

SECTION D
REPORTS:
CANONICAL BODIES

BOARD OF TRUSTEES

Following its reconstitution by the Special Diocesan Convention of December 2008 and by the Standing Committee shortly thereafter, the Board of Trustees has worked tirelessly and with great spirit to secure and manage the property of the diocese as our diocesan constitution requires. In January 2009, almost all of us were new to the board and new to each other. We represented 11 different parishes plus Trinity Cathedral, and it is safe to say that our personal convictions on various controversial issues probably spanned the entire spectrum of Episcopal opinion both locally and nationally.

We were faced at the outset with a challenge that very few diocesan boards have ever had to face, namely, the existence of a rival church group, unaffiliated in any way with the Episcopal Church but nonetheless determined to lay claim to Episcopal Church assets that properly belong to our diocese. As is well known, the question of whether our diocese or the group aligning itself with the Anglican Province of the Southern Cone is the rightful owner of the property is now before the Allegheny County Court of Common Pleas. As of this report, no decision has been issued. The trustees, working closely with our chancellor, Andy Roman, have followed the litigation closely and have discussed and debated all of the issues, large and small, that have arisen since we began work in January. We are hopeful that our local court will do what courts in practically every other state have done thus far, and conclude that Episcopal Church property must be managed by and used for the mission of those dioceses and parishes, and their clergy and laity, who have chosen to stay in the Episcopal Church.

Meetings in 2009

Thus far in 2009, the board has participated in five meetings of the diocesan leadership (consisting of the Board of Trustees, Standing Committee, Diocesan Council and General Convention Deputies, ably presided over by our Assisting Bishop, the Rt. Reverend Robert Johnson). The board has also held nine meetings on its own. We would like to thank the Reverend Catherine Brall for making meeting space available to us at Trinity Cathedral.

Finance Committee

This spring we created a Finance Committee, chaired by Carl Campbell. The job of the Finance Committee is to oversee the management of the investment assets of the diocese as well as to set policy for the withdrawal and use of those assets. Morgan Stanley has managed most of the financial assets of the diocese for the past several years. In January 2009, after learning of the controversy between our diocese and the Southern Cone group, Morgan Stanley “froze” the accounts they were managing, with the result that no distributions for parish or diocesan operations – on either side of the dispute – have been made since then.

However, Morgan Stanley has invited our Finance Committee to participate in two quarterly update meetings that have been held with representatives of the Southern Cone group. These meetings have been cordial, professional and informative. As of late July, the total assets under management by Morgan Stanley equaled approximately \$16.96 million. (Not surprisingly, the steep sell-off in the financial markets, which began in late 2007, has had a negative impact on our portfolio. At the peak in September 2007, the portfolio was worth approximately \$26.2 million; in June 2008 it was worth approximately \$22.5 million.)

Audit Committee

The Audit Committee, chaired by Jim McGough, has been interviewing public accounting firms and hopes to make a decision by the end of the summer. Our diocesan canons, as well as the canons of the Episcopal Church and good management practice, require an annual audit of the books and records of the diocese. Since the Southern Cone group has kept custody of all the books and records and has not afforded us access to them, we have not been able to perform any audit work. We want to be in a position to start the audit process at such time as the Court confirms our access to the books, records and funds of the diocese.

Reflections on Litigation

All of us on the board are saddened and frustrated that so much of our limited time and resources have been devoted to the lawsuit over diocesan property. The Southern Cone group continues to insist that their status as *former* Episcopalians gives them a superior claim to diocesan property over those of us who are *still* Episcopalians. We have repeatedly been asked to negotiate our very identity as Episcopalians, which of course makes compromise of any kind elusive.

Both inside and outside the Episcopal Church, and indeed throughout the Anglican Communion, the charge has become commonplace that the Episcopal Church is the *only* party responsible for the lawsuits. While it is tempting in today's partisan atmosphere to respond by blaming the "realigning" side, it is fairer to say that *both sides* have chosen to pursue their claims for the property in the secular courts, in lieu of other alternatives. For example, while the Constitution and Canons of the Episcopal Church do not allow an individual diocese to "secede" from the Church, those Constitution and Canons can be and often are amended by the General Convention. Those wishing to establish (or, if that is their view, to clarify) the ability of a diocese to secede have always had the option of presenting an appropriate resolution to General Convention. Had the "realigners" in our diocese asked the General Convention if the diocese could leave *before* they began the unilateral effort to do so in 2003, the current dispute might well have been avoided.

The choices that the board has had to make in the course of the litigation have not been easy ones, although it needs to be said that we are united in our determination to see the process through to a successful conclusion. In the remaining sections of this report, we hope to offer some perspective on some of the key decisions we have made.

We believe that the lawsuit was settled conclusively in 2005

Calvary Episcopal Church, acting on behalf of the whole diocese, started the current lawsuit in 2003. The principal goal of that lawsuit was to insure that Episcopal Church property in the Diocese of Pittsburgh would continue to be held for the benefit of Episcopal parishes, clergy and parishioners no matter what church structures outside the Episcopal Church were set up by those wishing to leave.

A little over a year after the lawsuit was filed, Calvary's attorney, Walter DeForest, sat down with the attorney for then-Bishop Duncan to see if the case could be settled. Negotiations continued for 10 months, leading to a court-approved settlement in October 2005 that should have put the matter to rest. At that time, of course, the Episcopal Diocese of Pittsburgh was acknowledged by all to be a diocese of the Episcopal Church of the United States of America. What the court-approved settlement was intended to make abundantly clear was that if more than one diocese or other church group were to claim control of the property held by the diocese in

October 2005, the diocese that would get the property would be the diocese that was a recognized diocese of the Episcopal Church of the United States.

There is little doubt that we are that diocese, as the Presiding Bishop, the Executive Council and the General Convention of the Episcopal Church have all issued statements to that effect. Nonetheless, the lawyers for former Diocesan Bishop Duncan, who now heads a church that had no formal existence until June 2009 and which is part of neither the Episcopal Church nor the Anglican Communion, have asked the court to find that the local group that he leads *is* the Episcopal Diocese of Pittsburgh of the Episcopal Church of the United States. But for this claim, there would very likely be no litigation.

We have worked from the beginning to “unfreeze” the assets of individual parishes

A significant part of the money in the Morgan Stanley-managed accounts was given to the Episcopal Diocese of Pittsburgh over the years for the explicit benefit of individual, named parishes in the Diocese. Today these parishes include those that have remained in the Episcopal Church and those that claim to have “realigned.” The “freezing” of the accounts by Morgan Stanley had the unfortunate effect of depriving these parishes of what would have been their regular quarterly distributions.

Shortly after we learned of the Morgan Stanley “freeze,” our chancellor, with the concurrence of the board and the Standing Committee, communicated to the Southern Cone group’s attorneys that we had no objection to the resumption of regular distributions to the named parishes, pending resolution of the dispute over which diocese was the proper custodian of the accounts. We attached no conditions to our proposal and made it clear that we would welcome interim distributions both to Episcopal parishes and to “realigning” parishes.

Archbishop Duncan’s attorneys have resisted any unconditional release of funds to parishes and have sought to place various conditions on such a release, including a request that their legal fees (but not ours) be paid out of diocesan accounts. For this reason, no funds have been disbursed to parishes as of the date of this report. Recently the Special Master (who was appointed by the court in the fall of 2008 to inventory the diocesan property) made a recommendation to the court that money be released to the parishes and for certain other purposes. The Board of Trustees generally supports the Special Master’s recommendations. As of this date, we do not know what action the court will take on these recommendations.

Some thoughts in conclusion

As Dean George Werner reminded us in a thoughtful on-line essay earlier this year, we who have been called to leadership roles in the Episcopal Church are the stewards, not the owners, of the assets that have been handed down to us. These assets were given by generations of faithful Episcopalians whose only wish was that the church that had nurtured them, their families and their communities would continue to minister to future generations. As we work to rebuild the diocese after years of painful strife, our goal is to maintain, apply and hopefully grow the assets we have been entrusted with for the benefit of all faithful Episcopalians in Southwestern Pennsylvania.

Russell W. Ayres, III
President, Board of Trustees

CANON TO THE ORDINARY

The year began with monitoring and assessing the status of each local parish as they formalized their decisions to either realign with the Southern Cone or remain a part of the Episcopal Church. In most cases, the parish decision followed the conviction of the clergy leadership in place. There were some exceptions where the parish and clergy decision was split. Those parishes that chose to remain in the Episcopal Church and not realign with their priest were left divided and without anyone to perform sacramental services. My first priority as Canon to the Ordinary was to fill those positions as quickly as possible with someone who can shepherd them spiritually during this time of dissension.

St Mark's Episcopal Church, Johnstown, has accepted Bishop Johnson's appointment of the Rev. Vicente Santiago as Priest-In-Charge.

St. Paul's Episcopal Church, Kittanning, has accepted Bishop Johnson's appointment of the Rev. Kathleen LaLonde as Priest-in-Charge.

St. Francis-in-the-Fields, Somerset, is primarily served by the Rev. Charles Starr, as a supply priest.

All Saints' Episcopal Church, Brighton Heights, is primarily served by the Very Rev. George Werner, as a supply priest.

Besides maintaining a diocesan presence with parishes in transition, I've also sought to reestablish diocesan presence in Province III. Absent for many years, a hearty welcome was extended by Province III on the return of the Diocese of Pittsburgh to active participation.

Respectfully Submitted,
The Rev. Canon Scott T. Quinn
Canon to the Ordinary

COMMISSION ON MINISTRY

The Commission on Ministry is established pursuant to Title III of the Canons of The Episcopal Church and Canon XXX of the Episcopal Diocese of Pittsburgh in order to advise and assist the Bishop "in the determination of present and future opportunities and needs for the ministry of all baptized persons; and in the design and oversight of the ongoing process for recruitment, discernment, formation for ministry, and assessment of readiness therefore." (Title III, Canon 2, Section 2, Constitution and Canons of The Episcopal Church, 2006).

Following the events of the Diocesan Convention of October 4, 2008, the Standing Committee appointed the Rev. Louis B. Hays of St. Paul's, Mt. Lebanon, to serve as Chair of the Commission in place of the Rev. Dr. James B. Simons. Two members continued to serve, Elizabeth Howard of Calvary Church, East Liberty and Kenny Smith of St. Paul's, Kittanning.

(Mr. Smith subsequently resigned from the Commission.) Later in the year the Standing Committee appointed the following additional members to the Commission:

Jessie Hipolit, Emmanuel, North Shore
David Laughlin, St. Paul's, Kittanning
Charles Quillin, Calvary Church, East Liberty
The Rev. Kris Opat, St. Paul's, Mt. Lebanon
The Rev. Scott Quinn, Church of the Nativity, Crafton
The Rev. Ann Staples, Retired Deacon
The Rev. Jean Chess, St. Andrew's, Highland Park and Archdeacon, ex officio

The Commission has met throughout the year to evaluate the discernment, formation, and ordination processes for diaconal and priestly ministry. We have carefully examined the national canons to understand those requirements and to compare them with the process and procedures as they have existed in the diocese. We are reviewing the ordination process sequentially, beginning with discernment at the parish level. Working closely with Bishop Johnson, we hope to have guidelines for the parish level this fall, followed closely by guidelines for the diocesan level.

On June 6, 2009, the commission and the bishop held an Ordination Exploration Day at Calvary Church, East Liberty. Approximately 35 individuals attended, including those interested in pursuing ordination together with spouses and clergy.

Respectfully submitted,
The Rev. Louis B. Hays
Chairperson

DIOCESAN COUNCIL

As it began its piece of reorganizing the diocese in January, 2009, Diocesan Council pledged to pray together, to listen respectfully to each other, to have compassion for those expressing their pain, to support each other's ideas and efforts, and to forgive the human lapses to which all of us are prone. An immediate agenda item was to get better acquainted with each other, as only seven elected members were carried over from the 2008 Council.

As of this writing, Diocesan Council has met seven times, in some cases as break-out sessions of the five Leadership Meetings with members of the Standing Committee and Board of Trustees.

Elected officers of Diocesan Council include the Rev. William Geiger, Vice President, and Judith Rosensteel, Secretary. Early appointments by the President were John Hose, Judge of Assessments; Robert Pratt, Judge of Audits; Steve Stagnitta, Chair of the Nominating Committee; and two members to the Growth Fund, Ardele Hopson (Dist. 7) and Robert Pratt (Dist. 8).

Communications

A Joint Communications Committee, co-chaired by Lee Hicks of the Standing Committee and Rev. Lou Hays of Diocesan Council, was established to develop and help to implement a strategy for diocesan communications. Internal and external communications needs are included. Each diocesan body is responsible for sharing information of interest to a diocesan clearinghouse. Weekly email, expanding the email distribution list, and assisting all parishes to develop and maintain a website are some of the early features of the communications strategy.

Intentional Relationship Building

An early focus of Diocesan Council was to continue the relationship building effort spelled out in a document presented by the Across the Aisle Relationship Group to the Special Convention in December, 2008. For example, the six district chairs were invited to attend the Leadership Meeting on March 28 and to meet with Diocesan Council during its break out session to explore possible ways the district structure could help enrich parish relationships. Roger Westman served as coordinator of this effort. In addition, two working committees of Diocesan Council were established, in part to encourage inter-parish activities, programs and events: Diocesan Life, chaired by Rev. William Geiger, and Social Justice and Outreach, chaired first by Wes Rohrer and later by Nancy Lapp.

Youth Ministry

The Diocesan Youth Initiative was endorsed as an official committee of the diocese and funds were approved to support its activities. The initiative is composed of priests and lay ministers concerned about youth and families in the diocese and is chaired by the Rev. Kris Opat. It plans to offer programs and events which will bring youth together across the diocese and to provide a community where youth groups do not yet exist.

Three of the mission grants approved by Diocesan Council were in support of youth ministries, i.e., Neighborhood Youth Outreach Program of St. Stephen's, Wilkinsburg; Coal Country Hang-out Youth Center; and the youth ministry of St. Peter's, Brentwood.

Budget and Assessments

In a time of limited resources and increasing expenditures, revision of the budget since the Special Convention in December, 2008 has been substantial and ongoing in Diocesan Council. Under the able leadership of Joan Gundersen, Treasurer, and John Hose, chair of the Budget and Assessment Working Committee, it has been possible to keep expenditures in line with income. Options to the current assessment formula are currently being explored.

In addition to mission grants listed above, grants were approved for All Saints' Church, Brighton Heights to provide an ordained priest on previously uncovered Sundays, for Christ Church, Indiana to explore the feasibility of a campus ministry at Indiana University, and to Emmanuel, North Side to support extensive parish outreach ministries in the community.

Written guidelines were developed to ensure equitable and reasonable decisions regarding assessment reduction requests. Relief in a financially challenging year was provided to Church of the Holy Cross, Homewood; St Francis-in-the-Fields, Somerset; St. Barnabas, Brackenridge;

St. Paul's, Kittanning; St. Thomas Memorial Church, Oakmont; Trinity Cathedral; and St. Mark's, Johnstown.

Benefits Task Force

When it became clear that it would not be possible to continue the current medical/dental/vision benefits arrangement with the realigned group, council established a Benefits Task Force, chaired by the Rev. Bruce Robison, to explore options to begin July 1, 2009. Council approved the unanimous recommendation of the task force that the diocese contract with the Medical Trust for its Empire High Option PPO, with EyeMed optical coverage, and Cigna Dental Orthodontia PPO. Bridge grants were made available by application to parishes whose 2009 budgets could not accommodate the increase in costs.

I take this opportunity to thank, especially, Bishop Robert Johnson for wise counsel and insightful Bible study. Thanks also to Joan Gundersen for preparing Treasurer's Reports and budget spread sheets, as well as advising the Budget and Assessment Working Committee, and to Judith Rosensteel for timely preparation of the minutes of Council meetings. And I thank all the members of Diocesan Council, for their faithful participation, outstanding leadership, and personal support in this challenging year in the diocese.

Joan L. Morris
President, Diocesan Council

DIRECTOR OF ADMINISTRATION

Following Diocesan Annual Convention in October, 2008, the Episcopal Diocese of Pittsburgh found itself without a paid staff or offices. St. Barnabas offered use of their office, Alice Ramser stepped forward as a volunteer office manager, and Joan Gundersen began setting up the financial side of the diocese as Treasurer. With the help of a variety of other volunteers for mass mailings (such as the special convention materials) the staff handled the initial phases of office organization and support for the governing bodies of the diocese. Most particularly, the many volunteers who helped with mailings or at registration, and other arrangements for the Special Convention were essential to the success of our special convention.

In December 2009, I began a search for both a potential diocesan office site and for an assisting bishop's apartment. In January I signed rental agreements for both. Alice Ramser began phasing out of her duties and I became a part-time paid staff person. The lease for office space took effect February 1. With the invaluable help of a number of volunteers, we completely furnished and stocked a four room office suite with kitchenette in the Jonnet Building in Monroeville and began operations at that location. In May we hired a nearly full-time administrative assistant, Judi Rogers, who brought experience as a parish secretary and professional communicator to the office. The paid staff of the diocese now includes a Bishop, a Canon, and Director of Administration (all half-time); an administrative assistant (32 hours/week); and two contractors who provide web and communications services.

Given that as a diocese we had no access to personnel records, mailing lists, financial records, or any other documents (other than those published in the Convention Journals) from the diocese, it has been a challenging year for us. We are looking forward to building on the systems now in place and refining the ways we serve you.

Among the accomplishments of the year are : running two conventions; initiating parish billing; contacting all clergy and elected/appointed officials of the diocese to determine if they still remained members of The Episcopal Church; creating a diocesan directory; acquiring comprehensive liability and workman's comp insurance; negotiating a new medical insurance contract; setting up systems to allow parishes to repay growth fund loans; initiating training on issues related to sexual misconduct; negotiating initial contracts for phone and internet service; networking the office computers to share calendars and files; arranging the car rentals for Bishop Johnson; providing mailing, registration, and communications support for a variety of projects including clergy renewal of vows, a ministry information day, the youth initiative, and the clergy retreat.

I would specifically like to recognize the following people who have been extremely helpful as volunteers during the set-up of the office and as office volunteers once we were open: Alice Ramser; Dee McGough; Anna Brophy; Linda Getts; Carol Henley; Flaccus Stifel; Wanda and Joe Guthrie and their granddaughter; John Feuerstein; Lee Hicks; Lionel Deimel; Conroy Guyer; Betty Hunter; and Jim McGough. I would like to also thank Rose Marie Gaudi and Gwen Santiago who donated furnishings.

Joan R. Gundersen,
Treasurer and Director of Administration

STANDING COMMITTEE

The past year has been a challenging yet ultimately rewarding one for your Standing Committee.

After the October 4 convention, I was the only duly elected member of the Standing Committee who wished to remain in the Episcopal Church. I immediately asked Andy Roman to be our chancellor, Rich Creehan to handle communications and the Rev. Scott Quinn to be responsible for pastoral care for clergy and their families.

After determining that the other seven members of the committee no longer considered themselves to be a part of the Episcopal Church, I appointed (in accordance with our canons) Ms. Mary Roehrich and the Rev. Jeff Murph to two of the unexpired terms. The three of us notified the Presiding Bishop's office of our Episcopal vacancy, and she in accordance with canon I.2.4 (a) asked Bishop Clay Matthews to consult with us. The action constituted her official recognition of the three-member Standing Committee as the ecclesiastical authority of the diocese.

The Standing Committee then affirmed the previous appointments of Chancellor, Communication Director and Director of Pastoral Care and also appointed the Rev. Lou Hays as

Chair of the Commission on Ministry and Alice Ramser as Diocesan Administrator. They also appointed a committee to organize a special Diocesan Convention in December.

Later that month, at the suggestion of Bishop Matthews, we asked Bishop David Jones, Suffragan of Virginia, to act as our consulting Bishop, a position he held until the December Convention.

In late October a meeting was held with Bishop Matthews to discuss hiring an assisting bishop for the year 2009. The invitation was eventually extended to the Rt. Rev. Robert Johnson, retired Bishop of Western North Carolina.

At the December Convention the remaining seats on the committee were filled and our first meeting of the full Standing Committee took place January 10, 2009. Those elected were the Very Rev. George Werner, Ms. Vera Quinn, the Rev. Nancy Chalfant-Walker, Mr. Lee Hicks and Ms. Celinda Scott.

The Rev. Jean Chess was appointed as Archdeacon.

The Rev. Scott Quinn was appointed Canon to the Ordinary and Deployment Officer.

Joan Gundersen was hired as Diocesan Administrator.

Andy Muhl was hired to oversee the web site.

Rich Creehan was hired as Director of Communications.

Other actions

- Licensed the Rev. William Puglesi to serve as interim for St. Brendan's.
- License granted to the Rt. Rev. Walter Righter.
- Consent given to the election of the Rev. James Scott Mayer to be Bishop of Northwest Texas.
- Consent given for the Diocese of Los Angeles to elect two Suffragan Bishops.
- Approved appointments to the Commission on Ministry.
- Consent given for the Diocese of Springfield to elect a Bishop Coadjutor.
- Consent denied to the election of the Rev. Kevin Forrester as Bishop of Northern Michigan.

I know I speak on behalf of the entire Standing Committee when I say it has been a distinct honor to serve you all during a very difficult time. May God continue to bless the ministry of the Diocese of Pittsburgh.

The Rev. Dr. James B. Simons
President
The Standing Committee