

Episcopal Diocese of Montana
Minutes of Diocesan Council Zoom Media Meeting
January 8, 2022

The Diocesan Council of the Episcopal Diocese of Montana held a video meeting via Zoom Media, beginning at 10:00 a.m. on Saturday, January 8, 2022.

Attendance. Council members present were: The Rt. Rev. Marty Stebbins, The Rev. Stephen Day, Rick Harden, Hank Tuell, Keith Kuhn, The Rev. Mary Alice Jones, Leo Schuman, Hope Stockwell, Jean Buer-Mott and The Rev. Heidi Jones-Magee. Council members The Rev. Jaime Leonard, The Very Rev. Scott Anderson and The Rev. Randy Pendergraft were absent. Also in attendance were Mark Dvarishkis, Diocesan Treasurer; Barb Hagen, Canon for Administration and Finance; and Gayle Gallik Archey, Diocesan Secretary.

Call to Order / Adoption of Agenda. With a quorum participating, Bishop Marty opened the meeting with prayer. Heidi Jones-Magee led an African Bible Study by reading verses 15-17 & 21-22 from the 3rd chapter of Luke, then asked, "What word or phrase stands out to you?" The agenda, as previously distributed, was accepted.

OLD BUSINESS - REQUIRES VOTE.

Minutes of November 13, 2021 Meeting. Upon motion duly made by Rick Harden and seconded by Stephen Day, the Minutes of the November 13, 2021 Diocesan Council meeting were approved as presented.

The Episcopal Church Relief Funds. Council members revisited possible ideas of how best to use the \$40,000.00 of relief money the Diocese received from The Episcopal Church ("TEC"). The money comes with no restrictions, except to use the funds within the next 12 months, and provide TEC an expenditure report. Upon motion duly made by Hank Tuell and seconded by Mary Alice Jones, Council voted to use the funds for one of the following projects: (1) Re-start of St. Mark's Church in Havre, (2) Solar roof on Diocesan House, or (3) Bathroom for St. Andrew's Church in Philipsburg. Further, the advice of the Standing Committee will be sought, and a preliminary budget for all three projects will be compiled.

Council member, Hope Stockwell, joined the meeting.

Jordan Land Sale. Mark Dvarishkis stated there are access issues with the 5-acre parcel of real property the Diocese owns near Jordan, and as such, estimates the value of the land between \$1,000 - \$1,500. An adjacent land owner, Clint Thomas, has purchased other parcels of real property in the area, therefore, Mark offered to contact Mr. Thomas to see if he has an interest in purchasing the 5-acre tract owned by the Diocese. Upon motion made by Heidi Jones-Magee and seconded by Leo Schuman, Council

members voted to have Mark contact all landowners who have adjacent properties to see if any have an interest in purchasing the 5-acre parcel from the Diocese.

Glasgow Farmland Sale. Mark Dvarishkis gave an update on the 600 acres of real property the Diocese owns north of Glasgow, which has been for sale for some time. The estimated value of the property is \$250,000. Upon motion duly made by Stephen Day and seconded by Hank Tuell, Council agreed to (1) hire Jarrell Schock, a licensed Realtor with Missouri River Realty, to sell the property; (2) hire Joe Herbold, a certified Appraiser, for \$2,500, to appraise the real property, and (3) order a Title Policy for \$190 to verify clear title of the real property. It was noted that both the sale of the Jordan land and the sale of the Glasgow farmland must have prior approval of the Standing Committee.

Tax Exemption Status - Camp Marshall. Upon motion duly made by Rick Harden and seconded by Leo Schuman, Council affirmed a Doodle Poll previously taken wherein Council members agreed to change Camp Marshall's classification with the Montana Department of Revenue to "Public Charity" instead of "Religious," in order to retain its tax exempt status with the State of Montana, as Camp Marshall owns more than 15 acres of real property.

OLD BUSINESS - RECEIVE INFORMATION.

2021 Compliance Checklist for Churches with Abatements. Council members acknowledged receipt of the Checklist of churches receiving assessment abatements in 2021. The Checklist provides assessment payments dates, and dates required reports were submitted to Diocesan office. All churches are up to date with their reports.

Update of Safeguarding Policies. Stephen Day, member of the subcommittee tasked with updating the Safeguarding Policies, stated their work is progressing. The subcommittee hopes to finalize their report and present it to Council at Council's next meeting.

2020 Audit Report Status. The Audit Report was received from St. John's in Butte on Dec. 24, 2021. Therefore, all Churches have completed and filed their 2020 Audit Reports with the Diocesan Office.

Deacon's Housing Allowance Revision. At their November 13, 2021 meeting, Council approved a parsonage allowance for all deacons under the age of 72 years. However, The Rev. Dorcie Dvarishkis and The Rev. Rick Johnson, have declined their housing allowance.

New Dollars Program for Partners for Sacred Spaces. The New Dollars Program for Partners for Sacred Spaces was discussed at Council's May 2021 meeting, wherein Council agreed to set aside \$20,000 from the Vickers Fund or the Faber Fund, or

a combination of both. It was noted that Bishop Marty will need to re-start the program, as it cannot pick up from where it was back in May.

Financial Report. Council members reviewed and acknowledged receipt of the Diocesan financial statements as of November 30, 2021. Diocesan funds have already been transferred to the new investment company, Stockman Wealth Management. Further, all Churches are up to date with their assessment payments.

NEW BUSINESS - REQUIRES VOTE.

Follow-up - Transfer of Reserve Funds to Investments. At their November 2021 meeting, Council members approved the transfer of \$122,809.93 from the Diocesan checking account to the Investment account. Keith Kuhn stated he has concerns that these funds held in the Investment account risk a loss of principal. He suggests the funds be held as short term instead of long term. Upon motion duly made by Keith Kuhn and seconded by Leo Schuman, Council agreed to request Stockman Wealth Management make a presentation at Council's March 2022 meeting outlining an option for short term investments with a safer option to invest Reserve Funds. Council will ask the Foundation Board to review Stockman's proposal.

Sr. Warden & Jr. Warden - St. Andrew's, Polson. A motion was made by Rick Harden and seconded by Hope Stockwell to allow the current Sr. Warden and current Jr. Warden at St. Andrew's in Polson, to each serve one additional term for 2022. Both individuals, Sr. Warden, Trinetta Kormann, and Jr. Warden, Jack Fay, have already served two consecutive terms in their respective capacities. The motion was unanimously approved.

2020 Audit Findings Report. Council reviewed the Audit Responses for the 2020 Parish Audits. Upon motion made by Hank Tuell and seconded by Rick Harden, Council voted to concur with the recommendations of the Finance Department. Letters will be sent to the specific churches addressing the concerns noted in their Audit Reports.

Proposed Changes to Canon 11: Congregations. Council members reviewed proposed additions to Section 1: "Relationship to the Diocese" of CANON 11: "CONGREGATIONS." Upon motion duly made by Heidi Jones-Magee and seconded by Leo Schumer, Council voted to table acting on this change until a newly formed Canons and Constitutions subcommittee can review the proposed revisions to Canon 11, then report back to Council at the March 2022 meeting.

Proposed Changes to Canon 20: Of Business Methods in Church Affairs. Council members reviewed proposed language changes to Paragraph f of Section 1 of CANON 20: "OF BUSINESS METHODS IN CHURCH AFFAIRS." Upon motion duly made by Stephen Day and seconded by Rick Harden, Council voted to table this matter until a

newly formed Canons and Constitutions subcommittee can review the proposed changes to Canon 20, then report back to Council at the March 2022 meeting.

Heidi Jones-Magee and Leo Schuman volunteered to serve on the newly organized Canons and Constitutions subcommittee, together with Brad Foster, Julianne Burkhardt, Charlie Knuth and Laura Catlin.

Unrelated Business Income Tax Policy. Council members reviewed a proposed Unrelated Business Income Tax ("UBIT") Policy for Camp Marshall / Diocese of Montana drafted by David Campbell, which provides how Camp Marshall handles income not related to Camp, as follows:

THE POLICY:

UBIT reporting is required when Camp Marshall has gross receipts of \$1,000 for services provided to non-Episcopal rental groups. These fees for services would be in addition to lodging costs. For example; food, linen, additional specialized staff for waterfront and/or challenge course supervision would all be considered unrelated business income. UBIT is based on the calculation of income less expenses of providing contracted services. When income exceeds expenses, that income will be taxed by the federal government at 21% and taxed by the State of Montana at a rate of 6.75%.

Each year the Diocese of Montana will calculate UBIT income at camp by calculating service income less all expenses related to providing those services for user groups who are not related to the Episcopal Church and complete reporting as required by State and Federal law.

Upon motion made by Stephen Day and seconded by Rick Harden, Council members agreed to employ the accounting firm of WIPLI to file the appropriate forms to report those unrelated business funds with the Internal Revenue Service and the Montana Department of Revenue. Additionally, upon motion duly made by Stephen Day and seconded by Hank Tuell, Council members voted to approve the above-stated UBIT Policy.

NEW BUSINESS - RECEIVE INFORMATION.

Vision Work. A discussion with respect to the visioning work of our Diocese has been tabled until Council's meeting in March 2022.

Statement of Grant Accountings. Council members acknowledged receipt of Grant Accounting Reports, as follows:

1. Camp Marshall. During this reporting period, Camp Marshall spent \$625.87 of Faber Fund Grant monies the Camp received, leaving a balance remaining of \$6,148.86.
2. Camp Marshall. The remaining balance of \$4,168.22 Camp received from the Vickers Fund Grant was used to pay camp staff salaries and FICA for the months of June and July 2021.
3. Gethsemane Church - Manhattan. Gethsemane received a Faber Fund Grant in the amount of \$2,400 which was used to build a ramp to make the Church building handicapped accessible.
4. Christ Church - Sheridan. The \$10,000 Faber Fund Grant monies received by Christ Church were used to replace the roof of the Church.
5. St. Stephen's - Billings. St. Stephens retains \$41,842.38 of the Vickers Fund Grant they received, having used \$157.62 to host two events at the Church in August and December 2021.

Decrease in U.S. Clergy. Bishop Marty stated although there is a decrease in available clergy in the United States, we are still hopeful to obtain good people for our open clergy positions. Currently, Red Lodge, Big Fork and Kalispell are in a clergy search, with Dillon to begin their clergy search soon. Currently, or in the near future, Incarnation, Bozeman and Polson will have an Interim Priest. Also, Troy, Eureka, Forsyth and Miles City are currently using seasonal supply clergy.

Long Term Financial Health of the Diocese. Mark Dvarishkis and Keith Kuhn announced the formation of a new subcommittee to focus on the long term financial health of our Diocese. Ideas include: (1) present a budget that includes two years of history and two years in the future, (2) change the financial presentation of Camp Marshall to make it more clear, (3) develop a way to retain funds to pay for various expenses. There is a need to monitor cash position and sufficiency of our investment position. The newly formed subcommittee will provide a follow-up report to Council at either their March or May 2022 meeting.

Personal Update from Bishop Marty. Due to another spike of COVID cases caused by the Omicron variant, Bishop Marty suggests the use of surgical masks (N95 or KN95) instead of cloth masks at all gatherings. The Bishop has cancelled her travel plans for January and March 2022. The Deacon's Retreat is scheduled for later this month.

Upcoming Diocesan Council Meeting Dates for 2022.

- March 12 - via Zoom (with investment advisor, Dave Ashby)
- May 7 - via Zoom (with Church Insurance VP, Alan Johnson)
- June 11 - In person (budget meeting)
- August 20 - via Zoom
- October 15 - (New member orientation / possible extra Council meeting)
- November 12 - via Zoom (Assessment abatement for 2023)

Adjournment. Following prayer by Bishop Marty, a motion was made, seconded and approved to adjourn the meeting at 12:20 p.m.

Respectfully submitted,

Gayle Gallik Archey, Diocesan Secretary