

JOURNAL OF THE PROCEEDINGS

of the

TWENTY SECOND ANNUAL CONVENTION

of the

EPISCOPAL CHURCH

DIOCESE OF EASTERN MICHIGAN

held in

GAYLORD, MICHIGAN

at

TREETOPS RESORT

NOVEMBER 11-12, 2016

*Together with the Constitution and
Canons of the Diocese
Revised to Date*

Published by the Secretary of Convention 2016

Saginaw, Michigan

TABLE OF CONTENTS

Page

| | |
|-------|--|
| 1 | Agenda for Convention |
| 1 | General Rules |
| 2-9 | Journal of the Proceedings of the Twenty Second Annual Convention |
| 9-12 | Bishop Ousley's Address to the Twenty Second Convention |
| 13 | Congregations in Union with Convention |
| 14-17 | Registered Clergy and Lay Delegates in Attendance and Eligible to Vote |

Reports to Convention

| | |
|-------|---|
| 18 | Commission on Ministry |
| 19 | Coppage-Gordon School for Ministry |
| 19-21 | Cheyenne River Episcopal Mission |
| 22 | Recovery Outreach Ministry |
| 23 | Registrar |
| 23 | Retired Clergy & Spouses and Surviving Spouses Report |
| 24 | Standing Committee |
| 24 | Trustees |
| 25-26 | Amendments to the Constitution and Canons of the General Convention |
| 26-29 | Resolutions |

Financial and Statistical Summaries

| | |
|-------|------------------------------|
| 30-31 | Treasurer's Report |
| 32-34 | Independent Auditor's Report |

Constitution and Canons

| | |
|------|--------------------------|
| 1-32 | Constitutions and Canons |
|------|--------------------------|

DIOCESAN CONVENTION AGENDA

| | |
|------------------|--|
| 3:00 – 5:30 p.m. | Registration Opens in the Foyer |
| 3:00 – 5:30 p.m. | Exhibits |
| 5:30 – 6:45 p.m. | Dinner |
| 7:00 p.m. | Business Session Huron 1, 2 & 3 (with elections) |

Saturday, November 12th

| | |
|------------------------|--|
| 7:30 – 9:00 a.m. | Breakfast, drop in between 7:30 and 9:00 am |
| 8:00 – 9:00 a.m. | Registration in the Foyer |
| 9:30 – 10:00 a.m. | Welcome & Keynote Address in Michigan/Superior |
| 10:00 – 11:30 a.m. | Workshop Sessions |
| 11:45 a.m. – 1:00 p.m. | Lunch in Michigan/Superior Room |
| 1:30 – 3:00 p.m. | Workshop Sessions |
| 3:30 p.m. | Jazz Eucharist, Michigan/Superior |

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 SECOND ANNUAL CONVENTION OF THE
EPISCOPAL DIOCESE OF EASTERN MICHIGAN**

**TREETOPS RESORT, Gaylord Michigan
Friday, November 11, 2016, 7:00 p.m.**

BUSINESS SESSION

On November 11, 2016, the day and place designated for the meeting of the Annual Convention of the Episcopal Diocese of Eastern Michigan, The Rt. Rev. Todd Ousley opened the meeting with prayer and called the Convention to order.

ELECTION OF SECRETARY

Bishop Ousley 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 Ousley introduced Mr. Edward Henneke, St. Paul's, Flint, Chancellor of the Diocese and Stephanie King, St. Alban's, Bay City, President of the Standing Committee.

QUORUM

A roll call of congregations was taken with the delegates standing as their congregation was called. It was reported that of forty-five congregations, forty were present with voting delegates. St. John, Alma; Grace, Long Rapids; Hope/St. John's, Oscoda; St. Paul's, Saginaw and Grace, Standish were not in attendance. Bishop Ousley declared that a quorum was present.

RULES OF CONVENTION

Bishop Ousley noted the Rules of Convention were on the Convention Website. The complete list of Rules appears on page one in the Journal.

CREDENTIALS COMMITTEE

Bishop Ousley recognized Angela Krueger, Chair of the Credentials Committee. Mrs. Krueger moved that "pursuant to Title 1, Canon 12, Section 2, forty-four of the forty six congregations of the 2015 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 supported and passed.

ELECTION OF CHANCELLOR

The Chair nominated Mr. Edward Henneke, St Paul, Flint, as Chancellor. Motion was moved, seconded and passed.

MINISTRY CHANGES

Bishop Ousley announced the following ministry changes:

Lewis Crusoe, ordained priest, serving St. James, Cheboygan

Mary Jo Hudson, ordained priest, serving St. Matthew's, Saginaw

Ann Grady from Trinity, Bay City is now serving Our Savior Lutheran Church (ELCA),
Saginaw

Tracie Little from All Saints', Marysville is now serving St. Jude's, Fenton

Sarah and Larry Parks from St. John's, Otter Lake are now serving Grace, Lapeer

Sue Rich, from Grace, Lapeer and St. John's, Dryden is now serving Trinity, Bay City

Mary Shortt serving St. Elizabeth's, Higgins Lake

Chuck Curtis retired from St. Elizabeth's, Higgins Lake

Anna Leigh Kubbe, retired from Diocese of Eastern Michigan

Donnis Reese retired from St. Andrew's, Rose City

Not present with us:

George Cleaves, to Christ Church, St. Joseph, MO

Jim Harrison to All Saints, Appleton, WI

CLERK OF NOMINATIONS REPORT

Bishop Ousley recognized Canon Michael Spencer, Clerk of Nomination for his report. Canon Spencer thanked the Diocesan Discernment Committee for its service and presented the following candidates to the 22nd Convention of the Diocese of Eastern Michigan:

For the Diocesan Council:

In the clergy order, Rev. Barb Cavin, Trinity, Flushing

In the lay order, Amy Ellis, Christ, East Tawas; Ellen Redfield, St John's, Saginaw

For the Standing Committee:

In the clergy order, Rev. Sue Rich, Trinity, Bay City

In the lay order, Stephanie King, St. Alban's, Bay City

For the Trustees: Rev. Barb Cavin, Trinity, Flushing; Chris Walker, St. Jude's, Fenton

For Deputy to the General Convention 2018:

In the clergy order: Rev. Barb Cavin, Trinity, Flushing; Rev. Brian Chace, Trinity, West Branch; Rev. Tracie Little, St. Jude's, Fenton; Rev. Pam Lynch, St. Andrew's, Gaylord; Rev. Sue Rich, Trinity, Bay City

In the lay order: Claire Jess, Trinity, Flushing; Elizabeth Jordan, St. Paul's, Flint; Ellen McVey, St. John's, Midland; Carol Moggo, St. Francis', Grayling; Linda Rathburn, St. Christopher's, Grand Blanc; Mike Spencer, Christ, Owosso

Canon Spencer noted that there are non-contested seats for certain positions. The committee recommends for these seats to be approved by acclamation. No second needed. Motion supported, seconded and passed for the non-contested seats. For the remaining seats, clergy and delegates had received ballots at registration, and were asked to mark them at this time. Ballots were collected and election results will be announced later in the business session.

TREASURER'S REPORT

Bishop Ousley recognized Mike Turnbull, Diocesan Treasurer, for the financial report. The financial assets at the end of 2015 were \$9.7 million, a decrease over 2014 by \$329,000. The decrease is from the drop in investments which had very little gains in 2015. We continue to draw from our endowments, in order to proceed with the programs and operations that the diocese has committed to. Diocesan net assets are \$10 million at the end of 2015. This is a \$300,000 decrease from 2014.

In 2015 the congregation income was \$479,000. The operating income was \$741,000, bringing the total operating income to \$1,225,000. The net deficit for 2015 was \$15,436.

The 2016 markets have been more favorable than the 2015 markets. The estimated congregational income is projected to stay the same. Operation expenses will be up. We are projecting to break even in 2016.

For the 2017 through 2019 budget, we will give 16.5% to the National Church commitment in 2017. In 2018 we will give 15% to the National Church. We are going to continue to fund Camp Chickagami for \$10,000 a year, we will maintain funding for Coppage-Gordon and continue to have \$50,000 of grant money available each year. For every \$1.00 contributed from congregations, \$2.00 comes in from our investments, grants and endowments. Our budget revenue is \$1,279,000 and no gains are expected.

In summary we will continue to support Coppage-Gordon School for Ministry, Camp Chickagami, \$100,000 for Social Service Network Grants and Programs for Congregations and Clergy development. We will continue to be faithful stewards of our money in the diocese, and to be financially flexible for the diocese programs.

Questions for Mike Turnbull, Diocese Treasurer

Question from Jane Hutchins delegate from Trinity, West Branch

1. I would like clarification on the salary of the Camp Chickagami Director? Is it increasing each year? How does it breakdown?

Mike Turnbull answered that the salary of Camp Chickagami Director is part of the diocese operations and he doesn't have a breakdown of the individual salaries.

Bishop Ousley directly asked Camp Chickagami director McKenzie Bade what her annual salary is. Ms. Bade answered \$36,000. Bishop Ousley went on to make a statement that the diocese has deficits that cannot be ignored in the long term. If the diocese does not begin to reverse the trends in the finances, these deficits will result in the reduction of staff and/or programs in the diocese. The loss of any one of these programs will severely impact our ability to be faithful to God's call and to the programs of mission and ministry that we have outlined as priorities in our diocese. Difficult decisions may be in our future and we will have to come together and be creative on how we can continue to fund our current programs.

Text of Yeo and Yeo Audit letter and the Six Year Financial Report are included in this journal.

BISHOP'S ADDRESS

Bishop Ousley addressed the convention. The text is included in this journal.

QUESTIONS FROM THE FLOOR

The Rev. Don Davidson asked about non-canonically resident clergy having voice and/or vote. Bishop Ousley thanked Don for the reminder and noted that typically this convention has granted voice and vote to clergy from other diocese and transitions serving in our congregations. This would include Rev. Don Davidson, serving as interim at St. Christopher's, Grand Blanc from the Diocese of Kansas and Rev. Mary Fitzgerald who last served Calvary, Hillman and continues to serve in our diocese, comes from the Reformed Church of America. Motion was moved, seconded and passed.

BISHOP'S APPOINTMENTS

TO CONSTITUTION AND CANONS COMMITTEE:

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

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

TO THE RESOLUTIONS COMMITTEE:

Rev. Charles Curtis, Clergy, St. Elizabeth's, Higgins Lake

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

Resolution 1

After the resolution was read, discussed and debated, Bishop Ousley proposed this motion:

“Motion to refer this resolution to the Diocesan Council and to the Recovery Ministries Network to craft a tighter resolution to be considered at the 23rd Diocesan Convention.” Motion was moved, seconded and passed.

Resolution 2

Motion to accept Resolution 2. Motion was moved, seconded and passed.

Resolution 3

Motion to accept Resolution 3. Motion was moved, seconded and passed.

The texts of the resolutions are included in this journal.

WRITTEN REPORTS

Bishop Ousley asked the Convention to receive by title the reports from, Commission on Ministry, Coppage-Gordon School, Cheyenne River Mission, Recovery Outreach Ministry, Registrar, Retired Clergy and Spouses, Standing Committee and Trustees.

Motion was moved, supported and passed. The text is included in this journal.

SPECIAL ADDRESS

Representatives from St. Christopher's, Grand Blanc, were recognized to address the convention.

“Right Reverend Sir and Delegates, on behalf of St. Christopher's we would like to take a moment to inform you of our current situation and ask for your prayers. We, the congregation of St. Christopher's are working diligently to recover from a time of isolation. We had unfortunately, and for most of us unknowingly, isolated ourselves from the diocese and from all of you. That was the St. Christopher's of the past, not the present. No longer are we operating in the dark and alone. Some of us were exceptions and continued to attend and support diocesan events. It is now our intent to be fully involved not only with this diocese and diocesan events, but with the congregations in our diocese. Please know that St. Christopher's is willing to help our fellow congregations and diocese in any way that we are able, and we pray that we will be able to depend on you and our diocese should we need your help in return. Finally, we simply ask for your continued prayers for our parish as we work, strive, and grow during our time of transition. Thank you.”

CAMP PRESENTATION

Bishop Ousley introduced McKenzie Bade, Camp Chickagami Director and Facilitator of Youth and Young Adults Networks. This past summer there were 194 campers which is a great testament of the support that camp is receiving from the diocese and churches. Three children read letters they had written about the impact that Camp Chickagami has had on their lives.

Greg Forsyth of St. Jude's, Fenton presented a banner, which was hand made by a parishioner, to Camp Chickagami Director McKenzie Bade and to the children of Camp Chickagami.

READING OF ADMENTMENTS TO THE GENERAL CONVENTION

A text of amendments is included in this journal.

ELECTION RESULTS

Diocesan Council:

Amy Ellis, Christ, East Tawas

Deputy for General Convention 2018:

Clergy Order – Rev. Brian Chace, Trinity, West Branch; Rev. Tracie Little, St. Jude's, Fenton; Rev. Pam Lynch, St. Andrew's, Gaylord; Rev. Sue Rich, Trinity, Bay City

Lay Order – Elizabeth Jordan, St. Paul's, Flint; Ellen McVey, St. John's, Midland; Linda Rathburn, St. Christopher's, Grand Blanc; Michael Spencer, Christ, Owosso

RESOLUTIONS TO CONVENTION

Text of resolutions is included in this journal.

COURTESY RESOLUTIONS

Bishop Ousley recognized Ms. Amy Simons Chair of the Resolutions Committee who presented the following:

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

BE IT THEREFORE RESOLVED, that this 22nd 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 Rev. Dr. Grey Lesesne has offered his diverse gifts, talents and experiences as our keynote speaker,

WHEREAS this will challenge us to seek and serve Christ in our neighborhoods,

BE IT THEREFORE RESOLVED that his 22nd Annual Convention of the Diocese of Eastern Michigan express its thanks and gratitude for his gracious sharing of his insight, experience and expertise.

WHEREAS our workshop leaders, The Very Rev. Jay Gantz, Rev. Dan Scheid, Craig Levitt, Danielle Brown, Rev. Dr. Grey Lesesne, Rev. Ken Hitch, McKenzie Bade, and Brian Ouellette will inform and inspire us to be aware of the various needs of our neighborhoods in which God has called us to seek and serve Christ in all persons.

BE IT THEREFORE RESOLVED in this 22nd Annual Convention of the Diocese of Eastern Michigan expresses its thanks and gratitude for gracious sharing of experience and expertise.

WHEREAS St. Paul's in Flint, and Rev. Dan Scheid, St. Andrew's in Flint and the Very Rev. Jay Gantz, Christ Enrichment Center and Ms. Danielle Brown, and Crossover Downtown Ministries and Mr. Craig Levitt as well as the Episcopal Relief and Development Center have responded and continue to respond to the Flint Water Crisis,

BE IT THEREFORE RESOLVED at this 22nd Annual Convention of the Diocese of Eastern Michigan offers prayer and support during this ongoing crisis.

WHEREAS Bishop Ousley has identified the heart of our calling as apostles of Jesus. We are sent from the known to the unknown.

FURTHER WHEREAS our Bishop has challenged us to attend to the foundational equipping of the Apostles through the devotional study of his Holy Scripture through "The Biblical Wild: Pioneers in the Christian Wilderness" and encouraged us to gather in communities of study to support one another in this program;

BE IT THEREFORE RESOLVED that the 22nd Annual Convention of the Diocese of Eastern Michigan encourages its members of this diocese to work and pray to thus respond more fully to Christ's calling and be both his disciples and his apostles.

WHEREAS Bishop Ousley reminds us that while we may live in a culture of fear we are people of hope called once again to be bold and faithful as to set aside our fears and go into our neighborhoods to listen to one another, honor one another, and love one another.

BE IT RESOLVED that this 22nd Annual Convention of the Diocese of Eastern Michigan encourages its members to work and pray and thus respond more fully to Christ's calling.

BE IT FINALLY RESOLVED, that this 22nd 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.

Motion was moved, seconded and passed.

CLOSE OF BUSINESS

Bishop Ousley declared the convention business concluded and announced that next year's convention will be held October 11-12, 2016, at the Doubletree, Bay City, MI. The convention will be considered adjourned following the dismissal at the Closing Eucharist Saturday, November 12th.

Address to the 22nd Convention of the Episcopal Diocese of Eastern Michigan November 11, 2016 + Treetops Resort + Gaylord, MI

A little over ten years ago I was consecrated as Bishop Coadjutor of this diocese with the responsibility to continue learning and growing in preparation for fulfilling the office of Bishop Diocesan on January 1, 2007. Immediately following the consecration, I began a promised Listening Tour of the diocese with weekday and weekend stops at 54 congregations, 4 Convocation Councils and 4 Clericus gatherings. The purpose, as I had promised, was deep and holy listening. An opportunity to hear your hopes and dreams, your deepest longings, your hurts, your frustrations and your desires to live more fully into the promises of our Baptismal Covenant. That process took more than the anticipated 100 days to complete but I came away with a more profound understanding of who is the Diocese of Eastern Michigan and what you stand for. I saw a people:

- Committed to your faith with amazing resilience in very tough places to be Church
- Surviving, if not flourishing, in the midst of economic scarcity and demographic decline
- Committed to local, grassroots, self-determination and suspicious of centralized authority
- Trapped in perspectives of scarcity over abundance
- Seeking leadership that could point us all in a new direction and toward renewed hope

Ten years ago, George W. Bush was in the White House, Hillary Rodham Clinton was in the Senate, Bernie Sanders was a little-known Senator from Vermont, and Donald J. Trump was a self-proclaimed billionaire real estate mogul hosting a reality TV show. Few, if any of us, had heard of Senator Barack Obama and the Tea Party was something that happened in Boston a long time ago. The Great Recession was an unanticipated economic collapse two years in our future and the near-death of the U.S. automotive industry was unimaginable. Within the Episcopal Church, we had just witnessed the installation of the first woman as Presiding Bishop and Primate. Persons of the same gender were not allowed to marry. The Chicago Cubs hadn't won a World Series in 98 years.

What a difference ten years makes.

Over these past ten years, this nation elected Barack Obama as the first black President, we've survived the Great Recession if not completely recovered, we've elected the first Presiding Bishop who is African-American, and marriage is now legal in all 50 states for two persons regardless of gender and all marriages may be blessed in the Episcopal

Church. The Chicago Cubs haven't won a World Series in 9 days. And Donald J. Trump is now our President-elect.

Within the Diocese of Eastern Michigan, these past ten years have seen a decline in membership and Average Sunday Attendance. We are now 45 congregations on our way very quickly to 43. Annual congregational giving has declined making financial viability increasingly difficult for an increasing number of congregations. Our population continues to decline and Michigan demographics show us growing older while losing our young to opportunities in other parts of the country. The reality of our communities and our churches is one that ought make all of us pause.

The reality of our communities and our churches is one that ought make all of us pause.

So let's do that. Let's pause and take stock.

Who are we today compared to who we were ten years ago?

A few years ago, I floated the idea --- based on my observations from that long-ago Listening Tour and from conversations and interactions in the interim --- that we are a "People of Hope in a Culture of Fear." That notion resonated with many of you and it has been and remains a way for me to understand the complexities, paradoxes and challenges of being the Diocese of Eastern Michigan. The notion that we are "in a culture of fear" is even clearer to me today than it was just four days ago. Much of what drove the US electorate and what informs us within this diocese is fear --- fear of the unknown, fear of death, fear of change, fear of financial instability, and fear that the Church may not be there for us at the most important moments of our lives. Yet, in the midst of all this fear we remain a people of hope.

Yes, we are a people of hope. And we are a people whose lives are nourished by a relationship with a God who is, in the words of our Presiding Bishop, "loving, liberating and life-giving." It is this God on whom all our hope is founded.

We live that hope by:

- **Risking experimentation with models of ministry that move us beyond the safety and certainty of traditional models.** Whether an embrace of Baptismal Ministry in the form of congregationally-formed teams of lay and clergy, shared ministry with locally-formed clergy through the Coppage-Gordon School for Ministry and its tri-diocesan collaboration in the Academy for Vocational Leadership, or a willingness to explore beyond canonical boundaries in eucharistic communities with only occasional clergy leadership, we explore and we stretch in order to be both viable and vital in our local contexts.
- **Striving to overcome seemingly impossible financial hurdles to offer life-changing summer camp experiences to our young people.** Participation in the multiple offerings for children, youth, families and groups at Camp Chickagami are at historic highs while financial viability remains a very real concern.
- **Growing our capacity and willingness to confront issues of justice.** The Social Ministries Justice Network and the Lower Peninsula Diversity Task Force continue to work faithfully to lead us into fulfilling our baptismal promises to “strive for justice and peace and to respect the dignity of every human being.”
- **Engaging individual and group study of holy scriptures.** Over the course of the past two years individuals and groups from across this diocese, the Episcopal Church and the Anglican Communion have joined in a weekly encounter with Holy Scripture, *The Biblical Wild*, designed to make connections between God’s narrative and the narrative of our own lives.
- **Loving our neighbors through partnerships and creative response during the ongoing Flint Water Crisis.** With leadership from St. Paul’s Flint, St. Andrew’s Flint, Christ Enrichment Center and Crossover Downtown Ministries, we have partnered with the Flint community and Episcopal Relief and Development to respond not only with stop-gap measures of bottled-water provision and water filtration devices, but also initiated programs of food literacy and community organizing that have drawn national attention to the devastating effects of environmental racism and systemic injustice.
- **Recognizing that we are stronger together than we are apart.** Conversations began almost two years ago inviting congregations in the Blue Water area to imagine possibilities for collaborative ministries. Those conversations have led to a surprising and creative decision by All Saints’ Marysville, St. Paul’s St. Clair and St. Mark’s Marine City to acknowledge that the future of their separate ministries would be immeasurably enhanced by combining resources and taking the bold initiative to close their individual congregations and become one Episcopal presence in southern St. Clair County. This Blue Water Initiative holds much promise for other parts of the diocese where we can indeed be stronger together than we are apart.

We are indeed a people of hope in a culture of fear.

But what can we say about our future?

Maintaining and building on our hope will serve us well. But more is required of us. 1 John 4:18 says “perfect love casts out all fear.” And 1 Corinthians 13:13 reminds us that “faith, hope and love abide but the greatest of these is love.” Love is indeed the answer.

I began this address by reminding us of our beginnings together --- a period of deep and holy listening to one another. It was a time of setting aside preconceptions and misconceptions. It was a time of gathering together in our various neighborhoods all across this great Diocese of Eastern Michigan to discover possibilities and hopes and dreams. It was a time to reassure you that together we could chart new territory and explore new possibilities. It was a time to renew our covenant with one another to walk faithfully in challenging and sometimes alien territory. It was a time to lay aside our fears and to risk a deeper relationship with one another and imagine a brighter future as a diocese.

Today, we live and move and have our being in a world characterized by division, destructive rhetoric, demonizing of the other and callous disregard for those whose opinions differ. This is not the Christian way, the Episcopal way or the American way. Let us once again be so bold and be so faithful as to set aside our fear and go into our neighborhoods to listen to one another, honor one another and love one another. Our attendance may not increase, our finances may not increase, our challenges will not go away, but by truly listening to one another, we are seeking and serving Christ in one another and loving our neighbor as ourselves.

We are a people of hope in a culture of fear and we know that love is the answer.

May God continue to bless us in all our ways.

The Rt. Rev. Steven Todd Ousley

II Bishop of Eastern Michigan

**CONGREGATIONS IN UNION with CONVENTION
DIOCESE OF EASTERN MICHIGAN - November 11, 2016**

| <u>Place</u> | <u>County</u> | <u>Congregation</u> | <u>Organ Admitted</u> | |
|----------------|---------------|-----------------------------|-----------------------|------|
| Alma | Gratiot | St. John's | 1885 | 1995 |
| Alpena | Alpena | Trinity | 1866 | 1995 |
| Atlanta | Montmorency | St. Mark's | 1960 | 1995 |
| Bad Axe | Huron | St. Paul's | 1881 | 1995 |
| Bay City | Bay | St. Alban's | 1965 | 1995 |
| Bay City | Bay | Trinity | 1854 | 1995 |
| Cheboygan | Cheboygan | St. James' | 1880 | 1995 |
| Corunna | Shiawassee | St. Paul's | 1865 | 1995 |
| Davison | Genesee | St. Dunstan's | 1953 | 1995 |
| Dryden | Lapeer | St. John's | 1902 | 1995 |
| East Tawas | Iosco | Christ | 1880 | 1995 |
| Fenton | Genesee | St. Jude's | 1860 | 1995 |
| Flint | Genesee | St. Andrew's | 1915 | 1995 |
| Flint | Genesee | St. Paul's | 1839 | 1995 |
| Flushing | Genesee | Trinity | 1942 | 1995 |
| Gaylord | Otsego | St. Andrew's | 1954 | 1995 |
| Gladwin | Gladwin | St. Paul's | 1903 | 1995 |
| Grand Blanc | Genesee | St. Christopher's | 1941 | 1995 |
| Grayling | Crawford | St. Francis' | 1956 | 1995 |
| Harrisville | Alcona | St. Andrew's-by-the-Lake | 1956 | 1995 |
| Harsens Island | St. Clair | St. Paul's | 1926 | 1995 |
| Higgins Lake | Roscommon | St. Elizabeth's | 1959 | 1995 |
| Hillman | Montmorency | Calvary | 1884 | 1995 |
| Indian River | Cheboygan | Transfiguration | 1958 | 1995 |
| Lapeer | Lapeer | Grace | 1878 | 1995 |
| Lexington | Sanilac | Trinity | 1871 | 1995 |
| Long Rapids | Alpena | Grace | 1896 | 1995 |
| Marine City | St. Clair | St. Mark's | 1863 | 1995 |
| Marysville | St. Clair | All Saints' | 1953 | 1995 |
| Midland | Midland | Holy Family | 1957 | 1995 |
| Midland | Midland | St. John's | 1870 | 1995 |
| Mio | Oscoda | St. Bartholomew's | 1987 | 1995 |
| Oscoda | Oscoda | St. John's (name change) ** | 1880 | 1995 |
| Otter Lake | Lapeer | St. John's | 1883 | 1995 |
| Owosso | Shiawassee | Christ | 1858 | 1995 |
| Port Huron | St. Clair | Grace | 1840 | 1995 |
| Rogers City | Presque Ile | St. Luke's | 1942 | 1995 |
| Saginaw | Saginaw | St. John's | 1851 | 1995 |
| Saginaw | Saginaw | St. Matthew's | 1954 | 1995 |
| Saginaw | Saginaw | St. Paul's | 1854 | 1995 |
| St. Clair | St. Clair | St. Paul's | 1848 | 1995 |
| Sand Point | Huron | St. John's | 1957 | 1995 |
| Sandusky | Sanilac | St. John's | 1903 | 1995 |
| Standish | Arenac | Grace | 1901 | 1995 |
| West Branch | Ogemaw | Trinity | 1901 | 1995 |

****As of 2004 known as Hope-St. John's (with ELCA)**

DIOCESAN CONVENTION – NOVEMBER 11/12, 2016

CLERGY/DELEGATE REGISTRATION

| | | | | |
|------------------|---|-------------------|---|---|
| <i>Alma</i> | <i>St Johns Episcopal Church</i> <i>No delegation</i> | Corunna | St Pauls Episcopal Church The Rev Russ Merrill The Rev Linda Ash The Rev Alice Lewis | |
| Alpena | Trinity Episcopal Church The Rev William McClure, Jr Ms Lisa Rhea Mrs Marge Lakin Mr Robert Lakin Ms Pam Woida | Davison | St Dunstans Episcopal Church The Rev Sue Colavincenzo The Rev Tom Smith | Ms Mary Carpenter Ms Jan Hebekeuser |
| Atlanta | St Marks Episcopal Church The Rev Phil Seitz Mrs Sue Cady Ms Pat Hopkins Ms Amy Soncrainte Mr Scott Primavera | Dryden | St Johns Episcopal Church | Mr Lee Hartman Ms Welma Jones Ms Debbie Kekel Mr Donald Steibel |
| Bad Axe | St Pauls Episcopal Church Ms Mary Kain Mrs Carrie Krzeszewski Ms Beverly Reilich Mrs Daphne Thomas | East Tawas | Christ Episcopal Church | Ms Mary Cameron Mr Russ Underwood Mr Tim Wright Mrs Sharon Huitema |
| Bay City | St Albans Episcopal Church Ms Debra Blakely Mr Jerry Cody Mrs Debra Grochowski Ms Julie Snyder | Fenton | St Judes Episcopal Church The Very Rev Tracie Little | Ms Josephine Feijoo Mr Greg Forsyth Mr Jerry Rucker Ms Angela White |
| Bay City | Trinity Episcopal Church The Rev Sue Rich Mr Anthony Hunsberger Ms Katie Hunsberger Mrs Michelle Hunsberger Mr Adam Culler | Flint | St Andrews Episcopal Church The Very Rev Jay Gantz | Ms Julie Edick Mrs Patricia Gearhart Mr Randy Hall Ms Mary Walker |
| Cheboygan | St James' Episcopal Church The Rev Lewis Crusoe Mr Donald Gezon Mrs Trish Gezon Mr Dean Heaston Mrs Nancy Heaston | Flint | St Pauls Episcopal Church The Rev Daniel Scheid | Mr Craig Leavitt Mrs Laura Meyer Mr Thomas Meyer Mrs Audrey Stephens |

DIOCESAN CONVENTION - NOVEMBER 11/12, 2016

CLERGY/DELEGATE REGISTRATION

| | | | | |
|--------------------|---|-------------------|----------------------------------|------------------------|
| Flushing | Trinity Episcopal Church | Harsens Island | St Pauls Episcopal Church | |
| | The Rev Barb Cavin | | The Rev Sherry Young | |
| | Ms Ann James | | | Ms Carol Hogg |
| | Mr Dennis Pickard | | | Ms Deborah Mehl |
| | Mrs Nancy Pickard | | | |
| | Mrs Shirley St John | Higgins Lake | St Elizabeths Episcopal Church | |
| Gaylord | St Andrews Episcopal Church | | The Rev Charles Curtis | |
| | The Rev Pam Lynch | | The Rev Mary Shortt | |
| | Ms Stacy Bishop | | | Mrs George Ferguson |
| | Mrs Beverly Howell | | | Mrs Marilyn Ferguson |
| | Mr Josh Howell | Hillman | Calvary Episcopal Church | |
| Ms Roxann Morin | | | Mrs Judy Nichols | |
| | | | Mr Michael Nichols | |
| Gladwin | St Pauls Episcopal Church | | | |
| | The Rev J Thomas Downs | Indian River | Transfiguration Episcopal Church | |
| | Mrs Marjorie Avery | | Ms Carolyn Martin | |
| | Mr William Avery | | Ms Mary Smith | |
| | Mrs Nancy Doyle | | Mr John Thompson | |
| Mrs Jarrett Randle | | | | |
| Grand Blanc | St Christophers Episcopal Church | Lapeer | Grace Episcopal Church | |
| | The Rev Donald Davidson | | The Rev Sarah Parks | |
| | | | The Rev Larry Parks | Mr Jennie Spencer |
| | Mrs Linda Rathburn | | | Ms Josh Spencer |
| | Ms Ellen Safley | | | Mr Kerry Spencer |
| | Mrs Coleen Shrank | | Ms Doris Rolland | |
| | Ms Jane Yorks | | | |
| Grayling | St Francis Episcopal Church | Lexington | Trinity Episcopal Church | |
| | The Rev Elizabeth Chace | | The Rev Kay Houck | |
| | Ms Tina Foster | | | Ms Beth Barkley |
| | Mrs Carol Moggo | | | Ms Debbie Bussineau-Ki |
| | Mr Doug Pryor | | | Ms Michelle Irwin |
| | Ms Kristen Todoroff | | Ms Virginia McNabb | |
| Harrisville | St Andrews-By-The-Lake Episcopal Church | Long Rapids | Grace Episcopal Church | |
| | The Rev Nancy Harpfer | | No delegation | |
| | The Rev Joe Jenney | Marine City | St Marks Episcopal Church | |
| | The Rev Sue Otto | | | Ms Maggie Heaslip |
| | Mrs Jeanne Meskus | | | |

DIOCESAN CONVENTION - NOVEMBER 11/12, 2016
CLERGY/DELEGATE REGISTRATION

| | | | | |
|------------|--|-------------|--|---|
| | Mrs Elaine Spencer Mrs Sue Wander | | | Ms Lorna MacDonald |
| Marysville | All Saints Episcopal Church Dr Edward Ryan Ms Nancy Ryan Ms Debbie Turnbull | Rogers City | St Lukes Episcopal Church | Mrs Maggie Michaud |
| | | Saginaw | St Johns The Rev Pam Renna | |
| Midland | Holy Family Episcopal Church Mrs Beth Grubb Mr Henry Mayer Ms Debbie Roth Ms Joyce Walker | | | Mrs Barb Ilkka Mr Ray Ilkka Mr Richard Roberts Mrs Chris Schaub |
| Midland | St Johns Episcopal Church The Rev Kenneth Hitch Ms Marsha Kleber Ms Robbyn Prangee Mr Robert Stoney Mrs Deb Blackhurst | Saginaw | St Matthews Episcopal Church The Rev Mary Jo Hudson | Mrs Becky Sanders Mr Tom Sanders Mrs Beth Taylor Mr Don Taylor |
| Mio | St Bartholomews Episcopal Church The Rev Allan Feltner Ms Sally Blamer Mrs Ramona Carter Mr Don De Walt Mrs Mary Parker | Saginaw | St Pauls Episcopal Church <i>No delegation</i> | |
| | | Sand Point | St Johns Episcopal Church The Rev Jane Spencer | Ms Nancy Folk Mr Doug Freeman |
| Oscoda | Hope-St John's Church <i>No delegation</i> | Sandusky | St Johns Episcopal Church | Mr Alex Paladi |
| Otter Lake | St Johns Episcopal Church The Rev Ann Norton The Rev Joanne St Pierre Ms Jennifer Sayles Ms Nancy VanAmburg | St Clair | St Pauls Episcopal Church | Mr Alan Barnes Mrs Maggie Barnes Ms Jackie Rands Mrs Sandy Sladowski |
| Owosso | Christ Episcopal Church Ms Emily Klein Mrs Carolyn Koenig | Standish | Grace Episcopal Church <i>No delegation</i> | |

DIOCESAN CONVENTION - NOVEMBER 11/12, 2016
CLERGY/DELEGATE REGISTRATION

Port Huron **Grace Episcopal Church**
The Rev Lydia Speller
The Rev Linda Crane
The Rev Shirley Seeley

Mrs Jeanette Bommarito
Ms Mary Lou Creamer
Mrs Mary Gale McPharlin
Mrs Patricia Stacey

West Branch Trinity Episcopal Church
The Rev Brian Chace
The Rev Robert Finn

Ms Delores DeSantis
Mrs Oak Haro
Ms Jane Hutchins
Ms Deb Williams

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

| | | |
|-------------------|----------------|---------------|
| Ousley | Todd | Bishop |
| Fargo | Valerie | Clergy |
| Barta | Heather | Clergy |
| Fitzgerald | Mary | Clergy |
| Houle | Mike | Clergy |
| Lepley | Becky | Clergy |
| Michaud | Bruce | Clergy |
| Naughton | Sharon | Clergy |
| Rehagen | Gerald | Clergy |
| Stuart | Chuck | Clergy |
| Steele | Nancy | Clergy |

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

| | | |
|--------------|-----------------|---------------|
| Clapp | Schuyler | Clergy |
|--------------|-----------------|---------------|

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

| | | |
|------------------|-------------------|---------------|
| Anderson | Richard | Clergy |
| Baker | Robert | Clergy |
| Bennett | Franklin | Clergy |
| Boli | Judith | Clergy |
| Breznau | Jack | Clergy |
| Breznau | Nancy | Clergy |
| Cannon | Daniel | Clergy |
| Clark | Marlene | Clergy |
| Cominos | Peter | Clergy |
| Curtis | Charles | Clergy |
| Delaney | Mary | Clergy |
| Elliott | William | Clergy |
| Grady | Ann | Clergy |
| Graham | James | Clergy |
| Kubbe | Anna Leigh | Clergy |
| Kusky | Donna | Clergy |
| MacDonald | John | Clergy |
| Owsley | Rebecca | Clergy |
| Schneider | Ned | Clergy |
| Schuetz | Mary Jo | Clergy |
| Tepe | Don | Clergy |
| Thompson | Karen | Clergy |
| Vince | Gail | Clergy |
| Voelker | Sharon | Clergy |
| Wallace | John | Clergy |

COMMITTEE REPORTS SUBMITTED TO CONVENTION As of November 11, 2016

COMMISSION ON MINISTRY REPORT 2016

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 developed guidelines for persons from other denominations seeking ordination. We strive to be actively engaged in the discernment process and in supporting vestry involvement in the discernment journey for all those seeking ordination. One of the goals of COM is to encourage more effective communication from all involved in this holy process and to provide clarification where needed. We support the work of the Canon to the Ordinary Michael Spencer and the Coppage-Gordon School for Ministry in their efforts in lay ministry training and development.

Since Oct. 2015, the bishop has taken the following actions after consulting with COM. The Rev. Lew Crusoe and the Rev. Mary Jo Hudson were ordained as priests.

COM currently has nine members who have been appointed by the bishop, five lay persons and four clergy.

Members of COM as of Oct. 24, 2016: The Rev. Sue Colavincenzo, Ms. Emily Klein, The Rev. Pam Lynch, Ms. Ellen McVey, The Rev. Sharon Naughton, Mr. Jon Steele, Ms. Doris Sutton, Ms. Joyce Thewalt, and The Rev. Sharon Voelker, Ex-officio member: The Rt. Rev. Todd Ousley. We would like to thank The Rev. Heather Barta, The Rev. Daniel Cannon, Ms. Missy Harrison, and Ms. Beverly Mills for their service in this ministry. All were valuable voices of discernment and their gifts will be missed. We would also like to thank Ms. Angela Krueger for her patience and excellence in working with COM.

Members of COM have served with integrity, diligence, and generosity of spirit. I thank them.

Respectfully submitted,

Sue Colavincenzo, Chairperson of COM for the Diocese of Eastern Michigan

COPPAGE-GORDON SCHOOL FOR MINISTRY

This year has been a busy one for the Coppage-Gordon School for Ministry. In September we began our third year of the Academy for Vocational Leadership. The Academy provides the educational component of preparation for local ordination to holy orders. This three-year joint program with the Dioceses of Michigan and Western Michigan currently has 21 students, and next June we will have our first class of graduates. We anticipate beginning a new class in September 2017.

The Academy classes in Bible, Church History, and Theology and Ethics, held once a month on a Saturday, are open to anyone interested in exploring these topics. Participation in the Bible class is now an expectation for those seeking to become licensed preachers in the Diocese of Eastern Michigan.

In 2016 Coppage-Gordon also provided Safeguarding trainings, Eucharistic Visitor training and two sessions of worship leader training, as well as a class focused on worship planning for Lent and Holy Week. A new offering this fall is a Pastoral Care Series with four sessions that explore listening skills and how to put them to use in a variety of pastoral care situations.

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

CHEYENNE RIVER EPISCOPAL MISSION, 2016

Episcopal Mission by the Mission Group from the Diocese of Eastern Michigan, was a bit different than previous years. This year, we were asked to work with the Cheyenne River Churches to help host the Niobrara Convocation which is an annual gathering of the Episcopal Missions of the five Reservations in South Dakota. They take turns hosting and this year our friends from CREM were the hosts. One of the highlights of the whole trip was being invited to participate in the Convocation and were told that we were going to be recognized and given an award for our relatively long term relationship with the Cheyenne River Episcopal Mission.

Rather than being involved in a building project and conducting a Vacation Bible School session, we were more than willing to provide what assistance we could. It promised to be a new experience and it certainly worked out that way.

Our trip to South Dakota was a bit different this year. Our group consisted of seven people; Nancy Steel, Alice (Pohl) McKarvie, Mike Houle, Sharon Huitema, Nathan Huitema, Phyllis Seitz, and Phil Seitz. Because our group was a bit smaller this year, the decision was made to rent an SUV rather than drive multiple vehicles.

We were given a very good rental rate and the saving in fuel cost equaled the cost of rental. The group fit well in the SUV and it gave us a chance to become really closely knit as we prepared for our experience on the Reservation.

Departure was on Tuesday, June 21. The group stayed Monday evening at the home of Phyllis and Phil so that departure was very early. The route taken was through the Upper Peninsula and Northern Wisconsin. The first night's stay was at St. Croix, WI. On Wednesday, we crossed in to Minnesota, through St. Cloud to the connecting route with US 12. From there, the route was principally West all the way to our lodging in Isabel, South Dakota. The group was very fortunate in that the Motel we were booked with had a 5 bedroom house available for a very reasonable rate. We were able to stay comfortably and were able to prepare many of our meals rather than pay for them at restaurants.

Because the Reservation is on Mountain Time, we were able to check in and make the 45 mile trip to Eagle Butte to meet and greet with many of those we had met in previous years. We were also able to get some idea of what to prepare for on Thursday when the gathering began for the Convocation. We were also able to buy groceries we needed for our meals at the Motel Home.

Thursday morning, Mother Margaret Watson, the Mission Priest, gave us an outline of some of the things we could expect to be helping with in the next few days. We began our help-time with getting everything set up in terms of facilities. There was a very large open building with a kitchen that was to prepare for and host most of the meals. There was a large arena with grandstand seating as well as many table and chairs in the arena for special programs. There were several other smaller tents available for individual programs. We provided what assistance we could in helping get everything set up.

Registration began at 4:00 p.m. on Thursday. Each meal during the Convocation Weekend was sponsored by a different Congregation within the CREM group of ten Churches. Anyone who lost weight during the Niobrara Convocation had to be very careful not to partake of the multiple varieties of food available. The WELCOME session began at 7:00 p.m. The Bishop of South Dakota, The Rt. Rev. John Tarrant, (a native of Millington) and Mother Margaret Watson, the CREM Priest, each made a welcoming presentation and the evening closed with a Close of Day Prayer Program led by the Episcopal Church Women of the Convocation.

Our Bishop Todd Ousley joined us Thursday evening and we were proud to be able to introduce him to many of those with whom we had worked for so many years.

After the Welcoming Session, our group returned to our lodging in Isobel. A few people stayed in teepee's and tents, but most were in lodging of all kinds; Motel, RV's, with friends, and quite frankly, some in their cars.

Each morning, Holy Eucharist was celebrated at 7:00 a.m. Because we were staying 45 miles away, we were blessed to have Father Mike Houle lead is in Morning and Evening Prayer each day. He has been our Chaplain for this Mission Trip for many years.

There were youth activities of many kinds available each day. Because the first day's session was primarily Convocation Business, Mike Houle, Phil Seitz, and Nancy Steele conducted a guided tour for Bishop Todd, of all the projects that we have worked with over the years. This included St. John's, Eagle Butte, St. Thomas, On-The-Tree; Emmanuel, Whitehorse, and Ascension, Blackfoot. Several of those projects were multi-year activities. We were unable to visit Thunder Butte where our initial project was located. Most years, Vacation Bible School was held, usually at St. John's, Eagle Butte. Bishop Todd was very pleased to be able to see firsthand what had been reported for so many years.

On our way to Eagle Butte on Saturday, we made a special trip via Timberlake to visit the Historical Museum. They have a comprehensive number of displays that depict the life of the Reservation from its beginning. The owner and curator gave us a very interesting presentation and made us feel very welcome.

At noon, the Episcopal Youth of the Missions lead Noon Day Prayer. They did a wonderful job. After lunch, the election of officers was held. The long time President of the Convocation had decided to retire and someone new was to be elected. Evidently there was an agreed upon successor who was elected, along with the other officers.

Something that was one of the highlights of the whole Convocation Council, was the Ordination of a new Priest who will serve on the Cheyenne River Episcopal Mission as the Youth Program Director for the next three years. Mikayla Dunfee was ordained by Bishop John Tarrant, who was assisted by Bishop Todd. She is a very interesting young lady who will do very well in the opinion of those of us who had the opportunity to meet her. During the Ordination, we were very pleased to be able to sit with Deacon Hazel Red Bird, a 92 year old Deacon who we first met early in our experience at Eagle Butte and who is now serving with the Standing Rock Reservation.

On Sunday morning, we were asked to assist St. Thomas, On-The-Tree in the preparation and serving of breakfast for the Convocation. Since our plan was to leave after lunch, we had to pack and load and leave for Eagle Butte at 6:15 a.m. We made it and helped prepare and serve, as well as clean up afterward.

The concluding Holy Eucharist was presided over by Bishop John Tarrant. The total attendance was somewhat over 200 people. It was a moving experience. The Rev. Canon Cornelia Eaton from a Navajo Colony in Arizona presented an absolutely inspirational sermon.

After the concluding sack lunch, we left for home. We made it to Willmar, MN the first night, quite a bit further than planned. We got an early start on Monday and by sharing driving, made the decision to keep going until we reached Hale, MI. The unanimous consensus was that the trip was wonderful and inspiring. We also left South Dakota feeling that we were appreciated for our contribution to the success of the 2016 Niobrara Convocation.

Respectfully submitted,
Rev. Phil Seitz

**Report of the Outreach Ministry Committee to the
Annual Convention of the Episcopal Diocese of Eastern Michigan
September 2016**

The Recovery Outreach Committee has continued in its mission to provide support for recovery groups within the Episcopal Diocese of Eastern Michigan, as well as to be an educational resource for increasing awareness within the Diocese about the nature of addiction & recovery. The committee underwent some changes over the past year, adding new members from the recovering community as well as losing some members for various reasons. The committee spent some time clarifying its mission, as well as its composition, this past year, with the goal of developing a more effective self-understanding. One area that has been discussed is whether the committee should try to be available as a support for the larger church, such as other Episcopal dioceses in Michigan as well as other denominations in the area. Besides providing information through daily postings on the committee's Facebook page, there was an opportunity to educate the students at the Academy for Vocational Leadership about the nature of addiction, codependency, relapse, and recovery. This was done in conjunction with the G.R.A.C.E. Center, and the students involved came from the 3 Episcopal dioceses of the Lower Michigan peninsula. This was an all-day affair, and the committee is grateful for the support of Archdeacon Anna Lee Kubbe and the Rev. Dr. Valerie Fargo for their invitation and support in this matter.

Another activity that the committee was able to organize and present was the annual 11th step retreat in early June, again in partnership with the G.R.A.C.E. Center. The retreat was once again well received by the participants, and they were excited about next year's retreat. There were 27 participants at this retreat, 5 more than last year. Many had also attended last year's retreat. The most recent work of the committee has been the preparation of three resolutions for submission to this convention. These resolutions are in response to three resolutions that were approved by last year's 78th General Convention of the Episcopal Church. These resolutions deal with how the larger Church should address the use of alcohol, as well as address & support clergy who may have substance abuse issues. Our hope is that the Diocese of Eastern Michigan will adopt these proposals.

Respectfully submitted,
Doug Pryor, Recovery Outreach Ministry Coordinator

REPORT OF THE REGISTRAR

This is a report of the actions taken by the Bishop and/or the Standing Committee from August 1, 2015 to July 31, 2016. 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 | 27 |
| Receptions | 9 |
| New Clergy Received | 2 |
| Clergy Transferred Out | 1 |
| Clergy Renunciations/Depositions | 1 |
| Clergy Funerals | 1 |
| Deconsecrations of Buildings | 0 |
| Visitations | 23 |
| Celebrations of New Ministries | 3 |

Respectfully submitted,
Angela Krueger, Secretary of Convention

RETIRED CLERGY & SPOUSES AND SURVIVING SPOUSES REPORT

At the end of 2015 there were 29 Retired and Senior, Annually-licensed Clergy canonically and actually resident in the Diocese of Eastern Michigan; and of the 29, 15 remained active to some degree in ordained ministry in our congregations (as associates, interims, priest's in-charge, supply clergy, etc.). There were 13 Retired Clergy from other dioceses who live in the Diocese of Eastern Michigan, and of those 13, 3 are licensed and active to some degree in ordained ministry in our congregations. There are 14 Retired Clergy from the Diocese of Eastern Michigan who now live in other dioceses. There are 16 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.

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

STANDING COMMITTEE

The Standing Committee of the diocese has six members. We are also members of the Diocesan Council. Our charge is to be a support to the bishop, to council on sensitive matters and to consider and to put a stamp of approval or not the election of bishops for the national church. On average we meet ten times a year either at the diocesan offices or on the internet through Adobe Connect. It is an honor and privilege to serve in this capacity.

Respectfully submitted,

Stephanie King, President of Standing Committee

TRUSTEE REPORT

The Episcopal Diocese of Eastern Michigan started the 2016 year with an investment allocation of 73% Equities, 24% Bonds and 3% cash. Foreign stocks made up about 12% of the total. That allocation guided us through the year and as of September 30, 2016, our allocation was 72% equities, 23% Bonds and 5% cash. Foreign stocks now make up 10% of the total. For this time period (YTD through September 30th), the Diocese had an investment return of 3.94%. The S&P 500 was up 5.6% and the Dow Jones Average was up 4.7% for this same time period. US Broad Market Bonds were up 5.5%. Given our blended allocation of about 70% Equities / 30% Bonds and, our peer group benchmark would have been a positive 5.6%. We slightly underperformed this benchmark due to our higher exposure to Biotechnology at the beginning of the year. This weak performer has been replaced and we no longer hold this position. Overall our equity funds performed on average better than the market, and our bond holdings outperformed the US Broad Market index as well.

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,

Jim Schuetz, Trustees Chair

AMENDMENTS TO THE CONSTITUTIONS AND CANONS OF THE GENERAL CONVENTION

B011: Amend Article 11.7

Resolved, That the Constitution of the General Convention (2012) Article 11.7 is hereby amended to read as follows:

Sec. 7. The House of Bishops may elect a Bishop Suffragan who, under the direction of the Presiding Bishop, shall be in charge of the work of persons of this Church who serve as chaplains in the Armed Forces of the United States, -and such other agencies as may be specified by the Presiding Bishop. The Bishop Suffragan so elected shall be ordained and consecrated and hold office under such conditions and limitations other than those provided in this Article as may be provided by Canons of the General Convention.

D003: Amend Article V

Resolved, That Article V, Section 1 is amended to read as follows:

A new Diocese may be formed, with the consent Of the General Convention and under such conditions as the General Convention shall prescribe by General Canon or Canons, (1) by the division of an existing Diocese; (2) by the junction of two or more Dioceses or of parts of two or more Dioceses; or (3) by the erection into a Diocese of an unorganized area evangelized as provided in Article VI. The proceedings shall originate in a Convocation of the Clergy and Laity of the unorganized area called by the Ecclesiastical Authority for that purpose; or, with the approval of the Ecclesiastical Authority, in the Convention of the Diocese to be divided; or (when it is proposed to form a new Diocese by the junction of two or more existing Dioceses or of parts of two or more Dioceses) by mutual agreement of the Conventions of the Dioceses concerned, with the approval of the Ecclesiastical Authority of each Diocese. After consent Of the General Convention, when a certified copy of the duly adopted Constitution of the new Diocese, including an unqualified accession to the Constitution and Canons of this Church, shall have been filed with the Secretary of the General Convention and approved by the Executive Council of this Church, such new Diocese shall thereupon be in union with the General Convention.

D008: Amend Article 1.1

Resolved, That Article I, Section 1 of the Constitution is amended to read as follows:

Sec. 1. There shall be a General Convention of this Church, consisting of the House of Bishops and the House of Deputies, which Houses will sit, debate, and vote separately, unless otherwise provided

for by this Constitution or the Canons, The Houses by majority vote of each House may call for the Houses to sit, debate, and vote, or any combination thereof, together. The General Convention may by Canon establish procedures for such sessions. In all deliberations freedom of debate shall be allowed. Either House may originate and propose legislation, and all acts of the Convention shall be adopted and be authenticated by both Houses.

RESOLUTIONS

The Report of the Resolutions Committee
Mrs. Amy Simons & The Rev. Charles Curtis

Resolution 1

WHEREAS Resolution A158 of the 78th General Convention of the Episcopal Church encourages dioceses, congregations, seminaries, schools, young adult ministries, and affiliated institutions to update their policies on the use of alcohol and other substances with the potential for misuse in accordance with the policy adopted by General Convention as documented in Resolution A158

BE IT RESOLVED that the 22nd Diocesan Convention of the Episcopal Diocese of Eastern Michigan adopt the following on the use of alcohol and other substances with the potential for misuse and encourage all congregations within the Diocese to do the same.

1. The Church must provide a safe and welcoming environment for all people, including people in recovery.
2. All applicable federal, state and local laws should be obeyed, including those governing the serving of alcoholic beverages to minors.
3. Some dioceses and congregations may decide not to serve alcohol at events or gatherings. Others may decide to permit a limited use of alcoholic beverages at church-sponsored events. Both can be appropriate if approached mindfully.
4. When alcohol is served, it must be monitored and those showing signs of intoxication must not be served. Whenever alcohol is served, the Rector or Priest-in-Charge must appoint a person of legal drinking age to oversee its serving. That person must not drink alcoholic beverages during the time of his or her execution of his or her responsibilities. If hard liquor is served, a certified server is required.
5. Serving alcoholic beverages at congregational events where persons under the legal drinking age are present is strongly discouraged. If any are present, alcohol must be served at a separate station that is monitored at all times to prevent underage drinking.

6. Alcoholic and non-alcoholic beverages must be clearly labeled as such. Food prepared with alcohol does not need to be labeled provided the alcohol is completely evaporated by the cooking process; however, it is recommended that even in this case the use of alcohol in cooking be noted on a label.
7. Whenever alcohol is served, appealing non-alcoholic alternatives must always be offered with equal prominence and accessibility.
8. The serving of alcoholic beverages at church events should not be publicized as an attraction of the event, e.g. “wine and cheese reception,” “cocktail party,” and “beer and wine tasting.”
9. Ministries inside or outside of congregations will make certain that alcohol consumption is not the focus of the ministry and that drinking alcohol is not an exclusively normative activity.
10. Food must be served when alcohol is present.
11. The groups or organizations sponsoring an activity or event at which alcoholic beverages are served must have permission from the Rector or Priest-in-Charge, or if there is none, of the vestry. Such groups or organizations must also assume responsibility for those persons who might become intoxicated and must provide alternative transportation for anyone whose capacity to drive may be impaired. Consulting with liability insurance carriers is advised.
12. Recognizing the effects of alcohol as a mood-altering drug, alcoholic beverages shall not be served when the business of the Church is being conducted.
13. Clergy shall consecrate an appropriate amount of wine when celebrating the Eucharist and perform ablutions in a way that does not foster or model misuse.
14. We encourage clergy to acknowledge the efficacy of receiving the sacrament in one kind and consider providing non-alcoholic wine.

Submitted By

- Clergy 1: Brian Chace
- Clergy 2: Pamela Lynch
- Clergy 3: Barb Cavin
- Clergy 4: Tracie Little
- Lay Person 1: Doug Pryor
- Lay Person 2: Carol Moggo
- Lay Person 3: Deb Williams
- Lay Person 4: Kristin Todoroff

Resolution 2

WHEREAS Resolution A159 of the 78th General Convention of the Episcopal Church directs dioceses to work in partnership with The Episcopal Church Medical Trust, Recovery Ministries of The Episcopal Church, and community-based organizations in order to address most effectively prevention, intervention/diversion, education, advocacy, treatment, and recovery for substance use disorders and addiction, including developing a list of trained therapists and consultants who are available to assist clergy and laity in this education process

BE IT RESOLVED that the Episcopal Diocese of Eastern Michigan directs the Diocesan Council to investigate and identify appropriate programs and processes offered by the above referenced organizations and by making the information available to clergy, churches, and individual members of the diocese.

Submitted By:

- Clergy 1: Brian Chace
- Clergy 2: Pamela Lynch
- Clergy 3: Barb Cavin
- Clergy 4: Tracie Little
- Lay Person 1: Doug Pryor
- Lay Person 2: Carol Moggo
- Lay Person 3: Deb Williams
- Lay Person 4: Kristin Todoroff

Resolution 3

WHEREAS Resolution D014 of the 78th General Convention of the Episcopal Church requests Sponsoring Clergy, Vestries, Commissions on Ministry, Standing Committees, and Bishops interviewing and evaluating Nominees, Postulants, and Candidates for Ordination to explore directly issues regarding substance use in their lives and family systems; and that that Nominees, Postulants, and Candidates who may have addiction issues be offered appropriate resources and referred to qualified mental health, healthcare, and/or addiction professionals for further evaluation prior to proceeding in the ordination process

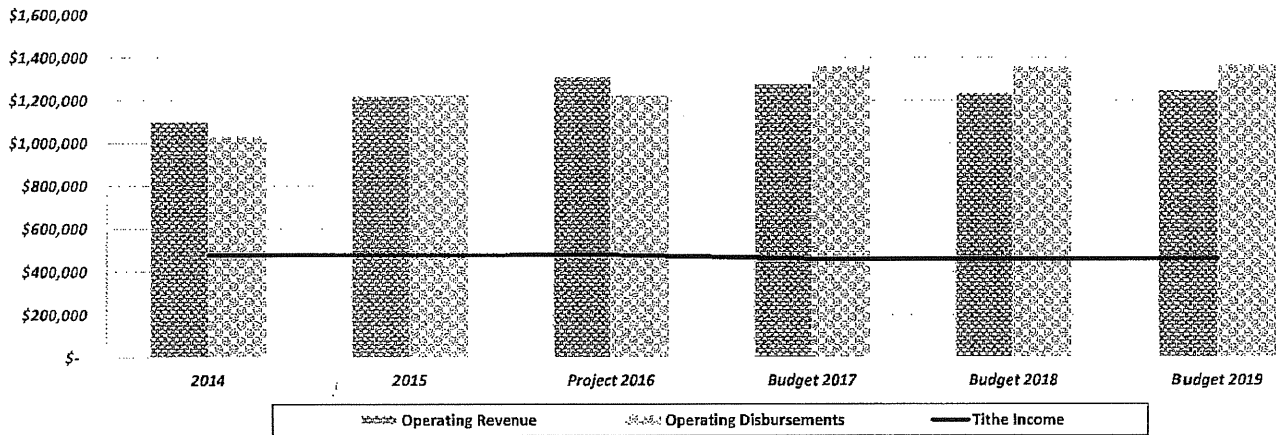
BE IT RESOLVED that the Episcopal Diocese of Eastern Michigan requests that the Bishop and Commission on Ministry add appropriate steps to explore such issues to the discernment process as documented in the Manual for Ordination, and establish an appropriate referral mechanism for further evaluation and treatment of substance abuse.

Submitted By:

- Clergy 1: Brian Chace
- Clergy 2: Pamela Lynch
- Clergy 3: Barb Cavin
- Clergy 4: Tracie Little
- Lay Person 1: Doug Pryor
- Lay Person 2: Carol Moggo
- Lay Person 3: Deb Williams
- Lay Person 4: Kristin Todoroff

**The Episcopal Diocese of Eastern Michigan
Six Year Comparative Financial Report - Cash Basis**

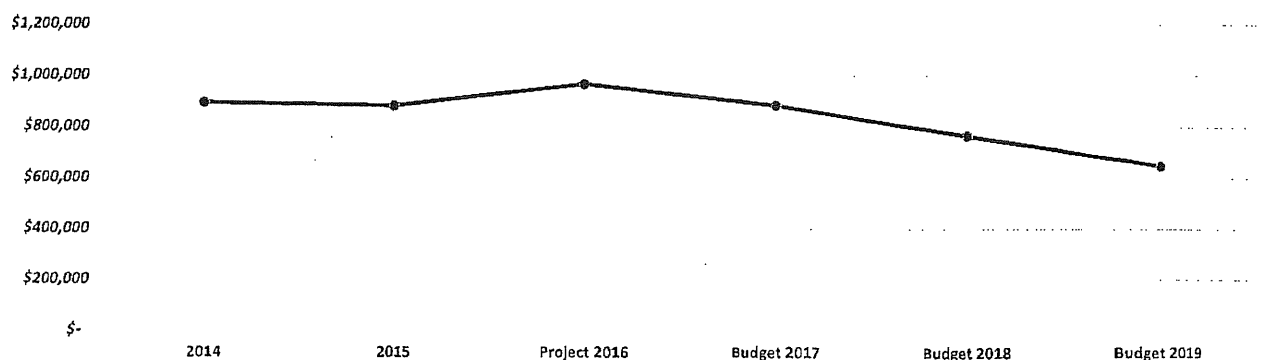
Operating Revenues & Disbursements with Tithe Income



| | 2014 <u>Actual</u> | 2015 <u>Actual</u> | 2016 <u>Projection</u> | 2016 <u>Budget</u> | 2017 <u>Budget</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Diocesan Consolidated (Operating, CDRF, Loans & Grants, McElroy) | | | | | | | |
| General Operating Revenue | | | | | | | |
| Unrestricted | | | | | | | |
| Congregational Tithe | \$ 479,540 | \$ 479,041 | \$ 480,000 | \$ 477,615 | \$ 461,476 | \$ 461,476 | \$ 461,476 |
| Episcopal Endowment | 204,088 | 222,773 | 234,197 | 234,197 | 218,726 | 218,726 | 218,726 |
| 5% Fund | 109,697 | 141,572 | 147,276 | 147,276 | 146,482 | 146,482 | 146,482 |
| Other Unrestricted Endowment | 118,373 | 125,123 | 114,704 | 114,704 | 114,064 | 114,064 | 114,064 |
| Other General Operating | 11,699 | 14,957 | 38,000 | 38,000 | 43,000 | 23,000 | 33,000 |
| Investment income | - | 1,145 | 13,000 | - | - | - | - |
| Unrestricted Revenue | 923,397 | 984,611 | 1,027,177 | 1,011,792 | 983,748 | 963,748 | 973,748 |
| Restricted | | | | | | | |
| Endowment | 26,579 | 28,486 | 30,432 | 30,432 | 28,346 | 28,346 | 28,346 |
| G&I | 14,103 | 15,898 | 16,404 | 16,404 | 15,320 | 15,320 | 15,320 |
| Gifts | - | - | - | - | - | - | - |
| Risk Management | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| McElroy | 97,305 | 129,110 | 135,719 | 135,719 | 137,309 | 130,615 | 130,144 |
| McElroy - Coppage Gordon | 5,079 | 42,733 | 58,983 | 58,983 | 71,266 | 71,834 | 72,900 |
| CDRF | 33,133 | 14,563 | 36,500 | 36,500 | 36,500 | 21,500 | 21,500 |
| Restricted Revenue | 181,199 | 235,790 | 283,038 | 283,038 | 293,741 | 272,615 | 273,210 |
| Total General Operating Revenue | 1,104,596 | 1,220,401 | 1,310,215 | 1,294,830 | 1,277,489 | 1,236,363 | 1,246,958 |
| Other Revenue | | | | | | | |
| Loans & Grants | 29,763 | 7,254 | 22,000 | 1,800 | 1,800 | 1,800 | 1,500 |
| Indigenous Human Need | 3,969 | 19,132 | 3,000 | - | - | - | - |
| McElroy | 13,159 | 2,513 | 12,000 | - | - | - | - |
| CDRF | 33,518 | 175,175 | 70,000 | - | - | - | - |
| Total Other Revenue | 80,409 | 204,074 | 107,000 | 1,800 | 1,800 | 1,800 | 1,500 |
| Total Revenue | 1,185,005 | 1,424,475 | 1,417,215 | 1,296,630 | 1,279,289 | 1,238,163 | 1,248,458 |

| | 2014 <u>Actual</u> | 2015 <u>Actual</u> | 2016 <u>Projection</u> | 2016 <u>Budget</u> | 2017 <u>Budget</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Operating Disbursements | | | | | | | |
| Unrestricted Operating | | | | | | | |
| Ministry of the Diocese | 209,302 | 211,294 | 187,000 | 191,216 | 204,146 | 216,146 | 204,151 |
| Diocese Social Networking | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Office of the Bishop | 226,053 | 219,515 | 230,000 | 236,519 | 232,109 | 233,818 | 239,839 |
| Archdeacon | 10,900 | 11,081 | 5,903 | - | - | - | - |
| Canon to the Ordinary | 87,980 | 77,522 | 78,000 | 118,368 | 117,707 | 121,125 | 124,760 |
| Coordinator for Living Stones | 1,524 | 1,549 | - | - | - | - | - |
| Camp Chick/Youth Director | - | 61,935 | 71,000 | 86,069 | 86,278 | 81,138 | 83,117 |
| Diocesan Communications | 68,071 | 82,265 | 91,000 | 92,097 | 95,786 | 98,193 | 99,452 |
| Data Base Support | 2,295 | 2,115 | 3,000 | 4,000 | 4,000 | 2,200 | 2,200 |
| Administrative Support | 135,867 | 146,699 | 159,000 | 171,712 | 159,541 | 164,391 | 169,629 |
| Diocesan Center Bldg. & Grounds | 17,988 | 34,391 | 23,000 | 23,410 | 28,561 | 24,227 | 24,409 |
| Diocesan Center Equip & Services | 40,699 | 52,176 | 49,000 | 49,500 | 58,600 | 55,000 | 55,200 |
| Other Expense | 4,515 | 9,742 | 12,000 | 12,774 | 12,743 | 12,743 | 12,743 |
| Restricted Operating | | | | | | | |
| G&I Funds | 7,977 | 2,028 | 7,000 | 16,404 | 15,320 | 15,320 | 15,320 |
| Risk Management | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| McElroy | 74,102 | 57,907 | 61,000 | 75,300 | 63,800 | 56,300 | 43,800 |
| McElroy C/G | 28,217 | 115,031 | 110,000 | 119,402 | 145,275 | 148,149 | 161,244 |
| CDRF | 12,149 | 35,743 | 32,000 | 35,000 | 29,500 | 21,500 | 21,500 |
| Total General Operating Disbursements | 1,032,639 | 1,225,993 | 1,223,903 | 1,336,771 | 1,358,366 | 1,355,250 | 1,362,364 |
| Other Disbursements | | | | | | | |
| Indigenous Human Needs Grant | 5,000 | 12,500 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| L&G - Grants | - | 29,579 | 50,000 | 50,150 | 50,150 | 50,150 | 50,150 |
| Non-Operating transfers | | | | | | | |
| L&G | 15,426 | 37,162 | - | 15,000 | - | - | - |
| McElroy | - | 65,750 | 70,385 | 70,385 | 71,561 | 64,867 | 64,396 |
| CDRF | - | 45,927 | 36,500 | 36,500 | 36,500 | 21,500 | 21,500 |
| Total Other Disbursements | 20,426 | 190,918 | 161,885 | 177,035 | 163,211 | 141,517 | 141,046 |
| Total Disbursements | 1,053,065 | 1,416,911 | 1,385,788 | 1,513,806 | 1,521,577 | 1,496,767 | 1,503,410 |
| Income (Deficit) | 131,940 | 7,564 | 31,427 | (217,176) | (242,288) | (258,604) | (254,952) |
| Funding From(To) Reserves | | | | | | | |
| Computer | (2,000) | (2,000) | (3,000) | (3,000) | 7,000 | (3,000) | (3,000) |
| Bishop Automobile | (7,500) | (7,500) | - | - | (7,500) | (7,500) | (7,500) |
| Lambeth Conference | (2,000) | (2,000) | (2,000) | (2,000) | (2,000) | (2,000) | (2,000) |
| Bishop Sabbatical | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Bishop Search | (10,000) | (10,000) | (10,000) | (10,000) | (10,000) | (10,000) | - |
| General Convention | (8,000) | - | (12,000) | (12,000) | (12,000) | 24,000 | (12,000) |
| Building | - | - | - | - | - | - | - |
| Net Transfers From(To) Reserves | (31,000) | (23,000) | (28,500) | (28,500) | (26,000) | - | (26,000) |
| Income (Deficit) after Net Operational Reserves | \$ 100,940 | \$ (15,436) | \$ 2,927 | \$ (245,676) | \$ (268,288) | \$ (258,604) | \$ (280,952) |

Operating Reserves



April 6, 2016

Management and the Diocesan Council
The Episcopal Diocese of Eastern Michigan

We have completed our audit of the financial statements of The Episcopal Diocese of Eastern Michigan as of and for the year ended December 31, 2015, and have issued our report dated April 6, 2016.

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, 2015. 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 financial statements in the proper period.

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

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

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

Accounting Standards and Regulatory Updates

- Revenue Recognition

There is 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 Exposure Draft – Financial Reporting for Nonprofits**

FASB has proposed changes to financial statement presentation for nonprofit entities that if implemented would be one of the largest overhauls in financial reporting for nonprofits in nearly two decades. These changes are still in draft form, and may have numerous changes before they are finalized or may never be finalized.

Here are some key changes you should be aware are being proposed.

- Net asset classifications will be reduced to “With donor restrictions” and “Without donor restrictions” and additional disclosures will be necessary.
- Underwater endowments would be listed at the current value (underwater) in the donor restricted net assets and would have additional disclosures including policies for spending.
- An operating income measurement would be required on the statement of activities. Operating would be defined as meeting both a mission and an availability requirement.
- All not-for-profits will need to do a “statement” of functional expenses for operating expenses as either a basic statement or a disclosure.
- A direct method statement of cash flows will be required. Definitions will differ from for-profit entities. Fixed asset purchases and sales will be operating.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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

There were no uncorrected misstatements that were more than trivial.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors’ report. We are pleased to 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.

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

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
November 12, A.D. 2016**

TABLE OF CONTENTS

THE CONSTITUTION OF THE DIOCESE OF EASTERN MICHIGAN

| | | |
|------|-------------|----------------|
| Page | | |
| 4 | Article I | Territory |
| 4 | Article II | Loyalty |
| 4 | Article III | The Bishop |
| 4 | Article IV | The Convention |
| 5 | Article V | Convocations |
| 5 | Article VI | Canons |
| 6 | Article VII | Amendments |

THE CANONS OF THE DIOCESE OF EASTERN MICHIGAN

TITLE I. ORGANIZATION AND ADMINISTRATION

| | | |
|------|----------|---|
| Page | | |
| 7 | Canon 1 | Of Lay Delegates |
| 7 | Canon 2 | Of a List of the Clergy |
| 8 | Canon 3 | Of the Annual and Special Conventions |
| 10 | Canon 4 | Of the Secretary of the Convention |
| 10 | Canon 5 | Of the Clerk of Nominations of the Convention |
| 11 | Canon 6 | Of Elections |
| 11 | Canon 7 | Of the Standing Committee |
| 13 | Canon 8 | Of the Diocesan Council |
| 14 | Canon 9 | Of the Chancellor of the Diocese |
| 14 | Canon 10 | Of the Registrar |
| 15 | Canon 11 | Of the Trustees of The Episcopal Church for the Diocese of Eastern Michigan |
| 16 | Canon 12 | Of Parish Registers and Parochial Reports |
| 16 | Canon 13 | Of Business Methods in Church Affairs |
| 16 | Canon 14 | Of Diocesan Finance |
| 17 | Canon 15 | Of the Church Pension Fund |
| 17 | Canon 16 | Of Deputies to the General Convention |
| 18 | Canon 17 | Of Deputies to the Provincial Synod |
| 18 | Canon 18 | Of Convocations and Missional Networks |
| 18 | Canon 19 | Of the Organization of New Congregations |
| 19 | Canon 20 | Of the Admission of a Congregation into Union with the Convention of this Diocese |
| 20 | Canon 21 | Of Congregational Meetings |
| 22 | Canon 22 | Of the Vestry |
| 24 | Canon 23 | Of the Renewal of Congregations |
| 25 | Canon 24 | Of the Closure of Congregations |

(TITLE I. ORGANIZATION AND ADMINISTRATION -continued)

Page

| | | |
|----|----------|---|
| 25 | Canon 25 | Of Chapels |
| 26 | Canon 26 | Of Clergy and Congregations Seeking Affiliation with This Diocese |
| 26 | Canon 27 | Of the Jurisdiction of the Bishop in Communicant Status and Marital Status and the Solemnization of Marriages |
| 26 | Canon 28 | Of the Camp Chickagami Board |

TITLE II. WORSHIP

| | | |
|----|---------|---|
| 27 | Canon 1 | Of Ordering the Worship of the Church in this Diocese |
|----|---------|---|

TITLE III. MINISTRY

| | | |
|----|---------|--|
| 27 | Canon 1 | Of the Ministry of All Baptized Persons |
| 27 | Canon 2 | Of the Commission on Ministry |
| 28 | Canon 3 | Of the Election of a Bishop |
| 28 | Canon 4 | Of the Calling of Rectors |
| 28 | Canon 5 | Of the Reconciliation of Disagreements Affecting the Pastoral Relation |
| 28 | Canon 6 | Of the Dissolution of the Pastoral Relation |
| 29 | Canon 7 | Of Priests-in-Charge |

TITLE IV. ECCLESIASTICAL DISCIPLINE

| | | |
|----|---------|--|
| 29 | Canon 1 | Of the Administration of Ecclesiastical Discipline |
| 29 | Canon 2 | Of the Discipline Structure |
| 31 | Canon 3 | Of Inter-diocesan Agreements |

TITLE V. CANONICAL LEGISLATION

| | | |
|----|---------|---|
| 31 | Canon 1 | Of Additions and Amendments to the Canons |
|----|---------|---|

**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 thirty (30) 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 fifteen (15) days before the Convention. The Secretary of the Convention shall forward this report to the lay delegates and clergy at least ten (10) 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. (excepting 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 worshipers 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 six (6) appointed members of the Clergy who are canonically resident in the Diocese; and of six (6) 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 18, A.D. 2014.