

REPORT OF THE BISHOP'S ADVISORY COMMITTEE ON CHURCH BUILDINGS

The Bishop's Advisory Committee on Church Buildings has basically two roles. The first is to provide informed and impartial advice to parishes concerning perceived problems with some aspect of the church building. These problems could include, for example, roofing, exterior walls, windows, kitchen improvements, elevators, grounds improvements, site drainage, etc. This assistance is freely available to the parishes through the Diocesan Executive Officer. Once a request for assistance is received, the Diocesan Executive Officer will usually contact the Chair of the Bishop's Advisory Committee, who in turn will assign one or more members of the Committee to meet with parish representatives to discuss concerns, offer suggestions and recommendations. The intent is always to work hand in hand with the parish representatives.

The second role of the Committee is to make recommendations to the Bishop concerning the granting of Episcopal approval of new construction or major renovations as required under Canon 4.6.1

The Bishop's Advisory Committee comprises architects, structural and civil engineers, people versed in all aspects of the construction trade. There are also members who are skilled in site planning, maintenance of historical buildings and issues related to insurance matters.

In the period since last Synod we have seen significant building projects completed at St. Matthew's, Burlington and St. John's, Ancaster. We commend the leadership of these parishes for the tremendous amount of work they did on behalf of their parishes. St. Luke's, Burlington, has begun the construction of a new parish hall. We in the Diocese were saddened by the major fire at St. John's, Thorold that destroyed the parish hall. The folks at St. John's are now in the process of drawing up plans for a new hall that will reflect opportunities for new ministry in the years to come. In addition to these major projects, at least a dozen parishes were in touch with the Bishop's Advisory Committee for help in addressing some challenges that were in need of repair.

During this past year the Chair and a member of the Advisory Committee met with the Regional Archdeacons and with the members of the six Regional Clericus to review Canon 4.6, the revised Regulations Concerning Erection or Alteration of Church Owned Properties, Contracting Methods for Church Buildings and to answer questions. These meetings provided an excellent opportunity for dialogue concerning this important area of church life.

The Bishop's Advisory Committee on Church Buildings is made up of dedicated and knowledgeable people in all aspects of the construction business and related matters. We are here to be of assistance to any parish free of charge to assist the parish in fulfilling their building dreams. Please feel free to contact the Diocesan Executive Officer who will forward your concerns to the Chair.

Respectfully submitted,
Archdeacon Paul Jackson, Chair

REPORT OF THE BISHOP'S DECENNIAL INSPECTION COMMITTEE

This Committee was formed as a separate committee from the Bishop's Advisory Committee on Church Buildings specifically to administer the Decennial Inspection of all the Church Buildings in the Diocese of Niagara on a 10 year rotating basis.

A Decennial Inspection must be done before any new construction, alterations or additions to existing Parish facilities are commenced.

This Committee operates under Canon 4.6.1 as approved by Synod and under the direction of the Bishop.

I wish to congratulate the following 6 Parishes for completing their Decennial Inspections in 2004/2005, St. Brendan, Port Colborne; St. James, Dundas; St. Mary's, Hamilton; St. Johns, Thorold; St. Pauls, Hamilton; Grace Church, Hamilton.

The following 15 Parishes are in the process and I expect completion this year 2005. Grace Church, Arthur; Christ Church, Wainfleet; St. Albans, Glen Williams; Epiphany, Oakville; Grace Church, Milton; Christ Church, Nanticoke; St. Albans, Beamsville; Holy Trinity, Hamilton; St. Pauls, Hamilton; Grace Church, St. Catharines; Good Shepherd, St. Catharines; St. Columba, St. Catharines; Canterbury Hills, Ancaster; Cathedral Place, Hamilton; St. Pauls, Norval.

Some Parishes have submitted their Plan of Action based on the Inspection Report and others have requested help in drawing up the Plan. Two members of the Bishop's Advisory Committee on Church Buildings are designated to work with the Parish on an advisory basis.

Overall the Inspection of Church Buildings is working well due to the cooperation of the Archdeacons and the parishes.

Respectfully submitted,
Mr. William J. Parker, Chair

REPORT OF THE BISHOP'S TASK FORCE ON SEXUAL ABUSE

Focus:

This Committee, first constituted in the late 1980's, continues to offer broad-based support for the Diocesan Bishop, clergy and lay workers and parishioners in the establishment of a "Safe Church". We have substantial concern for both victims and alleged perpetrators. Overall, the Team serves the Church by providing educational support for those engaged in preventing and/or responding to misconduct. We accomplish this through: training and empowerment, theology, policy dialogues and proposals. We also respond to specific circumstances in which our support is needed.

Activities:

In the past year, we began to move in a new direction, as we recognized that the initial policy which was ratified by Synod 2000 does not always speak to the circumstances with which we find ourselves dealing. Substantial conversation is currently taking place to ensure that the existing policy meets the needs of the church.

We are also continuing to train clergy new to the Diocese, as well as new Ordinands, on issues of harassment and abuse. Members of the team facilitate workshops in parishes and in regions, upon request. We continue to serve the Church and our Diocesan Bishop in helping Niagara to be a safe and healthy place in which to worship and serve.

Membership:

At present, the team includes clergy, pastoral specialists, lawyers and professionals with child welfare expertise.

Members during the past year were:

The Right Reverend D. Ralph Spence

Mr. Graeme Leach

The Reverend David Long

Ms. Christina MacNaughton

Mr. Roderick McDowell

The Reverend Canon Marni Nancekivell (chair)

The Reverend Canon Jim Sandilands

Ms. Joyce Wilton.

Note should be made of Alison D'Atri's invaluable contribution in support of this work, as well as the past contributions of The Venerable Marion Vincett.

Respectfully submitted,

The Reverend Canon Marni Nancekivell, Chair

REPORT OF THE DIOCESAN TASK FORCE ON OPTIONS FOR CONDUCTING DIOCESAN SYNOD

RECOMMENDATION

After due consideration, the Task Force on Options for Conducting Diocesan Synod recommends:

THAT Synod requests the Bishop to convene the 2006 Diocesan Synod as a one-day session and the 2007 Synod as a two-day session, with this sequence repeating in successive even and odd years.'

A motion to this effect is to be moved and seconded at the 2005 Synod by members of the Task Force.

RATIONALE

In the interest of ensuring good stewardship of the time and talents of Synod members, while still providing for flexibility for future Synod Planning Committees, the Recommendation is designed to serve two principal objectives:

It would enable imaginative program use of day two at every second year's synod

AND

It would provide significant cost savings over each successive two-year period,

PROCEDURE

The necessary "business of Synod" could be adequately covered in a single day by careful advance planning.

In those years in which a two-day session is held, the second day, being freed from "business matters", could constitute a Diocese-wide event to which non-members of Synod would be invited to attend and participate. If the program on that day were to result in policy decisions needing to be made, only Synod members would be entitled to debate and vote on any Resolutions presented.

The content and format of the second day's program would be dependent on matters or issues topical at the time. It could, but need not, include a formal closing dinner with a guest speaker of note.

Tickets to the second day's program would be sold to non-members of Synod. The price to non-members should cover any incremental costs incurred in accommodating them and, in addition, could help to defray a portion of the program costs.

**REPORT OF THE DIOCESAN TASK FORCE ON OPTIONS FOR
CONDUCTING DIOCESAN SYNOD (continued)**

TASK FORCE COMPOSITION AND PROCESS

Appointment & Mandate

The Task Force was appointed by the Bishop, (in response to a Resolution of the 2nd Session of the 130th Synod), with a Mandate to **“...to consider options for conducting Diocesan Synod and to develop recommendations concerning the content and focus of future synods; and to report to Synod Council in the spring of 2005.”**

The Task Force met on several occasions in early 2005 and reported to Synod Council on June 7th, 2005.

Membership

Membership of the Task Force was selected by the Bishop and comprises:

Michael Bird *	Archdeacon of Trafalgar and Rector, St. Luke's, Burlington
Brian Grose*	Lay Member - St. Cuthbert's, Oakville
Steve Hopkins	Secretary of Synod; Rector, St. John the Evangelist, Hamilton
Terry Jackman	Vice-Chancellor, Diocese of Niagara
Bill Mous	Synod Council Member - Holy Trinity, Fonthill
Mark Tiller	Chair, Synod Planning Committee; Rector, St. Alban's, Acton.

At the request of the Bishop, Brian Grose acted as Chairman and Karen Nowicki as Secretary.

(*Michael Bird and Brian Grose were the movers of motions at the January 2005 session of Synod regarding the timing and content of future synods.)

Objective and Issues Considered

Task Force members were determined to ensure that its recommendations, if adopted, would not necessitate canonical change but would enable Synod, which comprises many of the lay and most of the clergy leaders in the Diocese, to deal in greater depth with important issues facing the church.

The Task Force considered a wide range of issues, including the following, before arriving at its Recommendation regarding future Diocesan Synods:

The debate and voting on two Motions on “Timing & Format of Future Synods” as presented at the January 8, 2005 session of Synod

The evaluation comments submitted by members of the 2004 Synod

The report: “Options for the Future of Synod” prepared in November 2003

The present timing of Synod prevents many lay people from accepting the post of Delegate, conversely changing the timing would prevent others from accepting

The high cost to the Diocese (and consequently to the Parishes) of present practice

**REPORT OF THE DIOCESAN TASK FORCE ON OPTIONS FOR
CONDUCTING DIOCESAN SYNOD (continued)**

The time and cost of travel (for most) and accommodation (for some) members

The less than optimum use of the time of delegates under present practise

The less than optimum attendance at Synod Eucharist on Thursday night

The questionable value of the formal dinner on Friday

The unutilized time between the afternoon session and dinner on Friday
The concern that time is spent at Synod in the reading aloud of reports printed in the Convening Circular

The fact that several other Dioceses hold synods less frequently than annually

The determination that recommended changes not require canonical change

Options Considered

A number of other options were considered by the Task Force, including those contained in the 2003 Report referred to above and in the material produced during the Open Space meetings held last fall.

A request for input for the Task Force's deliberations was made by the Bishop at the Clergy Day in March. This was followed by a request for input from across the Diocese through an item in the April edition of the Niagara Anglican.

Feedback from the preliminary Report submitted to Synod Council on June 7th, 2005 has been taken into consideration in this final version.

Recommendation Wording

The Recommendation is worded in a way that it provides flexibility in the planning of future Synods; recognises that lay delegates are generally appointed for two-year terms; will enable significant cost savings per delegate over each two-year period; and, if adopted, will not require Canonical change.

Respectfully submitted,
Brian Grose O.N., Chair

REPORT FROM THE DIRECTOR OF EVANGELISM

In the April edition of the Niagara Anglican, I wrote, “change is difficult; old habits die hard and we tend to cling to that which is safe and well worn”. Loren Mead, author of “*Once and Future Church*” offered, ‘We are at the front edge of the largest transformation of the Church in 1600 years. The Church of North America is facing the greatest challenge in history; it may eventually make the Reformation of the 16th century look like a ripple in a pond.’

At our diocesan synod of last year, our Bishop presented us with an alternative three legged stool of Anglicanism that, he said, should define who we are as a diocese. Those legs were “Leadership, Stewardship and Evangelism.” Bishop Spence stated, ‘Evangelism- I’m not going to let you forget that word. Evangelism must be at the very core of what we are all about. I have to tell you that we cannot ignore this third leg of that important stool. If we ignore evangelism, we do so at our own peril.’

A Daunting Prospect

As the second year of the evangelism initiative draws to a close, the words of our Bishop resonate clearly as our diocese continues to explore what evangelism may mean for us. There are many parishes throughout the diocese that have embraced this initiative, yet there remain many who are reluctant or unable to determine where to begin. There have been cases of parishes expecting immediate results after engaging in some evangelism project and giving up, and others that say that evangelism is just not for them.

The challenges we face, on an ongoing basis, are present every day throughout our diocese. As I travel from parish to parish, the issues and concerns remain predictable and consistent. We face challenges of reduced financial resources, aging and/or dwindling congregations and physical plants that are requiring greater and greater attention and expense. It often feels like a daunting circumstance and a great deal of spiritual, emotional and practical capital is being expended in attempting to deal with these symptomatic factors, often to no avail.

“If we ignore evangelism, we do so at our own peril!”(Bishop Spence, Synod 2004)
Before anything else, I believe that evangelism is the route we need to take to, once again, become the vibrant, healthy communities of faith we are called to be. To borrow from John Bowen’s book, ‘*Evangelism for Normal People*’, John wrote that if our churches really want to embrace evangelism, there are three things that we must constantly keep in mind:

“1) Evangelism is a slow process! This means we need a place where faith can grow, an incubator, if you like. Church should be a place where faith is not allowed to stagnate but also *isn’t forced to premature expression. (Italics Mine)*

2) People moving toward faith need to be able to relate to Christians, so that they can ‘study their faces,’ see what faith looks like in practice, how it works in daily life.

3) Part of the evangelism process is having time to ask questions, to have them heard respectfully, and to reflect on thoughtful answers. Churches serious about helping people find faith need, as a priority, to provide safe places where that can happen.”¹

REPORT FROM THE DIRECTOR OF EVANGELISM (continued)

The Roadblocks

The evangelism working group has very worked diligently over the past year to put together resources, conferences, workshops and consultations to assist parishes in building some energy and commitment around evangelism. However, without a clear understanding of what evangelism may mean for your parish and without broad ownership of this initiative, any number of conferences and/or resources is of little use. There are primarily two barriers that inhibit a parish from making evangelism a priority:

- a) A misconception of what evangelism is. Many view evangelism as intrusive, forceful and overt calling on people to become 'street corner preachers'. This is not the biblical understanding of evangelism- evangelism is a ministry that is created in the context of the community from which it comes, utilizing the gifts of the community and guided by the Spirit of God. Evangelism meets the seeker where they are at and provides an invitation for them to meet Christ in new ways or for the very first time.
- b) Not knowing where to begin. To create a strategic plan for evangelism can be a daunting task. How do we build awareness and ownership? What skills and gifts may be required? How do understand our 'target audience'? Who is our target audience? What do we have to offer as a parish? What things do we need to improve upon? These questions, coupled with the ongoing pressures and challenges of ministry in a parish, may deflect attention and resources away from an intentional evangelism plan.

The Plan

As we work with parishes throughout the diocese, there is a general five step strategy that informs all parish based evangelism in creating an approach and action plan for this ministry. The Five Steps of Parish Based Evangelism are:

- 1) **Praying:** a parish must be faithful in it's' knowledge that this is not our ministry but the ministry we are called to by Jesus Christ. There is an ongoing and earnest commitment to prayer and intercession reminding and encouraging us to be faithful in this ministry. We pray for those who are called to this ministry of evangelism, for those that God is sending into our midst and for those we are called to go out and meet in Christ's name. Evangelism without prayer is destined to fail.
- 2) **Preparing:** Before we can 'go into the world to make disciples', we must understand ourselves and our mission field. We must understand our gifts and our strengths; what do we have to offer, what will seekers and newcomers experience in our community, what are our opportunities for growth? We must understand the mission field and what the needs and character of the surrounding community may be. There must be commitment and ownership in the parish- all members understanding that evangelism is a priority. We must understand the parish's unique size dynamics- what is practical, what resources are available etc. We must, lastly, identify, train and equip those people who are called to employ their unique gifts in this ministry.
- 3) **Welcoming:** Are we really the warm, welcoming, inviting community that we believe ourselves to be? Do we have an intentional and structured process of meeting, greeting and integrating newcomers or do just leave it to chance? Are our building and grounds inviting and lovingly maintained? Do we have a strategic and measured approach to advertising and marketing? Do we

REPORT FROM THE DIRECTOR OF EVANGELISM (continued)

have user friendly bulletins and newsletters? Are our coffee hours a friendly and inclusive place to be? Do we make assumptions about what visitors and newcomers know about us and our practices?

- 4) **Proclaiming:** In our worship, our study groups, our bible studies and our preaching, we must strive to make the word of God and the celebration of our gatherings, vibrant, meaningful, accessible and relevant. The music, no matter the style and tradition, must be rich, well delivered and spirit filled. Too often we compromise and make concessions in our expectations of our music ministry that can have a negative influence upon spiritual growth.
- 5) **Inviting Commitment:** Through the sacraments of baptism and confirmation we can offer and expect commitment and faithfulness to Christ's Church. Through special events, commemorations, recognitions, anniversaries we can publicly declare a person's membership and devotion to the faith and to the Church. And as the Church we are called to offer community, expect commitment and journey with those that have chosen the path of Christ.

What Now?

There are many evangelism success stories throughout the diocese that I would be happy to share with you if you want to contact me. There are parishes that are beginning the journey of evangelism with intention. It is my role and the role of the evangelism working group to live out in word and deed the Evangelism Strategic Plan Mission Statement for the Diocese of Niagara: "Empowering parishes to discover, develop, and to utilize their gifts for evangelism in accordance with the Gospel and our baptismal vows."

It is our hope and prayer that, in God's time, more and more of our parishes in the diocese will embrace evangelism in an earnest desire to share to Gospel message of Jesus Christ with the world in which we live.

I wish to thank all members of the evangelism working group who recognize the importance and the shared responsibility of this ministry and who have committed themselves in this endeavour.

Evangelism Working Group

Michael Patterson

Hugh Haney

Jim Newman

John Ripley

Mark Tiller

John Bowen

Sue Wilson

Dan Brereton

Sue Nicolls

Trevor Jones

Stephen Berryman

David Ponting

Renee Desjardins

Rob Hurkmans

Gloria Maddox

John Baxter

Diane Sevensco

Cindy Blades

Sue Wilson

Sandy Copland

Respectfully submitted,

The Rev'd Canon Michael Patterson, Director of Evangelism

Footnotes

1. Bowen, John P. "Evangelism for Normal People", Augsburg Fortress Press, 2002, pg. 179

2005 DIOCESAN SYNOD COUNCIL

Representatives from Regions

Mrs. Patricia Davis	Brock
Ms. Gill Tucker	Brock
The Venerable Lynne Corfield	Brock
Mr. John Lawrence	Greater Wellington
The Reverend Richard Moorse (until June 2005)	Greater Wellington
Mrs. Susan Pulleyblank (from September 2005)	Greater Wellington
The Venerable Thomas Greene	Greater Wellington
The Reverend Dorothy Hewlett	Lincoln
Mrs. Betty Van der Ree	Lincoln
The Venerable Bruce McPetrie	Lincoln
The Reverend Leon Burke	Mohawk
Mr. Carl Sneyd	Mohawk
The Venerable Dr. Richard Jones	Mohawk
The Reverend Joe Asselin	Trafalgar
Mr. Ian Smith	Trafalgar
The Venerable Fred Gosse (until June 2005)	Trafalgar
The Venerable Michael Bird (from September 2005)	Trafalgar
Mr. Robert Tilbury	Undermount
Mrs. Carol Burnell	Undermount
The Venerable Robert Leckey	Undermount

Representatives of Divisions of Ministry

The Reverend Vickie Edgeworth-Pitcher	Congregational Support
Mr. Ross Gillett	Ministry Support
Mr. Bill Mous	Outreach

Canterbury Hills Representative

Ms. Irene Pasel (until June 2005)
Mrs. Nancy Miller (from September 2005)

Financial Advisory Committee Representative

Mr. Gordon Reed

Bishop's Appointees

Mr. Keith Braithwaite
Ms. Heather Grant (until June 2005)
Mr. Graham Nicolls
Mr. Gordon Ross

Members by Office

The Right Reverend D. Ralph Spence	Bishop
Mr. Rob Welch	Chancellor
Mr. Terry Jackman	Vice-Chancellor
The Venerable Marion Vincett	Executive Officer
The Very Reverend Peter Wall	Dean
The Reverend Dr. Steve Hopkins	Secretary of Synod
Mr. Robert McKinnell	Treasurer

REPORT OF THE DIOCESAN SYNOD COUNCIL

This report summarizes the actions of the Synod Council from the November 2004 Synod to the Synod Council meeting of October 4, 2005 inclusive. Eight meetings were convened. The December 2004 council meeting was held at St. Matthews-on-the-Plain Burlington and the May 2005 meeting held at St. John's Rockwood; the rest were held at Cathedral Place. Attendance averaged 74%.

Membership

- all changes in membership were in accordance with Canon 1.9 and the election of members and alternate members by Synod in November 2004.

January 2005 Session of Synod

- Motions referred to Synod Council by the November 12 – 13, 2004 session of Synod were referred back to the January 8, 2005 session of Synod.
- considered the Draft 2005 Diocesan Budget, dated 29 November 2004, and recommended it to the Diocesan Synod session scheduled for January 8, 2005.

Elections & Appointments

- elected the following to serve as the Synod Council Coordinating Team:
The Ven. Lynne Corfield, Mr. Gordon Reed, Mr. Carl Sneyd, Mr. Bob Tilbury, and The Very Rev. Peter Wall. (The Bishop and Secretary of Synod are ex-officio members.)
- designated the Synod Council Coordinating Team as the Nominations Committee for Niagara's delegates to Provincial Synod.
- authorized the following as signing officers:
The Rt. Rev. D. Ralph Spence, Diocesan Bishop; The Ven. Marion Vincett, Executive Officer; The Rev. Dr. Stephen Hopkins, Secretary of Synod; Mr. Robert McKinnell, Treasurer; The Rev. David Long, Director of Human Resources; The Very Rev. Peter Wall, Dean; Ms. Debbie Young, Assistant Treasurer.
- required that the signature of one of the following must appear on cheques: the Treasurer, the Assistant Treasurer, or the Executive Officer.
- elected members of the 2005 Financial Advisory Committee as follows:
The Rev. Kevin Bothwell, Mr. Kirk Boyd, Ms. Judy Conning, Mr. Stan Hatcher, Mr. Gordon Reed, Mr. Ian Smith, Mr. David Ricketts, Mr. Peter Swire, Mr. David Watson.
- elected members of the 2005 Audit Committee, as follows:
(Final Term): Mr. Gord Archbell, Mr. Ed Crighton, Mr. David Page, Mr. Ian Smith
New Members (First Year): Mr. Jim Newman, Mr. Peter Swire
- approved the appointment of four (4) members of the Diocese to the Cathedral Place Property Management Committee for the year 2005, and authorized the Synod Council Coordinating Committee to name these persons and appoint them.
- approved the appointment of one (1) member of Synod to the Jamesville Day Care Board, and authorized the Synod Council Coordinating Committee to name the person and appoint him or her.
- elected Mr. Ian Smith to the Executive Board of the College of Deacons for a 3 year term

REPORT OF THE DIOCESAN SYNOD COUNCIL (continued)

Canonical Matters

- considered amendments to Canon 1.2.2 and Canon 2.2.3 (iv) to require that the Convening Circular be issued at least fourteen days before the convening of Synod

Policy Matters

- approved changes to the Regulations Concerning Erection or Alteration of Church-Owned Properties (available on the diocesan website)
- approved a policy on the use of Rectory Funds and Encumbrances (available on the diocesan website)
- received a first draft of a Privacy Policy for consideration at a future meeting

Parish Matters

- supported the amalgamation of Christ Church and Church of the Transfiguration, St. Catharines
- was informed of parish hall redevelopment projects at:
St. Matthew's, Burlington
St. Luke's Burlington
- approved a motion requiring Annual Vestry meetings to be held before February 28, 2006
- approved a proposal for next steps in the Anglican ministry in Niagara Falls, including the designation of All Saints' Mission (under Canon 4.5.7), the appointment of an Administrator, and funding for this position of up to \$1,500 per month from the proceeds of the sales of disestablished parishes in Niagara Falls

Property Matters

- approved the sale of St. Martin's, Niagara Falls (church and house) to The Salvation Army for \$693,000 cash to close on March 31, 2005.
- approved the sale of the church and parking lot at Christ Church, St. Catharines to Elim Christian Fellowship for \$310,000 cash to close on March 21, 2005, subject to the conditions and exclusions as detailed in the agreement of purchase and sale.
- approved the sale of St. James Church, Dundalk to Maple Valley Acres Ltd. Operating as Southgate Community Church for \$110,000 cash to close on March 25, 2005 on the understanding that the parish may rent the facility for \$50 per use.
- approved the demolition of the former rectory at St. George's, Georgetown in accordance with the decision of their Vestry held on April 3, 2005.
- approved the sale of the parish hall at All Saints' Niagara Falls to 1431463 Ontario Limited for \$300,000 to close on September 30th, 2005 and approved the Synod taking back a mortgage of \$200,000 at 7% per annum for a term of 3 years and open with interest only paid quarterly.
- approved in principal the severance and rezoning of a portion of St. Paul Port Robinson's land on Island St. as requested by the parish Vestry and authorized the Secretary of Synod to conduct an electronic poll approving the severance of multiple lots from the property of St. Paul's, Port Robinson, and the rezoning of same, following notification that the Vestry of St. Paul's has passed a motion by a two-thirds majority at a meeting called for that purpose approving the making of

REPORT OF THE DIOCESAN SYNOD COUNCIL (continued)

- the two applications. Also approved that the Synod cover the costs of these applications and recover these costs if and when the property is sold.
- approved a mortgage for Grace Church St. Catharines of \$50,000 secured on 7 Spruce St. to fund repairs at 7 Spruce St. and 240 Geneva St., St. Catharines
- approved a request from St. John's, Niagara Falls to borrow \$55,000 from its Rectory Fund for emergency roof repairs

Financial Matters

- approved a request from Church of the Transfiguration, St. Catharines to borrow \$29,000 from its Rectory Fund for a new roof with a payback schedule of 20 years at \$1,450 per year.
- approved a request from St. James, Dundas to borrow \$80,000 from its Rectory Fund and repay the total of \$100,000 over the next 10 years.
- approved that the Diocese of Niagara provide Supplementary Unemployment Insurance Benefits to parish employees whose salaries are administered through the Diocesan payroll.
- asked the Insurance and Risk Management Committee to explore alternatives to the current deductible rate and insuring parish properties at full replacement value.
- recommended that parishes increase housing allowances by the same percentage as the recommended increase to the minimum stipend scale for one year and asked the Compensation Sub-Committee to review this matter
- increased the minimum stipend scale by 2.8% and recommended this percentage increase to parishes for clergy and lay staff.

Respectfully submitted,
The Rev. Dr. Stephen Hopkins, Secretary of Synod

REPORT OF THE STEWARDSHIP AND FINANCIAL DEVELOPMENT COMMITTEE

OVERVIEW:

This year was one of consolidation and transition for Stewardship and Financial Development. After 6 years as Director of Stewardship and Financial Development, the Reverend David Ponting returned to parish ministry mid-year as Rector of Grace Church, Brantford. Effective September 1st Jim Newman joined the Diocesan Resource Centre staff on a half-time basis as Director of Stewardship and Financial Development. Bob McKinnell, Diocesan Treasurer, assumed the responsibilities for Planned Giving. Jim and Bob are working closely together to cover all aspects of Stewardship and Financial Development for the Diocese.

Special thanks and best wishes to Dave Ponting as he begins his ministry in Brantford. Dave's enthusiasm, dedication and professionalism during his time as Director of Stewardship and Financial Development have left a legacy of accomplishments in Niagara. Survive and Thrive, Anglican Church Ministries Foundation, Planned Giving, Year-round Stewardship development, and several significant capital campaigns are part of this legacy. One of Dave's secrets to success was his ability to assemble and motivate a committee to help him with his many projects.

SINCE LAST SYNOD:

In response to the financial issues raised at the November 2004 Synod and the strong feeling of the Stewardship and Financial Development Committee that it is essential to the ongoing financial health of the Diocese that a Stewardship staff position remain at the centre, a Memorial was prepared for the January 2005 meeting of Synod. The thrust of the message of this Memorial was that solving financial issues was as much about improving revenues as it was about cutting costs. Many parishes in the Diocese have considerable room for improvement on Stewardship. Leadership from the centre is essential if this is to happen.

The major activity of the Committee during the first half of 2005 was to create a "Legacy Planner", based on one used by the Diocese of New Westminster, for use by parishes in our diocese. The Planner was printed this spring. On May 28 a Parish Planned Giving Reps information morning was held at St. Matthew on-the-Plains, Burlington. It was introduced at a Clergy Day shortly thereafter. The Planner is a useful tool for discussing planned giving with individuals and can play a role in pastoral counselling around end of life issues. The initial printing of 2,000 copies was quickly "sold out". Following some revisions based on feedback from the first issue, a second printing was done.

The Ontario Stewardship Network, "Return to Sender" conference was held May 12th – 14th. David Ponting was part of the planning team for this event. Several from the diocese participated and/or attended this event.

The Directors (Dave and Jim) continued to provide consulting services to individual parish on Capital Campaigns, Narrative Budgeting and Year-round Stewardship.

The focus of the Committee activities beginning in the fall of 2005 is "Developing a Culture of Stewardship in Niagara".

**REPORT OF THE STEWARDSHIP AND FINANCIAL
DEVELOPMENT COMMITTEE (continued)**

Committee members:

Mr. Chubb Baxter - St. John's, Winona
Dr. Stan Hatcher - St. Alban's, Glen Williams
Mrs. Kim Johnston - Christ's Church Cathedral, Hamilton
The Reverend Darcey Lazerte - St. Simon's, Oakville
The Reverend Patricia Lucy - St. Mark, Orangeville/St. Paul's, Glanford
Mr. Ian Pratt - Church of the Redeemer, Stoney Creek
Dr. Gordon Ross - St. Jude's, Oakville

Staff Support:

The Reverend David Ponting (to August 2005)
Mr. Jim Newman (from September 2005)
Mrs. Karen Nowicki, Administrative Assistant/Recording Secretary

Thanks to the following members whose terms expired in 2004/2005
Gordon Reed - St. John's, Rockford
Sharon White - St. James', Dundas

Respectfully submitted,
Dr. Gordon Ross, Chair

REPORT OF THE FINANCIAL ADVISORY COMMITTEE (FAC)

This year has been another challenging year for the Diocese from a financial management perspective, and a very active one for Financial Advisory Committee (FAC) whose members have again aided in the review and direction of many financial aspects in our diocese.

The FAC works thru both its committee and various sub-committees, a number of which have separate reports included in the Convening Circular. Some of the activities and areas of involvement by the members and sub-committees include:

- Participating in the DM&M taskforce.
- Approving parish loans for building extensions and expansion.
- Approving Letters of Comfort for parishes setting up operating lines of credit.
- Reviewing financial results including a review of the budget to actual results, outstanding parish loans and outstanding receivables.
- Regular review with the fund managers of the investment fund portfolio, its performance and how we can maximize the returns on our investment.
- Reviewing our insurance needs to ensure we have proper and adequate insurance in light of ever increasing premiums.
- Working with senior staff on realigning the budget categories so that it relates to the three major areas of emphasis: Evangelism, Stewardship and Leadership
- A special note of gratitude to the members of the finance/budget subcommittee who work diligently on preparing the annual budget and then preparing the narrative budget presentation so that everyone can better understand the financial aspects of the budget.

This year we were saddened with the loss of Mark Skuse who passed away this summer. Mark worked so diligently on the investment sub committee and was co-chair of the finance/budget sub-committee and we will miss him greatly.

I would like to thank all of the members of the FAC and the various subcommittees for their time and dedication. This year has been very challenging and their time and commitment is greatly appreciated.

Committee members are:

The Reverend Kevin Bothwell

Ms. Judy Conning

Mr. Stan Hatcher

Mr. Robert McKinnell, ex-officio

Mr. David Ricketts

Mr. Peter Swire

Mr. Dave Watson

Mr. Kirk Boyd, Chair

Ms. Wendy Duncan, ex-officio

Mrs. Gloria Maddox, recorder

Mr. Gordon Reed, Synod Council Rep

Mr. Ian Smith

The Venerable Marion Vincett, ex-officio

Respectfully submitted,
Mr. L. Kirk Boyd, Chair

REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE

(This Subcommittee is responsible to the Financial Advisory Committee)

The Finance/Budget subcommittee mourns the loss of our co-chair Mark Skuse O.N. who passed away on June 30th of this year. His contribution to this subcommittee's work and his commitment to his church and the diocese will be missed. We extend our sympathy to his wife Brenda and his children.

The Finance/Budget Subcommittee traditionally oversees the preparation of the diocesan budget and monitors diocesan financial operations, including parish loans, loan guarantees, and debt repayment plans.

At regular meetings the subcommittee reviewed statements provided by the treasurer and ensured that reasonable explanations were provided for both positive and negative variances to the budgeted amounts. Church extension loans, loans payable, and parish receivables for payroll and DM&M are also reviewed at each meeting. All parishes with existing extension loans are current.

The aspects of the subcommittee's work that pertain to the budgeting process continue to provide many challenges. The 2005 budget was passed in January at a special Synod after the defeat of the budget scenarios at the November 2004 Synod. It was noted at that time that the steps taken to produce the 2005 budget were beginning steps toward addressing many of the concerns that were raised at the November Synod. As expressed in the remarks prior to the presentation of the 2005 budget in January, it was the hope of the financial committees that "the recommendations of the task forces, the ongoing review of administrative and operational expenditure areas, and the creative evaluation of our programmes and resources in the coming months will give direction to the 2006 budget." Prior to beginning work on the 2006 budget in April, a memo was sent to leaders of the functional areas and divisions of ministry asking for a draft budget for their area of responsibility for 2006, a summary of the cost drivers involved (personnel, rental facilities, materials etc) and a summary of short and long-term goals that would help our committee better understand the financial needs now and in the future in each specific area. A response was requested by April 15th. We received some feedback, most indicating that budget requirements for 2006 would not change significantly from 2005.

The audited 2004 financial statements and the report of the D M&M task force were available in mid-April and we began work on the 2006 budget at that time. It was encouraging that the 2004 financial statements reported a surplus despite increased costs in the area of personnel transition and severance. Growth in the D M&M's, the result of growth in a number of parishes and an increase in interest income contributed to this surplus. In addition, several budget areas were under-budget, evidence that tight controls in those areas had reduced costs.

Two significant conclusions that impact the 2006 budget came out of the report of the D M&M task force. Communication between the diocese and the parishes around the D M&M was identified as a concern. In response, a brochure was produced and distributed to parishes that provided basic information about the formula and how it is applied, and a pie chart that showed how the D M&M dollars are spent in the diocese. It also included a contact list at the Diocesan Resource Centre. The diocese will update and redistribute this brochure in August 2005.

REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE (continued)

The second conclusion was stated as follows: “We believe that the diocese has a responsibility to review its current structures and how ministry is currently delivered in the diocese recognizing the level of resources needed to maintain this structure and focus and the expressed concern of many, that the current assessment level is not sustainable. It should be a priority to assign responsibility for this work.”

As a committee, we believe the following based upon what we heard at Synod and the concerns raised by the D M&M task force:

- We cannot continue to finance the diocese “the way we’ve always done it.”
- Significant changes need to be made to how, and how much money is spent on ministry at the diocesan/wider church levels.

We investigated a new model for the budgeting process that would address the issues that had been raised. However, we found that the leadership of the diocese felt the model could not be successfully implemented in Niagara at this time. Further, the D M&M task force did not provide us with direction to make changes to the funding model since its terms of reference did not address the income side of the budget.

We formulated the following statement that was forwarded to the Financial Advisory Committee:

The diocesan budget should faithfully resource the ministry to which God calls us. It needs to be driven by a strategic plan that will provide the backdrop to determine diocesan priorities and how/where ministry should be delivered in the diocese.

We believe that it is within our mandate to implement changes based upon the strategic direction given us, but without direction, we cannot presume to know where cuts if necessary should be made, nor how and where ministry should be delivered within the diocese. Currently a survey is being prepared to seek feedback from parishes about diocesan services and programmes, and their value to the parishes. This survey should be available to parishes prior to Synod but the results will not impact the 2006 budget.

The 2006 budget includes increases in funding to meet Louisa Parke pension commitments and the continued commitment to support the Bishop’s strategic initiatives in evangelism and leadership. The expenditures associated with the evangelism officer are included in the operating budget, and historical expenditures in the area of personnel transition and severance have been recognized and included in the budget. The remainder of the budget is based upon historical data and consistent with the budget requests received from the functional groups and divisions of ministry. Growth in some of the parishes, resulting in growth in the D M&M’s, allows the budget to be balanced. No cuts to the D M&M to parishes have been included in the 2006 budget at the time this report was written. There may be changes in response to a review of second quarter budget to actual figures for 2005 and feedback from the regional budget meetings held in September.

REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE (continued)

At this time, I would like to thank all of the members of the subcommittee for their time and dedication to the work of this subcommittee. We welcomed three new members this year, The Rev'd Canon Dr. Cathie Crawford Browning, The Rev'd Chris McMaster, and David Eccles. We appreciate their fresh perspectives and dedication to this work. I am very thankful for the continued commitment of Ian Pratt, David Watson, Shirley Sherwin, John Saylor, and Peter Trahair, and staff support from Bob McKinnell, Wendy Duncan, Gloria Maddox and the Ven. Marion Vincett.

Respectfully submitted,
Mrs. Judy Conning, Chair

REPORT OF THE INSURANCE AND RISK MANAGEMENT SUBCOMMITTEE

(This subcommittee is responsible to the Financial Advisory Committee)

This subcommittee of the Financial Advisory Committee advises the Diocese of Niagara and its parishes through the Financial Advisory Committee regarding Risk Management procedures and adequate insurance coverage.

The program of professional appraisals of the church-owned properties has completed the task of bring the time frame down to 7 years. Some 41 new appraisals have been completed for the year.

During the past year, the insurance building inspection program has been continued by the Diocesan Insurance Broker, David Ricketts. Churches and church properties at 100 locations have been inspected in the 1997 to August 2005 period.

A manual on Church Insurance and Risk Management has been prepared by our broker and is available to each parish through the web in the password protected area accessible to Wardens and Treasurers. A new series of Wardens workshops was completed this past spring by our broker.

The subcommittee carried out its annual review of the Synod's policies, with our broker's assistance. Post September 11, 2001, all insurance companies are finding it difficult to assess risk. In this Diocese, because of the measures we have taken over the past 13 years, i.e. the program of church appraisals and inspections done by our broker, we have been somewhat spared the huge increases that other Dioceses have faced. We did face another increase this past year because of the fire in Thorold. If we had not had this loss we would not have had the increase nor an increase in the deductible.

In April I appeared, along with our broker, David Ricketts, before Synod Council to explain the premium and deductible increase. In a few words, our losses in the past six years have exceeded premiums. So often people think that only property damage claims are paid but claims under our liability coverage have increased also. Even if a liability claim is not paid there are solicitors fees.

I want to pay tribute to our broker, David Ricketts. Insurance is a very complex commodity and David keeps on top of changes and what is best for our Diocese. As a member of General and Provincial Synods his expertise is sought by many Dioceses throughout Canada. Thank you, David, for your continued advice.

Our Insurance Administrator is Kim Waltmann. Kim was enrolled in the Principles and Practices Program of the Insurance Institute of Canada. She attained a "B" mark which is very good.

Many thanks go to the members of the subcommittee:

Peter Swire

Michael Whittaker

John Rankin

Neil Groombridge

Violet Whitehouse

Russell Moodie

Kim Waltmann, Secretary

Bob McKinnell, Diocesan Treasurer (ex-officio)

Respectfully submitted,
Mr. Murray Rathbone, Chair

REPORT OF THE INVESTMENT SUBCOMMITTEE

(This subcommittee is responsible to the Financial Advisory Committee)

Frank Russell Canada Limited (Russell) was appointed in 2002 to oversee all our investments. Russell uses a multi-asset multi-style multi-manager approach to reduce risk and delivers consistent and superior returns. They employ 31 managers throughout the world and have shown excellent results.

The Synod of the Diocese of Niagara uses a "system of participation units" which gives the Diocese and the Parishes involved an equitable sharing of risks and rewards associated with the investment of their funds. For the nine years ending June 30, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005 the fund has earned approximately 20%, 14%, 7%, 12%, 0%, (8.5%) (1.7%), 15% and 10.8% respectively, after expenses. Parishes, who chose to receive a monthly payment, received a 5% cash payout each year up to December 31, 2000 except for 1998 when they received 7.2%. Since January 1, 2001 Parishes have been able to withdraw funds by redeeming units on a monthly basis and this has replaced the cash payout. Since June 30, 1997 unit values have increased from \$10.00 to \$14.15601 as at June 30, 2005.

We lost a valuable member of our committee in 2005, Mark Skuse. Mark was instrumental in the preparation of the Investment Review and was always an active and well-informed participant in our regular meetings. He will be greatly missed and the committee members would all like to extend their deepest sympathy to the members of Mark's family.

Present members of the Investment Subcommittee are:

Mr. Hugh D. Haney
Mr. Andrew Bucknall
Mr. Robert McKinnell (Diocesan Treasurer)
Mr. David W. Pady (Chair)
Mr. Roger Phillips
Mr. David Ricketts
Mr. Mark Skuse
Mr. Dan Waterston
Mr. David Watson
Mr. Bruce Whitehouse
Mr. Malcolm Williams
Ms. Kim Waltmann (Secretary)

Respectfully submitted,
Mr. David W. Pady, Chair

REPORT OF THE DIOCESAN TREASURER

It is amazing how fast time flies, as I reflect on the end of my sixth year as your Diocesan Treasurer.

The year end results for 2004 are very positive with another surplus in our operating line. This continues the upward trend I mentioned in last year's report. The excess of revenues was \$387,747 before proceeds from disestablished parishes. This has helped reduce our General Fund deficit to less than one million dollars. That's a significant improvement from the General Fund deficit which peaked at \$2,466,844 in 2000.

A number of positive events during 2004 helped produce this surplus. First, our Participation Unit investment with the Russell Investment Group has performed quite well. Unit values rose from \$12.52109 to \$13.51800 during calendar 2004. This increase represents an approximate 8% rate of return. Second, parish incomes as a group across the Diocese have continued to grow. This is reflected in the increased level of Diocesan Mission & Ministries (DM&M) revenue. Third, operating expenses were under budget.

Year-to-date financial operating results for 2005 indicate another small operating surplus. This is partially driven by the continuing rise in the value of our Participation Units during the first eight months of 2005. The unit value has risen from \$13.51800 at the beginning of this year to \$14.61978 at the end of August. That represents an increase in value of slightly over 8% for the past eight months.

Our Synod long term debt continues to reduce at the rate of \$102,500 per year. Monies to repay this debt come from the annual surplus. We are committed to this repayment plan for quite a few years to come. It is encouraging to note that CIBC, our banker, has been pleased with our overall performance and no changes are expected in the Synod's bank operating line.

The 2006 budget presented at Synod will be a balanced budget. The budget contains a small cut of 1% in the DM&M formula dropping it from 33.158% of the three year rolling average to 32.83%. The Financial Advisory Committee (FAC) and the Finance/Budget Sub-Committee met during the spring and summer months grappling with the issue of budget cuts. Although, we had the impression at the 2004 fall Synod there was a desire for significant budget reductions no direction came out of that Synod. Indeed from the budget scenarios presented at that time, it was clear that all budget areas had support within the Diocese, although not necessarily across the Diocese. Members of these two committees met with the Bishop to review his vision for the balance of his episcopacy. Bishop Spence reiterated that parish growth was critical for the future of the Diocese. He spoke of the many parishes that had and were completing building projects. He outlined the importance of the three legged stool: Leadership, Evangelism and Stewardship. He confirmed that the activities currently supported in the Diocesan budget need to be continued. The Louisa Parke Estate Funds will be fully drawn down during 2005. We have increased the budget in this area to ensure retired clergy currently receiving monies from this source will continue to. Budget dollars have been set aside to support Regional Youth Ministry programs. This was a proposal that came out of New Niagara. Our Bishop has asked for increased Episcopal Assistance and this area has also been expanded in the budget.

REPORT OF THE DIOCESAN TREASURER (continued)

Personnel Transition and Severance remains a very active area in the budget. In 2000, this budget item was approximately \$115,000 and it has moved up considerably over recent years. Additional funding has also come from the Survive & Thrive Campaign. For further commentary, please refer to my comments included with the budget.

The Financial Advisory Committee, the various Sub-Committees of the FAC and the Audit Committee deserve our thanks for their diligent work over the past year. Their efforts have proved invaluable to me in the carrying out of my responsibilities as Diocesan Treasurer. My personal thanks to the Chairs and members of these various committees for the time they have given to the Diocese and for their collective insight. Also a heartfelt thanks to everyone that has stepped forward and helped whenever a need arose.

On a sad note, Mark Skuse passed away this year. He was the co-chair of the Finance/Budget Sub-Committee and actively served on the Investment Sub-Committee to mention two of his many activities. He also authored our Investment Review Report. Mark joined me on a number of visits to parishes where we talked about our investment fund and in particular the Participation Units. He was extremely knowledgeable in this area and I will miss the good times we had together.

The past year has been very enjoyable at the Synod office as everyone has joined in and helped each other when there was a need. This type of cooperation makes for a wonderful workplace.

A special thanks to the great staff in the Finance area for their hard work, exceptional performance, loyalty and dedication. Thank you Wendy Duncan, Debbie Young, Nancy Clause and Kim Waltmann.

Respectfully submitted,
Robert L. McKinnell, Diocesan Treasurer & CFO

MEMORANDUM

Date: October 5, 2005

To: Members of Synod

From: Diocesan Treasurer & CFO

Re: **2006 Proposed Budget**

Attached is the 2006 Proposed Budget which was approved by the Financial Advisory Committee and discussed by Synod Council at their September 6th and October 4th meetings.

Following are some highlights of the budget which I hope will assist you in reviewing it:

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- ▶ There has been a 1% decrease in the Diocesan Mission & Ministries rate used to calculate the former assessment figure. The current rate of 33.158 is reduced to 32.83% for 2006. The projected DM&M amount prior to the decrease was \$3,108,000 and that now drops to \$3,076,920 . The continued growth at the parish level explains why the projected DM&M remains relatively constant on a year over year basis even after the 1% reduction.
- ▶ Investments have been performing quite well and a small increase in interest income is expected during 2006.
- ▶ The Louisa Parke Fund has been totally drawn down during 2005. However, the commitment for a number of retired clergy remains. The \$56,600 amount represents the total monies required, for this purpose, in 2006. It will continue to reduce over the coming years.

Page 36:

- ▶ The Investment Fund Administration Transfer represents the fee charged for the administration of Diocesan investments. The growth in the value of the fund is reflected in this figure.
- ▶ An increase of 2.8 % has been built into the budget for wage adjustments. This is the annual increase amount recommended by the Diocesan Compensation Committee for clergy and other staff positions for 2006. Synod Council approved this recommendation at their October 4th meeting.
- ▶ The Personnel Transition and Severance budget line has been reduced by \$50,000 to \$215,000 for 2006. It is difficult to anticipate on an annual basis what the appropriate figure should be. Since 2000 Survive & Thrive has funded an additional amount of \$70,000 per year for five years and last year a further one time amount of \$200,000 was approved. During 2004 the total amount expended in this category from all sources amounted to \$450,000 . If the required amount is greater than the budget, the excess will either be offset with other budget savings or approval will be sought from Synod Council to source the additional costs elsewhere.

- ▶ As interest rates have remained fairly constant for the past few years and Synod loans have been reducing from annual principal payments, we have allowed for a reduction in Parish Interest/Other Expenses.
- ▶ Parish Loan Reduction reflects the annual loan payment we are required to make to our bank each year based on outstanding Synod term loans. This increase is the result of borrowing \$125,000 to meet our commitment on the \$250,000 roof repairs to Cathedral Place in 2005. It is to be repaid over the next ten years.
- ▶ Interest Bank Operating Loan has reduced slightly given the relatively stable bank interest rates.

Page 37:

- ▶ A greater allowance has been made for utilities at Cathedral Place given the rising market costs for both gas and electricity.
- ▶ Insurance now reflects the current cost level for the Synod office at Cathedral Place.
- ▶ Property/Cleaning Reception has been reduced slightly due to staff changes.
- ▶ Delegate Fees for Provincial Synod have been set aside in 2006.
- ▶ Regional Youth Ministry is a new area that monies have been set aside for in 2006.

Page 40:

- ▶ Niagara Anglican News support has been left at the level used in 2004. Year-to-date costs may seem high but we will receive monies from the Anglican Appeal later this fall.

Notes:

- 1) Actual year-to-date Interest on Trust Funds, on the first page, may appear low at this time. Most of our funds are invested within the Diocesan Participation Unit portfolio and are only accounted for at the end of the year. The investment fund has performed extremely well to date and the budget amount will be easily exceeded.
- 2) Actual results up to the end of August 31, 2005 are collectively well within the overall budget. In light of this we would expect a small surplus for fiscal 2005.