

**Vestry School, Techny Towers**  
**9 March 2019**

**Bishop Jeff Lee / Mission of the diocese**

- Church doesn't have a mission; God's mission has a church.
- God's mission is to restore creation and all things to a right relationship with God through Christ in the power of the Holy Spirit.
- Discernment is figuring out what the particular shape of our aspect of God's mission.
- Diocese mission: Grow the Church. Form the Faithful. Change the World.
- No mission statement should be longer than eight words.
- Making a difference in the lives of people.
- The resurrection has changed everything. There's nothing to be afraid of. The future is God's. "Don't be afraid," is a phrase uttered by Jesus often in the scriptures.
- Diana Butler Bass: The worst of the deadly sins is nostalgia, which implies that the best is in the past.
- Definition of diocese is a local network of churches, and each church is a microcosm, what Bishop Lee calls a "hologram." Like network of living cells, we can be stronger and more effective together. Bishop and staff support local ministry.
- Anglican Church is not a global church; it is a communion, a federation of churches. Archbishop of Canterbury does not have authority over any of the churches of the world.
- Diocese of Chicago is part of Province V of the Midwest.
- New norm for priests is volunteer, or multi-parish, or part time. Only 58% of clergy in prince are compensated. Includes deacons, and number of deacons are rising.
- More deficits than we should; 54% in diocese, 45% in province, 43% in national Episcopal Church.
- Average Sunday attendance is 98 in diocese, 71 in province and 87 in national Episcopal Church. We are a church of small churches. In contrast, average seat capacity is 231 in diocese, 210 in province, and 216 in national church.
- READ: *Canoeing the Mountains: Christian Leadership in Uncharted Territory*, by Tod Bolsinger. Like Lewis & Clark, church has reached critical moment. Lewis & Clark thought would be able to canoe to west but instead found Rocky Mountains, so canoes were useless. Christian church is still trying to use canoes, but we need to find other way to adapt. **NEED ADAPTIVE CHANGE NOT TECHNICAL CHANGE.** Technical change is doing what we already do but better. We are facing a world that is radically different in that church no longer has place in cultural landscape, so we need to adapt. **FIND:** Ray Suarez speech to Episcopal convention.

**Adaptive Change**

- Technical Competence (SKILLS)
  - Still important.
  - Important to demonstrate that you are competent and gain people's trust.
- Relational Competence (TRUST)
  - If people don't trust you, it's over.
  - Must have emotionally mature relationships that can sustain disagreement.

- Adaptive Capacity (CHANGE)
    - Can see systemic issues.
    - Calmly confront the unknown; have deep trust in God's goodness; be people who are not afraid to address things we don't understand.
    - Lead a learning process, cultivate a profound curiosity about people in our congregation and in the larger world; HOSPITALITY. Glencoe church invited unchurched friends and asked about their guiding star in making decisions, where they go to for support when times get tough.
    - Expressed in asking questions.
    - Adaptations: Soul Cycle, pop up Shabbat, yoga; spiritual entrepreneurs want authorization from traditional churches, to be blessed
    - Refuse quick fixes.
    - Engage others in the learning and transformation necessary to take on the challenge that is before them.
    - Seek new perspectives.
  - JOB OF LEADERSHIP: To keep all elements of system entangled because no one person can know everything in an increasingly complicated world.
  - Ministry of the bishop is necessarily dispersed.
  - Complexity is not the same thing as complicated: a 747 is complicated, but mayonnaise is complex (only three ingredients but critical how it is combined; when done right, is wonderful)
  - "Leadership is disappointing your own people at a rate they can absorb." Ronald Heifetz and Mart Linsky, *Leadership on the Line*
  - Leadership is not effective until it has survived the sabotage; systems love stability and will push back against change that is unsettling.
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### **Break Out Session**

- Adaptive change, find out what unchurched people need.
- Have one-on-one meetings with people who bring their children to pageant, workshops, making advent wreaths.
- Curiosity; Discern and nurture passions in support of God's mission; from Friday night.
- If you do something different, will be sabotaged and prepare for that.
- Everything takes time; don't rush through; can't fix right away; have to look at big picture.
- Can fix technical quickly but need to work more on relational and adaptive.
- Was thinking of all our emphasis on finances and trust; and wondered why thinking of endowment instead of reserve. Endowment is more nostalgia and speaks to belief that can't handle resources in responsible way. Reserve is more dynamic.
- Point about shrinking parishes made me think that we have lost a lot of members and don't know whether feasible to ask why members stopped going. Critical to understand why members are leaving, like an exit interview.
- We have people who participate socially but don't come inside church.

- Noticed that when children graduate high school, parents stop coming to church; didn't used to be that way.
- Should keep track of children and parents who go through Confirm Not Conform and find out what happens and what the attraction is and isn't regarding church.
- According to national statistics, we are above average, a big church.
- 12,000 in north half of IL go to Episcopal church, about 0.1% of population.
- Big difference between ASA and capacity of churches was striking.
- Five episcopal churches in Evanston is a lot. Churches have had three years' worth of conversation about taking action to merge, cooperate, share staff, or take other actions, but there wasn't will to take action. Maybe now there would be more will to take action. Would be interesting to know what's going on with other Episcopal churches in Evanston re struggling with resources.
- Striking that more than half of churches are running a deficit. How are all these churches meeting their budgets?
- Can we do book club meeting on *Canoeing the Mountains*? Should start with Vestry, trustees, finance before whole congregation.
- Reaching out to other areas of spiritual input would help us understand how people are meeting their spiritual needs, what they are getting some place else that they are not getting in a church. Meditation, yoga, etc. Humans are spiritually beings, so how are they getting those needs met?
- Do we need people to be Sunday Sacramentalists or is there something else?
- How can we make ourselves a place they want to be part of and give to?
- People are going to yoga studio for themselves.
- Spirituality is very transactional now rather than belonging to a community and supporting it by taking responsibility financially and with time to keep it going.
- They are supporting spirituality and giving in other contexts, but how do we harness it.
- Organized religion has a negative connotation right now. Young people have a need, but they find it in different ways because they don't want to be part of organized religion. Don't want to have to show up somewhere every week, whether it's church or bowling. It needs to be much more fluid.
- Would like to have relational meeting with Tara and her young son Owen to find out why they come.
- The institutional church is saddled with high fixed cost of maintaining five churches in Evanston. Would be interesting to add up the operating costs of all churches and divide by ASA to see just how much "cost per butt" is.
- Conversations about Evanston churches merging started about 2008 and a group met periodically. Sustainability was a big topic. At one point, Jeff Lee brought in an Evangelical Lutheran bishop, but it didn't go anywhere.
- Catholic churches in Wilmette are combining, as are several Jewish congregations. Catholic churches are doing it in a phased way, changing to a third name. Was required from on high.
- Should we think more adaptively?
- Have to accept the fact that nobody will thank you for digging into these issues and taking them into these difficult, uncomfortable conversations, but we still should do it.

- Interest in restarting the conversation about Evanston churches. Are other Evanston churches having this conversation in their small groups?
- Would be the decision of the individual vestries and parishes rather than an edict from the diocese. We have communities who have relationships, and we need to have deep listening conversations, lots of talking.
- Challenge with combining is that we have individual communities with relationships, and there might be push back.
- Blessing and curse of many churches is that if get angry at one church or have interpersonal conflict, can go to another Episcopal church, so have added complexity of would need to put in place more ways to facilitate reconciliation.
- Any action would be a long time down the road, so maybe we are jumping ahead and just need to be open to the conversation at all times. At the same time, we don't want to kick the can down the road.
- Used metaphor of the library and how it has transformed itself to meet modern needs; there are still books there, but there are also many other services. Church needs to find out how to adapt in the same way.
- Can condense diocesan statement even further: Gather. Transform. Send. Evangelism isn't about going out and converting; it's about going out and loving others. When people see our love, they may be motivated to get to know us better. That's our challenge.
- Curiosity and hospitality need to discern and understand people's passions, both inside and outside the church and help them get involved in whatever way makes sense to them.

### **Church Polity and Structure / Louisa McKalliston**

- Polity: the condition of being constituted as a state or other organized community or body; government or administrative regulation.
- Run similar to U.S. government:
  - House of Deputies (lay and clergy): has president like speaker of the house
  - House of Bishops: led by presiding bishop
  - Interim bodies keep things going during the three years in between general conventions (commissions, committees, task forces, boards)
  - 2015 consolidated from 10-12 down to two standing committees (Liturgy and Music; Structural Governance, Constitutions, and Canons); and instead form task forces with a more narrow focus, usually just for a triennium (like environmental stewardship, social justice, outreach).
- Diocese meet in convention annually. Delegates are representative of congregation and tend to vote to represent those parishioners.
- Congregational governance is vestry.
- Role of vestry is outlined in canons (Diocesan Canon 20, Section 2)
- Helps for vestry members to make themselves visible; need to introduce yourself, identify yourself as a vestry member, and offer to answer any questions they might have.
- Consider having vestry members as liaisons to other bodies such as formation/Sunday School committees, outreach committee, fellowship, etc. This can not only provide

strengthened relationships in the congregation but also keep up and improve communication.

- In the absence of a rector, the vestry takes on the canonical authority and is responsible for day-to-day operations, secure supply priests, and possibly call an interim.
  - Talk to vestries in other churches to learn from their experiences.
  - Conflicts of interest
    - In discernment process for Holy Orders.
    - Married to church staff.
    - Married to church treasurer.
    - Be the church treasurer.
    - Spouses on vestry at same time.
  - Training for vestry members:
    - Levels one and two of Keeping God's People Safe training (every five years): [www.episcopalchicago.org/at-work-in-the-church/keeping-god-s-people-safe](http://www.episcopalchicago.org/at-work-in-the-church/keeping-god-s-people-safe)
    - Anti-racism training: [www.episcopalchicago.org/at-work-in-the-church/anti-racism](http://www.episcopalchicago.org/at-work-in-the-church/anti-racism)
  - Have ice breakers at first few vestry meetings to get to know each other, build rapport, and connect with each other.
  - Bring food to your meetings.
  - Common Mission Share makes available:
    - College for Cong. Dev.
    - Presentations by staff to congregations.
    - Diocesan convention and
  - Resources
    - Episcopal Church Foundation vestry papers
    - Disaster preparedness
    - TEN
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### **Money Matters / Timothy J. O'Brien**

- Resources:
  - *Manual of Business Methods in Church Affairs* (on diocesan website)
  - *Financial Management for Episcopal Parishes*
  - *The Gift of Administration*
  - *Financial Management for Nonprofit organizations*, 3<sup>rd</sup> edition (2018)
  - *The Law of Tax Exempt Organizations*
  - Materials from Episcopal Church Foundation
- Academy of Church Leadership at North Park University
  - Funded by The Lilly Endowment, 2017-2020
    - If you come in teams, you get in for free during the time of the grant.
- Renting space:
  - Chapter IV, Taxes and the Episcopal Church Section D-Unrelated Business Income Tax
  - Income earned by church from activities that are unrelated to its exempt purpose.
  - Factors are listed there.
  - Income derived is recognized as unrelated business income, subject to taxes.

- Prioritizing building:
  - Buildings cost money: capital costs, upkeep, staff time, etc. At St. Luke's they undertook a discernment about their building and determined that they would keep and fix the building. Community discernment is a key aspect here.
- Stewardship year round vs. once a year:
  - Research tells us that pastoral leaders are reluctant to discuss money.
  - Resource: Lilly Study titled *The Reluctant Steward*.
  - Stewardship can be tricky; you don't want people to feel that you are always asking for money but to only discuss money during stewardship season is too little.
  - Churches should provide financial literacy programs: i.e. biblical stewardship, theology of money, pastoral concerns regarding money can be useful and helps create a culture where money isn't spoken about.
  - Check for one-day financial literacy course in summer 2019 at North Park University.
  - Read *Gift of Administration* for how to plan stewardship campaign.
  - Also check *Vestry Papers* on Episcopal Church Foundation website.
  - We're trying to transform community.
- Budget/Spending philosophy:
  - Need to be conservative but also open to spending for mission purposes.
  - Vestry discernment during the budgeting process; both are possible but need to take care, be transparent, and closely monitor expenditures.
- Deficits:
  - Deficit spending is allowable but not if systemic (structural deficit).
  - Look at data to see income and expense patterns.
  - Balancing act.
  - Case by case.
  - Has an effect on liquidity; deficits will eventually deplete reserves.
- Endowments:
  - Should create an endowment that yields income to go into your operations. An endowment is created by donors, set aside to be invested, and the interest is spent. Way of funding the future. RESTRICTED.
  - Reserves are UNRESTRICTED.
  - Run by separate investment committee.
  - Episcopal Church Foundation has information for setting it up.
  - Diocese has endowment fund that parishes can put their money in.
  - \$28 a year gift to the endowment is \$1 a year to the church forever.
- Transparency / auditing:
  - Report to congregation weekly.
  - Audit yearly builds trust. Change auditor every five years.
  - Costs about \$3,700 for audit.
  - Helps standardize accounting practices.
  - Audit is canonical requirement but can do an internal audit (see diocesan website for resources) for a few years in between doing an audit by a CPA.
  - Vestry has fiduciary responsibility, holding the financial life of the parish as stewards.

- *Duty of Care*: reasonably informed about activities, act in good faith, attend meetings, pay attention.
  - *Duty of Loyalty*: exercise power in the interests of the organization; disclose conflicts of interest, place the interests of the organization over self.
  - *Duty of Obedience*: comply with law, adhere to governing documents and remain in compliance
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## **Break Out Session**

- Endowment at St. Luke's:
  - Traditional, receive 3% every year from the interest
  - Capital campaign dedicated to a new roof.
  - Outreach
- We should take advantage of the programs at North Park University because they sound useful and are free if you bring a group.
- Need to make fiscal health part of our culture at St. Matthew's.
- Discussion of money should flow from mission, values, and programs rather than just eliminating our deficit.
- We also should focus on personal responsibility.
- St. Luke's spent time discerning whether or not to keep their building.
- We need a buildings and grounds committee.
- We need to discern what we want to be in the future. That kind of discernment takes time, though, and we have some urgency about what to do to construct Trust III.
- We need to determine the priorities for spending so we understand how to structure a capital campaign.
- Trustees met with all former wardens, will meet with Finance Committee, will meet soon with 8 a.m. attendees about their views on the endowment.
- Analogy with the library was a good one, especially of changing services to meet changing needs. Some police stations also are retooling themselves to meet community needs.
- How do we find out what the community needs? We start with our own passions, what our community cares about, what we have the energy for, where people will take ownership of ministries.
- Expansion of missional identity / where hear people talk about energy:
  - Library has been responsive to how community has changed and what changing needs are. The real issue is where are the needs and how can we address them?
  - For kids, when we do something out of the ordinary, there are a lot more kids there.
  - Rector of St. James the Less Northfield said that we are still using a 14<sup>th</sup> century model of worship for a 21<sup>st</sup> century congregation.
  - An invitation goes a long way.
  - We could have educational programs that would draw from the community.
  - One-off events draw people who don't come to church on Sunday (Vacation Bible Camp)

- There are a finite number of people going to Episcopal churches, and there are five to choose from in Evanston; **HOW DO WE DIFFERENTIATE OURSELVES? WHAT IS OUR NICHE? WHAT IS OUR MISSION?**
- Evanston Episcopal churches had retreat and churches were asked what their niche is, but they all came back with the same things (worship, music, education, etc.).
- Can we do a book group using *Canoeing the Mountain*?