

The Episcopal Diocese of Vermont

2009 Narrative Budget



The Mission of the Episcopal Diocese of Vermont is to pray the prayer of Christ, learn the mind of Christ, do the deeds of Christ. We envision a lively, mission-oriented church that discerns and welcomes God's call to us as a Diocese. Five interwoven themes emerge from this call:

Formation + Liberation + Communication + Connection + Celebration

THE EPISCOPAL DIOCESE OF VERMONT

Mission Statement

**Pray the prayer of Christ,
Learn the mind of Christ,
Do the deeds of Christ.**

The Diocesan Council exists to support and extend the work of the Bishop and Convention, to promote the health and well-being of the Diocese, and to lead and support the people of the Diocese in our mission.

To implement this, Council will:

- 1. work to improve the quality of life in the Diocese.**
- 2. assist local congregations to hold up their faith and to be held up by it.**
- 3. create opportunities for people to celebrate, share and learn about their faith, and to experience a new life within it.**
- 4. help the Bishop and congregations to recognize challenge and marshal resources to support them in facing it.**
- 5. strive to become an agent of reconciliation.**
- 6. be faithful stewards of the financial and administrative resources of the Diocese.**

Stewardship Statement adopted by Diocesan Council June 12, 2004

We believe that we are called to live in loving and intentional relationship with God and all creation,
and that, as God provides abundantly for us, God expects us to respond with generosity;
therefore

We commit to the Episcopal Church's teaching that the tithe is the minimum standard of giving;

and to an increase in our proportioned giving until we can attain that standard;
and to a course of prayer, study, and action regarding stewardship, including sharing our stewardship stories with others; and

We invite all people of the Diocese of Vermont to join us in this commitment to increased giving, open discussion, and ongoing transformation through worship, study, and prayer.



The Episcopal Diocese of Vermont

Dear Colleagues in Ministry:

The work of our crafting our diocesan budget is a collaborative effort led by the Executive Committee of Diocesan Council. The work this year has been marked by a fresh effort to be clear about our priorities and to see our diocesan budget as a reflection of our commitment to God's mission and the gospel values that drive that mission and our participation in "ushering in the Reign of God." That work now comes to you, the members of the Diocese of Vermont and in particular the clergy and lay delegates to Diocesan Convention.

I am extremely grateful for the hard and faithful work on the part of so many, which has brought us to this point. In particular, I applaud the work of our Diocesan Treasurer, Steve Smith of Saint James, Arlington. For the past four years, Steve has served the Diocese of Vermont through his extensive expertise, generosity of time, and steady leadership. Steve has helped us all understand the budget better and he has led the way to greater budget clarity and ownership through his engaging presentations at the Ministry Fairs and Diocesan Convention. He is a trusted colleague and his ministry has been a wonderful gift to me and to all of us.

I am also grateful for the continuing support of the vestries and congregations of our diocese in making parish giving to the diocesan budget a priority. Thanks to this faithfulness we have been able to present and fulfill balanced budgets each and every year that I have served as bishop. This stewardship commitment to our common life as a diocesan community is something to be celebrated!

As you consider this budget and the accompanying narrative, please give thanks to God for all that we are able to do together as the Diocese of Vermont and for the generosity of our members who make this participation in the reconciling mission of God possible.

Faithfully,

+Thomas

The Right Reverend Thomas C. Ely

Treasurer's Note to Delegates:

We've strived in the following pages to give you all the information you need to consider the 2009 budget recommended for your approval by Diocesan Council. Please look over this material, and bring your comments and questions to one of the pre-convention Ministry Fairs.

You may have heard me complain at last year's convention that we needed a new budget process. Well...this year we attempted one. It needs more work, but we like it better than the old one. Essentially, this year's budget is built upward from a foundation defined by our priorities and our projected revenues instead of whittled downward from our current activities and our wished-for spending. Perhaps one might describe it as thanking God for what we have instead of asking God for more.

For sure this new process involved more discussion among more people; and, befitting the "green" theme of this year's convention, we killed a lot fewer trees for paper than last year. The letter sent this summer with the First Draft budget explains the whys and wherefores of all this in more detail. In case you missed that correspondence, a copy is attached as an appendix to this narrative budget. I hope you will read or re-read it.

As we discerned our new process, we found we needed new budget categories. Those of you familiar with previous budgets may find these strange. Please be open to them. Doubtless they will receive more tweaking in future years.

The Narrative Budget that follows attempts to describe only those lines in the proposed budget that feel like they need some describing. I hope the narrative answers most of your questions. Please bring the rest of them to one of the forthcoming Ministry Fairs held around the state on three Saturdays in the weeks before the convention. Time and again, the most valuable discussions about the budget happen at these fairs.

Here are some things that strike me as most noteworthy about the budget proposed for 2009.

-) It's balanced. Anticipated inflows equal anticipated outflows.
-) Apples-to-apples, parish assessments are up 2% from 2008. The new formula, as intended, continues to produce lower increases in parish assessments than before.
-) Our march toward full participation in the national church's 21% formula continues. The proposed budget takes us from 16% to 17%. We began this journey at 12.5%.
-) The priorities established by Council that guided the 2009 budget process were these:
 1. Our commitment to the larger Episcopal Church.
 2. Our support of congregations through the work of the diocesan Ministry Support Team.
 3. Global Outreach in support of the Millennium Development Goals at .7% of all diocesan revenues.

Thanks to everyone who participated in this year's budget process.

Faithfully,
Steve Smith, Diocesan Treasurer

BUDGET DEVELOPMENT in our Diocese is a wide-reaching process that includes gathering information and input from everyone involved with all aspects of Diocesan ministries. Council is committed to building a budget collaboratively and presenting a realistic picture of the financial needs for Convention's consideration and action.

The process begins in the spring of each year, with final budget approval by Council in September. The Executive Committee of Council (whose members are chosen by their peers) serves as the Program and Budget Committee. It's members this year are The Rev. Reid Farrell, Holy Trinity – Swanton, The Rev. Terry Gleeson, St. Stephen's – Middlebury, Roy Morgan, Trinity – Rutland, Steve Reynes, Christ Church – Montpelier, and Diane Rooney, Trinity, Shelburne, along with Bishop Ely, Canon Bates and the diocesan treasurer.

This year our process included a Budget Summit attended by many diocesan leaders who have spending authority over particular programs or missions. As a group, we have begun a journey we hope will lead toward ever more creative stewardship of our financial resources. An example of this creativity was put forth by the Dismantling Racism Commission. This is described in Line 74 of the Narrative Budget.

Full reports on most Diocesan programs are available in the Pre-Convention Journal and other Convention materials.

REVENUES

Parish Support (Line 8) Episcopal congregations provide over 2/3 of the total revenues needed to support the mission, programs, and general administration of our Diocese. In 2006 your Convention approved a new assessment formula, the first since 1992. That formula defined a flat rate assessment of 15% for all congregations and a cap of 10% on annual increase in assessment for any parish. Parishes had five years, now three, to convert from the old formula to the new one; 35 of our 48 congregations have converted to date.

One objective of this new formula is to slow the overall increase in diocesan assessments, and so far it is succeeding. The increase in 2009 over 2008 is 2%; 2008's over 2007 was 3%. This compares with increases of 6% in 2005 and 7% in 2004.

There are two changes from 2008 in how parish support is budgeted. First, there is no provision for shrinkage on account of non-payment. The faithful commitment of our congregations to participate and pay fully their share of parish support for diocesan activities is a defining and envied characteristic of the Diocese of Vermont. Second, the Cathedral's assessment for 2009 (\$95,466) is shown gross; in 2008 and prior years it was shown net of an amount paid by the Diocese to the Cathedral for use of its facilities. An offsetting expense now appears in Line 101.

Appendix B shows parish support by individual congregation for 2009. The final figures for each congregation are subject to further review and adjustment based upon timely and accurate Parochial Report and financial audit data.

Trust Revenues – (Lines 9,10) The Unit Fund is a diocesan investment fund under the direction of the Trustees of the Diocese. Most diocesan and parish trust and endowment funds are invested in the Unit Fund. Distributions are received quarterly at a rate determined by the Trustees, currently 1.25% of the average market value of assets over the prior twelve quarters. A subsidiary of the firm of Hickock & Boardman has provided investment management services to the Trustees since October 1, 2006. Since then fund performance has generally exceeded relevant market indices. Trust revenues are shown in the proposed budget as restricted and unrestricted.

Trust Revenues - Unrestricted (Line 9) includes income that is available for any purpose from the Diocesan Endowment Fund and other investments held in trust for benefit of the Diocese.

Trust Revenue-Restricted (Line 10) has donor-designated instructions regarding how earnings on these assets must be used. These revenues help fund items noted in the budget as “Supported by Line #10” or “SBL #10.” Restricted funds included in Line 10 are these:

- The *Aged and Infirm Clergy Fund* for the benefit of older clergy.
- The *Bryant Fund* for helping small parishes that cannot support full-time clergy.
- *Campus Ministry* restricted for the benefit of University of Vermont campus ministries.
- The *Episcopal Fund*, which defrays compensation and associated expenses of the Bishop.
- The *Permanent Fund for Human Needs* used for outreach grants to food and warmth programs.
- The *Seminarian Fund*, for defraying educational costs for those from Vermont seeking Holy Orders.
- The *Wilder Fund*, which has been used at the Bishop’s discretion to cover maintenance expenses, particularly salary and benefits for maintenance staff.

Grants and Support for Stewardship Development Position (Line 13) This position is fully funded for its first three years through grants from the Hunt Fund (around \$50,000 for 2008) and from withdrawals of principal currently invested in the Diocesan Unit Trust. 2009 is the second year of this commitment.

Grants Supporting the Ministry Support Team (Line 14) The work of the ministry developers is partially funded by a grant from the Lilly Foundation for \$15,000 and a grant from the Roanridge Foundation for \$5,000.

Other Income – Mountain Echo Contributions (Line 15) The Mountain Echo is funded in part through annual contributions from you and other readers.

EXPENSES

1. THE EPISCOPAL CHURCH

Episcopal Church Covenant (Line 22) The Episcopal Church budget, adopted at General Convention every three years, is funded primarily through support from the 108 dioceses that make up the Episcopal Church. The General Convention's assessment formula is 21% of diocesan operating income. The 2009 budget increases our support to 17%, up from 16% in 2008. Council continues to be committed to increasing our percentage annually until we reach 21%. Our actual dollar increase in support over last year is \$15,238.

Province I Assessment (Line 23) is comprised of the Dioceses of Maine, New Hampshire, Massachusetts, Western Massachusetts, Rhode Island, Connecticut, and Vermont. The Provincial decision-making body is its Synod, made up of elected representatives from each Diocese. The Province facilitates networking among a variety of ministries and leaders in the seven dioceses. There are gatherings of people engaged in dismantling racism, environmental issues, deployment, safe church education, youth and social ministries, as well as diocesan administrators and finance personnel.

Provincial Synod Deputies' Expense (Line 24) Previously budgeted amounts (\$85 in 2008) have covered a very small percentage of deputy's actual expenses.

Oversight & Audit (Line 25) Annual audit of diocesan finances is required by national canon. The Oversight & Audit Committee selects and contracts with the independent auditor, and it receives and reviews the audit report. The amount budgeted for 2009 is the same as for 2008. The projected expense is generally in line with that for other organizations the size and complexity of our Diocese.

Reserve for General Convention (Line 26) General Convention will meet in Anaheim, California in 2009. This line supports travel expenses for our deputation to attend. The balance in the reserve at the end of 2008 will be \$22,642.

2. OUTREACH

This budget uses a restrictive definition for "Outreach," to wit monies given to non-Episcopal 501 (c) 3 charities from our operating budget. The diocese also provides help for those in need in many other ways including through the McClure IV outreach initiatives and the Bishop's Discretionary Fund.

Continuing in the 2009 budget is the bifurcation of our diocesan outreach and social justice initiatives into two categories, Domestic and Global, enabling better tracking of our compliance with the 2005 Diocesan Convention resolution embracing the Millennium Development Goals. Both lines are more fully described below.

Outreach and Social Justice – Global (Line 29) We have resolved to invest 7/10ths of 1% of our diocesan budget to Millennium Development Goals. The Global Reconciliation Committee

identifies and determines gifts to organizations, programs and causes directly supporting these goals such as Cristosal and the Global Aids Initiative.

Outreach and Social Justice – Domestic (Line 30) This committee, in collaboration with subcommittees and local parishes, works to enhance our voice for social justice. Causes supported in prior years have included the Upper Valley Interfaith Project, Vermont Interfaith Action, affordable elderly housing, children's advocacy, the Vermont Campaign to End Childhood Hunger, fuel assistance, the Vermont Low Income Advocacy Council, and Camp Agape, the latter serving Vermont children with incarcerated parents. Supported in part by Line 10.

3. MINISTRY SUPPORT TEAM

The personnel costs associated with the diocesan Ministry Support Team (dMST) comprise the largest portion of the Diocesan Budget. Council continues to make funding of the dMST a priority.

The 2009 budget contains the same staff positions as the 2008 budget. The full time members of the dMST are the Bishop, Canon to the Ordinary, Minister for Stewardship Development, Financial Administrator, Executive Assistant, and Administrative Assistant. Half time members of the dMST are four Ministry Developers, the Communications Minister, and the Office Receptionist. The Diocesan Registrar and Historiographer serves as a volunteer member of the dMST.

Seven members of the dMST have their primary office at Rock Point, while six members work from the field. The full team meets together quarterly for continuing education and sharing. The Bishop, Canon, Stewardship Minister, Communications Minister and Ministry Developers meet monthly in different locations around the diocese for the purpose of coordinating their ministry to and with congregations and to support one another in various ministries. All members of the dMST have direct contact with congregations, committees, commissions and institutions of the diocese. All members of the dMST serve to support and encourage the mission and ministry of the diocese at the local level and beyond. The broad range of expertise and experience represented in this team is a key asset for our diocese. The team is here to support the ministry of the diocese as that ministry is carried out on the local, deanery, diocesan and national levels.

Diocesan Historiographer (Line 33) does research for various Diocesan Officers and is organizing, preserving, and restoring diocesan history. Many volumes have been restored and de-acidified to date. This budget line is for supplies and the costs of restoration. The time Elizabeth Allison, Diocesan Registrar and Historiographer, spends on these projects is truly a gift to our Diocese.

Personnel-Salaries (Line 34 and Appendix A) The 2009 budget provides a Cost of Living Adjustment of 4.0%. Details of compensation and benefits for each employee are shown in Appendix A. Supported in part by Lines 13, 14 and 10.

Personnel-Benefits (Line 35 and Appendix A) Detail by employee is shown in Appendix A. A decrease in expense from 2008 is budgeted for this line because of anticipated savings in healthcare plan costs. These result in turn from good experience under the new healthcare program designed and implemented by the Diocese in 2008 when faced with very large premium increases to continue the prior program.

Pastoral Enrichment Coordinator (Line 36) This continuing half-time position (now one of the four Ministry Developers) is included in Lines 34 and 35 as part of the Ministry Support Team.

4. COMMISSION ON MINISTRY

The Commission on Ministry plays a key role in the affirmation and development of the ministry of all baptized persons, including: a) assistance in the understanding that all baptized persons are called to minister in Christ's name, to identify their gifts with the help of the Church and to serve Christ's mission at all times and in all places; and b) assistance in understanding that all baptized persons are called to sustain their ministries through commitment to life-long Christian formation.

Seminarians (Line 54) is supported in full by Line 10.

Committee on Christian Formation (Line 55) The Committee on Christian Formation assists congregations with resources and training for lay ministries, promotes continuing education and life-long Christian formation for persons of all ages, and helps to discern and equip baptismal vocations.

The Committee on Discernment (Line 56) works with and supports individuals and congregations involved in discernment processes involving vocations to ordained ministries.

The Diocesan Study Program (Line 57) is now under auspices of the Committee on Christian Formation.

5. ECUMENISM

Campus Ministry (Line 61) Our share of the cost for Cooperating Christian Ministry (CCM) at the University of Vermont is fully funded by earnings on restricted funds included in Line 10. The Cooperative Christian Ministry at the University of Vermont (UVM) is a welcoming and inclusive Christian presence servicing all Protestants, as well as seekers and inquirers. The ministry seeks to build spiritual community, create safe and engaging environments for reflection, discussion, and action, and nurtures connections between faith and daily life. Its ministry is highly ecumenical and is sponsored by six mainline Protestant denominations: American Baptist, Episcopal, Lutheran, Presbyterian, United Church of Christ, United Methodist. CCM is dedicated to serving as a stimulus for the spiritual journey of UVM's students, staff, administration, and faculty and as a voice of conscience within the university community. CCM does this regardless of gender, ethnicity, race, sexual orientation, age, religion, and able-bodiedness. The current chaplain is the Rev. Harrison Heidel, who is also the Rector of Calvary, Underhill.

VT Ecumenical Council & Bible Society (Line 62) mission is one of service. Nine member denominations affirm their support for the ecumenical movement: for Christian unity and its visible expression in common life, witness and vision. This organization creates the only regular meeting in Vermont of these denominational executives and representatives.

6. INSTITUTIONS

Bishop Booth Conference Center (Line 67) now includes financial support for Center operations and also a grant for the Center's Rock Point Summer Camp program. Together these items are budgeted for \$25,000 compared with \$30,000 in 2008. BBCC has operated at a deficit in 2007 and 2008. As additional support to BBCC, Council has provided an interest-free secured line of credit of \$150,000.

7. PROGRAM MINISTRIES

Cathedral Chapter (Cathedral without Walls) (Line 70) The Chapter strives to serve as a model for innovation in liturgy and Christian formation, and as a catalyst for new initiatives. The "Cathedral without Walls" program includes the Christian Meditation Center which supports Christian Meditation Days and weekly groups throughout the Diocese, a school for meditation teachers, and various conferences. Other examples of the diverse programs and activities are a guest preacher program, music and arts events such as Taizé Evening Prayer, the African Children's Choir, and various other conferences and retreats.

Communications Committee (Line 71) covers the cost of publishing eleven issues of the Mountain Echo. The basic cost for printing and mailing is approximately \$5.00 per household. The cost of the Mountain Echo is partly offset by subscription revenues raised by this committee and shown in Line 15.

Living Stones Partnership (Line 72) The Living Stones Diocesan Partnership is dedicated to providing mutual support for dioceses engaged in developing baptismal ministry. The Living Stones dioceses gather annually to share ideas, support, critique, and learn from one another.

Accessibility Committee (Line 73) continues to work on ways to make our parishes and missions more welcoming to all people. This diocesan resource is a place where new ideas, insights, and practical solutions can be studied and offered to all of our parishes.

Dismantling Racism Commission (Line 74) The Commission's work includes identifying or creating and administering programs to foster an inclusive, diverse, anti-racist diocese. The Commission has embraced the idea of funding in two-year cycles of "low" years focused mainly on planning activities and "high" years focused mainly on implementation.

Fresh Start (Line 75) supports newly called priests and their congregations, providing program materials and facilitated meetings to create successful partnerships and to ease transition issues.

Retired Clergy (Lines 76-78) are supported by earnings from the Aged & Infirm Fund's endowment, which is restricted to this purpose. The cost of providing medigap insurance and supplemental pensions to retired clergy has declined because of attrition in the population of retired priests and spouses receiving these benefits. As a result the earnings from this Fund are now adequate to fully fund Lines 77-78 and to provide an increase in support for the Chaplaincy to the Retired (Line 76).

BBCC's Rock Point Summer Camp (Line 79) This is now shown as part of Line 67, Bishop Booth Conference Center.

Treasurers & Wardens Workshop (Line 83) The budgeted amount will help provide updated resources for these annual workshops, including Vestry Handbooks and updated Treasurer and Audit Committee Handbooks.

Youth Ministry (Line 84) is now included within the Committee on Christian Formation (Line 55).

8. DIOCESAN STRUCTURE

Rock Point Board (Line 89) and Rock Point Property Manager (Line 90) The Board oversees the protection and maintenance of the Rock Point buildings and grounds and the operation of the Bishop Booth Conference Center. They are funded in part by endowment earnings restricted for that purpose, but those earnings are never adequate to cover all the expenses the Board must incur in fulfilling its mission. Construction of new sewer lines is an example of the sort of expenses faced by the Board. This grant from the diocesan budget helps the Board to balance their own budget. The Diocesan budget also pays compensation and benefits expense for the Rock Point Property Manager.

Use of Cathedral Facilities (Line 101) The Diocese makes use of the Cathedral's facilities, with attendant costs for utilities, set-up and take-down, and the like. For many years it has paid the Cathedral \$6,000 annually to help defray these costs. Prior budgets have simply deducted the \$6,000 from the Cathedral assessment and shown the net amount in Appendix B. This budget includes the full Cathedral assessment (\$95,466) in Parish Support (Line 8) and the offsetting expense in Line 101. The net impact on the diocesan budget is zero.

9. APPROPRIATIONS

Lines 104-114 We set these amounts aside to build funds for large expenses that do not occur on an annual basis. This allows us to spread these costs evenly over several budget years.

APPENDIX TO 2009 BUDGET NARRATIVE

TO: Convention Delegates
FROM: Executive Committee of Diocesan Council
The Rev. Reid Farrell, The Rev. Terry Gleeson, Roy Morgan, Steve Reynes, Diane Rooney,
Steve Smith, The Rt. Rev. Tom Ely, Canon Lynn Bates

DATE: July 27, 2008
RE: 2009 Diocesan Budget ***(Please send comments by August 11th)***

Recent history in our Diocese with regard to “building the budget” has been to ask those with responsibility for administering line items in the budget to submit requests for funding on an annual basis. In addition, the request was made to report on how funds from the previous year and the current year were (and are) being used. Some were more thorough in their submissions than others. The Executive Committee of Council (EC) assembled these “askings” and produced the first draft of the budget based on these numbers and the projected income.

For many years now, the gap between what has been requested and the total available income has been growing. [Note: That pattern is likely to continue in light of the new formula for determining parish giving to the Diocesan Budget (a.k.a. The Assessment).] In the past, the Diocesan Council (Council) has done its best to fund as much of what has been asked for as possible, and to bring a “balanced” budget to Convention.

Council tried to use the Diocesan Strategic Plan for Growth and Ministry as a guide in making funding choices, but more often than not came “limping” to the end of the process and tried to piece together enough income to fund as much as possible without eliminating anything. As a result, new initiatives were difficult to fund, and priorities were far from clear. In some cases there was reluctance to “cut” items, and in some cases the strongest voices were able to advocate effectively for certain items, while other items were reduced. In addition, there seemed to be little attention being paid to how our diocesan budget was revealing or reflecting our mission to participate in “ushering in the Kingdom of God.”

Overall, the process has not been very satisfactory for Council or for those requesting funding. EC made a commitment to try and find a “better” budget process for 2009.

To this purpose, EC and Council spent time since the 2008 Diocesan Convention looking at the budget and the budget process through various lenses such as the Strategic Plan, the Baptismal Covenant, Gospel values, and “Kingdom of God” language. Council and EC engaged in a number of reflective exercises to try to break open the budget process and explored various models for organizing and presenting the budget. All this has taken a great deal of time and energy, and yet we still face the reality of the need/desire to fund many items far beyond the income capacity of the current funding sources of the Diocesan Budget.

EC and Council are attempting a new budget process and it is being built as we go. This year, we started by identifying key priorities for 2009 and determined to recommend these three:

1. Our commitments to the larger Episcopal Church
2. Our support of parishes and congregations through the work of the Ministry Support Team
3. Continuation of Global Outreach in support of the Millennium Development Goals at .7% of

Diocesan revenues.

Then we discussed which programs and ministries were most directly supportive of these priorities and therefore most important to fund for 2009. In doing this, we came to believe that the customary six expense categories into which the annual budget was divided were unwieldy and in need of revision. Eventually, we settled on nine new expense categories as more useful and revealing: The Episcopal Church, Outreach, Ministry Support Team, Commission on Ministry, Ecumenism, Institutions, Program Ministries, Diocesan Structure and Appropriations/Reserves (We reassigned each expense line in 2008’s approved budget into one of these categories.)

Next, we projected likely diocesan revenue for 2009. Knowing from our prior discussion of priorities what activities and programs should have “first call” on these revenues, we then determined the funding level we would recommend for each.

Then the Bishop chaired a “Budget Summit” meeting, held in White River Junction on June 28, and attended by many of the leaders from throughout the diocese who have primary spending responsibility for current programs. EC met once more following the Budget Summit. The first draft budget you are receiving today is the result of all this.

In the past at this point in the budget process, Convention Delegates received a "First-Asking Budget," always with a famously large deficit. The one you are receiving today is different. This is a budget constructed by building upward from a foundation defined by our priorities and our available revenue instead of by whittling downward from our current activities and our wished-for spending. It might be useful to think of the finished budget as a 10-story building. In the past, we sent a “First Asking” budget 13 stories tall and then spent the summer removing elements to reduce it to 10 stories. This year we are sending in this first draft budget a building that is currently 9 stories high on its way to becoming 10 stories. One consequence is that this draft budget presently has a surplus instead of a deficit. That surplus will disappear as the remainder of the budget process is completed.

For both experienced and first-time delegates, the new budget format needs some explanation.

-) Where the enclosed budget has a number under the column "*2009 Priority Funded*", it means that those elements are within the three priorities that EC identified as critical to our mission and ministry as above and the numbers shown reflect the specific funded amount presently recommended by EC.
-) Where there is a number under the column "*2009 Restricted Funded*," it means that those elements, even if not within the three priorities, are funded through earnings on restricted investments provided only for those purposes.
-) Where there is no number under "2009 Funded" it means that element is not within one of the identified priorities and, as such, has not yet been recommended for funding. If all of these "non-priorities" (for lack of a better word) were funded at its 2008 budget level, it would total approximately \$72,000 - against 2009 funds still available (after funding the identified priorities) of approximately \$60,000 -- a shortfall of \$12,000.

We are asking you, as a Convention Delegate, to let us know what you think "needs" to be supported by the Diocesan Budget with the funds remaining. EC will meet next on August 12th to deliberate the budget – please send your thoughts to us prior to that meeting.

A final proposed budget, as recommended by the full Council, will be sent to you in September. In the meantime, if you have any specific suggestions on the budget, please feel free to contact any member of Council. We appreciate your assistance in helping the Diocese construct a budget that is meaningful for our joint ministry and mission for the building up of God's kingdom.