



Diocese of Toronto
Anglican Church of Canada

MINUTES FOR 2010

CORPORATE SESSION OF SYNOD

**“Building Communities of Hope and Compassion
through Healthy Vibrant Parish Ministries”**

Corporate (Financial) Session of Synod
MINUTES
THEME FOR SYNOD
“Building Communities of Hope and Compassion
through Healthy Vibrant Parish Ministries”

Saturday, June 19, 2010

Opening of Synod

Synod opened with a service of Holy Communion, commencing at 9:00 a.m. observing the National Aboriginal Day of Prayer at St. Paul, Bloor Street.

Business Session

Pursuant to the notice of meeting, the Most Rev. Colin R. Johnson, Archbishop of Toronto called the meeting to order. Notwithstanding the fact that the Diocese of Toronto has our own incorporation statute and our constitution sets out when we meet as a Synod, as a corporation, the Diocese is subject to the general provisions of the Ontario Corporations Act. Under this Act, we are required to hold an annual meeting of its members not more than 15 months after the holding of the last preceding meeting and must accomplish the following:

- present a financial statement for the last fiscal year;
- present the auditor’s report;
- appoint an auditor for the next year; and,
- present any further information respecting the financial position of the corporation as the by-laws may require

Committee on Credentials

Mr. Tim Hadwen, Vice Chancellor, affirmed that the meeting was duly constituted and that all clerical and lay members present are entitled to take their seats. He noted that:

	CLERGY	LAITY
Total eligible members	433	489
Present and registered	275	379

The Archbishop observed that 17 congregations had not yet completed Sexual Misconduct Policy Training (SMP) and/or police record screening requirements and therefore their voting status was removed. He insisted that compliance with the *Responsible Ministry: Screening in Faith* Policy was a hyper-critical responsibility in parish life and providing places of safety was not an option. Despite the fact that the policy has been in place for six years, some congregations remain out of compliance. Screening and Sexual Misconduct Policy training is mandatory for all high risk persons: clergy, churchwardens, Sunday school staff, pastoral visitors, etc. Anyone who does not comply puts the entire Diocese at risk of losing insurance coverage.

In response, the Diocese announced a series of penalties for non-compliance. On May 13, 2010, 67 non-complying congregations were encouraged to meet their screening obligations by June 13, 2010. The first penalty is to refuse them voting status at Synod. The second is to impose discipline by placing the congregation under Diocesan administration and the

penalties become stricter as time goes on. This is the first time that the Diocese has been forced to impose penalties and leadership felt it was important to highlight the critical role of compliance.

Agenda

The following additions were made to the Agenda: Report from General Synod members and an announcement from the Rt. Rev. Patrick Yu, Area Bishop of York Scarborough.

MOVED by Ms. Laura Walton-Clouston and SECONDED by the Rev. Judy Herron-Graham that the revised Agenda be approved. CARRIED.

Announcements

The Most Rev. Colin Johnson called on the Honorary Secretaries, Ms. Laura Walton-Clouston and the Rev. Judy Herron-Graham, for announcements and house-keeping matters.

Synod was informed that in accordance with the Constitution, Section 18, Mr. David Thornton and the Rev. Suren Yoganathan have been elected Scrutineers by Diocesan Council on April 22, 2010 for this session of the Synod.

MOVED by Ms. Laura Walton-Clouston and SECONDED by the Rev. Judy Herron-Graham that Clergy with Informal Permission; Postulants of the Diocese of Toronto; and Parish Administrators be given Courtesies of the House. CARRIED.

MOVED by Ms. Laura Walton-Clouston and SECONDED by the Rev. Judy Herron-Graham that the Rev. Joanne Davies and the Rev. Gregory Fiennes-Clinton be appointed as Timekeepers for this Session of the Synod. CARRIED.

Audited Financial Statements For 2009

Mr. Michael Joshua, Treasurer and Director of Finance, presented the audited financial statements for 2009; but, he first thanked Mr. Stuart Hutcheson for serving as Interim Director of Finance from January to April 2010.

The Treasurer indicated that the financial statements were posted on the Diocese's website and provided to individuals upon request. These statements were approved by Diocesan Council at its meeting on May 20, 2010.

He noted that the Audit Committee had reviewed the auditors' work and management of the financial statements. The Auditors have issued an unqualified opinion on the financial statements for the Incorporated Synod of the Diocese of Toronto, the Consolidated Trust Fund and the Cemetery Fund.

Consolidated Trust Fund

The Convening Circular includes a summary of the key items relating to 2009. These include:

1. Statement of Revenue and Expenses – The excess of revenue over expenses for the Unrestricted Fund is \$1,345,066 and the total excess of revenue over expenses is

- \$6,608,626, and both are significantly higher than 2008 when the Diocese experienced a deficiency of revenue over expenses.
2. Statement of Changes in Fund Balances – The Total Unrestricted Fund has increased from \$19.0 million to \$22.0 million. Included in this fund is the Ministry Allocation Fund.
 3. Statement in Financial Position – The Synod's assets have increased mainly due to the increase in value of the Investments due to the market turn around in latter half of 2009. Liabilities have remained relatively consistent to 2008.

MOVED by Mr. Kennedy Marshall and SECONDED by the Rev. Canon Jennifer Reid that Synod receive the audited financial statements for the Incorporated Synod of the Diocese of Toronto for the year ended December 31, 2009. CARRIED.

Consolidated Trust Fund

Mr. Michael Joshua highlighted information pertaining to the Consolidated Trust Fund for 2009. These include:

1. Statement of Earnings – The net gain for the year was \$15.0 million which is about 17% return on this fund. This fund has performed extremely well especially compared to the loss of 22% experienced in 2008.
2. Statement of Changes in Net Assets – Note the value per unit at the end of the year has increased from \$158.75 to \$176.22.
3. Statement of Net Assets – About half of the Fund is invested on behalf of the parishes. The investments are reviewed on a quarterly basis by the Investment Committee of the Diocese. The investments are currently at a 60/40 split between equities and bonds, in line with the Investment Policy of the Diocese.

Cemetery Fund

Mr. Michael Joshua highlighted information regarding the Cemetery Fund for 2009. These include:

1. Statement of Earnings – The net gain for the year was \$1.7 million which is about 16% return on this fund. This fund has also performed extremely well, compared to the loss of 7% experienced in 2008.
2. Statement of Changes in Net Assets – Note the value per unit at the end of the year has increased from \$125.19 to \$138.82.
3. Statement of Net Assets – The investments are reviewed on a quarterly basis by the Investment Committee of the Diocese. The investments are currently at a 45/55 split between equities and bonds, in line with the Investment Policy.

MOVED by Mr. Kennedy Marshall and SECONDED by the Rev. Canon Jennifer Reid that Synod receives the audited financial statements for the Consolidated Trust Fund of the Incorporated Synod of the Diocese of Toronto for the year ended December 31, 2009. CARRIED.

MOVED by Mr. Kennedy Marshall and SECONDED by the Rev. Canon Jennifer Reid that Synod receives the audited financial statements for the Cemetery Fund of the Incorporated Synod of the Diocese of Toronto for the year ended December 31, 2009. CARRIED.

Auditors for 2010

The Most Rev. Colin R. Johnson reported that pursuant to Canon 36, the Audit Committee is responsible for recommending to Synod the appointment of auditors and their remuneration. Archbishop Johnson confirmed receipt of the Audit Committee meeting Minutes of May 4, 2010. The members of the Committee, appointed since the last Synod, are Mr. Don Gillespie (Chair), Mr. Philip Creighton, and Dr. Morley Lemon. The Audit Committee recommends to this Synod that the firm of Grant Thornton be retained as Auditors for 2010 and that their remuneration be set by the Audit Committee.

MOVED by the Rev. Canon Philip Hobson and SECONDED by Ms. Leslie Hajdu that the firm of Grant Thornton LLP, Chartered Accounts, be appointed to conduct the audit of the Financial Statements of the Incorporated Synod of the Diocese of Toronto, the Consolidate Trust Fund and the Cemetery Fund for the year ending December 31, 2010 at a fee to be approved by the Audit Committee. CARRIED.

The Archbishop, on behalf of the Synod, expressed thanks and appreciation to members of the Audit Committee and the Auditors for their service and for their care and diligence in overseeing the complexities of investments on our behalf.

Financial Report for 2009

Mr. Michael Joshua referred to his report included in the Convening Circular.

MOVED by Mr. Kennedy Marshall and SECONDED by the Rev. Canon Jennifer Reid that Synod receive the Financial Report for 2009 from the Treasurer. CARRIED.

Financial Forecast for 2010

The Most Rev. Colin Johnson reminded members that the diocesan budget is approved at Regular Sessions of the Synod. The Diocesan Council, who acts on behalf of Synod when Synod is not in session, is charged with making any necessary course corrections in the intervening period. The Executive Board provides ongoing support and advice to the Diocesan Council and on budget matters so that information is shared and decisions are made on a timely basis.

Mr. Michael Joshua then directed Synod's attention to his Financial Forecast Report for 2010 included in the Convening Circular. He noted that expenses were in line but after an extensive review a correction was needed to address funds being allocated that did not allow this use. The Trusts Committee and the Executive Board recommended that Diocesan Council adopt a proposal to address the forecast gap through the use of an unrestricted fund that has not been used in the recent past. The Archbishop noted that we would be using accumulated income not capital.

For clarification, Mr. Joshua described the difference between an internally restricted fund and an externally restricted fund. Internally restricted funds are governed under the terms stipulated by the Trusts Committee, Executive Board and Diocesan Council similar to the Ministry Allocation Fund and the percentage targets. Examples of externally restricted funds outside our governing bodies control are the Baker Fund or Carleton Fund that were donor restricted.

MOVED by Sister Elizabeth Ann Eckert and SECONDED by the Rev. Bill Gray that Synod receive the Financial Forecast for 2010 from the Treasurer. CARRIED.

Assessment Rate for 2011

Mr. Michael Joshua advised Synod that reasons for an increase in the assessment rate to 23.40% for 2011 are outlined in the Convening Circular. In 2010, the rate was 22.65%. The new rate, based strictly on parochial returns, will cover the 2011 budget which was approved by Synod in 2009. Mr. Joshua noted that this rate will result in the lowest net amount of money being received by the Diocese from parishes since 2004 because parishes are claiming more ministry cost deductions.

In response to a question asked, Archbishop Johnson explained that comparisons of how our assessment compares to other dioceses cross Canada cannot be achieved in a meaningful way. There is no consistency in formulas or calculations.

For clarification, the Mr. Joshua stated that allotment appeals pursuant to Canon 4 remain and that funds are set aside each budget year for these purposes.

Concern was raised that our assessment model may not be sustainable with more and more parishes closing each year and the declining trend in parish membership. Archbishop Johnson disagreed and assured Synod that the model is sustainable. He also added that ongoing assessments are conducted from time to time and when appropriate.

MOVED by the Rev. Canon Dr. Duke Vipperman and SECONDED by Ms. Delores Lawrence, that the Parish Assessment Rate, as defined in Canon 4, section 2, be 23.40% for 2011. CARRIED.

Financial Campaign

The Most Rev. Colin Johnson reminded Synod that the Diocese of Toronto launched a major Financial Campaign called: *Our Faith, Our Hope: Re-imagine Church*. The Diocese is faced with a unique and exciting call to serve God's mission. Today, our church and parish communities are faced with new needs and blessed with exciting opportunities to respond to God's call. We are blessed with valuable resources, but the needs of our communities call us to do more. We must keep our parishes strong, continue to teach the faith, and reach out to those in need. We are challenged to renew, re-imagine, strengthen and give life to the church of tomorrow. The Campaign seeks to raise \$60.0 million to be allocated as follows:

Parish Needs - \$20.0 million

- parish receives 40% of funds raised up to assigned target (calculated by dividing average offertory of the past three years times 1.75)
- parishes receive 75% of funds raised over their assigned target

Building the Church of Tomorrow - \$17.0 million

- Leadership development
- Pioneering Ministry
- Communicating in a Wireless World

Renewing Our Inheritance - \$17.0 million

- Adaptive Reuse of Parish Facilities
- Enabling Parishes to Become Multi-Staffed

Giving to Others - \$6.0 million

- Council of the North – Clergy Stipend Support
- National & International Ministry Support

Each parish in our Diocese will be expected to participate and make a faith-centred and enthusiastic response to the campaign and will benefit from professional counsel who will guide each parish through the fundraising process.

It is expected that the case for support will be finalized by the end of June 2010 and that our first major gift solicitations will take place over the summer months and begin a pilot campaign in the fall of 2010 – several parishes have already committed to being pilots. The campaign will be rolled out in three successive stages. Parish clergy can expect to be contacted by a member of the CCS fundraising team in the coming weeks to explain the benefits of the campaign and discuss specific aspects of the case for support.

General Synod Report

The Most Rev. Colin Johnson expressed his delight with the Diocese's representation at the General Synod held in Halifax, Nova Scotia from June 3 to 11, 2010. A total of 23 members represented the Diocese of Toronto, the largest and most diverse delegation in terms of theology, culture, age, and gender. Furthermore, he asserted that he was proud of the work they, and the staff from our Diocese who assisted, had done. Archbishop Johnson called on Mr. Ramsden, the Rev. Canon Dawn Davis, Ms. Suzanne Lawson and the Rt. Rev. Linda Nicholls to give brief reports.

Constitution and Canons

Vice Chancellor Tim Hadwen outlined the following changes to the Canons:

Canon 14

He informed Synod that the Diocesan Council, at its April 22, 2010 meeting, discussed the matter of whether or not there ought to be the requirement of a vestry list, as referred to it by Synod in November 2009. Consensus was reached on two points:

1. that the practice of preparing and posting vestry lists continue; and
2. that a small working group be convened to examine how membership is currently defined and how eligibility is established to vote at vestry meetings.

Persons with interest in serving on a small working group are invited to contact the Secretary of Synod's Office.

Canon 15

Vice Chancellor Tim Hadwen informed Synod that changes to Canon 15 were substantially adopted at the last Synod in November 2009. There was some discussion and concern around the qualification provisions for Churchwardens set out in sections 1(1) f and 1(1) g

with respect to small parishes. Those two sections were suspended until today's Synod, which now come into effect.

In addition, Synod approved a motion to permit these qualifications to be varied by the Diocesan Council. However, since this was a new motion (made on the floor of Synod) and had not been approved by Council, our Constitution states that the motion must return to Synod for a second time.

A member of Synod expressed thanks and appreciation to the leadership for these changes saying that in small parishes, families often serve in multiple leadership roles. This provision will make operations easier.

For clarification, a member of Synod asked if a Churchwarden can also be a Treasurer. In response, it was reported that the Churchwarden's job description includes that of treasury duties however, they may appoint another person to perform the bookkeeping duties; however, it cannot be a spouse.

MOVED by Vice Chancellor Tim Hadwen and SECONDED by Mr. Peter Davidson that the following be added as a new section 1(2) to Canon 15 on Churchwardens, "the qualifications set forth in 1(1) f and 1(1) g may be varied by the Diocesan Council." CARRIED.

Announcements

The Rev. Michelle Childs reported on the success of *Back to Church Sunday* this past year where 2,600 people were invited and 350 people have continued to attend on a regular basis. These efforts will be repeated when we recognize Back to Church Sunday on September 26, 2011.

The Rt. Rev. Patrick Yu announced that Dr. Philemon Choi, founder of Breakthrough in Hong Kong in 1973, a youth ministry and narcotics recovery leader, will deliver an address at the "Vision for Mission" conference on July 6, 2010 at St. Christopher.

The Honorary Secretaries thanked the scrutineers, timekeepers, staff and volunteers for their efforts. The Archbishop echoed their thanks and congratulated St. Paul's on their hospitality in hosting the Synod.

Adjournment

MOVED by Ms. Laura Walton-Clouston that the Corporate (Financial) Synod meeting be adjourned. CARRIED.