Cameron Mr Neil Hargrave Mr Wesley Wagester	East Tawas	Christ Episcopal Church Mrs Amy Ellis
Fenton	St Judes Episcopal Church The Very Rev Tracie Little Ms Beverly Mills Mr Jack Mills Mrs Carol Pettipher Mr John Pettipher	Flint	St Andrews Episcopal Church The Very Rev Jay Gantz Ms Julie Edick Mrs Vicki Julian Mr Tom Matus

Flint	St Pauls Episcopal Church The Rev Daniel Scheid Ms Jenny Field Ms Jelecia Ford Mr Craig Leavitt Mrs Audrey Stephens	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 Roxann Morin Ms Jacqueline Skinner	Gladwin	St Pauls Episcopal Church The Rev J Thomas Downs Mrs Nancy Doyle Ms Marilea Levine Ms Mary-Jane Ogg Mrs Jarrett Randle
Grand Blanc	St Christophers Episcopal Church The Rev Donald Davidson Mrs Linda Rathburn Ms Ellen Safley Mrs Coleen Shrank Mrs Bobie Walton	Grayling	St Francis Episcopal Church The Rev Elizabeth Chace Ms Kitty Lorensen Mrs Carol Moggo Mr Doug Pryor Mrs DeAnne Swiercz
Harrisville	St Andrews-By-The-Lake Episcopal Church The Rev Joe Jenney Mr Gary Cole Ms Jenny Cole Mrs Jeanne Meskus Mrs Sue Wander	Harsens Island	St Pauls Episcopal Church The Rev Rebecca Lepley The Rev Sherry Young Mr Robert Lepley
Higgins Lake	St Elizabeths Episcopal Church The Rev Mary Shortt Mrs Phyllis Mills Mr Ray Mills	Hillman	Calvary Episcopal Church Ms Linda Albright Mrs Brenda Bailer
Indian River	Transfiguration Episcopal Church The Rev Tyler Richards Ms Susan Howe	Lapeer	Grace Episcopal Church Mrs Lauraine Ferris Mrs Denise Loper Mr Ken Loper Mr Robert Thomas
Lexington	Trinity Episcopal Church The Rev Kay Houck Ms Beth Barkley Ms Debbie Bussineau-King Ms Denise Korniewicz Mr. Paul Knuth	<i>Long Rapids</i>	<i>Grace Episcopal Church</i> <i>No Delegation</i>
Midland	Holy Family Episcopal Church Mr Henry Mayer Ms Debbie Rothe	Midland	St Johns Episcopal Church The Rev Kenneth Hitch Ms Gail Hoffman Ms Marsha Kleber Mrs Ellen McVey Ms Robbyn Prang

Mio	St Bartholomews Episcopal Church The Rev Allan Feltner Mrs Mary Parker Ms Sallie Blamer Mrs Carol Scheich Mr Chuck Scheich	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 Deacon Joanne St. Pierre Mr Kevin Miller Mr Joe Norton Mrs Doris Sutton Ms Nancy Van Amburg	Owosso	Christ Episcopal Church Ms Emily Klein Mrs Carolyn Koenig
Port Huron	Grace Episcopal Church The Rev Lydia Speller The Rev Linda Crane The Rev Shirley Seeley Mrs Jeanette Bommarito Mrs Nancy Kelley Mr James Kemp Mrs Mary Gale McPharlin	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 Ms Dawn Penney	Saginaw	St Pauls Episcopal Church The Rev Judith Boli Mr Kent McClain Ms. Lorinda Smith Dr Caroline Scott Ms Doretta Williams
Saginaw	St Matthews Episcopal Church The Rev Mary Jo Hudson Ms Diane Arnold Ms Beth Taylor Ms Kathleen TenWolde	Sand Point	St Johns Episcopal Church The Rev Jane Spencer Ms Elizabeth Allen Mr Joseph Beedle Mr Doug Freeman Mr Darnell Morin
Sandusky	St Johns Episcopal Church No Delegation	Standish	Grace Episcopal Church Mrs Beryl Tarrant
West Branch	Trinity Episcopal Church The Rev Brian Chace Mrs Oak Haro Ms Judith Stetz		

DIOCESAN CONVENTION--OCT 26-27, 2018
CLERGY LISTING

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

Waynick	Cate	Bishop
Barta	Heather	Provisional
Brown	Wendy	Clergy
Curtis	Chuck	Clergy
Fargo	Valerie	Clergy
Fitzgerald	Mary	Clergy
Grady	Ann	Clergy
Houle	Mike	Clergy
Kubbe	Anna Leigh	Clergy
Kusky	Donna	Clergy
Marinco	Judith	Clergy
Owsley	Rebecca	Clergy
Pressentin	Elsa	Clergy
Stuart	Chuck	Clergy
Voelker	Sharon	Clergy

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

Houghton	Frederick	Clergy
King	Edward	Clergy
Wilson	Mike	Clergy

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

Baker	Robert	Clergy
Bennett	Franklin	Clergy
Breznau	Nancy	Clergy
Clark	Marlene	Clergy
Cominos	Peter	Clergy
Delaney	Mary	Clergy
Diehl	Jane	Clergy
Diehl	Robert	Clergy
Elliott	William	Clergy
Harpfer	Nancy	Clergy
King	Edward	Clergy
Knotts	Wayne	Clergy
Laycock	John	Clergy
MacDonald	John	Clergy
Merrill	Russ	Clergy
Michaud	Bruce	Clergy
Naughton	Sharon	Clergy
Otto	Susan	Clergy
Parks	Larry	Clergy
Parks	Sarah	Clergy
Rehagen	Gerald	Clergy
Schneider	Ned	Clergy
Schuetz	Mary Jo	Clergy
Tepe	Don	Clergy
Thompson	Karen	Clergy
Vince	Gail	Clergy
Wallace	John	Clergy



May 9, 2018

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

We have completed our audit of the financial statements of Episcopal Diocese of Eastern Michigan as of and for the year ended December 31, 2017, and have issued our report dated May 9, 2018. 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 and 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 Organization 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 Organization, 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 1, 2017. 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 Organization are described in Note 1 of the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization 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 estimates affecting Episcopal Diocese of Eastern Michigan's financial statements were:

- Management's estimate of the functional allocation of expenses is based on the Organization's cost allocation methodology.
- 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 estimates in determining that they are 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

- *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.

- *FASB Update – Financial Reporting for Nonprofits*

FASB has issued ASU 2016-14 detailing changes to financial statement presentation for nonprofit entities that will be one of the largest overhauls in financial reporting for nonprofits in nearly two decades. The changes will come in two rounds of issuance, with the second still in deliberations.

Here are some key changes of which you should be aware:

- Net asset classifications will be reduced to "With donor restrictions" and "Without donor restrictions" and additional disclosures will be necessary.
- Underwater endowments will be listed at the current value (underwater) in the donor restricted net assets and will have additional disclosures including policies for spending.
- Both a direct or indirect method statement of cash flows will be allowable. Definitions within the cash flow statement will differ from for-profit entities. Fixed asset purchases and sales will be operating.
- Investment income will be reported net of investment expenses
- Potentially all not-for-profits may need to do a "statement" of functional expenses for operating expenses as either a basic statement or a disclosure, regardless of entity type.

- *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, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were more than trivial.

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 Organization'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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The Episcopal Diocese of Eastern Michigan

Financial Statements

December 31, 2017 (With Summarized
Comparative Information for 2016)

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Independent Auditors' Report

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

Report on the Financial Statements

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, 2017, 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 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.

Opinion

In our opinion, 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, 2017, and the results of its operations for the year then ended in accordance with the cash basis of accounting.

Report on Summarized Comparative Information

We have previously audited The Episcopal Diocese of Eastern Michigan's December 31, 2016, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Yeo & Yeo, P.C.

Saginaw, Michigan
May 9, 2018

The Episcopal Diocese of Eastern Michigan
Statement of Assets, Liabilities and Net Assets - Cash Basis
December 31, 2017 (With Summarized Comparative Information for 2016)

	2017			
	Operating Fund	Endowment Fund	Total	2016
Assets				
Cash and cash equivalents	\$ 918,942	\$ 439,545	\$ 1,358,487	\$ 847,171
Loans receivable				
Congregations	31,612	-	31,612	37,047
McGehee Fund	8,000	-	8,000	8,000
Property and equipment, net	251,905	-	251,905	471,986
Investments	1,411,492	7,737,995	9,149,487	8,662,451
Total assets	<u>\$ 2,621,951</u>	<u>\$ 8,177,540</u>	<u>\$ 10,799,491</u>	<u>\$ 10,026,655</u>
Liabilities and net assets				
Pass through liabilities	\$ 27,983	\$ -	\$ 27,983	\$ 37,087
Net assets				
Unrestricted	2,423,602	4,990,660	7,414,262	6,809,717
Temporarily restricted	170,366	2,577,969	2,748,335	2,570,940
Permanently restricted	-	608,911	608,911	608,911
Total net assets	<u>2,593,968</u>	<u>8,177,540</u>	<u>10,771,508</u>	<u>9,989,568</u>
Total liabilities and net assets	<u>\$ 2,621,951</u>	<u>\$ 8,177,540</u>	<u>\$ 10,799,491</u>	<u>\$ 10,026,655</u>

See Accompanying Notes to the Financial Statements

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses, and Changes in Net Assets - Cash Basis
Year Ended December 31, 2017 (With Summarized Comparative Information for 2016)

	Operating Fund		Endowment Fund			Totals	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	2016
Revenue							
Diocesan Council							
Congregation income	\$ 457,328	\$ -	\$ -	\$ -	\$ -	\$ 457,328	\$ 487,222
Growth and Income Fund	19,072	15,327	-	-	-	34,399	36,824
Tannahill Trust Fund	72,500	-	-	-	-	72,500	72,500
Tretheway Downs	46,463	-	-	-	-	46,463	39,985
Loan and Grant Fund - investment income	24,609	-	-	-	-	24,609	14,656
Loan and Grant Fund - loan interest	762	-	-	-	-	762	1,417
Sale of property	254,474	-	-	-	-	254,474	32,596
Church Development and Redevelopment Fund	50,941	-	-	-	-	50,941	29,898
Indigenous Human Needs Fund	2,665	-	-	-	-	2,665	1,667
Other	70,579	2,500	-	-	-	73,079	80,425
Total Diocesan Council revenue	999,393	17,827	-	-	-	1,017,220	797,190
Bishop's Fund							
McElroy							
Contributions	-	132,308	-	-	-	132,308	126,963
Investment income	-	9,640	-	-	-	9,640	6,591
Total Bishop's Fund revenue	-	141,948	-	-	-	141,948	133,554
Trustees							
Charitable Contributions Fund							
Investment income	-	-	-	19,508	-	19,508	10,610
Growth and Income Fund							
Investment income	-	-	-	47,294	-	47,294	26,200
Endowment Fund							
Investment income	-	-	304,448	-	-	304,448	168,931
Breaking New Ground							
Investment income	-	-	-	100,948	-	100,948	60,484
Trust Fund							
Investment income	-	-	-	25,137	-	25,137	14,029
Total Trustees revenue	-	-	304,448	192,887	-	497,335	280,254
Net assets released from restrictions							
Restrictions satisfied by payments	194,438	(194,438)	-	-	-	-	-
Total revenue	1,193,831	(34,663)	304,448	192,887	-	1,656,503	1,210,998

See Accompanying Notes to the Financial Statements

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses, and Changes in Net Assets - Cash Basis
Year Ended December 31, 2017 (With Summarized Comparative Information for 2016)

	Operating Fund		Endowment Fund			Totals	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	2016
Expenses							
Diocesan Council expenses							
Ministry of the Diocese	\$ 73,014	\$ -	\$ -	\$ -	\$ -	\$ 73,014	\$ 73,070
Ministry of the Diocese - Networking	76,405	-	-	-	-	76,405	100,000
National Church	135,054	-	-	-	-	135,054	117,360
Office of the Bishop	170,072	-	-	-	-	170,072	233,770
Office of the Archdeacon	-	-	-	-	-	-	5,903
Office administration and support	223,631	-	-	-	-	223,631	223,183
Database manager	-	-	-	-	-	-	88
Communications	86,964	-	-	-	-	86,964	86,823
Other	1,175	-	-	-	-	1,175	7,183
Canon to the Ordinary	83,853	-	-	-	-	83,853	75,272
Depreciation	33,399	-	-	-	-	33,399	23,181
Restricted funds	24,409	-	-	-	-	24,409	22,889
Grants to churches and dioceses							
loans and grants	57,580	-	-	-	-	57,580	53,512
Indigenous human needs grants	10,000	-	-	-	-	10,000	-
Camp Chickagami	79,112	-	-	-	-	79,112	63,000
Church development and redevelopment	398,330	-	-	-	-	398,330	30,846
Total Diocesan Council expenses	1,452,998	-	-	-	-	1,452,998	1,116,080
Bishop's Fund expenses							
McElroy expenses	161,651	-	-	-	-	161,651	188,259
Trustees expenses							
Growth and Income Fund	-	-	-	35,000	-	35,000	36,824
Investment fees	-	-	150	-	-	150	650
Total Trustees expenses	-	-	150	35,000	-	35,150	37,474
Total expenses	1,614,649	-	150	35,000	-	1,649,799	1,341,813

See Accompanying Notes to the Financial Statements

The Episcopal Diocese of Eastern Michigan
Statement of Revenues, Expenses, and Changes in Net Assets - Cash Basis
Year Ended December 31, 2017 (With Summarized Comparative Information for 2016)

	Operating Fund		Endowment Fund			Totals	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	2016
Transfers in (out)							
Transfers in	\$ 450,508	\$ -	\$ -	\$ -	\$ -	\$ 450,508	\$ 339,982
Transfers out - Trustee Funds	-	-	-	(231,779)	-	(231,779)	(19,716)
Transfers out - Endowment Fund	-	-	(218,729)	-	-	(218,729)	(320,266)
Total transfers in (out)	450,508	-	(218,729)	(231,779)	-	-	-
Gains and (losses)							
Diocesan Council							
Indigenous Human Needs Fund	1,246	-	-	-	-	1,246	666
Church Development and Redevelopment Fund	66,604	-	-	-	-	66,604	13,513
Loan and Grant Fund	23,886	-	-	-	-	23,886	8,469
Loss on disposal of property and equipment	(26,897)	-	-	-	-	(26,897)	-
Diocesan Council gains and (losses)	64,839	-	-	-	-	64,839	22,648
Bishop's Fund							
McElroy	-	12,394	-	-	-	12,394	5,181
Trustees							
Charitable Contributions Fund	-	-	-	27,528	-	27,528	3,495
Growth and Income Fund	-	-	-	65,699	-	65,699	8,810
Endowment Fund	-	-	424,447	-	-	424,447	75,905
Breaking New Ground	-	-	-	146,441	-	146,441	26,405
Trust Fund	-	-	-	33,888	-	33,888	7,833
Trustees gains and (losses)	-	-	424,447	273,556	-	698,003	122,448
Total gains and (losses)	64,839	12,394	424,447	273,556	-	775,236	150,277
Change in net assets	94,529	(22,269)	510,016	199,664	-	781,940	19,462
Net assets beginning of the year	2,329,073	192,635	4,480,644	2,378,305	608,911	9,989,568	9,970,106
Total net assets at the end of the year	\$ 2,423,602	\$ 170,366	\$ 4,990,660	\$ 2,577,969	\$ 608,911	\$ 10,771,508	\$ 9,989,568

See Accompanying Notes to the Financial Statements

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

Note 1 - 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 Dioceses' 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.

Comparative Financial Information

The financial information for the year ended December 31, 2016, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Income Tax Status

The Diocese is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). For the year ended December 31, 2017, there were no interest or penalties recorded or included in the financial statements.

Concentrations of Credit Risk

The Diocese invests temporary cash primarily in money market funds in a bank in Michigan and three brokerage firms. The carrying amount of Diocese deposits with financial institutions at year end was \$1,358,487. The actual bank balances amounted to \$1,443,869 of which \$937,858 at the end of the year was uninsured by FDIC.

Cash and Cash Equivalents

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

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 caption gains and losses.

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.

Long-Lived Assets

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.

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

Net Assets

Net assets are categorized and reported as follows:

Unrestricted Net Assets - These net assets are available for general operations and are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - These assets are limited to uses specified by donor-imposed restrictions. When donor restrictions expire or the nature and purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as reclassifications.

Permanently Restricted Net Assets - These net assets include the principal amount accepted by the Diocese with the donor's stipulation that the principal be maintained in perpetuity.

Subsequent Events

Management has evaluated subsequent events through May 9, 2018, which is the date the financial statements were available to be issued.

Note 2 - 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 both years ended December 31, 2017 and 2016. Interest is recognized as it is earned. As of December 31, 2017 and 2016, the following loans were outstanding:

	2017	2016
McGehee Fund	\$ 8,000	\$ 8,000
Camp Chickagami	-	1,947
St. Andrew's, Flint	-	641
St. Alban's, Bay City	3,897	11,309
St. Dunstan's, Davison	8,756	13,244
St. Francis, Grayling	3,297	7,147
St. John's, Otter Lake	1,400	2,759
Calvary, Hillman	8,638	-
St. Christopher Grand Blanc	5,624	-
Total loans receivable	<u>\$ 39,612</u>	<u>\$ 45,047</u>

Loans outstanding represent unsecured notes at interest rates ranging from 0% to 3%. Current portion due within the next year amounts to \$16,849.

Note 3 - Property and Equipment

Expenditures for new acquisitions, renewals or betterments, which increase productive capacity or prolong useful life of property and equipment, are capitalized. The Diocese uses the direct expensing method to account for planned major maintenance activities.

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

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

	<u>2017</u>	<u>2016</u>
Building	\$ 471,139	\$ 656,489
Vehicles and office equipment	65,070	100,290
Less: accumulated depreciation	<u>(284,304)</u>	<u>(284,793)</u>
 Total property and equipment	 <u>\$ 251,905</u>	 <u>\$ 471,986</u>

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 \$33,399 and \$23,181 for the years ended December 31, 2017 and 2016, respectively.

Note 4 - Investments

Investments as of December 31 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Indigenous Human Needs Fund (primarily mutual funds)	\$ 52,054	\$ 47,629
McElroy (primarily bonds and mutual funds)	142,221	152,426
Loans and grants (primarily mutual funds)	446,158	303,177
CDRF (primarily mutual funds)	771,059	770,388
Charitable Contributions Fund (primarily mutual funds)	342,331	292,308
Growth and Income Fund (primarily mutual funds)	741,430	698,083
The Episcopal Diocese of Eastern Michigan		
Endowment Fund (primarily equities and bonds)	4,681,925	4,444,901
Trustee Breaking New Ground Fund (primarily equities and bonds)	1,579,474	1,582,596
Trustee Designated Trusts Fund (primarily mutual funds)	<u>392,835</u>	<u>370,943</u>
	 <u>\$ 9,149,487</u>	 <u>\$ 8,662,451</u>

Investment income is recognized as it is earned. Dividend and interest income has been classified as unrestricted or temporarily restricted based on the intention of the donor. Total realized gains amounted to \$295,368 and unrealized gains amounted to \$1,293,951 as of December 31, 2017. Total realized gains amounted to \$6,540 and unrealized losses amounted to \$148,347 as of December 31, 2016.

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

Investment income received during 2017 and 2016 is summarized below:

	2017	2016
Diocesan Council		
Growth and Income Fund	\$ 34,399	\$ 36,824
Dividends and interest	87,854	52,812
Net gains and (losses)	80,244	19,360
Loan interest	762	1,417
Trustees		
Dividends and interest	497,335	280,254
Net gains and (losses)	698,003	122,448
Fees	(150)	(650)
	<u>\$ 1,398,447</u>	<u>\$ 512,465</u>

Note 5 - 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 Board of Trustees 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, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment Funds				
Donor-restricted				
Trustee funds	\$ -	\$ 2,577,969	\$ 608,911	\$ 3,186,880
Board-designated				
Trustee funds	<u>4,990,660</u>	<u>-</u>	<u>-</u>	<u>4,990,660</u>
	<u>\$ 4,990,660</u>	<u>\$ 2,577,969</u>	<u>\$ 608,911</u>	<u>\$ 8,177,540</u>

Endowment net asset composition by type as of December 31, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment Funds				
Donor-restricted				
Trustee funds	\$ -	\$ 2,378,305	\$ 608,911	\$ 2,987,216
Board-designated				
Trustee funds	<u>4,480,644</u>	<u>-</u>	<u>-</u>	<u>4,480,644</u>
	<u>\$ 4,480,644</u>	<u>\$ 2,378,305</u>	<u>\$ 608,911</u>	<u>\$ 7,467,860</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

Changes in endowment net assets for 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Beginning of year	\$ 4,480,644	\$ 2,378,305	\$ 608,911	\$ 7,467,860
Amounts appropriated for expenditure	(218,729)	(266,779)	-	(485,508)
Investment income	304,448	192,887	-	497,335
Investment fees	(150)	-	-	(150)
Net appreciation (depreciation)	424,447	273,556	-	698,003
Endowment net assets, end of year	<u>\$ 4,990,660</u>	<u>\$ 2,577,969</u>	<u>\$ 608,911</u>	<u>\$ 8,177,540</u>

Changes in endowment net assets for 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Beginning of year	\$ 4,470,154	\$ 2,363,549	\$ 608,911	\$ 7,442,614
Amounts appropriated for expenditure	(233,696)	(143,110)	-	(376,806)
Investment income	168,931	111,323	-	280,254
Investment fees	(650)	-	-	(650)
Net appreciation (depreciation)	75,905	46,543	-	122,448
Endowment net assets, end of year	<u>\$ 4,480,644</u>	<u>\$ 2,378,305</u>	<u>\$ 608,911</u>	<u>\$ 7,467,860</u>

Note 6 - Net Assets

Permanently restricted net assets consist of the following as of December 31:

	Restriction	2017	2016
Trustee Funds principal			
Growth and Income fund	Operations	\$ 554,182	\$ 554,182
Batchelder	Children	10,877	10,877
DeMille	Clergy	35,102	35,102
McMath	Lectures	8,750	8,750
		<u>\$ 608,911</u>	<u>\$ 608,911</u>

Temporarily restricted net assets consist of the following as of December 31:

	Restriction	2017	2016
McElroy	Education	\$ 132,994	\$ 152,424
CESA	CESA like agencies	1,213	1,213
Kleinpell	Education	1,963	12,632
Sheridan	Scholarships	30,116	20,904
Williams	Bishop's office	2,747	4,773
Wolf	Education	1,333	689
Trustee Funds			
Charitable Contributions		343,362	296,476
Growth and Income		223,345	144,902
Batchelder	Children	73,946	65,673
DeMille	Clergy	270,444	240,643
McMath	Lectures	16,477	14,016
Breaking New Ground		<u>1,650,395</u>	<u>1,616,595</u>
		<u>\$ 2,748,335</u>	<u>\$ 2,570,940</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

Unrestricted net assets consist of the following as of December 31:

	2017	2016
Investment in property and equipment	\$ 251,905	\$ 471,986
Designated		
Operating	862,393	684,382
Congregational development	771,059	770,388
Indigenous Human Needs	52,054	47,629
1% Fund	8,420	14,463
Endowment Fund	4,990,661	4,480,644
Loans and grants	477,770	340,225
	<u>\$ 7,414,262</u>	<u>\$ 6,809,717</u>

Note 7 - 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 2017 and 2016 was \$21,703 and \$18,141, 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 \$12,246 and \$30,033 for 2017 and 2016, respectively.

Note 8 - Grants Payable (Footnote Disclosure Only)

The Diocese has grant commitments as of December 31, 2017 to be payable in the future:

	Grants to Churches
Grants payable at beginning of year	\$ -
Additions: grants awarded	57,580
Deductions: payments made	<u>(57,580)</u>
Grants payable	<u>\$ -</u>

Note 9 - Fair Value Measurements

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:

	2017	2016
Money market	\$ 70,975	\$ 29,736
Fixed income	344,172	636,794
Mutual funds	8,734,340	7,995,921
Total	<u>\$ 9,149,487</u>	<u>\$ 8,662,451</u>

The Episcopal Diocese of Eastern Michigan
Notes to the Financial Statements
December 31, 2017 (With Summarized Comparative Information for 2016)

Note 10 - Functional Expenses

Expenses related to providing services by the Diocese for the years ended December 31, 2017 and 2016 are as follows:

	2017	2016
Program	\$ 947,308	\$ 643,636
Management and general	<u>702,491</u>	<u>698,177</u>
	<u>\$ 1,649,799</u>	<u>\$ 1,341,813</u>

Note 11 - Housing Contract

During 2016 the Diocese purchased a house with the intent for it to be used by a priest at one of the Diocese's churches. Under the agreement, the Diocese owns the church until 2019 in which it will sell the house to the priest for \$30,000 less than the original purchase price. The Diocese sold the house to the priest during fiscal year 2017 at said purchase price, therefore, the asset has been removed from the Diocese's books as of December 31, 2017.

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 27, A.D. 2018

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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.