

“Celebrating the Love of Christ Today!”

Journal of the Diocese of Olympia

96th Annual Convention

October 27-28, 2006

Seattle, Washington

Special Convention for the election of the 8th Bishop of Olympia

May 12, 2007

Seattle, Washington

Journal of Proceedings

2006 Annual Convention / 2007 Electing Convention

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Section 1

Minutes of the 96th Annual Diocesan Convention of the Diocese of Olympia
SeaTac Hilton Airport and Conference Center, Washington
October 27-28, 2006

Friday, October 27, 2006

1. Call to Order

The 96th Convention of the Diocese of Olympia was called to order by the Rt. Rev. Vincent W. Warner, bishop diocesan.

2. Certification of Quorums

The Rev. John Schaeffer, Secretary of Convention, declared he had satisfactory evidence that a canonical quorum in both orders was present and **moved** that Convention dispense with the reading of all names.

Seconded and PASSED.

3. Convention Organized for Business

Bishop Warner declared the 96th Convention of the Diocese of Olympia organized for business.

Opening Worship

4. Introduction of the Head Table

Following morning worship, Bishop Warner introduced those to provide leadership for this convention: *the Rev. John Schaeffer*, secretary of convention; *Mr. Miller Adams*, dispatch of business; *Mr. Don Mullins*, chancellor and parliamentarian; *Ms. Betsy Greenman*, canon to the ordinary; *the Rev. Will Hood*, convention chaplain (St. Paul's, New Orleans); *the Rt. Rev. Nedi Rivera*, bishop suffragan; and *Mr. Duncan Bayne*, vice chancellor.

5. Committee on Dispatch of Business

Bishop Warner recognized Mr. Miller Adams, chair, who **moved** Dispatch of Business document 06/A/13 for acceptance.

Agenda adopted

Additional items were reviewed, including the rules for speaking from the convention floor and for submitting resolutions within the "six-hour" window.

6. Report of the Committee on Privilege

Bishop Warner recognized the Rev. Peter DeVeau, chair, Committee on Privilege, to present the report on the granting of privilege of convention. DeVeau referred to document 06/E/4 and moved that seat, voice and vote be granted to 12 young adults (Canon 2, section 5).

Privilege granted

Referring to the remainder of report 06/E/4, DeVeau moved that seat and voice be granted to those listed.

Privilege granted

7. Election of Secretary of Convention

Bishop Warner recognized Mr. Steve Tellari, chair, Nominations Committee, who placed the name of the Rev. John Schaeffer in nomination for Secretary of Convention.

Schaeffer elected

8. Appointment of Assistant Secretaries

Secretary John Schaeffer requested the approval of Convention of the appointment of the Rev. Ann Lukens as acting secretary on Saturday; Dede Moore as convention coordinator; Barbara Brower, Norah West, Diane Wells, Dawn Dunn, Erin Richmond, and Carrie Rohlik as assistant secretaries serving the current convention.

Appointments approved

9. Appointment of Parliamentarian

Bishop Warner appointed Mr. Don Mullins as the parliamentarian for the 96th Convention.

Appointment approved

10. Chancellor and Vice Chancellor

Bishop Warner appointed the Hon. Donald Mullins, Esq., chancellor of the Diocese of Olympia. Bishop Warner appointed the Hon. Duncan Bayne, Esq., vice chancellor of the Diocese of Olympia.

Appointments approved

11. Convention Committees

Bishop Warner appointed the Convention Committees and Commissions by reference to document 06/E/5, with the request that Convention approve the appointments as presented and in place. [See pg. 59 for written report.]

Appointments approved

Commission on Ministry

Bishop Warner appointed the following members to the Commission on Ministry.

The Rev. Connie Moorehead, St. Clement, Seattle (reappointed three-year term)

The Rev. Kathleen Patton, St. Stephen, Longview (three-year term)

Appointments approved

Board of Directors

Bishop Warner appointed the following members to the Board of Directors.

Mr. George Garcia, St. Joseph-St. John, Lakewood (three-year term)

The Rev. Larry Perry, Trinity, Everett (three-year term)

Mr. Ed Benshoof, Emmanuel, Orcas Island (one-year term)

Appointments approved

Diocesan Council

Bishop Warner acknowledged the new or reappointed/elected members of the Diocesan Council from regional ministries and program commissions.

Dr. Chris Christensen, St. Mark's Cathedral, Seattle (re-appointed, Commission for Church in the World)

Mrs. Sue Clary, St. Luke, Sequim (Peninsula Regional Ministry)

Mr. Peter Pitarys, St. Thomas, Medina (Eastside Episcopal Churches)

Mr. Bob Wheeler, Trinity, Everett (Sno Isle Regional Ministry)

Ms. Sandy McCloud, St. Mark's Cathedral, Seattle (Holy C Regional Ministry)

12. Election of the Trial Court

Bishop Warner nominated the following persons to be members of the Ecclesiastical Trial Court.

Ms. Kathryn Barron, St. Paul, Port Townsend

Mr. Mac Brown, St. Mark's Cathedral, Seattle

The Rev. William Burnett, rector emeritus, St. Augustine in-the-Woods, Freeland

The Rev. Richard Scott, St. Antony of Egypt, Silverdale

The Rev. Pat Taylor, retired

Appointments approved

13. Greetings from the host congregations

Bishop Warner called on the Rev. Irene Martin who invited members from the other congregations to join her and then expressed greetings from the members of the Total Common Ministry (TCM) congregations

(St. James, Cathlamet; St. Matthew, Castle Rock; St. Luke, Elma; St. Mark, Montesano; St. John, South Bend; St. Christopher, Westport; and St. Hugh of Lincoln, Allyn), hosts for this convention.

14. TCM certificates

Bishop Warner called on the Rev. Joan Anthony, who, along with Bishop Warner, presented certificates to each of the TCM congregations (*see list, item 13*), listing those commissioned to both ordained and lay ministry in each TCM Circle.

15. TCM witness #1

Anthony noted that throughout the convention time would be provided to hear from members of the different TCM Circles. She called members of the TCM Circle from St. Hugh of Lincoln, Allyn, for the first witness and sharing.

16. Committee on Resolutions

Bishop Warner recognized Mr. Duncan Bayne, chair, to begin the report from the Resolutions Committee. Bayne placed on the floor **Resolution #1—Establishment of Legacy Societies/Legacy Sunday in the Diocese of Olympia**, and **moved** adoption with a Committee recommendation of “do pass.” [See Section 3, pg. 53, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That the 96th Convention of the Diocese of Olympia encourage all congregations to establish a Legacy Society and celebrate an annual Legacy Sunday to recognize the generosity of legacy giving by faithful members of each congregation. Sundays recommended are Rogation Sunday, All Saints/All Souls Day, and Memorial Sunday (the Sunday during Memorial Day weekend), but any Sunday can be chosen.

Debate followed on Resolution #1. Speaking in favor: *Forman*, Ascension, Seattle, and St. Hugh, Allyn; *Young*, St. Alban, Edmonds; *Lewis*, St. Aidan, Camano Island. Speaking against: *Hart*, St. Elizabeth, Burien; *Rehm*, St. John the Baptist, Seattle; *Barnes*, St. Andrew, Seattle; *Bracher*, St. James, Kent; *Trytten*, Christ Church, Tacoma.

Lee, Emmanuel, Mercer Island, called the question to terminate debate on Resolution #1.

Motion carried
Debate terminated

A vote was taken on Resolution #1.

Motion defeated (235/202) on a hand count
Resolution rejected

17. Anti-Racism Training Task Force Report

Bishop Warner called on Mr. Cleveland Riley, Ms. Sheri Flies, the Rev. Connie Moorehead and the Rev. Ann Holmes Redding, for a report on Task Force activities since Convention 2005. Excerpts:

Redding: I'm first going to address the issue [of] our name. Why do we phrase it "anti-racism training" instead of something more positive? I'd like to refer to the wisdom of the baptismal liturgy in which people, before they affirm their faith in Jesus Christ, renounce the fortunes of society that keep them from living into that baptismal vow. On the same principal, we believe that we have to start by renouncing those forces in our society that keep us from living our Christianity, and racism is one of those forces. We need to be clear that it exists as a problem in our society and we wish to separate ourselves from it. The second concern is related: People fear, especially our white brothers and sisters, that they'll come to anti-racism training and get slammed with guilt. We face racism as a problem that all of us are affected by. We each have a responsibility, no matter what circumstances we are born into – which after all are not circumstances of our choosing – to address this issue from our various vantage points.

Riley: I have taken the training course three times over the past several years and each time it has been a profound and deep experience for me. At our last training, I was especially moved by an exercise. We were lined up across the room in a perfectly straight line and given a set of questions. For example, if you moved into a neighborhood do you think you could buy a home of your choosing based on your color? Those who were white went to the right. Those who were black went to the left. The questions went on pointing out various challenges that persons of color experience in everyday life. At first, as we started to go our separate ways...it was kind of funny. We laughed about it. Then, when the separation got big, we were jolted with the seriousness of it. And we no longer laughed. We cried.

Flies: I was at the same training as Cleveland. When that gulf became very wide it became painful for me standing on the white side to not go over to the very small of color side – our facilitator did not allow us to walk over – I became angry because I wanted to go over. What that taught me was even if I had given a hug the gulf was still going to be there. That raised the other question of what we were doing about white privilege. I hadn't heard that term before. I now kind of understand what it means. But what do I do about it? One thing I did was talk to my children about it, my teenage girls especially. We went through the same questions and answers and they could see the division. You never know when you talk to your teenagers if anything has an impact. However, I did learn at a dinner party later last summer that it must have because in front of everyone my oldest teenager asked me to share my story. So, in another group of all white people, I did share that story. Maybe there are little things that I can do, now that I know. I still don't know exactly what to do, but at least I have the question and I don't think the answers ever come to any of us until we ask the question.

Moorehead: At our 2005 Convention, a resolution was overwhelmingly passed stating that all members of church leadership commit to ending institutional and other forms of racism and to participate in ongoing anti-racism dialogue. Since the 2005 convention, we had 273 individuals participate in an anti-racism training seminar. Since we began the training three and a half

years ago a total of 681 individuals representing 63 congregations have taken the training. Completing the training is only part of the journey. It is our hope and dream as we dismantle the sin of racism that some day soon we will have a racially diverse diocese. That one day we will be a rainbow of color in all of our congregations. We have, as a diocese, made positive steps in achieving this vision.

18. St. Mark's Cathedral

Bishop Warner called on Dean Robert Taylor for an update on activities at St. Mark's Cathedral. Excerpts:

Taylor: ... break in tape ... For several years the Cathedral has hosted a diocesan All Souls requiem which takes place this year on Nov. 4 where we will remember the names of the faithful departed from every parish and mission in the diocese. Because of the partnership with the diocesan group responding to HIV/Aids, Walk in Love, we will also remember our sisters and brothers in the rest of the Anglican Communion and the world who have died of Aids. For the third year, the Cathedral worked in collaboration with Church of the Holy Apostles to jointly host the Chinese New Year's celebration in February. As we continue to be intentional in diocesan partnerships many in the life of the Cathedral give particular thanks for the way in which that is happening and being shaped by the conversations with and leadership from Jerry Shigaki and the Commission for Ethnic Ministries. More than anything, though, thank you for this opportunity to report to you today a little about the life and the work going on at your Cathedral.

19. Committee on Nominations

Bishop Warner called on Mr. Steve Tellari, chair, Nominations Committee, for the report. Tellari placed the following names in nomination [see pg. 35 for a written report on nominees].

Nominations for the Standing Committee

Clerical Order: *Mary Allen*, St. Philip, Marysville; *Richard Buhner*, St. Paul, Seattle; *Beverly Hosea*, Church of Our Saviour, Monroe. Lay Order: *George Robertson*, St. Stephen, Seattle; *Bob Simeone*, St. Thomas, Medina.

Nominations closed

Nominations for Diocesan Council

Sally Farrell, Good Samaritan, Sammamish; *Diane Stipp*, St. Mark's Cathedral, Seattle.

Nominations closed

Nominations for Cathedral Vestry

Sam Fleshman, St. Andrew, Tacoma; *Jeanette Blesener*, Church of the Good Shepherd, Federal Way.

Nominations closed

Historiographer

Carle Griffin, St. George, Seattle; *Charles F. Schreiner*, St. John, Gig Harbor.

Nominations closed

Archivist and Records Manager

Diane Wells.

**Nominations closed
Wells elected**

Treasurer

Steve Faust.

**Nominations closed
Faust elected**

20. Introduction to voting procedures

21. First ballot

Bishop Warner recognized Ms. Katie Akesson, elections official, to introduce the balloting system to be used in the 2006 elections. Bishop Warner declared the polls open.

First ballot completed

22. Bishop’s Address

Bishop Warner delivered his address to the 96th Convention of the Diocese of Olympia. [Text of the Bishop’s Address begins on pg. 21 of this Journal.]

23. Report of the first ballot

Bishop Warner called on Secretary John Schaeffer for the report of the first ballot.

Diocesan Council

Simple majority (226) needed to elect.

Sally Farrell 269
Diane Stipp 187

Farrell elected

Standing Committee

Clerical Order — concurrence between orders (66 clergy/160 lay on this ballot) required to elect.

Mary Allen 57 clergy 108 lay
Richard Buhner 36 clergy 74 lay
Beverly Hosea 38 clergy 136 lay

No election

Standing Committee

Lay Order—concurrence between orders (65 clergy/161 lay on this ballot) required to elect.

George Robertson 90 clergy 164 lay
Bob Simeone 39 clergy 157 lay

Robertson elected

Cathedral Vestry

Simple majority (223) needed to elect.

Sam Fleshman 321
Jeannette Blesener 124

Fleshman elected

Historiographer

Simple majority (222) needed to elect.

Br. Carle Griffin 277
Charles Schreiner 166

Griffin elected

24. Second ballot

Bishop Warner declared the polls open.

Second ballot completed

25. Reflection by Chaplain

Bishop Warner called on Convention Chaplain Will Hood for a theological reflection. [See pg. 30 for text.]

26. Table Conversation

Bishop Warner called on Canon Betsy Greenman, who introduced a time of sharing in small groups around the following: As you reflect on the stories of Jesus changing water into wine and seeking out Zacchaeus, consider the idea that in each case Jesus did the unexpected. The best wine appeared at the end of the feast and the rich tax collector was the person whom Jesus sought out to have lunch with (or dinner), and, as Will said, called by name. So here’s the question, How have you experienced the unexpected in your relationship with Jesus? In your ministry with others? And, when have you felt that you were called by name?

27. Bishop’s Cross presentations

Bishop Warner presented the Bishop’s Cross to Mary Pneuman. *Several years ago I established the Bishop’s Committee for Justice and Peace in Israel/Palestine. This woman was one of its original members. Today she is the committee’s chairperson. Her love and passion for the people of the Middle East began in 1994 with a stay at St. George’s College in Jerusalem. It was a pivotal point in her life, as it has been for many. What she heard and saw changed her life. It was not something she could ever walk away from. As a result, when she speaks to various groups, editorial boards, political leaders and members of the media, she speaks out of her personal experience and her commitment to peace and justice. She knows the struggles are decades old. She knows they are not easily resolved. Yet her message is always one of hope in God’s grace and love for all people and she constantly seeks out opportunities for healing division. This past year she represented our diocese at the consecration of the Bishop Coadjutor for the Diocese of Jerusalem and the Middle East. Within the last month she organized and managed Bishop Dawani’s first visit to our diocese and introduced him to the clergy and congregations who are partnered with congregations in his diocese. Through these ongoing partnerships Christians separated by thousands of miles witness to the love of Christ. She is also an advocate in the Washington area with*

senators and congressional leaders, obtaining many signatures and bringing them to their desks in order to promote economic justice and meet the needs of those who are marginalized. One of her characteristics that I really enjoy is that once she starts to work on something she does not let go until it is completed, even though they are tasks that no one has been able to complete successfully. Her ministry will continue unabated by anyone who tries to keep her from getting to her goal. It is with a great deal of pleasure that I present the Bishop's Cross to **Mary Pneuman**

Bishop Warner presented the Bishop's Cross to Phil Smart, Sr. If you were to put this man's name into "Google" and read about his ministry in the world, you would quickly come to the conclusion that he is a likely nominee for deacon in the Episcopal Church. In actuality, he's a Presbyterian lay person. He was born and raised in the Seattle area. He served our country during World War II. He is a successful business man. But it is his philosophy of life and how he lives it that I recognize today. He is quoted as challenging his peers with the following: "I'm not everyone, but I am someone. I can't do everything, but I can do something. What I can do, I ought to do. And what I ought to do, by the grace of God I will do." That is a powerful and honest statement about his response to God's call to ministry. That philosophy of life has directly impacted the lives of thousands of children. He was active in the Boy Scouts for many years and at Children's Hospital. Because of his business background, he could have served simply by being a member of the Board. What he did, for years, was spend one day a week on the wards, in rooms, with the children and their parents. His 26 years as Santa were particularly special, because he knew each child personally. He was and is an advocate for children. Just ask him. He will tell you their stories of hope, of faith, of struggle and of death. Through it all he was there, walking with them and the medical staff. His years as a volunteer at Children's are wonderfully documented in his memoir, "Angels Among Us," and its sequel, "The Real Angels Among Us." Until I heard him speak about the angels among us and saw his DVD telling the stories of some of the children, I didn't know what I believed about angels. Now their stories stay with me and I know that one of the angels among us is this man because he was a hand holder and mediator as these children passed from this life to the next. It is with a great deal of pleasure that I present the Bishop's Cross to **Phil Smart, Sr.**

28. Episcopal Relief & Development

Bishop Warner recognized Mr. David Baylor and Mr. Brian Sellers-Peterson for the presentation. Excerpts: **Baylor:** In 2003 contributions to ERD nationally were \$5,407,000. In 2004, \$9,903,000, reflecting in part the gifts in the last five days of the year to tsunami relief. In 2005, the blessing was \$36,864,458. That obviously reflected a lot of response by compassionate Christians in this diocese and across the world to the affects of the tsunami, the Kashmir earthquake this time last October and, of course, hurricanes Katrina and Rita. In the Diocese of Olympia we went from \$138,000 in 2003, to \$158,000 in 2004. At this time last year I boldly predicted we would reach \$500,000 by the end of the year. It was actually \$807,536. So far this year the contributions are \$231,000. That pales in comparison

to last year, but it is above our base mark of 2004 so we are continuing to grow.

Sellers-Peterson: I want to thank Bishop Warner for his longtime support and diligent leadership. First and foremost I want to thank you. The Diocese of Olympia is one of the big dogs when it comes to per communicant giving in the US church. And I know that you back up your money with your prayers and your action.

29. TCM witness #2

Bishop Warner called members of the Total Common Ministry Circle from St. Luke, Elma, for the second witness and sharing.

30. Committee on Resolutions

Bishop Warner recognized Mr. Duncan Bayne, chair, to continue the report from the Resolutions Committee. Bayne noted that due to a suggested amendment needing consideration by the Resolutions Committee, **Resolution #4—Restore Grants to Congregations**, would be considered on Saturday.

Consideration postponed

Bayne placed on the floor **Resolution #9—Recommend Diocesan Council Committee**, and **moved** the resolution with a Committee recommendation of "do not pass." [See Section 3, pg. 55, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That the 96th Convention of the Diocese of Olympia recommend that one or more persons be identified to work with the Bishop and Diocesan Council. This person or persons will identify specific opportunities to clarify, enhance and further the Diocesan Council's support of the Bishop and Diocese, and to develop Council bylaws in order to build strong leadership for the future of our church; and be it further **Resolved**, That this person or persons be appointed or engaged by the Diocesan Council chair, subject to the approval of the Diocesan Council; and be it further **Resolved**, That any expenditures for professional services engaged for this activity be limited to a maximum of \$25,000 in total. Half of the funds would come from Corporate Expenses, specifically from the savings from the transition of the Canon to the Ordinary (\$12,500), and the second half to come from either the Diocesan Governance (\$12,500, budget line #178, \$156,016) or from the savings from the transition of the Bishop (line #128); and be it further **Resolved**, That this person or persons report back to the 97th Convention with any ensuing next steps, proposals, and bylaws, as available, for ratification by the convention.

**Motion defeated
Resolution rejected**

Bayne placed on the floor **Resolution #11—2008 Diocesan Assessment Rate**, and **moved** the resolution with a Committee recommendation of "do pass." [See Section

3, pg. 56, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That this 96th Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2008 diocesan assessment rate factor be set at 18% of the Net Disposable Income (NDI).

Motion carried
Resolution adopted

31. Report of the second ballot

Bishop Warner called on Secretary John Schaeffer for the report of the second ballot.

Standing Committee

Clerical Order — concurrence between orders (51 clergy/150 lay on this ballot) required to elect.

Mary Allen	41 clergy	124 lay
Richard Buhner	24 clergy	53 lay
Beverly Hosea	35 clergy	121 lay

No election

32. Third ballot

Bishop Warner declared the polls open.

Third ballot completed

33. Committee on Constitution and Canons

Bishop Warner recognized Mr. Doug Oles for the report from the Committee on Constitution and Canons (C&C).

Oles: I can tell, as I cast my eyes out over this benevolent body, heads beginning to nod, presumably in prayer, that what they would really appreciate at this point in the day, after so many activities, is a moment of faithful reflection and some substantive theological discourse. This however, is not that moment. We're always happy to supply you with some new pointless changes so that you can exercise your green cards to their fullest extent. I should begin by saying that I liked last year better. It offered obvious advantages from the standpoint of the C&C committee. It was semi dark and almost impossible to read the papers that we passed out. The microphones were non-functioning so that those who had protests and comments could barely be heard. This year, unfortunately, you all seem to be primed. Once again this year we had a series of meetings that are open to all in the Diocese, and no one came, which we take as a vote of endorsement and approval.

Oles proceeded to move the committee recommendation on each of the proposed changes.

Second vote on changes to Constitution:

Our diocesan Constitution provides (in Article XXI) that it may be amended by a majority vote of the two orders voting separately at two successive annual meetings of Convention.

Article VII, new Section 4(f) (Additional Youth Lay Delegates)

At the 2005 Convention, the delegates passed a new provision that would expand Members of Convention by allowing each Regional Ministry to select one young adult delegate (providing an incentive for active youth participation in Regional Ministry gatherings). That amendment will become effective if passed at the 2006 Convention. Passage of this amendment should be accompanied by deleting Canon 2, Section 5 (a provision on the same subject which called for supplemental young adult delegates to be determined by a 2/3 vote at Convention). Specifically, the proposal is to repeal Canon 2, Section 5, and add a new Section 4(f) to Article VII (enumerating the lay convention members), as follows:

The lay members of Convention shall consist of ...

(f) one young adult (ages 16-21) selected by each Regional Ministry in its last regular meeting prior to Convention. [The existing Section 4(f) would be renumbered as Section 4(g).]

Motion carried in the lay order

Motion carried in the clergy order

Constitutional change adopted on second reading

Article XVII, Section 2 (Assessments)

In 2004, Convention referred back to the Committee a proposal to clarify the "penalty" that may be imposed on Parishes and Missions that fail to pay assessments. The Committee offered a clarification that was passed at the 2005 Convention and will become adopted if passed again in 2006. The amendment places limits on penalties for non-payment of assessment by prohibiting denial of seat or voice at Convention, as follows:

The Convention shall also have power to impose such penalty as it may deem proper within its lawful power for neglect to pay such assessment when imposed. If a congregation has paid less than 75% of its assessment in any two consecutive years, then in the following year Convention may vote to deprive that congregation's lay delegates of their right to vote at Convention, but no congregation shall under this article be denied rights to a seat or voice at Convention. A motion to deny voting authority at any Convention meeting must be made no later than the first report of the Committee on Privilege.

Speaking against adoption: *Rehm*, St. John the Baptist, West Seattle; *Morrissey*, St. Bede, Port Orchard.

Motion carried in the clergy order

Motion carried in the lay order

Constitutional change adopted on second reading

First Vote on changes to Constitution:

Article IV (Death, Incapacity or Absence of Diocesan Bishop)

Article X, Section 2 of our diocesan Constitution already provides that “if there be no Bishop, Bishop Coadjutor or Suffragan Bishop, the Standing Committee shall exercise the authority of the Bishop” under the Constitution and Canons. The National Church Constitution (Art. II, Sec. 5) provides that a Diocese *may* provide for a Suffragan Bishop to act as the temporary Ecclesiastical Authority in case of the Diocesan Bishop’s death, disability or “absence.” Our Diocese has not yet adopted any clause implementing this option. The Committee proposes that Article IV of our Diocesan Constitution be amended to add the following new sections:

Section 2. Upon the death of the Diocesan Bishop, the Ecclesiastical Authority shall pass temporarily to the Bishop Coadjutor (if any) or in the absence of a Bishop Coadjutor to the Suffragan Bishop (if any). Such temporary authority shall continue until a new Diocesan Bishop is consecrated.

Section 3. During any period when the Standing Committee determines that the Diocesan Bishop is by reason of disability unable to serve, the Ecclesiastical Authority shall pass temporarily to the Bishop Coadjutor (if any) or in the absence of a Bishop Coadjutor to the Suffragan Bishop (if any). Such temporary authority shall continue for the period of the Diocesan Bishop’s disability as determined by the Standing Committee.

Section 4. During any period when the Diocesan Bishop is absent from the Diocese, the Bishop may delegate the Ecclesiastical Authority to the Bishop Coadjutor (if any) or in the absence of a Bishop Coadjutor to a Suffragan Bishop (if any). Such temporary authority shall cease upon the Bishop’s return to the Diocese.

Motion carried in the lay order

Motion carried in the clergy order

Constitutional change adopted on first reading

Vote on change to Canons:

Pursuant to Canons 28 and 29, canons may be enacted or amended by a “vote of a majority of each Order.” These amendments “take effect upon the adjournment of the meeting of Convention at which they are enacted” unless the Convention votes unanimously for the changes to take immediate effect.

Canon 11, Section 3(g).

It was felt that this section would be clearer if it explained how Bishop’s Committee members may be terminated before explaining how to replace them. Also, it was suggested that we clarify an inherent right of the Bishop to require resignations on a Bishop’s Committee for good cause stated. The

Committee proposes rewriting Section 3(g) to address the points raised above:

A member of the Bishop’s Committee may be removed if the Bishop gives written notice thereof and sets forth the reason(s) therefore. A member of the Bishop’s Committee may resign in writing to the Vicar, or if there is no Vicar, to the Senior Warden. A member of the Bishop’s Committee may also be removed by the Vicar if that member fails, without sufficient cause, to attend three regular meetings of the Bishop’s Committee in a calendar year. A member of the Bishop’s Committee may be removed due to physical or mental incapacity if the Vicar determines that such member is unable to serve for such reason. If the Vicar removes a member of the Bishop’s Committee, the Vicar shall notify the Bishop of such removal in writing within thirty days. In the event that a member of the Bishop’s Committee is unable to serve due to resignation, death, removal or incapacity, the remaining members of the Bishop’s Committee shall select another qualified person, qualified to serve, to fill the vacancy until the next Annual Meeting of the Mission, at which time the congregation shall elect a person to serve any remainder of the term. ~~A member of the Bishop’s Committee may resign in writing to the Vicar, or if there is no Vicar, to the Senior Warden. A member of the Bishop’s Committee may be removed by the Vicar if that member fails, without sufficient cause, to attend three regular meetings of the Bishop’s Committee in a calendar year. A member of the Bishop’s Committee may be removed due to physical or mental incapacity if the Vicar determines that such member is unable to serve for such reason. If the Vicar removes a member of the Bishop’s Committee, the Vicar shall notify the Bishop of such removal in writing within thirty days.~~

Motion carried in the lay order
Motion carried in the clergy order
Canonical change adopted

Canon 12, Section 1:

The requirements for using sound business methods in this section closely parallel the (somewhat dated) requirements in Title I, Canon 7 of the National Canons. There are, however, some differences. For example, our Section 1(b)(3) calls for identifying persons to whom “reports and conditions” of funds are made, while the national canon refers to “reports of condition.” Our Section 1(d) requires books to provide a “basis for satisfactory account,” while the national canon refers to “basis for satisfactory accounting.” Perhaps most importantly, the national canon requires our Diocese to designate a Finance Committee or Department of Finance, although our Diocese has not yet done so. The Committee proposes that rather than trying to restate the National Canon, our canon should largely be limited to adding points that clarify the National Canon’s application to our Diocese.

Every Parish, Mission and diocesan institution shall adhere to the standard business methods prescribed for church affairs in the

National Canons, subject to the following supplemental terms and conditions:

- a. Licensed securities brokers shall be approved holders of trust funds, other permanent funds and securities. The requirement for signatures on orders of withdrawal shall not be construed as a prohibition against electronic fund transfers or against payments of reasonable fees charged for management or other services provided by authorized depositories.
- b. Each account containing restricted funds shall be accounted for separately from other funds and shall not be commingled with operating funds.
- c. Treasurers and custodians shall be considered adequately bonded to the extent that their errors and omissions are covered by bona fide insurance.
- d. The accounts and business records of Parishes, Missions and other diocesan institutions shall be audited annually by an independent Certified Public Accountant, or independent Licensed Public Accountant, or such other audit committee as shall be authorized by the Finance Committee of the Diocese.
- e. For purposes of this Canon and related National Canons, the Treasurer and Comptroller of the Diocese shall together comprise the Finance Committee of the Diocese. The Finance Committee shall have authority to approve depositories for church funds, to require submission of account documents for review, and to approve audit committees other than independent public accountants.
- f. Insurance on church buildings shall be adequate if it covers reasonable replacement value of the structures and protects against perils of fire and physical loss or damage including theft, vandalism, collapse, flood, and windstorm.
- g. The Diocese may from time to time provide checklists and/or forms that shall be used by Parishes and Missions in the review of their accounts and business records. All reports of audits or reviews pursuant to this Canon shall be filed with the Office of the Bishop not later than 30 days following the dates of such reports, and in any event not later than September 15 of each year covering the financial reports of the previous calendar year.
- h. The Finance Committee shall report annually to the Convention of the Diocese upon the administration of this Canon.

Morrissey, St. Bede, Port Orchard, moved an amendment to section E.

Proposed amendment:

- e. For purposes of this Canon and related National Canons, the Treasurer and Comptroller of the Diocese and others as may be appointed by the bishop shall together comprise the Finance Committee of the Diocese. ...

**Motion defeated (169/142) on a
hand count in the lay order
Amendment defeated**

Conklin, St. David of Wales, Shelton, called the question to terminate debate.

**Motion carried in the lay order
Motion carried in the clergy order
Debate terminated**

**Motion on canonical change carried in the lay order
Motion on canonical change carried in the clergy order
Canonical change adopted**

34. Bishop's Cross presentation

Bishop Warner presented the Bishop's Cross to Mike Lowry. *Life offers us many opportunities and it is the decisions around those opportunities that call for clarity of purpose and a commitment to improving the human condition. This man has stayed true to the things he believes in. As a former elected official he understands the dynamics of human need, networking and resources. Growing up on the Palouse of Eastern Washington he witnessed the lack of adequate housing for farm workers first hand, especially the seasonal workers, without whom our state's agriculture would be in great difficulty. He is a servant for the people. He has always made himself available to improve the lives of those who are on the edges of society. There's a certain responsibility that goes with being Governor. When his elected term ended he had the option to step back, retire and move into a less active role. Not the case for this man. I knew him before he was Governor and I know him today. He is an advocate who seems to be present at almost every opportunity with his Cheshire Cat smile that says, "I love the people I'm with and I love being present for those in need." As a result of his vision, migrant farm workers are able to finance homes through Washington Agricultural Families Assistance, a nonprofit he founded and directs which also builds affordable housing. He also serves on the advisory board the Washington Association of Churches where his insights into the workings of state politics and his advocacy for the poor are well matched as ecumenically we address the important issues of our times. It is with a great deal of pleasure that I present the Bishop's Cross to **Mike Lowry**.*

33. Committee on Constitution and Canons

Bishop Warner called Doug Oles to continue the report from the Committee on Constitution and Canons (C&C).

Canon 12, Section 3:

It is recommended to make the following clarifying amendments to this section:

All clergy employed by any Parish, Mission or other diocesan institution within the Diocese in clerical positions shall be covered by written agreements specifying terms as to compensation, including any housing and utilities allowance, pension and insurance benefits, and business expense allowances, which are not inconsistent with the Constitution and Canons of the National Church and the Diocese ~~of Olympia~~.

Canon 12, Section 4:

It is recommended to modify the first sentence of this section as follows:

~~Acting through the Convention, the~~ The Diocesan Council shall periodically recommend the establishment of a minimum annual compensation applicable to all clergy employed by any Parish, Mission or other diocesan institutions set forth in Section 3 above. ...

**Motion carried in the lay order
Motion carried in the clergy order
Canonical changes adopted**

Canon 12, Section 2 and Canon 13 (Church Debt):

In 2005, Convention adopted edits to Canon 12, Section 12, specifying the requirement for church debt to be approved by the Bishop acting in consultation with the Standing Committee. These edits eliminated duplicative language that previously existed in Canon 9, Section 10. Unfortunately, there continues to be a conflict between Canon 12, Section 2, and Canon 13 (Church Debt). It seems appropriate to consolidate the rules for church debt under the canon with that title. The main conflict is that Canon 12, Section 2 sets forth a general requirement for approval of all new encumbrances (except where they are merely refinancing prior debt), but Canon 13 purports to carve out exceptions allowing diocesan institutions to incur substantial new debts without any prior approval and without even having to report the loans. For example, the current Canon 13, Section 1(a) allows a debt-free Parish to incur new debt up to 150% of its average annual receipts without any reporting or approval. Because the requirement for approval seems more consistent with actual practice in the Diocese and offers better safeguards against potential loan defaults, the Committee recommends replacing Canon 13, Section 1 with essentially the language adopted by Convention last fall. The duplicative language in Canon 12, Section 2 would be deleted. Thus, we recommend deleting Canon 12, Section 2 (renumbering Sections 3 and 4), and replacing Canon 13 with the following:

Section 1. No Vestry, trustee, or other body with authority to hold, manage or administer real property for any Parish, Mission, or other diocesan institution shall encumber or alienate the same or any part thereof (save for the refinancing of an existing loan for no more than its original amount) without the previous written consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese, under such further regulations as may be prescribed by the Canons of this diocese or of the General Convention.

Section 2. No Parish, Mission or other diocesan institution shall enter into any other loan (from a lender other than another

diocesan institution) without prior written consent of the Bishop, acting with the advice and consent of the Standing Committee.

Section 3. An applicant for written consent under this canon shall provide a plan of amortization or other proposed method and timetable for repaying the loan and/or removing the encumbrance on real property.

Section 4. The Bishop's failure to deliver a rejection within sixty (60) days after receiving a proper written request for approval shall be deemed an approval under this canon.

**Motion carried in the lay order
Motion carried in the clergy order
Canonical change adopted**

35. Committee on Resolutions

Bishop Warner recognized Mr. Duncan Bayne, chair, to continue the report from the Resolutions Committee. Bayne placed on the floor **Resolution #8—Appreciation to Bishop Warner**, and **moved** the amended resolution with a Committee recommendation of "do pass." [See Section 3, pg. 55, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That the 96th Convention of the Diocese of Olympia express its appreciation for ~~the leadership and ministry of our Bishop Diocesan, the Right Reverend Vincent W. Warner, especially for his servant leadership, including, but by no means limited to in reconciliation, as exemplified by:~~

- His work in the Holy Land, fostering dialogue and healing;
- His efforts to foster peace and justice within our diocesan family and in the larger community; ~~and~~
- His work in promoting reconciliation; and
- His work with the ecumenical community.
- ~~○ His work with St. Stephen's, Oak Harbor, and St. Charles, Poulsbo, in framing an amiable temporary resolution that has been championed by many in the Anglican Communion.~~

**Motion carried unanimously
Resolution adopted with amendment**

36. General Convention report

Bishop Warner recognized the Rev. Stephen Moore for the report.

Moore: On my summer vacation this year I attended the 75th General Convention of the Episcopal Church in Columbus, Ohio. General Convention lives in two houses. There are about 200 bishops in the House of Bishops and about 888 deputies in the House of Deputies. The Diocese of Olympia sent Bishop Warner, Bishop Rivera and Bishop Hampton to the smaller of these houses. Bishop Cochrane participated in all of our Seattle-based preparation but was unable to attend at the last minute due to his wife Terry's health. In the House of Deputies, you were represented by Hisako Beasley, Sabeth Fitzgibbons, Duncan Bayne and Jim Church in the lay order. Lay alternates who also served included Becky Clark, Ian Thompson and Katrina Hamilton. Our ebullient vice chancellor, Duncan Bayne, fell ill and

was hospitalized at the beginning of convention and had to return to Seattle for medical care. Thank God for the lay alternates, several of whom traveled to Columbus at their own expense to represent you. And thanks to Bishop Warner for deferring some of those expenses out of his discretionary funds. In the clerical order you were represented by me, Peter Strimer, Jeff Lee, and Connie Moorehead. Clergy alternates who got on the floor included Peter DeVeau and Nigel Taber-Hamilton. I served as the chair of this deputation.

Much of the work of General Convention is done in committee. I served on the Committee on the Dispatch of Business; Hisako served on the Committee on National and International Affairs; Sabeth on Ecumenism and Interfaith Relations; Duncan on Canons; and Jim on Social and Urban Affairs, which was also Bishop Nedi's committee assignment. The Diocese of Olympia was very fortunate to have so many members of our deputation on legislative committees; appointments have a great deal to do with seniority in the House and we have several very senior members. We gathered every morning at 9:30 for worship – about 5000 of us in a room the size of a Boeing hangar. Our worship was extraordinary diverse, done in more languages than I could understand or remember. One morning our own Hisako Beasley read the Epistle in Japanese. Connie Moorehead served as deacon almost every day. Katharine Jefferts Schori was elected Presiding Bishop by the House of Bishops, which election was concurred in by the House of Deputies. Our deputation was unanimous in our concurrence. Hisako Beasley was elected to the Executive Council. Presiding Bishop Frank Griswold appointed Bishop Nedi Rivera to the Title IV Review Committee. Nedi was also elected by the members of the House of Bishops to the Nominating Committee for the Election of a Presiding Bishop.

In the midst of all of this we also considered, adopted or rejected about 600 pieces of legislation. Here are some:

- The church committed itself to relief, mission, and ministry to the people, churches and communities impacted by hurricanes Katrina and Rita.
- The church committed itself to evangelism, to a church planting initiative, and to assist congregations and dioceses in carrying out the great commission.
- The church committed itself to the Millennium Development Goals, which strive to eradicate hunger, disease and poverty in the world by spending 7/10ths of one percent of our income national, church and individual, for these aims.
- The church entered a time of interim sharing of the Holy Eucharist with the United Methodist Church, and of continuing dialogue with the Methodist's toward full communion.
- The church reaffirmed its commitment to become an anti-racist church and to work toward healing, reconciliation and a restoration of wholeness to our church, to our culture and to our countries.
- The church prayed for our troops, for the people of Afghanistan and Iraq, for the wounded and for all those who have died, for those who work for peace; and we've called upon the President of the United States and the Congress to develop a plan to stabilize those nations so that our troops may soon return home.
- The church affirmed the church's teaching that environmental issues are theological issues.
- The church affirmed the place of gay and lesbian people – in and out of our church – and opposed efforts to marginalize, stigmatize or criminalize them.
- The church agreed to consider changing its name by eliminating the words, "in the United States of America" from our formal title. This change is necessary because we belong to a church which includes dioceses in

Ecuador, Columbia, the Dominican Republic, Haiti, Honduras, Puerto Rico, Taiwan, Venezuela, the Virgin Islands, and Europe.

- The church replaced the Eucharistic lectionary in the back of your *Book of Common Prayer* with the *Revised Common Lectionary* – this change is effective a year from next month – but the bishop may grant congregations an additional three years to make the transition.
- The church authorized the continuing use of the supplemental liturgical texts in *Enriching Our Worship* and directed the Commission on Liturgy to add to them.
- The church took the vote away from retired bishops in the House of Bishops.
- The church cleaned up the changes made to Title III affecting the ordination process and required that congregations which endorse a candidate for Holy Orders also support that person in meeting the costs of their theological education.
- The church recognized the problem of the educational debts incurred by seminarians and urged the whole church to restore theological education Sunday on the first Sunday in February as a way to help seminarians meet the cost of their theological education.
- The church considered sweeping changes to Title IV – the canons which govern discipline – which proposals included the inclusion of lay people among those who could be disciplined. After much spirited debate the whole package was referred to a select committee which will report back to General Convention in 2009.
- The church affirmed the importance of college campus ministries and allowed such ministries to become mission congregations of their diocese.
- The church increased its commitment to the young adult services core in which two young people from this diocese are currently missionaries and increased our funding to allow more young adults to participate.

But the church spent the most time and accomplished the least work in attempting to respond to the Windsor Report, and to those concerned by the consecration of the Bishop of New Hampshire.

- We affirmed our commitment to the worldwide Anglican Communion, but we were not willing to cede authority over the American church to foreign bishops.
- We expressed our regret, love and support for those offended by the actions of the Episcopal Church in relation to issues of sexuality and gender.
- We affirmed the idea of delegated Episcopal pastoral oversight, while absolutely rejecting raids by foreign bishops on our American soil.
- We promised to remain engaged in the Windsor process of dialogue and discernment even with those who no longer want to speak to us, much less receive Holy Communion with us.
- And we adopted B033. In the form finally adopted it calls upon Standing Committees and bishops to exercise restraint by not consenting to the consecration of any candidate to the episcopate whose manner of life presents a challenge to the wider church, which would lead to further strain on communion. I'm a lawyer. I have no idea what that means.

The 76th General Convention is set to convene in Anaheim, California, on July 8, 2009.

37. Committee on Resolutions

Consideration of Resolution #5 and #6 postponed to Saturday.

Consideration postponed

38. TCM witness #3

Bishop Warner called members of the Total Common Ministry Circles from St. Christopher, Westport, and St. Matthew, Castle Rock, for the third witness and sharing.

43. Report of the third ballot

Bishop Warner called on Secretary John Schaeffer for the report of the third ballot.

Standing Committee

Clerical Order — concurrence between orders (56 clergy/154 lay on this ballot) required to elect.

Mary Allen	62 clergy	164 lay
Richard Buhner	10 clergy	18 lay
Beverly Hosea	38 clergy	125 lay
		Allen elected

44. Fourth ballot

No further ballot would be needed.

Announcements/Evening Prayer

The day concluded with announcements and Evening Prayer. Bishop Warner recessed the convention until 8:30 AM Saturday morning.

Saturday, October 28, 2006

39. Call to Order/Opening Worship

Bishop Warner called the convention to order and introduced the Rev. Ann Lukens, acting secretary of convention for the day. Morning worship followed. [*Theological reflection text section 2, pg. 31.*]

40. Table Conversation

Canon Betsy Greenman introduced a time of sharing in small groups around the following: Thinking about the invitation of God, Where does God invite me? To radical inclusivity? Radical hospitality? And to whom does God call me and my congregation to extend invitations?

30. Committee on Resolutions

Bishop Warner recognized Mr. Duncan Bayne, chair, to continue the report from the Resolutions Committee. Bayne noting that the proposed amendment was ruled out of order, placed on the floor, **Resolution #4—Restore Grants to Congregations**, as originally submitted, and **moved** the resolution with a Committee recommendation of “do not pass.” [*See Section 3, pg. 53, for explanation and Resolutions Committee rationale.*]

Original Text of Resolution:

Resolved, That this 96th Convention of the Diocese of Olympia restore Grants to Congregations to at least 2006 budget levels; and be it further **Resolved**, That the following changes be made to the diocesan budget for 2007: reduce budget line 51 by \$60,000 and increase line 62 by \$60,000.

Morrissey, St. Bede, Port Orchard, moved an amendment to Resolution #4.

Proposed amendment:

Resolved, That the 96th Convention of the Diocese of Olympia memorialize the Diocesan Council to restore the \$60,000 cut to the national church apportionment with funds from the “rainy day fund.”

Bayne noted that the proposed amendment was essentially the amendment submitted on Friday and ruled out of order by the chancellor/ parliamentarian. The chancellor ruled that as a “memorial” this was appropriate.

Roddam, St. Luke, Seattle, moved to divide the original question into the two separate resolve statements.

Debate followed on the Roddam motion. Speaking in favor of the Memorial: *Hodsdon*, St. Mark’s Cathedral, Seattle; *Campbell*, St. Mark, Montesano & Diocesan Council; *Aid*, St. Matthew, Auburn. Speaking against division: *Everson*, St. Columba, Kent. Speaking in favor of division: *Whitfield*, All Saints, Vancouver; *Oliver*, Good Shepherd, Vancouver.

Barnes, St. Andrew, Seattle, called the question to terminate debate.

Motion carried
Debate terminated

A vote was taken on the proposed memorial clause.

Motion carried
Memorial clause adopted

Roddam, St. Luke, Seattle, moved to withdraw the motion to divide.

Motion carried
Division withdrawn

Debate followed on the original motion, with the amended memorial clause. Speaking against: Campbell, St. Mark, Montesano. Speaking in favor: Montgomery, St. Stephen, Seattle; Strimer, St. Andrew, Seattle.

Boyle, St. Benedict, Lacey, called the question to terminate debate.

Motion carried
Debate terminated

A vote was taken on Resolution #4.

Motion carried
Resolution adopted with amendment

Final Text of Resolution:

Resolved, That this 96th Convention of the Diocese of Olympia restore Grants to Congregations to at least 2006 budget levels; and be it further **Resolved**, That the following changes be made to the diocesan budget for 2007: reduce budget line 51 by \$60,000 and increase line 62 by \$60,000. **Resolved**, That the 96th Convention of the Diocese of Olympia memorialize the Diocesan Council to restore the \$60,000 cut to the national church apportionment with funds from the “rainy day fund.”

37. Committee on Resolutions

Bayne placed on the floor, **Resolution #5—Affirmation of Canons regarding access to discernment**, and moved the resolution with a Committee recommendation of “do pass as amended.” [See Section 3, pg. 53, for explanation and Resolutions Committee rationale.]

Original Text of Resolution as amended by the Committee:

Whereas, Title III, Canon 1, Section 2 of the National Canons of the Episcopal Church states that “no person shall be denied access to the discernment process for any ministry, lay or ordained, in this Church because of race, color, ethnic origin, national origin, sex, marital status, sexual orientation, disabilities or age, except as otherwise provided by these Canons. No right to licensing, ordination, or election is hereby established”; be it **Resolved**, That this 96th Convention of the Diocese of Olympia affirms, and calls upon the Bishops and Standing Committee of ~~the~~ this Diocese, in the face of pressure to discriminate as a result of the passage of General Convention resolution B033 (see Appendix A), to uphold canon law in both letter and spirit when considering consents to consecrations of new bishops; and be it further **Resolved**, That in light of these resolutions, this 96th Convention of the Diocese of Olympia calls upon the Bishops and Standing Committee of this Diocese to affirm the full inclusion in all areas of the life of the Episcopal Church of our otherwise qualified brother and sister Christians who are single or partnered happen to be non-colibate gay, lesbian, bisexual or transgendered persons, as well as the full inclusion of the Episcopal Church in the USA in the full life of the Anglican Communion.

Gauthier, St. James, Kent, objected to consideration of Resolution #5.

Motion failed
Objection rejected

Debate followed on Resolution #5. Speaking in favor: Thomas, St. Paul, Mt. Vernon; Stipp, St. Mark’s Cathedral, Seattle; Battin, St. Paul, Bremerton; Barnes, St. Andrew, Seattle; Hodsdon, St. Mark’s Cathedral, Seattle; Stroub, Integrity Puget Sound; James, St. John, Olympia; Kincaid, St. Mark’s Cathedral, Seattle; Patton, St. Stephen, Longview. Speaking against: Erbeck, Trinity, Everett; Oliver, Good Shepherd, Vancouver; Younge, St. John, Kirkland; Watkins, Holy Cross, Redmond; Burgess, St. James, Kent; Beckwith, St. Paul, Bellingham; Carter, St. Bede, Pt. Orchard; Whitehouse, St. Christopher, Olympia; Roddam, St. Luke, Seattle.

Roddam, St. Luke, Seattle, moved to refer Resolution #5 to the Diocesan Council.

Debate followed on the motion to refer. Speaking against referral: Strimer, St. Andrew, Seattle. A call was made to record yea, nay and abstain when a vote was taken on Resolution #5.

Boyle, St. Benedict, Lacey, called the question to terminate debate on the referral.

Motion carried
Debate terminated
Motion failed
Referral rejected

Debate continued on Resolution #5. Speaking in favor: Lee, St. Thomas, Medina; Gray, St. Andrew, Tacoma. Neutral: Jensen, St. Margaret, Bellevue.

Lee, Emmanuel, Mercer Island, moved an amendment to Resolution #5.

Proposed amendment

...who are single or partnered straight, gay, lesbian, bisexual or transgendered persons, as well as the full inclusion of the Episcopal Church in the full life of the Anglican Communion.

A request was made by the chair of the Resolutions Committee to substitute the word “heterosexual” for “straight.”

Substitution accepted
Friendly amendment accepted

Debate continued on Resolution #5. Speaking in favor: Sells, St. David of Wales, Shelton.

Rhoads, St. Luke, Sequim, moved to table indefinitely.

**Motion failed (229/216) on a hand count
Request to table rejected**

Morrissey, St. Bede, Port Orchard, moved an amendment to Resolution #5.

Proposed amendment

... transgendered persons, and those who are in non-celibate heterosexual relationships and those who are divorced, as well as the full inclusion of the Episcopal Church in the full life of the Anglican Communion.

Friendly amendment accepted

Moore, St. Andrew, Seattle, called the question to terminate debate.

**Motion carried
Debate terminated**

A vote was taken on Resolution #5.

**Motion carried (317 in favor/79 against/51
abstentions) on a hand count.
Resolution adopted.**

Final text of Resolution

Whereas, Title III, Canon 1, Section 2 of the National Canons of the Episcopal Church states that “no person shall be denied access to the discernment process for any ministry, lay or ordained, in this Church because of race, color, ethnic origin, national origin, sex, marital status, sexual orientation, disabilities or age, except as otherwise provided by these Canons. No right to licensing, ordination, or election is hereby established”; be it *Resolved*, That this 96th Convention of the Diocese of Olympia affirms, and calls upon the Bishops and Standing Committee of the Diocese to affirm the full inclusion in all areas of the life of the Episcopal Church of our otherwise qualified brother and sister Christians who are single or partnered heterosexual, gay, lesbian, bisexual or transgendered persons, and those who are in non-celibate heterosexual relationships and those who are divorced, as well as the full inclusion of the Episcopal Church in the full life of the Anglican Communion.

45. Bishop’s Cross presentation

Bishop Warner presented the Bishop’s Cross to Tim & Laura Tayne, and Sue Gallagher. *Building a bridge between the church and world is something I hold very dear and close to my heart. It is what we are called to do as members of the priesthood of all believers. When St. John’s, Olympia, offered their facility as part of the Homeless Emergency Shelter Network, three people who were already active in the life of that congregation not*

only were the first to volunteer, but became the program coordinators. The program has just completed its third year of providing shelter to the homeless during inclement weather. They came to this program with a wealth of experience. Since the mid-1990’s they have coordinated St. John’s involvement of the Community Kitchen feeding program. They shop, prepare, cook, serve and clean up. St. John’s is known for providing exceptionally tasty meals. Through their efforts they fought for St. John’s to be assigned the last day of the month, in addition to other dates, when the poor are the most desperate – when every food coupon and form of assistance is long gone. They have been role models for their children who, as they have grown into adulthood, now work along side their parents and other countless volunteers providing nutritious and delicious meals in Christ’s name. It is with a great deal of pleasure that I present the Bishop’s Cross to Tim Tayne, Laura Tayne, and Sue Gallagher.

Convention Eucharist

Following a break, convention continued with the Convention Eucharist. Bishop Vincent Warner was the celebrant and preached. The offering was designated for the We Will Stand With You program. The Eucharist included a commissioning of those elected during the convention. (*See pg. xx for the text of the Convention sermon*).

50. We Will Stand With You

Bishop Warner called the presenters for the report: the Rev. Jerry Garman, the Rev. Will Hood, and members from St. Paul, New Orleans. Excerpts:

Garman: Approximately one year ago the bishops came back from the House of Bishops requesting help for those in New Orleans. A committee was formed. We found out we would be helping St. Paul’s. The media was full of what was going on.

Hood: Sometimes words fail to describe what’s gone on in New Orleans; where we have been and where we are with your help. I’d like you all to indulge me and close your eyes. I want to do a guided meditation. I’d like you for a moment to think about your house. Think about your friends, your families. Think about all you know. Think about the memories in your home. Think about your children’s rooms, pictures, mementos. The good times spent there. The family feasts and holidays. Close your eyes. When the music starts I want you to open your eyes and imagine this is what you’ve come home to.

[Video]

[Stories were shared by members from St. Paul’s, New Orleans.]

Bishop Rivera: ... [break in tape] ... that they received \$30,000. Beyond that there were 550 donors, including 30 congregations who have given to New Orleans. So far we have cash in hand of \$260,000. We’ve got \$240,000 to go. This is not the first check that we’ve given, but we want to say that we’re there for you St. Paul’s in as many ways as we can so Will, when you’re in church next Sunday here’s some cards to say we’re with you. I need to

say that in addition, over the \$260,000, we raised \$697.11 through the raffle and offering today.

Bishop Warner: The money is important. It's critical. But the presence of those who've gone and those who will go to be with the people who are here and with the people who are still there is critical as well. I plan to go. I know that others of you will plan to go. We will grow in faith as we go to see them because it will do more for us than could ever be done for them. We are so grateful for your presence. For all of you. For your stories. And for all who have gone and all who will go and we will stand with you as long as we are here. We will stand with you.

Hood: Thanks to everybody for all that you have done. Come on down. Thank you all so much.

The presentation concluded with information about volunteer and giving opportunities, as well as the raffle drawing.

49. Bishop's Cross presentation

Bishop Warner presented the Bishop's Cross to Ken and Mary Hansen. *This mother and son know what it's like to take on the establishment and change the balance of power. In 1969 the Samish Tribe was dropped from the list of recognized tribes for no known reason. The sad part was that no one at the Bureau of Indian Affairs would step up and admit they made a mistake. The mistake then took on a life of its own and became all the more critical when the 1974 Boldt decision gave half the Puget Sound salmon catch to the recognized tribes. It seemed incredible. How do you lose an Indian tribe? Who would step up to the plate and correct the wrong? Who would work with the tribes that were not enthusiastic about sharing the salmon catch? It took conviction, tenacity, diplomacy and a great deal of faith. The mother learned her lessons early when at age 11 she typed tribal resolutions for her father. She later served as tribal secretary. The son spent his very early years sitting under the table at tribal council meetings listening to talk about preserving the culture of the indigenous people of the San Juan archipelago and western Skagit County. He grew up to be an articulate spokesperson and tribal chairman who stood his ground with politicians and community leaders until the goal was achieved. And while he was battling the federal government he was also seeking to heal the divisions among tribes. He wanted to heal the hurt and the pain. I like to believe that this desire came from both his Native spirituality and his roots in the Episcopal Church. The family was among the founders of Church of the Good Shepherd, Federal Way. He attended Charles Wright Academy. The son died this summer. The mother continues the family and tribal legacy through her storytelling and strong sense of who she is as a First Nations person. It is with a great deal of pleasure that I present the Bishop's Cross to Mary Hansen, and Ken Hansen.*

Bishop Warner recognized Mr. Miller Adams, chair, Dispatch of Business, for procedural motions. Adams asked for a motion as follows: That the Rules of Order for this 96th diocesan convention be amended to provide that debate on any matter brought before this convention be limited to two speakers in support of the issue and two speakers in opposition to

the issue, all speakers limited to two minutes each, including amendments thereto, provided however, that the presenter of any resolution, matter or issue before convention shall be allowed to speak twice. **Moved** and seconded.

Motion carried.

Amended Rules of Order adopted

52. Committee on Resolutions

Bishop Warner recognized Mr. Duncan Bayne, chair, to continue the report from the Resolutions Committee. Bayne placed on the floor **Resolution #12—Cost of Living Adjustment for 2007**, and **moved** the resolution with a Committee recommendation of "do pass." [See Section 3, pg. 56, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That this 96th Convention of the Diocese of Olympia authorize the setting of the Cost of Living Adjustment for 2007 diocesan congregation ranges at 3.6%.

Motion carried
Resolution adopted

47. Report from the Treasurer

Bishop Warner recognized treasurer, Mr. Steve Faust, for the report.

Faust: Thank you for reelecting me to the office of treasurer. When I spoke to you last year I had been the acting treasurer for about 90 days and like most 90-day wonders I thought I had great insight about how to dive in and make right all that I saw around me that was a mess. Just ask the D-house staff how it went when I showed up at my first all staff meeting to announce the need to use a certain type of receipt book for cash contributions. Or you could ask a Council member what happened when I blithely suggested that we dispense with the time consuming process of search processes to fill clergy vacancies in congregations. These and many other experiences reminded me that for every problem there is a solution that is simple, correct, inexpensive, and wrong.

Each year for the past three years the diocese has collected and spent about \$4.5 million. Revenues since 2004 have been essentially flat, rising and falling 1-2% during that period. Assessment revenue is about 75% of the total revenues collected, about \$3.2 million; about \$108 per person in the diocese. This number and this ratio has been essentially unchanged since 2005 and remains so in 2007. Expenses, on the other hand, have grown about 1% per year over that period of time. This is much less than inflation and quite an achievement when you consider that the bulk of our expenses are staff costs and health insurance. This year, 2006, will be the last year we will be collecting assessment at the 20% rate. For 2007 the rate will be 18%.

Before last year's convention, I doubted that a balanced budget could be built in the face of a 10% decrease in diocesan revenues – a decrease of 2% in assessment equals 10% in revenues. Rising revenues and the wizardry of Jim Campbell, who chairs the Council finance committee brought to Council a balanced budget. The budget uses the new 18% assessment rate. It assumes

we will have 30% better results in collection of assessments from congregations than we have had in the past few years. And, with some changes that you talked about earlier today, there is probably going to be a requirement that we use some of our accumulated surplus – also known as a rainy day fund.

Assets: Those 60 or so congregations that have funds in the Diocesan Investment Fund (DIF) have a collective \$40 million invested. We have congregation properties, just the buildings, not the dirt, worth \$214,000,000. The dirt underneath them is probably worth that and another 50%. We have an office building on 10th Avenue that is cleverly disguised as a former Seattle mansion. We have camps and retreats. We even have a little chapel at Snoqualmie Pass. Other assets are loans to congregations. On this front there's good news and bad news. On the good news I am very pleased to announce that St. Michael and All Angels in Issaquah paid back their building loan fund last month, and they paid it off early. What's especially gratifying about what they did, they actually had money in hand, which they used to pay off the loan early. They could have invested that money in a short-term investment and earned more on it than they were paying in interest and benefited themselves. But they didn't do that. Ann Lukens, who's the rector, told me they declined this arbitrage opportunity because, quote, "They thought some other congregation might be waiting for the money to be freed up." And she and they are so right.

The Mission Development Fund (MDF) has only \$23,000. The diocesan Building Loan Fund (BLF) has loans outstanding to 24 congregations amounting to more than \$3,500,000. Six of these loans, a total of over half that amount, are non-performing, meaning the congregations are not paying the principal, interest or both, and in some cases the congregations have not been able to pay for several years. There is good news when we talk about how capital improvements to congregations' properties can be financed. St. Margaret, Bellevue, pioneered a bond in the public bond market this year, which shows that a market that had been closed to churches for many years is opening up. Other good news in terms of the BLF is that the congregation of St. Columba, Kent, has agreed that nine acres of their property is surplus to their present or future use. Bill Goodenough, who is the property representative for the Board of Directors, and Todd Curry, a member of the Board of Directors, have worked hard over the last year to lay the groundwork for the sale of this property. If they are successful and we realize the price we hope to realize, over \$1,000,000, it will completely retire St. Columba's diocesan debt and free up that money to be re-deployed in another congregation. More details on property loans is in Bill Goodenough's report.

I made a note to myself a couple weeks ago to remind congregations that have not submitted an annual audit to do so. There's a list of those who haven't done it, with apologies if the list is not accurate. I have a charge for the clergy here with congregations in their care – When you get back to your congregations, seek out your treasurer and make an appointment to talk about what you are going to do in preparation for closing your books in a timely way at the end of the year and getting your Parochial Report submitted on time.

In closing, let me talk about some of the continuing issues where the answers are simple, direct, inexpensive and wrong. The first of these is one we don't talk about much and may not have talked about at all – I'm talking about the amount of deferred maintenance accumulated by our properties. We are not

accumulating the kind of reserves in congregations that we need to maintain the buildings. I give you another charge. When you put your budgets together for 2007 consider deferred maintenance. If you're not saving 3% of the replacement value of your building every year for building maintenance you're going backward.

Another problem where the solution is simple, direct and inexpensive has to do with not paying the assessment. I don't know what the answer to this is. I can tell you that I have lots of conflicts around this. I want to be a servant leader and there is a terrible tension and it is not what somebody called earlier a "holy tension." One of my conflicts is that the problem of not paying our assessment does not seem to be correlated with congregation size, which is to say, there are many small congregations that pay the assessment in full, while many larger congregations, with presumably greater resources, don't pay at all, pay partially, or pay late. There is no assessment system that will satisfy everyone. But I do think we have to have equity across the diocese on assessment support.

The DIF was compelled to switch custodians, we had to leave Bank of New York and accept a proposal from US Bank National Association. It's been hard for the accounting office and for both the treasurers who are receiving mountains of paper, but we save a lot of money. We have put together a budget, which you'll have a chance to vote on in a moment. The planned giving office has come into the 21st century and started accepting certain kinds of gifts over the internet. And a new insurance vendor was chosen, not without some pain, but we have much better coverage in the diocese and congregations are paying less for insurance.

Finally, let me say that I have been received with courtesy and respect everywhere that I have gone in this diocese and I know it's not because of any personal qualities of my own but because of your respect for the diocese and your hopes for its work and witness. I want to thank Chris Smith-Clark, who is the comptroller, and Paster Soong, who is the accountant, and Carrie Rohlik, finance assistant who handles all the insurance matters, for doing all the day-to-day heavy lifting. Your diocesan business affairs are in good hands with these three ladies. They are expert, engaged and dedicated.

48. Action on the 2007 Budget

Mr. Steve Faust reviewed the budget process for development of the 2007 budget then **moved** for its ratification. [*See pg. 39 for budget document*]

**Motion carried
2007 Budget ratified**

57. Volunteers, youth presence and staff

Bishop Warner recognized members of the youth presence, pages, the Total Common Ministry congregations, the liturgical ministers and the Liturgy and Arts Commission, altar guild, artists, those who worked on making this sacred space, musician Dent Davidson, Janet Campbell for her liturgical direction, the AV staff, the diocesan staff, and especially Dede Moore as organizer of the convention; diocesan staff were also recognized for their ongoing day-to-day work on behalf of the whole diocese.

42. Mission to Seafarers

Bishop Warner recognized Captain Charlie Hubbard for the presentation.

Hubbard: On behalf of the Mission to Seafarers and the 4,680 seafarers that we have directly interfaced with by using our center or taking them shopping so far this year, thank you for your support. A few highlights;

In February the California Mercury arrived in Seattle after suffering severe storm damage. Thomas Cook, our ship visitor who worships at Holy Apostles Chinese Church in Bellevue told me that the sailors were lined up on the rail waiting for him to come aboard ship. First thing they went into the mess area and held a prayer – no matter what their religion was they all prayed for the safe arrival of the ship. Thomas was able to provide them with phone cards so they could contact their families at home and tell them that they had survived the storm.

I asked Jerry Shigaki, who is our diocesan rep, if he would be interested in celebrating Ash Wednesday aboard a ship, and he said yes. So we set it up and little did I know that the person who was going to celebrate aboard ship was Bishop Vincent Warner with the assistance of Jerry Shigaki and Pete Strimer. The captain on the ship converted the mess area into a chapel. It was a Filipino crew. Bishop Warner then cancelled all his appointments for the rest of the day and he and Betsy Greenman came back to the ship later and delivered bibles and crosses to everybody on the ship.

The big news is that in January 2005 the Port of Seattle notified the Mission to Seafarers that we were going to have to vacate Terminal 48. They didn't give us a time limit but they said they didn't have any space available for us. We spent the last year and a half looking at property, we even designed a new seaman's center and it just didn't look like it was going to work at all. In August of this year we signed a long-term 10-year lease with the Port of Seattle for a new facility directly on the Duwamish River underneath the Spokane Street bridge. The bad news is we're going to have to pay about \$50,000 in renovations. The good news is that Princess Cruise Lines gave us a check in September for \$10,000 and we're looking for matching gifts from the rest of the maritime community.

With that, I would just like to say it's a privilege to be in a servant ministry in this diocese. Thank you.

46/54. TCM witness #4 and #5

Bishop Warner called members of the Total Common Ministry Circles from St. Mark, Montesano, and St. James, Cathlamet, for the fourth and fifth witness and sharing.

51. Personnel Commission

Bishop Warner called Barbara Larson for the report.

Larson: As directed in Canon 23 the Personnel Commission is charged to report to convention its work of the past year. We met four times and had many hours of sub-committee work. One of the things that you have already voted on is the cost of living, but I want to highlight two areas that are really significant for us. One is the completion of templates for all letters of agreement for clergy and the other is a proposal for addressing the unemployment compensation that is addressed in Resolution 10. The letter of

agreement template will affect any positions in parishes and missions, including assisting clergy. This is not mandatory but is a suggested guideline. Two, a recommended policy change on unemployment was suspended at the 2004 convention and another resolution on unemployment was tabled at last year's convention. This year, Resolution 10 and Appendix B, deal with this issue of unemployment. We ask that you support and pass this resolution. The resolution states that the 96th convention of the Diocese of Olympia recommends each independent employing unit within the diocese seek and find ways to fund in its annual budget a program of partial salary or wage continuation benefits to employees who become unemployed through no fault of their own in order to assist the transition to re-employment. It has been determined that each congregation is an independent entity and thus is responsible for funding of this policy in whatever manner they would choose. Supporting this resolution does not mean that a congregation is mandated to fund it, but we feel that it is a fair thing for each congregation to do. It is important to consider all of these financial implications whenever there is any hiring process. We will also make a friendly amendment to this resolution that will remove the current policy from the books. Thank you and we look forward to your support of this work.

37. Committee on Resolutions

Bishop Warner recognized Mr. Duncan Bayne, chair, to continue the report from the Resolutions Committee. Bayne said good news would be forthcoming regarding **Resolution #6—Endorsement of current laws against discrimination based on sexual orientation** and **Resolution #7—Recognition for World Indigenous Peoples**. [See Section 3, pg. 54, for explanation and Resolutions Committee rationales.]

Provencal, St. Benedict, Lacey, and proponent for Resolution 6, stated that, in the interest of stewardship of time, and requesting that everyone act on their baptismal vows with respect to the issues in this resolution, Resolution 6 had been withdrawn.

Resolution #6 withdrawn

41. Committee on Resolutions

Provencal, St. Benedict, Lacey, and proponent for Resolution 7, stated that, again, in the interest of stewardship of time, and after much soul searching, and with a request that the Commission for the Church in the World work with the proponents to bring this issue back to this body in a future year, Resolution #7 had been withdrawn.

Resolution #7 withdrawn

Bayne placed on the floor **Resolution #2—Seeking Peace and Reconciliation in Sudan**, and moved the resolution with a Committee recommendation of "do pass." [See Section 3, pg. 53, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That this 96th Convention of the Diocese of Olympia, as part of fulfilling its mission to “reconcile all people to God and each other in Jesus Christ,” and in support of our Sudanese community in the diocese, encourage parishes to reach out and prayerfully uphold peace and reconciliation in the Sudan; and be it further **Resolved,** That we support by prayer and action the Province VIII and the American Friends of the Episcopal Church of the Sudan in their efforts to provide leadership efforts to rebuild churches and communities for the 1.5 million Christians in the Sudan.

**Motion carried
Resolution adopted**

Bayne placed on the floor **Resolution #3—Raising up the Sudanese Ministry,** and **moved** the resolution with a Committee recommendation of “do pass.” [See Section 3, pg. 53, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That the Diocese of Olympia prayerfully acknowledges and gives thanks for the beginning congregational development and the outreach to/of our Sudanese sisters and brothers living here; and be it further **Resolved,** That we raise up Sudanese ministries across the Diocese by encouraging: (a) congregations to develop relationships with Sudanese wherever possible; (b) congregations to use language and communication resources or whatever possible in services in order to share our core values through the *Book of Common Prayer*, Holy Scriptures, and music.

**Motion carried
Resolution adopted**

52. Committee on Resolutions

Bayne placed on the floor **Resolution #10—Unemployment Plan for the Diocese of Olympia,** and **moved** the resolution with a Committee recommendation of “do pass.” [See Section 3, pg. 56, for explanation and Resolutions Committee rationale.]

Original Text of Resolution:

Resolved, That the 96th Convention of the Diocese of Olympia strongly recommend that each independent employing unit within the Diocese seek and find ways to fund in its annual budget a program of partial salary or wage continuation benefits to employees who become unemployed through no fault of their own, in order to assist the transition to re-employment.

Miller, St. Luke, Tacoma, and the Personnel Commission, moved a friendly amendment to Resolution #10.

Proposed amendment

Add, at the end of the resolution the following statement: If passed, this action would supersede all preceding policies on unemployment.

Friendly amendment accepted

**Motion carried
Resolution adopted**

Final Text of Resolution:

Resolved, That the 96th Convention of the Diocese of Olympia strongly recommend that each independent employing unit within the Diocese seek and find ways to fund in its annual budget a program of partial salary or wage continuation benefits to employees who become unemployed through no fault of their own, in order to assist the transition to re-employment. If passed, this action would supersede all preceding policies on unemployment.

55. Committee on Resolutions

Bayne placed on the floor **Courtesy Resolutions,** and **moved** for adoption as amended.

Final Text of Courtesy Resolutions:

Be it resolved, that the 96th Annual Convention of the Diocese of Olympia express its thanks to all persons – lay and clergy – who have given freely of their time and talents to provide leadership for this diocese over the past year, especially those who are completing their terms on Diocesan Council, and various boards, commissions, committees, and task forces. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia remember in their prayers all those in countries around the world where war, or the threat of war, is a daily reality, and for all in military service who risk life and personal safety on our behalf to bring about peace, especially the military chaplains in their rounds, duties and deployment. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia recognize and celebrate the 100th anniversary of St. Andrew’s, Seattle; and the 50th anniversary of Church of the Transfiguration, Darrington. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia give thanksgiving for the leadership and ministry of our Bishop Suffragan, Rev. Bavi Edna “Nedi” Rivera, and her husband, the Rev. Robert “Bob” Moore. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia give thanksgiving for the leadership and ministry of our Presiding Bishop, the Most Reverend Frank Griswold and that of his wife, Phoebe, and wish them God speed. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia send congratulations to our Presiding Bishop elect, the Rev. Katharine Schori and her husband, Richard. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia send its love and best wishes to Lillian, beloved wife of Ivol Curtis, and to our Bishops retired, Robert Cochrane, and his wife Terry; and Sanford “Sandy” Hampton, and his wife Mari. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia send its best wishes and sympathy to the family of Mary Cochran, widow of the late David Cochrane, Bishop Retired of Alaska. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia send its greetings to the Right Rev. Cabell Tennis, Bishop Retired of Delaware, and his wife Hyde, who make their home in our diocese. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Dorothy Gibson as President of the Standing Committee. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia express its thanks to the Secretary of Convention, the Rev. John G. Schaeffer, and to those who assisted him in preparing for this convention. **Be it resolved,** that the 96th Annual Convention of the Diocese of Olympia express its thanks for the ministry of all who have worked so hard on this Convention’s planning: the Total Common Ministry congregations that hosted this convention; Commission for Liturgy and the Arts for creating our wonderful liturgies; chair of Dispatch of Business, Mr. Miller Adams; and especially Ms. Dede Moore, Convention Coordinator, for their dedicated and effective work. **Be it resolved,** that

the 96th Annual Convention of the Diocese of Olympia express its thanks to those who serve as pages, tellers and work in other capacities behind the scenes, making it possible for this convention to be together and conduct its business to the Glory of God. **Be it resolved**, that the 96th Annual Convention of the Diocese of Olympia express its thanks and appreciation to the diocesan staff who work faithfully on behalf of the people and congregations of our Diocese and the wider Church each and every day in the spirit of Servant Leadership.

Motion carried
Courtesy Resolutions adopted

56. Clergy and Staff Transitions

Bishop Warner called for recognition of those clergy who have experienced transitions during the last year. First time delegates were also recognized. Those clergy and staff retired in the past year, or planning to retire were also recognized. [See document 6/A/10 in section 3, pg. 33 of this Journal.]

53. Bishop Search Committee

Bishop Warner called on the Rev. Steve Garratt for the report on the work of the Bishop Search Committee. Garratt referred Convention members to the written report of this work and highlighted the additional materials distributed to each table.

55. Committee on Resolutions

Duncan Bayne reminded convention members that six-hour resolutions require a vote to consider before a vote can be taken on the resolution itself. Bayne referred to **Resolution #13 (six-hour resolution)—Regarding the Ministry of Blessing Marriages**, and asked if the convention wished to consider the resolution. [See Section 3, pg. 56, for text, explanation and additional information.]

Motion failed
Consideration rejected

Bayne referred to **Resolution #14 (six-hour resolution)—Additional Courtesy Resolution**, and asked if the

convention wished to consider the resolution. [See Section 3, pg. 56, for explanation and additional information.]

Motion carried
Consideration accepted

Bayne placed on the floor Resolution #14, and **moved** the resolution with the Committee recommendation of “no opinion.”

Text of Resolution:

Resolved, that the 96th Annual Convention of the Diocese of Olympia express its thanks for the continuing leadership and ministry of the Most Rev. Archbishop of Canterbury, Rowan B. Williams. In particular we express our appreciation for his continuing efforts to foster mutual forbearance and respect among and between the various members of our Anglican Communion.

Motion carried
Resolution adopted

58. Charge to the Convention and Diocese

Bishop Warner provided his charge to the convention: Thank you for your faithfulness, your hard work, your humor. May you find the Sabbath a day of rest. My charge is quite simple: be present, celebrate, live the gospel, trust God, and pray for the people in this diocese, and those who are searching for the next bishop, and go in peace to love and serve our God.

56. Final Announcements

57. Closing Worship

Secretary Ann Lukens announced that the Mt. Baker region had elected Mr. Robert Thorndike to Diocesan Council, and that the 97th Convention was scheduled for November 2-3, 2007, at a location to be determined. A dismissal followed.

Adjournment

Bishop Warner declared the 96th Convention adjourned.

Section 2

Addresses

Bishop's Address – the Rt. Rev. Vincent W. Warner
96th Diocesan Convention

You will find your Servant Leadership cards on your table. Please take them with you and pray with them for I will talk about them a bit tomorrow as we celebrate the Eucharist.

One of the things I am aware of in our life in the church is that we go from one thing to the next. We don't stop to celebrate what we have done, who we are as people. It's important to spend the time now, in this convention, celebrating who we are as the people of God. Since this is my last Convention address I don't have to come up with a number of charges for the future. Thanks be to god! If we all lived as if we really didn't have much time, and some of us know how that is in life and in health, then each moment would be precious and we would stop to say our thanksgivings rather than moving on to what we need to accomplish. So I would like in this address to have you participate with me about our call, your call to reflect and remember, your call to be present with one another and to celebrate your call to live the Gospel and most all, your call to trust God.

When we're called to reflect and remember that means we have to have time to do that. How many times do you go from a very busy weekend where you are excited as can be about what you saw in your church and what you saw in your ministry but you didn't have time to reflect? Jesus went from the busy

villages up into the mountains and he took time. After his baptism he went into the desert. What I would like you to do, regardless of the noise in the hallway or any of the movement around, is stop for a moment and think of something that happened to you that was a part of your ministry where you were touched right in your heart and reflect on that. Reflect on a time when you felt God's call to discipleship and you really stood for what you believed in regardless of what anybody else had to say. Just take a moment.

I can think of many of those times. I remember when I was elected on the first ballot here. I had been at Barbara Harris' consecration. What a wonderful time that was. She offered me her room in the hotel so I could wait there to see how the election was going. I said no, that I wanted to be part of her ordination and consecration. Then I was going to go home. I had friends who were going to get a couple of micro brewed beers and some cheese and crackers and we were going to wait through everything that was going to happen over all those ballots. And those friends were going to be with me in the good times or in the difficult times. Then I got home and found out that I already had been elected. It scared me to death because if you were elected on the first ballot they were going to expect something from you. And people were clamoring for a vision, they said "Give us a vision,

give us a strategy, and state the direction." I traveled all around the diocese, I went everywhere and I asked questions. I found out that congregations saw the diocese as 1551 10th Avenue East, not as everyone who was part of the north, south, peninsula, everything - the diocese is us. I also found out that there was not necessarily a sense of interdependence. There was certainly a sense of individuality and independence. I remember saying to a man at breakfast in Vancouver that my vision is that we'll become one people of God, interacting with one another for the common good and that somehow what is happening in the south will be important in the north and what is happening in the east will be important in the west and everybody will be a part of one another and they won't see the diocese as the office where the bishop and staff work. He looked at me and said, "You know you're going against the bedrock of who we are in the northwest."

Well I started to learn, gosh I learned a lot, but still I had that sense of the prayer from scripture, the priestly prayer of John that we all might be one. And I pray for that for the Anglican Communion, for the Episcopal Church, for the churches all over the world, and that God might unite us throughout all religions. I also came here with a sense of the Gospel of Luke, my favorite gospel. It's a lot more down

to earth than John. I used to think John was my favorite, but Luke tells the stories and it deals with the outcasts and people on the margins and those without access to power.

Our diocesan vision became “We are one people of God who boldly proclaim by word and action the reconciling gospel of Jesus Christ.” Bold, reconciliation, one, and the basis of our work, and this was only one of two non-negotiables that I have had during my time as your bishop, the values of servant leadership. They are simple enough. Collaboration instead of competition; not being over against, not being hierarchical, but circular like you saw in total ministry. And I thought that would be something people would really love. Well it didn’t settle down the noise at all. In fact some said that’s no leadership at all if you’re a servant leader and you turn the triangle upside from hierarchy then that is not leadership. Over the years, I’ve learned to be part of the body of Christ, learned about teamwork, circular consultative leadership in the office and beyond. The values of servant leadership, which are what I have asked you to look at, call us out of our promise of our baptism, to walk with people not to walk over them, to share the resources and the power we possess in ways that will encourage and empower those we are called to minister to, not impose power on others. Some questioned if one could be a servant and a leader. That’s the faithful way to lead, I believe, its gospel stuff. It’s from these values that the only other non-negotiable charge came to the diocese from me and that is the call to have anti-racism training for all congregations, diocesan institutions, and leaders in the diocese. As you heard from Constance Moorehead, to date 681 people from 63 churches and 13 organizations have

participated in anti-racism training offered by our diocesan team. We must understand the reality of racism, both individual and institutional and work to change the reality. It was just yesterday afternoon when I was hoping to work on my sermon for tomorrow that my son said, “Father you have to come sit in my little chair and have a teacher’s conference.” Then I said, “But I have to go to convention.” He said “Father I want you at the teacher’s conference.” And so I went and for an hour I sat with his teacher. He’s doing well. He’s number two in reading and number three in math and he has read over 1,000 words in a number of books and he is way up on the speed of his reading, and he has only been in the country for three years. But one piece came out that he told his teacher because I asked him to, and that was the fact that he is told over and over again on the bus and at recess and other times that he is dumb because he is Chinese. That he is inferior because he is Chinese. He was asked what a Twinkie was, and he said “I don’t know, is it some kind of food?” and they said “You must be awfully dumb if you don’t know what a Twinkie is.” Now this is not isolated, this happens with all of us and he is not bitter about it, but he knows the reality of it. It’s not something that is way out there, that’s all I’m simply trying to say. What I dream of is that the work that we are doing will change the reality and I’d like everyone who has taken part, and have been involved in anti-racism or some kind of diversity training to stand, if you are able. Look at that. That is wonderful. As Desmond Tutu says, let’s clap for ourselves.

You know we are called to reflect and remember during the 18 years the institution of the church has spent huge amounts of time, energy, and

resources on issues of human sexuality. You may not talk about it in your place, but some places have. We’ve had resolutions: the Koinonia resolution, first presented to our convention in 1995, then referred to study, then passed at our convention of 1997. We’ve had discussions about whether white privilege was real or not real, we’ve had efforts to have congregations work with curriculums on these things and the publication from the House of Bishops on continuing the dialogue. The General Conventions of 2000, 2003 and 2006 were times when the whole Episcopal Church and the Anglican Communion were focused on issues of human sexuality and yet we know that the issue is not human sexuality. It’s not been about sex. It’s really been about our understanding of the Biblical authority that we have as Episcopalians as we live into the world of the Anglican understanding of the three primary bases for our theology: scripture, tradition, and reason. My basis for my understanding of the Gospel as expressed in our baptismal covenant is based on the fact that we respect the dignity of every human being and work for justice and peace for all of God’s people.

When we look at the budget of the National Church in which over \$624,000 is the part that we offer from the Diocese of Olympia, the order of importance is: justice and peace – supporting the Millennium Development Goals; Young adults, Youth and Children; Reconciliation and Evangelism; Congregational transformation; and Partnerships with the Anglican Communion, Ecumenical and Interfaith bodies. That’s the kind of General Convention work that moves the Gospel into the world. That’s not what the people hear in the news. The mission imperatives were

exciting and a lot of the things we do, do not get the kind of publication and knowledge that really need to be there to affirm the good news. I have a picture of me boarding the bus on the way to the election of a new presiding bishop – thumbs up and big smile. Everybody thinks that it's a picture after the election. It could be. We elected Katharine Jefferts Schori as the presiding bishop. I think that's exciting. I've worked with Katharine on the Pastoral Development Committee. Bishop Rivera was her shepherd through the election process. What an honor.

And then there's the fact that not everything is institutional. I spend a number of mornings on my way to the office going to Tent City at various locations. Recently I've been going to St. George's in Seattle. A ministry has come out of those visits. Some of you know about it and have become involved in it as well. The ministry is to rebuild bicycles and make them available for folks in Tent City and other places where people are impoverished and need transportation. And so nine or ten o'clock at night I go down to the garage and start working on bicycles. Then I load three or four into my truck and take them to Tent City. They are so grateful for those bicycles. They take them and give them to the people. They've worked out a way to make them fairly distributed. The women started to complain that there are too many men's bicycles. These are good bicycles. They've come from some of you. I met a young woman, about 27, who wanted so much for me to find a bicycle for her friend, who is homeless yet going to school and going to work. I was able to do it. I met a 76 year old woman, while having a cup of coffee sitting in the midst of the tents last week, who said she couldn't believe that at her age

she might be able to ride a bike again. She took it out and showed me and she moved along. It's wonderful and it is better than three dollars a gallon. In my conversations with these people in Tent City I learn their stories. And the interesting thing is that the common thread is that they live in community, a community on the move and well organized. Whenever I ask how folks are, you know what they say to me? "I have nothing to complain about." I don't know where I am going to live in three weeks, but I have nothing to complain about. To which I responded, "You know it's going to be raining, it's difficult," and they say: "Oh no, it's not so bad to live in tent city. I'm really grateful." Now on the other hand, I sometimes find people who have abundance, who don't quite respond with such gratitude to life. It's interesting, isn't it?

We are a church that has boundless resources. Why do we expend resources of energy, money, goodwill, and time on so many issues and meetings, or who is OK and who is not OK to be ordained, or elected, or consecrated instead of putting our matchless gifts and energies and skills to work with the people who move in and out of our church, who need homes and health and just simply need to make their lives work. Many of you and numbers of our congregations are passionately involved with issues of homelessness and economic justice. We will share later the stories out of "We Will Stand With You" for the people at St. Paul's school and church in New Orleans. If you or your congregation have been, or are, involved in these areas of ministry that reach out to the community, taking action to care for our neighbors and to see that justice is brought to some conclusion for those in need – basic needs like housing, employment, health care –

stand up. Let me see how many of you are involved in that. WOW! That's a witness.

We are called so clearly to be present and celebrate. I'm only 65, so it's taken me awhile to realize that in the Lord's Prayer it simply says "give us this day our daily bread" not "God, give me a strategy for 10 years." "Give us this day our daily bread," give us today, this day. Consider the ministries of your congregations, the ministries you have day to day in your lives and the ministries of the diocese, province, and national church. Some of you had the chance to walk through the Exhibition hall. What a wealth of creativity and programs and resourcefulness.

Moving from one thing to another doesn't work. We need to stop and celebrate the ministries we share. The staff positions that I have encouraged since I've been here, and the people I have called to work on the Bishop's staff have focused on providing resources and people to engage us all in the challenges that we face better together rather than as individual congregations.

This convention is hosted by seven congregations who are Total Common Ministry congregations. These are the places where teams have formed and discerned the varieties of gifts for ministry, some teachers, some preachers, and some pastoral care leaders. For ten years the Missioner for Total Ministry was the Rev. Robin Moore, her husband spoke a little earlier. Robin was, and is, a pioneer. She pioneered the team-based model and translated it from something that had started with the Rev. Skip Reeves. More recently the Rev. Canon Joan Anthony has moved into the role of Congregational Development, including the ongoing work with the Total Common Ministry congregations.

Will all those who are part of Total Common Ministry please stand. This model of ministry, based in baptismal understanding, is an icon for us all.

Faith develops and grows with understanding, experience and education. Faith formation has always been a strong part of the ministry in the diocese. We struggle with how much funding to give the Diocesan School of Ministry and Theology, the Resource Center, one of the best resource centers. Other traditions come to our resource center; even those who broke away from the Episcopal Church come to our Resource Center. The combination of the work of Diocesan School of Ministry and Theology, the Resource Center, the ministry with children and the youth programs are resources that support and encourage the formation of faith of every age, which is from cradle to grave. Sue Tait, Kathy Hamilton and Shannon Jergenson direct and manage this work at this time. How many of you have attended a Diocesan School for Ministry and Theology course, taught a course, borrowed a resource from the Resource Center, had young people in your congregation attending HYC or JYC, in some way been involved in education in your own congregation. Raise your green cards. Look at that, it's almost unanimous, and people say, "Where's the program for the youth?" It's you, it's here.

Carl Knirk. Every time I go on a visitation, they say thank you for Carl Knirk. He's known throughout the diocese and the whole church. We established the Bishop's Society in 1992. Carl has helped to lead that work. The Diocese of Olympia Bishop's Society has 1056 members, the largest in the whole Episcopal Church. The two people we are going to honor on November 30 at a

reception and performance of the Black Nativity at Intiman Theatre in Seattle, Rev. Richard and Edith Younge, are the newest members of the Bishop's society. These things, along with the Living Tree witness to a future generation. Will all who are members of the Bishop's Society or a Legacy Society in your congregation please stand. As Carl would say, we have an abundance. It is important to consider how that abundance will live on.

We had a conference recently with the pension fund for active and retired clergy. We had the largest group they had ever had; they had to send an extra group on a red-eye to be with us. One of the retired clergy, who I think hasn't figured out retirement yet, was Bishop Assisting Sandy Hampton. He joined us in 1996. Among the many gifts he brought was that he reinvigorated work with our ethnic congregations. We called the Rev. Jerry Shigaki to join the staff in 2000 as the Missioner for ethnic ministry. I don't know that there are many Missioners for ethnic ministry anywhere in the church. With Jerry's leadership, his vision to invite people of color into discernment, his encouragement for ethnic ministries in congregations and his endless ability to get me and others buy tickets for events, we have 13 ethnic congregations and 14 people of color in the ordination process. The Commission on Ethnic ministries, the work with the Sudanese communities, the work with the Spanish speaking congregations, the work of Jo Beecher and the Iglesia Resurreccion, the support many of you to give to the Christmas drive for children's gifts there – the First Nations committee, the work at Holy Family of Jesus, Holy Apostles, The African American Committee, all will help us realize the rich diversity of Christ. I

have the same vision that many of you have that we will have a rainbow of people more and more both in leadership and throughout this diocese. All of you involved in ethnic ministry or having ethnic ministry happening in your congregations or who have ever bought a ticket from Jerry please stand.

The Diocese of Olympia is on the move. That was the image we tried to capture in the new emblem, showing the Episcopal shield was moving, not static. I remember the day in the Council room when we came up with the idea of Share your story, Live your faith. Remember the years we had those huge banners on the front of the church, delivered to each congregation, and the bumper stickers and the coffee mugs. How do we help the world know that we care, welcome the stranger, know that we serve? One way is to have each talking with the people we meet.

And so, in 2003 I invited the Rev. Dr. Pete Strimer to be the Missioner for Communications. And he filled that role with energy, impish vitality, creative ideas and an endless supply of tootsie roll lollipops! Pete and the team of Norah Joslyn, Julie Tarter and David Manes created an entirely new look for the *Episcopal Voice*, wrapped us around the Episcopal Life and developed the diocesan website to provide information and resources at the click of a mouse. Pete also provided on-site consultation to congregations. This fall, the good people of St. Andrew's, Seattle, had the wisdom to call Pete to be their rector – which meant that he left his diocesan level work in October. Norah, Julie and Dave are providing their particular skills and will move communications to the next step. Will all who receive the *Episcopal Voice*, the *FYI*, or have logged onto the diocesan website or read the Weekly Across the Diocese, please raise your green

cards. We are evangelists – we are story tellers of good news. Keep communicating!

Here are two statements that are obvious. 1) The Diocese of Olympia is a large and complex diocese, and yet it wants to act like it's a small, one-to-one diocese. 2) The word "Episcopal" comes from the word meaning "Bishop."

Bishop Hampton joined us as Bishop Assisting, first full time, in 1996, then part time in 2001. However, it took us until the spring of 2004 to elect a Bishop Suffragan. I'll never forget that day, and what a choice we made! Nedi's work with the areas of faith formation, ethnic ministry, evangelism and the process for those moving into ordained ministry has enhanced, encouraged and energized those programs and the staff supporting them. Nedi was called to help us all continue to understand the broad nature of these ministries. An ordained woman of color, Nedi is an icon in her personhood and her role as Bishop Suffragan. I am so delighted that you are here, dear friend, dear bishop.

The work of the Bishop Diocesan and the Bishop Suffragan are quite different, but the real key is that Barbara says that it hasn't helped to make her work less. So it is really important for me, that I acknowledge the one that keeps me in line, at least she tries. Barbara Brower.

If God calls us to be present and celebrate there are two gentlemen who volunteer their services which provide our diocesan family with their wisdom and countless pro bono hours. Steve Faust, elected treasurer by convention, is a volunteer. He oversees the fiduciary management of the assets of the Diocese including our nearly \$5 million dollar budget. We have the largest budget in the church, for a diocese our size, and Steve, along with the help of our

comptroller, Chris Smith-Clark, provides careful oversight of these abundant resources. The resources from this diocese go to support programs and ministries, not only in the diocese, but in the Province of the Pacific, the Anglican Communion, and the Episcopal Church at large. Our work with social justice and outreach through the Washington Association of Churches and other wider agencies extends our ministries into the world in multiple ways. In thanksgiving for Steve's ministry please raise your green cards.

Last night, I did what I've done for 18 years. I met at 10 o'clock or 11 o'clock at night with Don Mullins and with Betsy to go over the Roberts Rules of Order. My task has been to try to bring down and narrow the number of resolutions which have grown year by year. Don has helped us walk through 30 cases of misconduct and 35 congregational conflicts. None of these has ended in an ecclesiastical trial. Sometimes the measure of success is what we have not had to get into. He has brought the combination of his legal expertise, his specific skills as a mediator, and his caring heart solidly grounded in his baptismal ministry. No detail is too small for his attention. He has patience beyond patience and treats everyone with respect and dignity. There is no way I could express my heartfelt appreciation, I just simply give thanks for his ministry and his friendship. Please help me acknowledge Don's ministry with a standing round of applause.

Did you think I'd forgotten my sidekick? If this were an episode of *Guns, Smoke*, which I love, I'd be Matt Dillon and Betsy would be Chester. Or if this were an episode of *Mash*, I'd be Colonel Potter trying to figure out what to do and Betsy would be Radar O'Reilly already knowing and

a step ahead. Well, it is not TV, it's life! When I chose to invite a person to be Canon to the Ordinary (I'm the Ordinary), I asked Betsy Greenman to take on that role. Of course, she has the skills and the relationship with this diocese to do it, yet one of the primary reasons to make the choice was that Betsy is a person who lives her ministry out of her baptism. She is not ordained; she just simply went to seminary and did all the work that everybody does that is given Holy Orders. Yes, she has two seminary degrees, but her call is to be a lay person in ministry. Asking her to be Canon to the Ordinary modeled in our teamwork and the combination of lay and ordained ministry. It modeled the call for the gifts and skills she brings to all she does. Every congregation in this diocese has been in the transition between clergy (and some more than once) in the 26 years Betsy has been working with congregations. She and the group of folks in the Training and Consulting Services group have walked with congregations and clergy, vestries and bishop's committees in ways too numerous to mention. You think of all the things that Betsy has done. She's one of the tallest people I know.

Over the past 18 years the highlight of my life is when I visit you in your congregations and in liturgies that fill my soul. There have been visitations in which you have been confirmed, received, and nearly everyone has come forward for reaffirmation and laying on of hands, a reaffirmation of your faith. Some have said it was the first time they had done that in 60 years. Over the 18 years, 85 priests and 37 deacons have been ordained.

We are together as we gather around the table in the Eucharist and when we say our prayers. You have probably seen the vestments that

were made for me with all the people of God represented on them; on the front all different colors and on the back, depending upon where I am in the diocese, the Cascades or the Olympics. I have been asked to have my portrait painted over and over again...I'm not ready to be hung. But I think about how I would want to be represented and the only way I can think of it is to have a portrait that represents the people, the diversity of the diocese. I don't want to be in a painting alone. I really want to have something that has me with men, women, and children who represent the ministry we share together—its not mine, it's ours. We are together in ministry based in baptism. I offer the sacrament as a servant of God in the role of Bishop. I am in relationship with you and you have a relationship with God. Bishop Hampton, Bishop Rivera, Bishop Cochrane, Bishop Tennis, Bishop Ed Little have provided Episcopal presence for you. Will all of you who have been confirmed, received, ordained, reaffirmed in the past 18 years please stand. We are one people of God who boldly proclaim by word and action the reconciling Gospel of Jesus Christ.

This is the part of my ministry that I believe the most strongly in and it is the part that gets me into the most trouble! As followers of Jesus, we are called to understand the Gospel; called to care for those who have no one to care for them; to seek reconciliation among all people; to stand with those whom society pushes to the edges; to respect that all people are made in the image of God; to care more about people than the rules set up to make them accountable; Jesus brought a divine reversal and it is in your heart as well as mine.

It is the Gospel call that touches you when you are asked to

participate in the We Will Stand With You partnership. It is the Gospel call out of which you respond to Episcopal Relief and Development with over \$800,000, in one year, for tsunami and other disaster relief. It is the Gospel call that has two members from this diocese in the Young Adult Service Corps; it is the Gospel call that inspired Erin and Jered, and now Drew, to be missionaries to Taiwan. Week after week one year I had one person after another doctors, lay people come to me and say "I want to go be a missionary. I want go and help those who are in need" and many others who come to my office because they want to reach out.

I hear all the time when I am with national church staff folks and they are asking for something, as Bishop Packard in the midst of what had happened with Katrina. He said to Nedi and to me, "I know we can always call on the Diocese of Olympia to be part of meeting the needs that we have to provide people and money." We're also a destination for many national conferences. In the past couple of years and coming next year these groups have or will be holding their national meetings in our diocese: Urban Caucus, Episcopal Asia Ministries; The Episcopal Network for Stewardship (TENS); The Church Pension Fund planning for tomorrow conference; the North American Association for the Diaconate; the National Deployment Officers and the conference of Diocesan Executives. These groups always remark about the hospitality that you have given them is the best they ever receive. If you have given to ERD, or We Will Stand With You, or if you have been involved in attending or hosting any National Conference in our diocese, please raise your red or green card and respond to the Gospel of hospitality. We may not know how

to change water into wine but we do know how to have a good party!

We're called to live the Gospel. That means there are no outcasts. That means that all are equal in the sight of God. That means that we are all sinners, and we're all forgiven. There was a time when the Episcopal Church did not ordain women. And now either canonically resident or licensed, our diocese has 120 ordained women: 34 deacons, 84 priests, one Bishop and three Lutheran Pastors.

There was a time when gay and lesbian clergy could not be open about themselves or their partners with whom they spend their lives. That's changing! Thanks be to God. I stand with people who decide to make life choices to be themselves. Christ calls us to be who we are.

We are called to trust God. Years ago I told too many times the story of the climber who falls off the ledge and grabs onto a branch and cries for help. He is on the edge of the Grand Canyon. He is the member of a vestry. He tithes. He cries and cries for help and nobody comes. But finally a voice responds, "I'll help you." And he says "Who is it?" "This is the Lord your God, I'll help. Just let go and it will be Ok." Well his response was quiet clear, "Is there anybody else up there?"

Trusting God means letting go all the time. The servant leadership value of letting go of control is what this is about. If we try to stay in control of everything, we limit the breath of the Holy Spirit to blow through in ways we could never have imagined. This means that we do our work, we engage with each other, we acknowledge when we don't know it all, and we take time to be present and celebrate and we give it over to God. It's God's world, it's Christ's church! It's not ours.

Do I have some thoughts about what might be good for the Diocese of Olympia in the years ahead? You bet I do! Will I share them? No. Whoever is elected will be both fortunate and challenged. I know that through you and the help of God they will be given the wisdom to be themselves. I have some dreams. I do dream of a church ruled by the Gospel, not by committees; a church that is ruled by forgiveness and grace. I dream of not only diversity and race, but diversity and theology because we need everybody's point of view-not one view or another. We need each other. And I pray for a time when we might be able to have a Jubilee year and forgive all the debts that anybody owes in this Diocese and have a fresh beginning.

I'm clear that's not my work. I've given the leadership I knew how to do. "I've left undone those things I ought to have done," and I certainly have done those things I ought not to have done. I've loved and cared for you, the people of this diocese, even more than you can imagine. This year is a year in which the staff and you and I complete some of the work we've begun. We need to see things through. We need to have a healthy place for somebody new to be in this

role. We don't need to start new projects! We need to be present and celebrate, to give thanks for everyone here and those beyond. The future will be God's to guide, and is in God's hands. I think of the people who are not here, and I'll say more about that tomorrow. I think of Moe Poirier. I think of John Metzler. I think of so many people. I was so aware of people who were no longer part of the Total Ministry Team but were pioneers in it, like Bill Mutchler. I think of Maggie Erskine, the first woman I ordained and the first ordination that I did. I remember sitting with the Metropolitan of Leningrad who asked me if I ordained women and I said, "Every chance I get." And this wonderful man whose grave I've since visited a number of times said, "Dear Bishop, we'll still be friends."

So we have work to do. I trust God. I try to live the Gospel and I am reflecting and remembering the people and the relationships – it's all about relationships! I pray God will give us energy, laughter, and joy in the months ahead to see clearly the Gospel call in ministry.

Now, you are not going to quite get off this easy because some of you know that I have gotten to a point

that I love to sing regardless of how it sounds. I love Sachmo, my brother's favorite jazz musician. I grew up with Sachmo. He used to say, "Listen to old pops," The world is broken and in trouble, There is war and there is poverty and there are all kinds of needs but listen to pops. Old pops thinks it's still a wonderful world.

I wrote some words and with the help of Betsy and Dent, you're going to be able to sing it with me.

I see trees of green, Red roses too, I see them bloom for me and you, And I think to myself, What a wonderful world. I know Christ is alive in the people I see, He builds a church with you and with me, And I say to myself, "What a wonderful world!" I see eyes of faith, I watch them glow. They've seen more than I'll ever know. And I say to myself, "What a wonderful world!" I listen to the music, it lifts me to the sky. The glory and honor of God passing by. I see the baptized community – All saints of God, Children, laity and clergy too, I see Jesus walking around the center aisle, He stops and he blesses every woman, man and child, And I say to myself, "What a wonderful world." Grace, forgiveness and love, "What a wonderful world!"

Sermon by Bishop Vincent W. Warner 96th Diocesan Convention -- Saturday

Last night I had the pleasure of being roasted by a number of people and wearing vestments that I couldn't imagine wearing again because on the front of the Chasuble it had a target. I know that that's not good theology so I'm going to talk a little bit about leadership today. Following this morning I want to share my sense of – we live in a horribly power time accompanied by certainly moral confusion if not moral authority and yet in a strange way we are discovering the truth that the real power of leadership is in servanthood

and through our baptism. The way in which Christ is the Lord of history is saying it to us is that we are called to be servants and friends and that power can no longer be subjugation. Power can no longer be those who are the most articulate at the microphone. Power can no longer be worked out without conversation and careful listening and prayer. We are part of a global community of Anglicans, of Muslims, of Buddhists, of Hindus. Everything is in the midst of change. The political realms of all governments is

under scrutiny – certainly ours is. There’s a revolution in sexual identity. We haven’t talked about that very much. There’s a revolution in relation to the earth’s ecology. We are called to somehow save the earth on which we live for a future generation – if it’s not too late. The issue of power and how this diocese and how this church and how we act on the Gospel is the issue that the suffering servant brings to us.

The Gospel that we heard this morning was located in what I think of as a thin place; a place where you are magnetically close to God. We all have those places where we can go. Some people are fortunate enough to go to Iona or Assisi, or any number of places and I can imagine those are thin places. I haven’t been to those places. A picture of one of my favorite places in Galilee is where Jesus, according to tradition, met with his disciples at breakfast one morning. It’s a small cove and today you can look across the Sea of Galilee or the Sea of Tiberius and you can see the bustling city of Tiberius but you can also see the fishing boats pretty much as they looked years, centuries ago. There’s a little chapel there. There’s also an outdoor area where you can worship and have Eucharist. And there’s a statue of Jesus standing high and at his feet is Peter; kneeling at his feet. The water laps to the shore and this is the place for John’s last resurrection scenes.

Let’s go there. Fishing boats are still fishing. The last scene in John happened soon after they were in the upper room. The disciples had gone back to fishing and they thought it was all over. Peter said, “I’m going fishing.” The others followed not knowing anything else to do. The two sons of Zebedee, James and John, and others, maybe Mary Allen or Nedi Rivera, Val Brustad. Who knows who went out. But they all fished all night and didn’t catch a thing. A stranger appeared on the seashore and yelled out, “Hey boys and girls. Caught anything?” Here was Jesus, looking like some curious vacationer. “No,” they answered. Then he said, “Cast the net on the right side.” And the voice and the words seemed oddly familiar so they did it. And it was full to the breaking point. The beloved disciple cried, “It is the Lord.” That was Mary Magdalene. Well, we can all use our imagination. And Peter did not wait for the boat, but of course he was impetuous as ever and jumped over board and thrashed his way clumsily to shore and when the others got there Jesus was already cooking breakfast. Bread and fish over a fire. He asked them to bring more fish to cook. Peter ran and dragged the whole net filled with 153 fish. Did that number have a hidden symbolic meaning? I know that all the theologians in this room have studied to find the meaning of that but Raymond Brown who has been noted as a New Testament scholar said he had a dream of dying and going to heaven and asking Jesus, “I’ve studied and I’ve studied and I haven’t figured out what 153 fish in the net

means.” And Jesus looked at him and smiled and said, “It means that’s how many fish were in the net.” Why do we make it so complicated?

After breakfast we have the last scene and Peter and Jesus are now alone and this is part that I think we all can identify with because Peter had three times denied him and we deny and now three times Jesus asks Peter the question, “Do you love me?” And he says, “Yes, I love you.” Over and over again he asks the question and Peter answers it. What was the response? It was not, “I’m going to put a resolution in.” It was not, “I’m going to appoint a committee.” It was not, “I’m going to make a budget so I can do something about this.” It was simply “feed my sheep.” “Feed my people.” And it was marked by forgiveness and a new commission. And it marks the way of Christ’s mission. That is, one of service to all of God’s people. No debate. All of God’s people. Forgiveness, grace, service of love.

Hans Kuhn said it’s a downward bent service of love, i.e., we minister by doing small things with great love. I think Mother Teresa said that. St. Francis Assisi caught the Christ spirit in his own way of poverty and service – it is in giving that we receive, in pardoning that we are pardoned. It is in dying that we are born to eternal life. Sometimes I think the church is called to die so that we might learn how to become servants to all. Sometimes I think we all need to go live in Tent City or on the streets or wherever we might go to be stripped of all the fine things that we have.

When I first started talking about servant leadership here, which of course goes back several thousand years and beyond that, I remember one of our priests saying, “Well that’s an oxymoron. You can’t lead and be a servant.” I said, “Well, Jesus did.” And he said, “Well, that’s different. You can’t do that in a diocese.” The reality is that it’s interesting to realize that 35 out of the top 50 companies in the Fortune 500 operate by servant leadership. Did you know that? Did you know that there’s company after company who uses servant leadership because they say that those who are working in corporations where those who are immediately over them don’t listen to them or empower them – people leave. They don’t want to work there. The reality is that we need to realize that somehow you don’t become a leader by being a bishop or priest or rector. You become a leader by being a follower of Christ, by being a disciple. That’s all that’s required. You learn the skills by practicing what it means to follow Christ. And 95% of the people can do that. And you learn to influence people by what you do more than by what you say. There are professors in universities who have written books on leadership but they don’t know how to lead. There are people who can talk eloquently about God but they don’t know God. That’s the issue.

Jesus used to get frustrated with the spiritual fat cats that knew all about God but didn't know God. He was fine with the homeless, the poor, with the outcasts, with the prostitutes. You can all talk about the gospel but unless we know that the Good news is in our hearts we're not going to impact anybody. Once we know we're all leaders for Christ we can't blame anybody else. There's no target on the bishop or the priest or anybody else. It's us. Jesus said, "You're the ones. You're the ones that carry out my word. You're my arms, my legs." The only thing that would stop you from being a leader is if you can't be in relationship with God and with others. There are many great managers, CEOs, who couldn't lead three people to a water cooler. It's not about being a manager. It's about being a leader.

We have lots of leaders here. I think everybody in this room is a leader in the Christian faith. I would like to say you don't need to be born with a leadership gene. God's already given it to you. This is my last, last, last, opportunity to preach to this whole community. I think the thing that I want to say last is that everything that I've been a part of in this diocese has been with others. There's nothing in the world that I've been able to do alone without you and without God, without your help and without walking with Christ. As I finish this convention – if we get through the resolutions this afternoon – I want you to know that what ever has happened in this diocese for good has happened because of you and because of the gifts that you have. We do live in a fractured world, in a fractured time, but we are ambassadors for Christ. We are called to heal the world, to heal the fractures, not to widen them.

I saw a movie recently and I shared it recently as I was at St. Barnabas, and I thought of it as I drove across a bridge and I looked over at what used to be the area where Jim Hodges lived. Some of you remember Jim. Many of you did not know him, but starting in the time of Bishop Stephen Bayne he came in the office and was there up through a number of years at the beginning of my episcopate. He started the Hodges Fund, which has helped us to build a lot of churches. He and his wife were dedicated as lay people to the mission of this diocese. I thought about Jim. Then I started thinking about other people that I had known along the way, some that are no longer with us. Like your father, Christy. Like Maggie Erskine, who I mentioned yesterday, and John Metzler. Bill Mutchler. All the names of people that you can think of in your hearts and minds. I thought about the movie that I had never seen and never caught onto. It's called *Places in the Heart*. Sally Field, now 60 years old, in that movie she played a woman who had lost her husband and he was murdered supposedly by a young African-American man. Out of prejudice he lost his life. She

lived on an impoverished farm during the depression. An African-American man came to her home while it was about to be taken away from her by the bank. She was desperately trying to hold on to it and he helped her to develop a crop of cotton. Others came and joined her and together they made a family. They were an odd group, but they just accomplished the impossible. During that time the African-American man became her friend, her brother, and he was hung in the barn by the KKK. Over and over again you saw the tragedies and injustice and then you saw them rise above it. Finally, at the end of the movie, there was a scene and in that scene they were in a Presbyterian church and they were receiving communion as you do in the Presbyterian church in little bottles of grape juice and little pieces of bread being passed around on a platter. As they went to from one person to another you saw the members of the KKK in the front row. You saw other people in the community. It went on and on until they came back to the place where Sally was sitting. At the beginning of the isle was the African-American man who had been hung and he received communion. Next to him was her husband, who had died, and he received communion and passed it on to her and she received communion and then she passed it on to the young man who had been accused of killing her husband. They were all there.

Over these years I've seen people come and go. There are probably a third of the people new to every convention. There are those who have died. There are those who have moved away. But they are all here because they are part of this body of Christ and they have places in my heart and in yours. Think of them. Think of the people that have been here that have been part of this convention. Think of the people that we will remember in the prayers and think of the people who have built this church and this great diocese and then think of the fact that, As Phil Smart said yesterday, they are the angels among us.

You know, all of us here are part of the body of Christ and as we pass the bread and the wine we open up the places in our hearts and let in Jesus Christ. He feeds us on the lakeshore. He feeds us when we say we love him and he asks us to feed others. I sometimes get impatient with the debates but I won't have to worry about that anymore. What I'm not impatient with is that fact that this is a community of Christ and that everybody regardless of their point of view is a child of God. God loves you. I love you. I'm so grateful for you. Jesus simply said, "Feed my sheep." You do it. You've been doing it. Continue to do it and do it in the name of the one who said, "I am with you until the end of time." And he is. Peace be with you. Amen.

Theological Reflection by the Rev. Will Hood, Convention Chaplain
96th Diocesan Convention -- Friday

My name is Will Hood and I'm from a foreign country called Texas. I happen to be living in another strange place called Louisiana.

First let me say how absolutely grateful I am to be here in the midst of your presence. I'm humbled by your grace and I'm absolutely overwhelmed by your faith and love.

When I first arrived in New Orleans in January – I'm a late comer to New Orleans, I got there after the storm – and Bishop Packard and Bishop Jenkins talked me into this work and said Will you need to come down here and I went. When I got there we interviewed and then I went through the process and I came to St. Paul's in Lakeview, which is where the 17th Street levee broke and the church was under initially 12-15 feet of water and then it went down to about 10 and then 8 and stayed there for three weeks. Eleven thousand homes were lost in my community alone and 70% of New Orleans infrastructure – housing – was lost. 70% beloved.

The city now is at a population of less than half of what it was. It's a struggle. When I got there, the stench of the city, you could start to smell when you hit Metairie And I'm not joking. It had that dank, mold, dead smell. It was grey. It was dark. There were no street lights. There were no traffic lights. Traffic in New Orleans is a challenge, but without traffic lights it's even crazier. The city at night was eerie. It was a decimated place with a hurting people lost a bit afraid and certainly overwhelmed.

When I got there I was confronted and they were passionate about, we've got to get back on the property Fr. Hood. We've got to get back on the

property. And I'm going, yeah, have you seen the building lately? I met with the vestry. I don't know how many times and the school board. I had a school and that infamous priest-in-charge job and we'd all meet together and I kept meeting the vestry and just beating them black and blue until they told me the facts. I said, give me the numbers. No we got to get back. No, give me the numbers. You ever work with a vestry and try to get numbers out of them? Yeah. I did not understand, I could not fully appreciate, why they were so passionate and hungry and hurting to get back to St. Paul's. They knew I was not a museum curator, I told them I did not come to Lakeview to restore a museum. You know that's another word for church sometimes. I don't do museums. They had beautiful stained glass, they had a beautiful structure. I saw pictures of it, it was gorgeous. I did not understand why there were so passionate, until I started to hang out.

New Orleans is an interesting community. It is a community where chain restaurants don't make it. It is a community where people meet at local restaurants and bars and places and they hang out and it's a conversation and it is not hurried. It is truly in many ways very French. People linger together and it is a community. Kind of a messed up community sometimes, but it is a community. With all its warts and all its great wonderment, New Orleans is a community and you just can't go in there like a franchise. It's a community. I didn't get it until I started worshiping with the folks for about two or three months. When every Sunday someone new would come back to the community or

someone would come visit from being cast out from among the nation. I lived with an exiled people. They would come home and they would hold each other, they would love each other and they were just grateful to be together. I'm not sure I completely understood that.

As the days rolled on into months I saw wounds start to heal because people would call each other by name – Mary, John. They would call each other by name and they would hug each others neck and somehow they knew that it was okay. It's not easy in a town where part of your nation has said why rebuild, why bring New Orleans back, it's just a dirty old town anyway. But isn't that what they said about Zacchaeus? Why truck with him, he's just a miserable old tax collector and there's no use there.

You see what I learned and what these people have taught me is that the reason they want to come back so bad is they need to hear their name. They need to know they are called by name and they are not forgotten. Isn't that what Jesus did to Zacchaeus? Come down from the tree. Can you imagine his amazement when he was called by name? Called out, not to be reprimanded like he usually was or judged or chastised, but loved.

The power of what you are doing with us, when Sally Carlson made that trip back in January I'd been there less than two weeks, I thought, Oh my God, another tourist, what am I going to do with this deacon from this foreign place called Seattle? I don't have time to entertain her. Doesn't she know I'm a busy man? Yes, she did. But she called me by name. She told us we weren't forgotten. And then she said how can I help? Not here's what

I'm going to do for you. Not I'm in charge and I'm here to help you poor little victims of Katrina. But, how can I help? How can I help you hear your name? How can I help you know that salvation has come to your house this day?

Your work standing with us is not unlike Jesus' work with Zacchaeus. It has been profoundly received by the folks of my congregation because they just want to be heard and they want to know that we have not been forgotten, that the salvation of God has come in the midst of the blighted place, where heartache and tragedy have existed,

where loss and grief have broken hearts. Because of your presence, you gifts of financial support, the prayer cards – do you know what those mean to my people? I put them in the bulletin on Sunday morning and they do not end up in the trash, they end up on refrigerators and desks.

You have and continue to call our names. To remind us in a profound and real way that salvation has come to us this day. That Jesus has not forgotten us. That grace and hope are real. That the gospel story lives on.

And it's shared without pretense, without requirement, in a graceful

and loving way. It was that kind of grace and love that transforms hearts. It is that kind of grace and love that gives my people the strength to meet the days ahead. It is that kind of love that transforms lives.

I am overwhelmed and I'm grateful beyond words I have to describe how incredibly important it is that you speak our names and how transforming and what a blessing it is to be in partnership with the love and hope and grace that seeks to transform all of our lives.

Amen.

Theological Reflection by the Rev. Will Hood, Convention Chaplain
96th Diocesan Convention -- Saturday

When was the last time you told your desperate story?
When was the last time you shared your desperate story?
Do you understand what I'm asking you?

I love that story about the woman who's at Jesus' feet. What an incredibly courageous and desperate woman she was. What an incredibly gracious God we have. You see, she brought her desperation before the Lord in a courageous fashion, less worried about the judgment and the shame and the heartache and her sin and the judgment of the Pharisees than she was desperate for the blessing and the grace of God. When was the last time, beloved, when was the last time you shared your desperate story?

You know I live in that crazy-making place New Orleans and you've seen us and you've been at the table, but I've heard you say over and over we admire your courage. Yeah. Is that another way of saying, are you really as nuts as you look? Beloved, you've got to understand something. I am the one who is blessed. Do you understand that? I live with a desperate people. I'm the congregation and I am blessed to live with a desperate people. You see, Katrina came through and wiped away a lot of pretense, a lot of arrogance, and a lot of church crazy making. I am blessed.

It was funny. When I first got there I had people who would say, "Oh father you're such a gift to us." And I go, "Really, do you really believe that." And they go, "Yes, really." And I go, "You know what, you're a gift to me.

And maybe if we treat each other as gifts we might have a pretty cool time here."

When was the last time you shared your desperate story. The world is yearning and groaning for a place where they can tell their desperate story and know their tears will be healed, that they will be picked up from the feet of Jesus and brought forward to a seat where they are not shamed or judged anymore but forgiven, and given the tools of a reconciled life. Isn't that what we are to be about as the church; a place for desperate people, a place to give a seat for a desperate person so that they can heal their desperate lives? That is the greatest gift I have been given as a clergy person in my entire career.

I've been bumping around this thing all my life, my dad was an Episcopal priest. You'd think I would have gotten enough therapy not to do this. I didn't. There are all sorts of psychotic reasons why I'm here, but I hope it's – you all caught that, didn't you? – but I hope I'm here because I have a desperate story. When I got to New Orleans and I started to interview for this job there is a woman who I will –this is a term of flattery and endearment for me, okay – she is a bankruptcy attorney in New Orleans, she's a tough broad. She looked me square in the eye and said, "Okay Will, what makes you think you can do this job." I'd just gotten back from Iraq, I'm still shell-shocked, I'm looking at a city that's been overcome, I said, "I don't know if I can do this job. I don't know that this job can be done." But I said, "Do you know how your church looked after the

storm? Do you remember when you walked in and you encountered the stench? Do you remember how the pews were turned upside down like Lincoln Logs after a child had poured them out on the floor? Do you remember that?" And tears started to well up in her eyes and she goes, "Yes, I do." I said, "Jan, my heart has looked like that. My life has looked like that. So you don't frighten me. I'm not afraid of you, so maybe, both of us who are so desperate for the love and knowledge and salvation of God, maybe we can just go see where it goes."

As a church, I believe we're called to be people who have and remember and understand how desperately we

need a savior. How desperate we need God. How desperate the world groans and cries out at three in the morning in a fetus position they cry out desperately for a savior, in tears.

I'm a blessed man. I'm a blessed man because I live with a desperate people in a desperate place. I'm a blessed man because I get to hear the stories and I get to hold the hands and I get to watch the tears and then I get to share the salvation of God. Beloved, I'm a blessed man, living with a blessed God in a desperate place. My hope for you is that you get to be a desperate people working with desperate people in a desperate place. Amen.

Section 3

Reports to the 2006 Convention

Clergy & Staff Transitions since Convention 2005 (06/A/10)

Canonical clergy

Kevin Pearson, St. Luke, Renton

Mary Petty Anderson, Emmanuel, Mercer Island

Vivian Hopkins, Church of the Good Shepherd, Federal Way

Clergy who have retired from full-time ministry (as recorded with the Church Pension Fund)

Norman Johns, St. Joseph-St. John, Steilacoom

Curt Zimmerman

Robert Rhodes, Good Shepherd, Vancouver

Clergy transferred to other dioceses

Katherine Sedwick to Minnesota

Michael Wyatt to Minnesota

Clergy licensed

Maria Jimenez-Mesenbring

David Mesenbring, St. Mark's Cathedral

Kate Wesch, St. John the Baptist, Seattle

Deacons ordained (transitional)

Marilyn Cornwell, Epiphany, Seattle

Vickie Dogaru, St. Luke, Vancouver

Sabeth Fitzgibbons, Trinity, Topsfield, Mass.

Janis Johnson, All Saints/Hope Lutheran, Heppner, Ore.

Helen McKee, St. Paul, Winchester, Virginia

Shana Price, St. Timothy, Danville, Calif.

Ann Saunderson, Christ Church, Puyallup

Priests ordained

Mary MacKenzie, Trinity Church, Everett

Travis Smith, Church of the Apostles (COTA), Seattle

Alan Gates, St. Paul, North Kingstown, RI

New to the Diocesan Staff

The Rev. Kate Wesch, interim receptionist until February 2007

Final Agenda (06/A/13)

"Celebrating the Love of Christ Today!"

96th Diocesan Convention

October 27-28, 2006

Convention Agenda

Friday, October 27, 2006

All Day	Registration (<i>Conference Center Lobby</i>)
7:30-9:30 am	Certification (<i>Conference Center Lobby</i>)
7:30 AM	Exhibits open (<i>Crystal Ballroom</i>)
7:30 AM	Orientation for new & returning attendees (<i>Mercer A</i>)
8:30-8:35 AM	Opening Business of Convention (<i>Emerald Ballroom</i>)
	• <i>Call to Order / Certification of Quorum /</i>
	<i>Declaration Convention Organized for Business</i>
8:35-9:05 AM	Morning Liturgy (<i>Emerald Ballroom</i>)
9:05-10:15 AM	Business of Convention (<i>Emerald Ballroom</i>)

	<ul style="list-style-type: none"> • <i>Head Table / Dispatch of Business / Privilege / Election of Secretary</i> • <i>Parliamentarian / Chancellor, Vice Chancellor / Convention Committees</i> • <i>Election of the Trial Court / Host Greetings</i> • <i>Total Common Ministry presentations / TCM Sharing / Resolution #1 /</i> • <i>ARTTF report on 2005 resolution and progress / Cathedral report</i> • <i>Nominations for diocesan offices / Introduction to voting / First ballot</i>
10:15–10:45 AM	Break – Exhibits open (<i>Crystal Ballroom</i>)
10:45-11:45 AM	Business of Convention (<i>Emerald Ballroom</i>) <ul style="list-style-type: none"> • <i>Gathering Music</i> • <i>Bishop's address</i> • <i>Noonday Prayers</i>
11:45 AM–1 PM	Lunch (<i>Pick-up pre-ordered lunches in the San Juan room</i>)
1–3 PM	Business of Convention <ul style="list-style-type: none"> • <i>Gathering Music / Report of the first ballot / Second ballot</i> • <i>Theological Reflection / Table Conversations</i> • <i>Bishop's Cross / Episcopal Relief & Development update</i> • <i>TCM Sharing / Resolution #4, #9, & #11</i>
3–3:30 PM	Break
3:30–5 PM	Business of Convention <ul style="list-style-type: none"> • <i>Gathering Music / Report of the second ballot / Third ballot</i> • <i>Constitution & Canons report / Bishop's Cross / Resolution #8</i> • <i>General Convention report / Resolution #5 & #6 / TCM Sharing</i> • <i>Evening Prayer</i>
6 PM	Social Hour (<i>Emerald Foyer, Crystal Ballroom</i>)
	Exhibits open (<i>Crystal Ballroom</i>)
7 PM	Convention Banquet (<i>Emerald Ballroom</i>)
	Saturday, October 28, 2006
8–9:30 AM	Certification of alternates (<i>Conference Center lobby</i>)
8–11 AM	Registration (<i>Conference Center lobby</i>)
8:30–10:30 AM	Business of Convention <ul style="list-style-type: none"> • <i>Call to order / Opening worship / Table Conversations</i> • <i>Resolution #2, #3 & #7 / Mission to Seafarers Presentation</i> • <i>Report of the third ballot / Fourth ballot</i> • <i>Bishop's Cross / TCM sharing</i> • <i>Treasurer's report / Action on the 2007 budget</i>
10:25–11 AM	Break
11 AM – 12:15 PM	Convention Eucharist <ul style="list-style-type: none"> • <i>The Rt. Rev. Vincent Warner, preaching & celebrant</i>
12:15–1:15 PM	Lunch (<i>Pick-up pre-ordered lunches in the San Juan room</i>)
1:15–3:15 PM	Business of Convention <ul style="list-style-type: none"> • <i>Gathering Music / Bishop's Cross</i> • <i>We Will Stand With You Presentation</i> • <i>Personnel Commission / Resolution #10 & #12</i> • <i>Bishop Search Committee report / TCM Sharing</i> • <i>Courtesy resolutions / Six-hour resolutions / Clergy & Staff Transitions</i> • <i>Recognition of youth presence, pages, volunteers & diocesan staff</i> • <i>Charge to convention & diocese / Final announcements</i>
3:15–3:30 PM	Closing Worship
3:30 PM	Adjournment

Postulants and Candidates for Holy Orders (06/A/17)

Candidates/sponsoring congregations (as of 10/16/06)

Paul Haggland, St. Elizabeth, Burien
Linda Potter, St. Columba, Kent

Kay Kessel-Hanna, St. Thomas, Medina

Postulants/sponsoring congregation (as of 10/16/06)

Rilla Barrett, St. James, Sedro-Woolley
Connie Carlson, St. Andrew, Seattle
David Culp, Holy Spirit, Vashon Island
Dent Davidson, St. Thomas, Medina
Mark Eddy, St. Dunstan, Shoreline
D'Arcy Figuration, St. Luke, Tacoma
Elizabeth Forbes, St. Peter, Seaview
Ron Harris-White, St. Clement, Seattle
June Johnson, St. Timothy, Chehalis
William Larson, St. Luke Memorial, Tacoma
James Lofstrand, St. Hilda-St. Patrick, Edmonds
Aileen Loranger, St. Thomas, Medina
Stephen McHale, St. Mark's Cathedral, Seattle
Anne Khin-Myatt Ni, St. Luke, Seattle
Elizabeth Rene, St. Mark's Cathedral, Seattle
Kyle Stillings, Christ Church, Seattle
Steve Tellari, St. James, Kent
Nan Waldie, St. Margaret, Bellevue

Charles Brock, St. Mark's Cathedral, Seattle
Leslie Carpenter, St. Margaret, Bellevue
John Daniels, St. Thomas, Medina
Arienne Davison, Christ Church, Seattle
Shelly Fayette, St. Mark's Cathedral, Seattle
Stephen Drew Foisie, St. Margaret, Bellevue
John Gallagher, Ascension, Seattle
Paula Harris-White, St. Clement, Seattle
Rebecca Kirkpatrick, St. Andrew, Seattle
Andrew Leech, Christ Church, Anacortes
Thirza (Terri) Lolcama, St. John, Olympia
Richard Marchand, Trinity, Seattle
Lucas Mix, St. George, Seattle
Johanna Padie, St. Margaret, Bellevue
Kunihoto Shirota, St. Peter, Seattle
Aune Strom, St. Thomas, Medina
Andrew Varyu, Church of the Apostles (COTA), Seattle
Jered Weber-Johnson, St. Luke, Renton

Added by Personal Privilege of Bishop Nedi Rivera:
Bonnie Campbell, Margaret Kaus and Joan Niemann

Nominations Committee Report to Convention (06/B/3)

Each candidate was asked to describe their congregation and/or diocesan positions held, pertinent experience, and goals or interests related to the office, in 100 words or less. Candidates were also asked to answer the following question in 50 words or less: A focus for our diocese is to "share our story and live our faith." How does your experience of God inform your daily life and ministry? Members of the Committee: *Mr. Tom Cashman*, St. Columba's Church, Kent; *Mrs. Jan Hanson*, St. Stephen's Church, Longview; *Ms. Hisako Beasley*, St. Mark's Cathedral, Seattle; and *Mr. Steve Tellari*, St. James' Church, Kent, chair.

Nominees At-A-Glance

Diocesan Council: Sally Farrell, Good Samaritan Church, Sammamish; Diane Stipp, St. Mark's Cathedral, Seattle. *Standing Committee:* Clerical: Mary Allen, St. Philip's Church, Marysville; Richard Buhner, St. Paul's Church, Seattle; Beverly Hosea, Church of Our Saviour, Monroe. Lay: George Robertson, St. Stephen's, Church, Seattle; Bob Simeone, St. Thomas Church, Medina. *Cathedral Vestry:* Sam Fleshman, St. Andrew's Church, Tacoma; Jeanette Blesener, Church of the Good Shepherd, Federal Way. *Secretary:* John Schaeffer. *Archivist & Records Manager:* Diane Wells. *Treasurer:* Steve Faust. *Historiographer:* Carle Griffin, St. George's Church, Seattle.

Diocesan Council

Between Diocesan Conventions, the Council oversees the budget and program goals of the Diocese, carrying out priorities adopted by Convention. Council develops a proposed budget to be approved by the next convention. Members assume and accept the role of public relations and goodwill toward individuals and congregations facilitating connectedness within the Diocese. Members accept assignments, work on task groups, and attend regional, committee and commission meetings as necessary. The Diocesan Council includes the bishop, bishop suffragan, ten (10) members (clergy or laypersons), which are elected from each of the ten regional ministries, up to six (6) members (clergy or laypersons) appointed by program commissions, and three (3) at-large members (clergy

or laypersons) elected by convention. *Members of the Diocesan Council who are either continuing or newly appointed/elected by program commissions and regional ministries include the following:* Be-Attitudes Regional Ministry, *the Rev. John Roddam*, St. Luke's Church, Seattle (2008); Columbia Regional Ministry, *Dr. Joan Oliver*, Church of the Good Shepherd, Vancouver, (2008); The Eastside Episcopal Churches, ***Mr. Peter Pitarys*, St. Thomas' Church, Medina, (2009); Evergreen Regional Ministry, *Mr. Gordon Baxter*, St. Matthew's Church, Auburn, (2008); Holy "C" Regional Ministry, ***Ms. Sandy McCloud*, St. Mark's Cathedral, Seattle, (2007); Mount Baker Regional Ministry, ***to be elected fall 2006*, (2009); Peninsula Regional Ministry, ***to be elected fall 2006*, (2009); Rainier Regional Ministry, *the Rev. Ed Sterling*, St. Andrew's, Tacoma, (2007); Sno-Isle Regional Ministry, ***Mr. Bob Wheeler*, Trinity Church, Everett, (2009); Willapa Regional Ministry, *Mr. Jim Campbell*, St. Mark's, Montesano, (2007); Commission for Church in the World, ***Dr. Chris Christensen*, St. Mark's Cathedral, Seattle, (2009); Commission for Congregations, *Mrs. Carolyn Forbes*, St. Philip's, Marysville, (2007); Commission for Ethnic Ministries, *the Rev. Anna Maria Korathu*, St. George's, Seattle, (2007); Commission for Evangelism, *the Rev. Armand Kreft*, Epiphany Parish of Seattle, (2007); Commission for Faith Formation, *Ms. Sally Young*, All Saints' Church, Seattle (2007); Commission for Stewardship/Planned Giving, *the Rev. Kim Forman*, Ascension, Seattle, (2007); Convention At-large: *the Rev. Richard Younge*, St. Clement's Church, Seattle (2008); *the Rev. Jeff Sells*, St. David of Wales Church, Shelton (2007). ***Newly appointed/elected or reelected.*

Ms. Sally Farrell. *Good Samaritan Church, Sammamish.* Sally has held congregation leadership positions in newcomers ministry, stewardship, prayer ministry, pastoral care, youth ministry, evangelism, faith formation, outreach, Bishop's Committee, women's ministry, regional leadership, adult education, and mission support. Diocesan activities include HYC, JYC, Cursillo, convention delegate and We Will Stand With You. Sally is a national consultant and trainer for the Robert Wood Johnson Foundation's Faith in Action programs and works in social justice for the National Council on Aging. *"EVERYTHING – from a life of abundance to guidance provided by Jesus' teaching – is a gift from God. Prayer and study, giving thanks for seeing life more clearly, and seeking His will, not mine, provide daily inspiration to decrease focus on self and live with Jesus-filtered eyes, ears, voice and heart."*

Ms. Diane Stipp. *St. Mark's Cathedral, Seattle.* Diane has over 30 years of active ministry in this diocese, including youth ministry as HYC staff and member of the Bishop's Committee on Youth Ministry. She served as a member and chair of the Social Action Commission, and member and chair of the Committee on Alcoholism and Substance Abuse. Diane also served as convenor and assistant convenor of the Be-attitudes Regional Ministry. She is a graduate of the Diocesan School of Ministry and Theology and currently teaches the Eucharistic Visitor course. She has served as a delegate and alternate to diocesan Convention for two different congregations. Diane works as a Social Worker. *"I am blessed to be in a profession where I can live out the baptismal covenant every day. The people I serve come from different religious and cultural backgrounds. I find myself helping those of different religious backgrounds find common ground. I see God in every one of them."*

Standing Committee

The Standing Committee serves as a council of advice for the bishop and becomes the diocesan "ecclesiastical authority" in the bishop's absence. It makes decisions about the sale, encumbrance or disposal of real property belonging to parishes of the Diocese. It interviews and makes recommendations to the bishop on candidates for Holy Orders, and the consent of the Standing Committee is required for ordination. The Standing Committee also gives or withholds consent to the election of bishops throughout the church and has judicial responsibilities in the case of clergy misconduct where the clergy or the complainant does not accept the adjudication of the bishop. *Continuing members of the Standing Committee include the following:* *The Rev. Cris Amburgey*, St. Andrew's Church, Tacoma (2007); *Ms. Evelyn "Evie" Beard*, Trinity Church Everett (2007); *the Rev. Steve Garratt*, Christ Church, Seattle (2008); *Mrs. Nancy Jacobs*, St. Margaret's Church, Bellevue (2008); *Ms. Mary Lyons*, St. Stephen's Church, Longview (2009); *the Rev. Jim Neal*, St. Hugh of Lincoln Church, Allyn (2009).

Mr. George Robertson. *St. Stephen's Church, Seattle.* George is a diocesan representative to the St. Mark's Cathedral vestry, where he is junior warden, chair of the Finance Committee, and member of St. Mark's Foundation Board. He served on the Commission for Congregations for five years, and as chair for two years. He is a delegate from St. Stephen's Church, Seattle. In the past, George served on the Department of Missions in the Diocese of El Camino Real, and the Department of Finance and the Department of Missions in the Diocese of California. George has served in various parishes as a vestry member, junior warden, treasurer, clerk, and delegate. He is a computer scientist. *"I believe God's abundant love will lead us to new life and new growth in the Diocese of Olympia. It is time to put aside models of scarcity and live the life of abundant love to which we are called by God."*

Mr. Robert Simeone. *St. Thomas' Church, Medina.* Bob has a background in congregational governance, fundraising, and representing the lay order at the parish, cathedral and diocesan levels. His current areas of interest are centered on legacy giving and financial issues. His 20 years as a real estate broker and work as the president of a mortgage company, combined with his real estate development experience, will allow him to contribute effectively when matters pertaining to real estate come before the Standing Committee. St. Thomas', Medina: convention delegate, 2004-5; Consignment Fair chair, 2004; fundraising co-chair, 2005-6; vestry, 2006; legacy society chair, 2005-6. St. Mark's Cathedral, Seattle: Triad representative of Children's and Youth Committee, 1996-7; junior warden, 1998-9; vestry, 1996-9; Dean Search Committee, 1998-9. *"God's wisdom is clearest when I am of service to others, especially my elders. My dearest visions of God's grace come during community service efforts such as Red Cross disaster*

relief work, volunteer work at my parish, and participation in bible study with parish elders."

The Rev. Mary Allen. *St. Philip's Church, Marysville.* Mary is the rector of St. Philip's Church in Marysville where she has served since 2004. In 20 years of ordained ministry she has served on the Diocesan Councils in Oregon and Olympia as well as the Standing Committee of the Diocese of Utah. She has also served as an alternate and deputy to General Convention three times. Most recently, Mary served a three-year term on the National Standing Committee for Episcopal Church Communications. She currently is on the diocesan Commission for Congregations, the CADO Board and is the diocesan representative for Episcopalians for Global Reconciliation. *"I am always conscious of the wonder of God's creation and the desire to share that wonder, abundance and joy in the communities in which I live and serve. I believe the Episcopal Church provides me the best community to support and build upon this ministry of reconciliation and justice."*

The Rev. Richard Buhrer. *St. Paul's Church, Seattle.* Richard came to the Episcopal Church in 1994 at St. Paul's parish. Previously, until about 1982, he had been involved in the Roman Church. Over the years at St. Paul's he was vestry clerk, a vestry member, head of the sacristans' guild, and a delegate to diocesan convention. In 2002, he was received as a deacon (having been ordained in the Roman Church). He served one year at St. George's parish in Lake City and three years at St. Paul's. He has been a member of the deacon formation team for four years. *"From the stories of God's love in Sunday school through ten years as a*

monk, then my wandering years until I was led to our Church, God's constant love and care for me amazed me. In our Church, the Prayer Book, the Bible and the Eucharist sustain me to serve."

The Rev. Beverly Hosea. *Church of Our Saviour, Monroe.* Beverly served on the Standing Committee, Diocese of Minnesota, during the resignation of the diocesan bishop, a diocesan wide visioning process, call process and election of a new diocesan bishop. In previous dioceses, she served on the Commission on Ministry, Diocesan Council, and as regional dean. Congregational ministry includes total common ministry projects in two dioceses, presenting nine candidates for ordination and many lay ministry candidates. Beverly came to this diocese in 2000 while on sabbatical for intensive meditation practice and in-depth scripture study that resulted in a meditational prayer ministry, the Community of the Lamb. She has made presentations of the Prayer of the Lamb in a number of congregations throughout the diocese. *"What I have learned from years of spiritual practice in meditation, scripture study, and the discipline of a rule of life as a Third Order Franciscan has brought me to a clearer, more profound appreciation for the discipleship process of Jesus described in the Gospels and at work through his Spirit in the Body of Christ today. Jesus challenges his disciples to take up the means to their own execution in following him so that true self-identity, baptismal identity can be realized. Out of that foundation comes healing, reconciliation, direction and purpose for effective, authentic service."*

Cathedral Vestry

Under the new Cathedral governance model, adopted by Convention in 2002, the membership of the Cathedral Vestry will now be comprised of representatives of the Diocese and the community in addition to the St. Mark's parish. The canons of the Diocese of Olympia state: "The vestry shall aid and support the rector to promote the spiritual welfare and the growth of the parish. The vestry shall transact the temporal affairs of the parish." [Canon 9, section 8] Behind this dry statement is the opportunity for service, spiritual growth, and ministry during a very dynamic time at the Cathedral. *Continuing members of the Cathedral Vestry include the following: Ms. Connie Espe, St. Margaret's Church, Bellevue (2007); and Mr. Miller Adams, Trinity Parish, Seattle (2008).*

Mr. Sam Fleshman. *St. Andrew's Church, Tacoma.* Sam is a life-long Episcopalian and a resident of this diocese since 1978. He retired from the Navy in 1979 (as Commander; warfare specialty: carrier anti-submarine warfare (pilot) and works as a lawyer. In this diocese he has served terms on the Standing Committee, Commission on Ministry, Diocesan Council (representing the Rainier Regional Ministry) and Convention Resolutions Committee (three years). Other activities include Marriage Encounter, Cursillo, EFM (several years ago), Start Up! Start Over! (last year, in Santa Fe), convention delegate, vestry: two terms with two rectors; senior warden under each, and is currently on the Transition Committee (for our new bishop). Significant contact with the Cathedral: represented the Diocesan Council during negotiation of the current process for diocesan financial support of the Cathedral. *"God has been a continuing presence in my life and all my life. I often have more questions than answers, and I often fall short (in varying degrees) with respect to what I want to be, but I have never doubted – and often experience – God's grace in my daily life and ministry."*

Ms. Jeanette Blesener. *Church of the Good Shepherd, Federal Way.* Jeanette and her husband, Dale, have attended Church of the Good Shepherd, Federal Way, since 2001 and are pledging members of record. Her service to Good Shepherd has included the Welcoming Committee, altar guild, flower arranger, Finance Committee, Personnel Committee, and bread baker for newcomers. She will conclude a term of three years on the vestry at the end of 2006. Jeanette is currently the senior warden; that term will expire at the same time. She is also a delegate to convention and a student at DSOMAT (Diocesan School of Ministry and Theology). *"My experience of God in daily life and ministry has come to light a number of times in 'sharing my story' with all of the church congregation at Good Shepherd and at adult education. I belong to two small group Bible studies that help to walk in Jesus' path. This is a great 'era' for our church and I want to contribute in any way I can."*

Secretary of the Diocese

The Secretary of the Diocese takes part in the planning, preparation and leadership of Convention. The secretary receives (through the assistant secretary) all resolutions, amendments, and official written business of Convention. The secretary is official signatory of Convention correspondence and is an officer of the Diocese. As an officer, the secretary serves on the Board of Directors. **The Rev. John Schaeffer.** John has served as Secretary of Convention since 1989 (a total of 18 conventions). He is a retired priest of the Diocese since 1994, but continues to serve as Secretary of Convention, secretary of the Board of Directors, and visitor on behalf of the bishop to retired clergy and spouses, as well as to clergy widows. He has been appointed by the Church Pension Fund to serve as

coordinator of the chaplains to retired clergy for Province VIII. He also serves on the diocesan Constitution and Canons Committee. *"A major challenge to the Episcopal Church is to continue to grow in numbers and at the same time to be inclusive yet affirming our unique identity. Over the past several years we have been divided over social and moral issues oftentimes resulting in a 'we' and 'they' attitude that fails to recognize our oneness in Christ. A unique quality of the Episcopal Church has been our ability to follow the Via Media, which allows us to live with tension while proclaiming our unity within the Body of Christ."*

Archivist and Records Manager

The archivist & records manager is the official custodian of diocesan records and is responsible for the direction and implementation of the archives and records management program of the Diocese of Olympia. **Ms. Diane T. Wells.** Diane Wells is completing her 12th term as Archivist and Records Manager. Her goal is to continually improve the physical care and usefulness of diocesan archives and provide archival and records management expertise to the congregations, ministries and institutions of the Diocese. Among other projects, Diane has recently completed an extensive revision of the Records Management Manual with particular emphasis on email and other electronic records. Among other projects is the preparation of vital documents for microfilming. She is active in professional organizations including the newly formed Episcopal Archives Network and is past chair of the Archivists of Religious Collections Section of the Society of American Archivists. She has Masters Degrees in history and library science and a certificate in records management. *"God has given us His Word and the amazing capacity for memory that we may know His Word and learn from our reflections and those of others. The focus of my entire ministry is on preserving those memories – on keeping our stories so that they may be shared – thereby providing the foundation of history from which to draw insight and strength in the daily living of our faith."*

Treasurer

The treasurer of the Diocese has responsibility for the assets of the Diocese, including investments, cash, and real property. The treasurer advises the bishop on financial matters and serves as an officer of the diocesan corporation. The position is accountable to the bishop and Diocesan Convention. The treasurer also serves as a member of the Board of Directors, the James F. Hodges Diocesan Investment Fund, the Budget and Finance Committee of Diocesan Council, the ERT (Early Response Team), and the Commission on Church Architecture. **Mr. Steve Faust:** Steve is completing his first term as diocesan treasurer. He has also served as treasurer of the Greater Seattle YMCA and the Church Council of Greater Seattle. Diocesan positions include chair of the Personnel Commission and member of a convention-mandated committee created to consider various Lambeth statements, which reported conclusions to Convention. He has also been a convention delegate on several occasions. Steve is a member of Epiphany Parish of Seattle and serves the parish as a licensed lay Eucharistic minister, chalice bearer and member of the worship committee. He is a life-long banker and currently an executive officer of a small bank in Seattle. *"I experience God in word and prayer and song. I endeavor to bring what I hope will be pleasing to God to my thinking and working time, my reflection time and my joyful time."*

Historiographer

The historiographer is responsible for creating, maintaining, and continuing a history of the Diocese, including its significant leadership and events. **Br. Carle Griffin, OCP, St. George's Church, Seattle:** Br. Carle work as Historiographer has been a journey of understanding and inspiration. He hopes to continue the important task of preserving our history and motivating others to make use of the historical resources. He has grown personally by serving in many parish roles, including lay eucharistic minister and stewardship chair, and by being a leader in the Community of the Paraclete. He received B.A. and M.A. degrees in history from the University of California, Berkeley, as well as an AAS degree in culinary arts from Seattle Central Community College. *"Having experienced the love that God pours out on everyone, I believe a critical step for every Christian is to choose to be a positive presence at home, at work, and in the community. This is my goal everyday."*

2006 Nominations Committee Report to Convention – Supplemental (06/B/4)

A second nomination for the position of historiographer was received prior to the canonical deadline, however due to a mailbox mix-up it was not included in the original report from the Nominations Committee. For ease of reference, both nominees are included on this page.

The Rev. Charles F. Schreiner. *St. John's Church, Gig Harbor.* The Rev. Charles F. Schreiner, Ph.D., historian, emeritus rector of St. John's, Gig Harbor, Wash., historiographer 1982-1994, author of *History of Bishops, Diocese of Olympia*, Valley Press, Puyallup, Wash., 1985; contributing historian in *More Than 100 Years of Ministry, Diocese of Olympia*, Seattle, Wash., 1998; *Christian Priesthood of Anglican Communion and Apostolicae Curae*, New York, American Church Publications, 1974, desires to be elected historiographer of our diocese again in order to write and publish the complete history of our bishops Robert H. Cochrane and Vincent W. Warner. "Nothing has been written or published on the history of our diocese since 1998 and for the past 34 years I have written a weekly column for the Peninsula Gateway newspaper in Gig Harbor, Wash." *"Share our ministry and live our faith' has been in my daily life and ministry in this diocese since 1972. I served on the Diocesan Council, alternate deputy of General Convention 1976, and for over 20 years have been chaplain of the United States Marine Corps Defense Group, Seattle, having served our nation in US Marine Corps Air 2nd and 3rd airwings during WWII in gliders, navigator, bombadeer. Graduated from Graduate School of History, Seattle, University 1971 and have been author of other writings on our church published 1975, 1976, 1977. On a personal note – two of my children deceased: Pam at age 17, car accident, and Cole, result of Vietnam in 1985. As a pastor I have been able to help and relate to others with similar sorrow in our diocese."*

2007 Recommended Diocesan Budget (06/C/2)

Dear Sisters and Brothers in Christ, The first draft of the 2007 budget was prepared by the Budget & Finance Committee of Diocesan Council, in conjunction with the Bishop's Office and the diocesan staff. After detailed review and updates during the Council retreat on May 12-13, that draft of the 2007 budget was presented to Convention representatives and the greater Diocese for consideration and response during June and July. Updates were made and the final draft was presented to Council for approval at its August 3rd meeting. This budget approved by Council budget is now being presented to the Convention for ratification.

The intent of the Council in building this budget is to maintain and improve the execution of all our present diocesan programs as we move toward the election of a new Bishop Diocesan during 2007. Within this intent there is the challenge of dealing with the assessment rate change to 18% (approved for 2007 at the 2005 Convention) from 20% for 2006. We believe we have been fiscally responsible providing a budget that meets our intent while also being a community of faith regarding the giving of all our congregations with their assessments for 2007.

An overall summary of the 2007 budget with a discussion of some key items that affected the budget this year can be found in Section 2 of this document (on the worksheet titled "Budget Summary" in the Excel document). General allocations by budget area can be found in Section 5 (worksheet titled "Expense Summary" in the Excel document). Charts for both Revenue (Section 4, worksheet "Revenue Chart") and Expenses (Section 6, worksheet "Expense Chart") are also included.

The budget detail (Section 7, worksheet "Expense Detail") includes items funded partially or fully from restricted revenues, salaries and benefits, and the recommended "pool" amounts for each program area. While these allocated funds are the current best thinking, it will be left to each commission and program area to determine the final allocation of funds in each area in 2007.

A narrative written by each of the program areas is included (Section 8, worksheet "Narrative"). The narrative is provided to further develop and explain the individual line items.

Answers to some questions asked during the recent regional meetings about the 2007 budget are provided in Section 9.

We encourage each person to prayerfully consider this budget, and to support its ratification at Convention.

Assessment rate: The assessment rate for 2007 will be 18% of NDI (as voted at the 2005 convention). While no further cuts in the assessment rate and no technical changes to the way that assessments are calculated are being initiated at this time, it is important to continue to work with congregations to deal with individual financial situations on a pastoral basis.

You Diocesan Council,

Gordon Baxter, Evergreen Regional Ministry; *Jim Campbell*, Willapa Regional Ministry (chair, Budget and Finance (B&F) Committee); *Chris Christensen*, Church in the World (B&F); *Carolyn Forbes*, Congregations; *Kim Forman*, Planned Giving/Stewardship; *Jayne Gott*, Peninsula Regional Ministry; *Charlie Hubbard*, Eastside Episcopal Churches; *Anna Maria Korathu*, Ethnic Ministries; *Armand Krefst*, Evangelism; *Andy Leech*, Mount Baker Regional Ministry; *Sandra McCloud*, Holy C Regional Ministry; *Larry Meyer*, St. Mark's Cathedral Rep (B&F); *Connie Moorehead*, At-Large 2006; *Joan Oliver*, Columbia Regional Ministry; *Cleveland Riley*, Sno-Isle Regional Ministry; *Bishop Nedi Rivera*; *John Roddam*, Be-Attitudes Regional Ministry; *Jeff Sells*, At-Large 2007; *Ed Sterling*, Rainier Regional Ministry; *Bishop Vincent Warner*; *Sally Young*, Faith Formation; *Richard Younge*, At-Large 2005.

2007 Budget Summary

Description	2007 Budget	2006 Budget	2005 Actual	2004 Actual
INCOME CATEGORIES:				
<i>Assessments (Net)</i>	\$3,278,389	\$3,274,160	\$3,230,476	\$3,068,443
<i>Assessment Rate (%)</i>	18%	20%	20%	20%
<i>Assessment Shortfall (%)</i>	11%	15%	15%	15%
<i>Other Categories</i>	\$1,315,474	\$1,222,591	\$1,273,176	\$1,369,465
Unrestricted Investments	\$93,010	\$80,508	\$93,448	\$92,826
Restricted Investments	\$421,814	\$392,535	\$423,854	\$432,475
Other	\$47,500	\$22,000	\$57,705	\$145,631
Fees/Tuitions/Reimbursements	\$753,150	\$727,548	\$698,169	\$698,533
TOTAL ALL REVENUE	\$4,593,863	\$4,496,751	\$4,503,652	\$4,437,908

CATEGORIES:

EXPENSE CATEGORIES:

<i>Supporting the Broader Church</i>	\$768,681	\$720,043	\$703,599	\$692,079
<i>Empowering Congregations</i>	\$1,494,191	\$1,641,569	\$1,586,052	\$1,552,506
Supporting Congregations	\$378,682	\$492,038	\$485,924	\$454,915
Evangelism and Growth	\$43,100	\$65,300	\$82,113	\$108,412
Faith Formation	\$281,358	\$300,103	\$267,690	\$282,288
Ethnic Ministries	\$170,163	\$173,239	\$163,486	\$168,236
Stewardship and Planned Giving	\$172,590	\$169,791	\$160,299	\$128,477
Communications	\$448,298	\$441,098	\$426,540	\$410,178
<i>Specialized Ministries/Church in the World</i>	\$46,000	\$45,915	\$44,012	\$70,648
<i>Canonical and Corporate Expenses</i>	\$1,357,689	\$1,202,490	\$1,153,985	\$1,149,771
<i>Trustee Commitments</i>	\$927,302	\$904,734	\$883,309	\$881,246
TOTAL ALL EXPENSE	\$4,593,863	\$4,514,751	\$4,370,957	\$4,346,250

CATEGORIES:

TOTAL SURPLUS/SHORTFALL:	\$0	-\$18,000	\$132,695	\$91,658
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This approved 2007 budget has income and expenses of \$4,593,863. The only change since the first draft was an increase in the assessment payments estimate of \$3,348, based on some more input from congregations sending in their NDI reports after the May Council retreat.

Income Highlights

The total income available for 2007 is projected to increase slightly from 2006, even though there was the assessment rate change to 18% for 2007 from 20% for 2006. Based on the 2005 NDI reports received from over 90% of the congregations (as of 7/27/2006) and used to calculate the 2007 assessments, the overall revenue base used for assessments has grown by about \$200,000 (compared on an equal % rate basis with the 2006 assessment projected income).

This results in the total expected assessment revenues now predicted to be \$3,278,389, an increase of just over \$4,000 from the 2006 total projected assessment revenues. The 2007 assessment revenues projection also assumes an 11% payment shortfall rate, somewhat less than the 15% rate used in the 2006 budget projection, which was also the actual shortfall rate in 2004 and 2005.

With projected increases in the Restricted, Unrestricted, and Other revenues areas of almost \$93,000, the total income projected for 2007 has an increase of about \$97,000 from the 2006 total projected income. [Note: There is an almost \$400,000 unrestricted fund balance "rainy day fund" that has grown in recent years available as a "backstop" against unexpected income shortfalls with this budget, and it is hoped by meeting this income projection above, this fund can instead be available for new ministry work as we all move forth in mission in the coming years.]

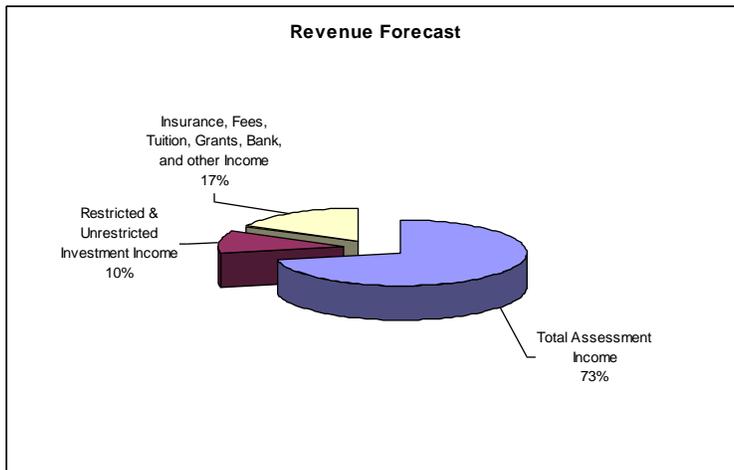
Expense Highlights

The total expenses arrived at for 2007 is an increase of about \$79,000 from the 2006 projected expenses. Key elements to note in these expenses are:

- 1) Salaries shown are the same as 2006, but there is a \$60,000 pool provided within the Compensation Reserves line item as a 4% average increase in salaries. Also, benefits were increased to allow for a 25% increase in medical costs (no increases for dental).
- 2) Funds in total in the "program" areas were reduced by an average of about 13% from the 2006 figures, but this was not uniformly distributed across all program areas. The funds provided for grants to congregations, mortgage grants and assessment relief for growth were reduced by \$112,000, but the latter two programs are being phased out, and the congregation grants funding and process is being reviewed with the goal of changing the intent of this program. The rest of the program areas' funds have been reduced by only about 3% on average.
- 3) The National Church apportionment has increased by almost \$50,000, a very large increase on top of an over \$31,000 increase for 2006. This item had been stable for several years prior to 2006.

Line/Reference	Description	2007 Budget	2006 Budget	2005 Actual	2004 Actual
1	Assessments	\$3,627,403	\$3,793,129		\$2,998,410

2	Less: 15% Non-Payment Shortfall--2006; 11%--2007	(399,014)	(568,969)		
3	Prior Years' Assessments	50,000	50,000	109,331	70,033
4	Total Assessment Income	\$3,278,389	\$3,274,160	\$3,230,476	\$3,068,443
5					
6	Unrestricted Investment Income				
7	Hodges	2,500	2,500	2,500	2,500
8	Henry	90,228	77,774	90,672	90,055
9	Thanksgiving	282	234	276	271
10	Total Unrestricted Income	\$93,010	\$80,508	\$93,448	\$92,826
11					
12	Restricted Investment Income				
13	Christiansen (line 135)	9,692	8,354	9,767	9,646
14	Clapp (line 68)	36,207	31,209	36,386	36,138
15	Clergy Emergency (line 89, 134)	15,103	13,018	15,177	15,073
16	College Work (line 94)	11,278	9,721	11,334	11,257
17	Episcopate Endow #1 (line 128, 129)	159,377	137,377	160,160	159,069
18	Episcopate Endowment #2 (line 129,130,136, 137.181)	70,395	75,678	70,740	81,830
19	Horn Fund (line 197)	36,400	35,212	39,851	40,774
20	Mission Ministry Fund (line 62)	29,108	29,126	28,898	27,705
21	Philips Fund (line 177)	15,883	18,258	19,010	18,673
22	Pruden Fund (clergy residency fund) (line 67)	785	677	789	784
23	St. Bernard's Chapel (line 212)	1,174	1,012	1,180	1,172
24	Theological Education (line 133)	30,412	26,214	30,562	30,354
25	Human Need Endowment (line 124)	6,000	6,679		
26	Total Restricted Income	\$421,814	\$392,535	\$423,854	\$432,475
27					
28	Other Income				
29	Bank and Other Income	20,000	4,000	22,707	3,629
30	Transfers and Grants			16,998	127,602
31	Prior Years' Carry Forward	7,500			
32	Insurance Administration (line 160, 164)	20,000	18,000	18,000	14,400
33	Total Other Income	\$47,500	\$22,000	\$57,705	\$145,631
34					
35	Fees, Tuitions, and Reimbursements				
36	Total Ministry			900	1,600
37	Huston Center Fees (line 196)	496,000	500,000	462,189	495,390
38	St. Andrew's House (line 200, 201)	155,000	121,000	138,248	126,963
39	Print Shop (line 118)	26,000	26,000	33,625	26,702
40	Printer 20% (Cathedral) (line 114)	12,050	11,548	10,000	10,000
41	DSOMAT Reserve/Carryover		20,500		
42	DSOMAT School Expenses (line 94)	10,100	7,500	11,145	8,880
43	Youth Events (line 94)	31,500	33,000	31,790	21,498
44	Grant and DIF Administration (line 158, 159)	13,000	8,000	10,272	7,500
45	New Voice Campaign (line 116)	9,500			
46	Total Fees, Tuitions, etc.	\$753,150	\$727,548	\$698,169	\$698,533
47					
48	Total Revenues Available :	\$4,593,863	\$4,496,751	\$4,503,652	\$4,437,908



Revenue Forecast

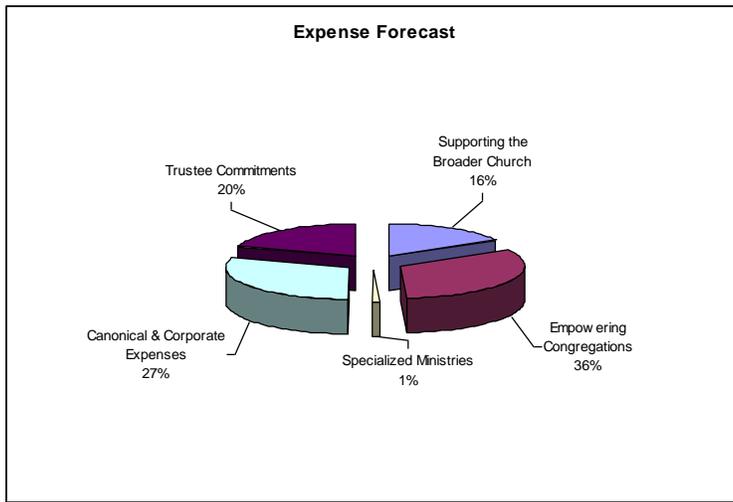
Total Assessment Income	\$3,278,389
Restricted & Unrestricted Investment Income	\$514,824
Insurance, Fees, Tuition, Grants, Bank, & Other Income	\$800,650
	\$4,593,863

2007 Budget Expense Summary

1. <i>Supporting the Broader Church (Wider Church Covenants)</i>	\$768,681
Support for the National Church, Province VIII, the Washington Association of Churches, Ecumenical work and St. Mark's Cathedral.	
2. <i>Empowering Congregations (Programs for Ministry)</i>	\$1,494,191
Focusing on Supporting Congregations, Evangelism and Growth, Faith Formation and Ethnic Ministries, under-girded by Stewardship, Planned Giving and Communications.	
3. <i>Specialized Ministries</i>	\$46,000
Supporting education and assistance in the areas of Alcohol and Substance Abuse, Walk in Love, Justice and Peace in Israel/ Palestine, the Mission to Seafarers, St. James Family Center, Refugee Resettlement, the Committee for the Environment, the Jubilee Network and the Commission for the Church in the World.	
4. <i>Canonical & Corporate Expenses</i>	\$1,357,689
Supporting the Bishop and his office; the Bishop Suffragan, Canon to the Ordinary, and Canon for Congregation Development, and their offices; the Treasurer's office; Archives; all Governance functions (Convention, Diocesan Council, the Standing Committee, the Board of Directors, etc.); the Liturgy and Arts Commission; Insurances; and Benefits.	
5. <i>Our Trustee Commitments</i>	\$927,302
Huston Center, St. Andrew's House, Diocesan House and St. Bernard's Chapel. (Over \$650,000 of this is supported by revenues generated by Huston Center and St. Andrew's House. The balance is the annual cost of operating and staffing diocesan house (receptionist and custodian).	
Total of all expense categories	\$4,593,863

Expense Forecast

1. Supporting the Broader Church (Wider Church Covenants)	\$768,681
2. Empowering Congregations (Programs for Ministry)	\$1,494,191
3. Specialized Ministries	\$46,000
4. Canonical & Corporate Expenses	\$1,357,689
5. Our Trustee Commitments	\$927,302
Total of all expense categories	\$4,593,863



Line	Description	2007 Budget	2006 Budget	2005 Actual	2004 Actual
49	Supporting the Broader Church				
50	Wider Church Covenants				
51	Nat'l Church Apportionment	624,353	575,215	544,271	547,258
52	St. Mark's Cathedral Partnership	100,000	100,000	100,000	100,000
53	Province VIII Assessment	23,328	23,328	23,328	23,328
54	WA Assoc of Churches	20,000	20,000	35,000	20,000
55	Ecumenical and Interfaith	1,000	1,500	1,000	1,493
56	Total Supporting the Broader Church	\$768,681	\$720,043	\$703,599	\$692,079
57	Empowering Congregations				
58	Program for Ministry				
59	• Supporting Congregations				
60	Canon for Cong. Dev. (previously Line 76)	71,820	71,820	66,135	38,750
				included	included
61	Total Benefits for above position	28,077	25,415	above	above
62	Line 20 Grants to Congregations	190,000	250,000	250,000	276,000
63	Mortgage Grants	8,000	35,000	35,000	34,000
64	Assessment Relief for Growth	10,000	35,000		
65	Support for Congregations --	44,500	45,000	105,246	77,508
66	[Includes: C4C, CSC, Leadership & Training, Warden's conference, Komo Kulshan Missioner (phased out in 2006), Demographic Data, Abuse/Misconduct Training, Congregations in Conflict, Misconduct Case Manager, Misconduct Settlement, Office General]				
67	Line 22 Clergy Residency **	785	677	645	952
68	Line 14 Bond Support Grant **	25,500	29,126	28,898	27,705
69	Subtotal	\$378,682	\$492,038	\$485,924	\$454,915
70	• Evangelism and Growth				
71	Evangelism Program --	43,100	45,300	57,113	75,690
70	• Evangelism and Growth				
71	Evangelism Program --	43,100	45,300	57,113	75,690
72	[Includes: Evangelism training, TV Eucharist, Yellow Pages Ads, Church of the Apostles (COTA)]				
73	Line 14 Land Purchase Reserve **		20,000	25,000	32,722
74	Subtotal	\$43,100	\$65,300	\$82,113	\$108,412
75	• Faith Formation				
76	Mutual Missioner Salary (moved to line 60)				
77	Youth & Young Adult Missioner	57,000	57,000	44,642	47,135
78	Resource Center Director (50% FTE)	17,500	17,500	14,488	42,570
79	DSOMAT Director (50% FTE)	17,500	17,500	14,488	17,602
80	Project Manager (formerly Admin. Asst., 75% FTE)	28,000	28,000	23,451	

81		Total Benefits for Above Salaries	43,333	39,360	36,631	55,827
		2007 Program (Not Fee-Based)	26,425	26,725	37,742	31,662
83		<i>[Includes: Resource Center, Education for Ministry (EFM) Contract, Program General, Young Adult Training, Convention (Youth Presence & pages), Children's Curriculum/Consultation]</i>				
89	Line 15	Pastoral Care/Clergy **		3,018	2,413	3,029
94	Line 16	College Work/UW *	50,000	50,000	50,000	52,485
	Lines 42, 43	Fee Paid Programs	41,600	61,000	43,835	31,978
		<i>[Includes: DSOMAT class expenses, HYC, JYC, Provincial/National Events, Training, Six Day]</i>				
95		Subtotal	\$281,358	\$300,103	\$267,690	\$282,288
96		• Ethnic Ministries				
97		Ethnic Missioner Salary	65,000	65,000	51,030	66,093
						included
98		Total Benefits	19,763	18,380	17,565	above
99		Ethnic Ministries Program --	85,400	89,859	94,891	102,143
100		<i>[Includes: Ethnic Ministry Commission, HFJ Cambodian Ministry, Chinese Ministry, Hispanic Ministry, First Nations Ministry, African American Ministry, Sudanese Ministry, Anti-Racism Training, and General]</i>				
101		Subtotal	\$170,163	\$173,239	\$163,486	\$168,236
102		• Stewardship and Planned Giving				
103		Director Salary	76,000	76,000	72,072	92,044
104		Administrative Assistant (50% FTE)	20,000	20,000	14,192	included
105		Total Benefits for above positions	40,826	36,292	35,420	above
106		S & PG Program --	35,764	37,499	38,615	36,433
107		<i>[Includes: Program General, Stewardship Education, Planned Giving]</i>				
108		Subtotal	\$172,590	\$169,791	\$160,299	\$128,477
109		• Communications				
110		Director Salary	71,000	71,000	91,663	65,122
		Graphic Design (Comm.				
111		Coordinator) Salary	44,000	44,000	55,908	38,925
112		Webmaster/IT Salary	50,000	50,000	61,374	45,450
113		Communications Assistant Salary	15,200	15,200	14,598	
114	Line 40	Printer Salary *	42,000	42,000	55,706	44,602
						included
115		Total Benefits for Above Salaries	82,898	75,701	above	58,879
		Communications-Fee Paid	9,500			
116		Communications Program -- *	107,700	117,197	125,000	136,865
117		<i>[Includes: Program General, The VOICE, Collateral materials, Photo library, Consultations, Video project, FYI, Directory]</i>				
118	Line 39	Print Shop **	26,000	26,000	22,291	20,335
119		Subtotal	\$448,298	\$441,098	\$426,540	\$410,178
120		Total Empowering Congregations	\$1,494,191	\$1,641,569	\$1,586,052	\$1,552,506
121		Specialized Ministries/Church in the World				
122		Church in the World Program --	40,000	39,236	39,236	46,645
		<i>[Includes: Committee on Cultural and Racial Unity, Committee on Alcohol & Substance Abuse, Walk in Love, Justice and Peace in Palestine/Israel, Jubilee Network, Refugee Resettlement, St. James Family Center, Sts. Martha & Mary, Mission to Seafarers, Vancouver Waterfront, Committee for the Environment, Church in the World grants]</i>				
123						
124	Line 25	Emergency Assistance Grants **	6,000	6,679	4,776	24,003
125		Total Specialized Ministries	\$46,000	\$45,915	\$44,012	\$70,648
126		Canonical and Corporate Expenses				
127		• Diocesan Bishop's Office				
128	Line 17	The Bishop's Salary **	157,000	157,000	131,362	176,259

						included
129	Line 17, 18	Total Benefits **	49,069	45,392	45,340	above
130	Line 18	Bishop's Office Program* --	55,000	56,000	57,121	53,067
131		<i>[Includes: Standing Committee, Care for Retired Clergy, Diaconal Presence, Episcopal Assistance, Office General]</i>				
133	Line 24	Theological Education **	30,412	21,214	26,381	15,740
134	Line 15	Clergy Emergency Grants **	15,103	10,000	1,200	11,962
135	Line 13	Christiansen Grants **	9,692	8,354	7,966	10,152
136	Line 18	Lambeth Conference Reserve **	4,000	2,000	2,000	2,000
137	Line 18	Consecration Reserve **	25,000	1,600	1,600	1,474
138		Subtotal	\$345,276	\$301,560	\$272,970	\$270,654
139		• Bishop Suffragan's Office				
140		Bishop Suffragan's Salary	94,000	94,000	87,550	
141		Total Benefits	30,456	28,115	26,846	
142		Bishop Suffragan Program --	43,300	45,500	36,152	9,482
143		<i>[Includes: Commission on Ministry, Ministry Discernment, Office General]</i>				
144		Search, Election, Consecration, Relocation			11,853	72,296
145		Subtotal	\$167,756	\$167,615	\$162,401	\$81,778
146						
147		• Assisting Bishop's Office				
		Assisting Bishop, Office General, Admin.				
148		Asst.				41,423
149		Subtotal	\$0	\$0	\$0	\$41,423
150		• Canon to the Ordinary's Office				
151		Canon to the Ordinary Salary	91,000	91,000	84,641	101,577
152		Total Benefits	23,451	22,014	21,487	above
153		Canon to the Ordinary Program --	14,300	15,000	17,276	18,990
154		<i>[Includes: Office General, Consultant Training (TACS)]</i>				
155		Subtotal	\$128,751	\$128,014	\$123,404	\$120,567
156		• Treasurer's Office				
157						
158	Line 44	Comptroller Salary *	67,000	67,000	64,175	60,000
159	Line 44	Accountant Salary *	45,000	45,000	40,852	41,226
160	Line 32	Accounting Assistant Salary *	18,600	18,600	12,844	12,763
161		Total Benefits for Above Salaries	43,928	40,242	44,127	53,695
162		Treasurer's Office Program --	15,000	11,853	17,163	17,650
163		<i>[Includes: Treasurer General, Comptroller General]</i>				
164	Line 32	Insurance General **	2,000	2,500	2,650	2,650
165		Subtotal	\$191,528	\$185,195	\$181,811	\$187,984
166		• Archives				
167		Archivist Salary	24,000	24,000	21,541	37,394
168		Total Benefits	19,270	16,478	17,907	above
169		Archives Program --	9,000	9,397	10,123	10,065
170		<i>[Includes: Office General, Historiographer]</i>				
171		Subtotal	\$52,270	\$49,875	\$49,571	\$47,459
172		• Diocesan Governance				
173		Governance Coordinators Salary (60% FTE)	26,000	26,000	24,673	34,007
174		Total Benefits	12,516	11,133	10,849	above
		Governance-Legal, Audit	51,000	41,500	35,882	14,801
175		Governance Program --	42,500	44,675	29,319	44,707

176		<i>[Includes: Convention, Diocesan Council, Pre-Convention Meetings, Board of Directors, Regional Ministry Programs, Governance General, Other Commission Expenses, Liturgy & Arts Commission, Architecture Commission, Personnel Commission, Ministry Resource Day]</i>				
177	Line 21	Board Rep '06 *	24,000	24,000	52,671	50,630
178		Subtotal	\$156,016	\$147,308	\$153,394	\$144,145
179		• Other Governance Program --	21,008	11,636	15,081	8,683
180		<i>[Includes: Journal of Convention, C&C, General Convention Reserve]</i>				
181	Line 18	Cathedral Dean Search Reserve **	2,500	2,500	2,500	2,500
182		Subtotal	\$23,508	\$14,136	\$17,581	\$11,183
183		• Support Staff Resources 2.0 FTE				
184		Total Salaries & Benefits * #	118,084	112,212	88,144	163,311
185		Subtotal	\$118,084	\$112,212	\$88,144	\$163,311
186		• Property and Liability Insurance				
187		Property/Liability Insurance Premium	57,500	48,000	40,491	37,293
188		Subtotal	\$57,500	\$48,000	\$40,491	\$37,293
189		• Benefits				
190		Compensation/Benefits Reserves	75,000	3,575	26,004	7,473
191		Medicare Supplement	42,000	45,000	38,214	36,501
192		Subtotal	\$117,000	\$48,575	\$64,218	\$43,974
193		Total Canonical/Corporate Expenses	\$1,357,689	\$1,202,490	\$1,153,985	\$1,149,771
194		Trustee Commitments				
195		• Huston Center				
196	Line 37	Operations **	496,000	500,000	471,237	493,152
197	Line 19	Horn Projects **	36,400	35,212	40,022	27,778
198		Subtotal	\$532,400	\$535,212	\$511,259	\$520,930
199		• St. Andrew's House				
200	Line 38	Operations **	150,000	102,000	177,862	132,377
201	Line 38	Bayne Cottage **	5,000	19,000		1,443
202		Subsidy	32,800	40,000		40,000
203		Subtotal	\$187,800	\$161,000	\$177,862	\$173,820
204		• Diocesan House				
205		Receptionist Salary	35,200	35,200	36,020	34,115
206		Custodian Salary	33,000	33,000	30,922	29,073
207		Total Benefits for Above Salaries	42,228	37,110	34,156	28,354
208		Casual Labor		3,200	1,326	1,083
209		Diocesan House General	29,000	29,000	28,863	27,167
210		Plant Services General	66,500	70,000	61,374	65,177
211		Subtotal	\$205,928	\$207,510	\$192,661	\$184,969
212	Line 23	• St. Bernard's Chapel **	1,174	1,012	1,527	1,527
213		Subtotal	\$1,174	\$1,012	\$1,527	\$1,527
214		Total Trustee Commitments	\$927,302	\$904,734	\$883,309	\$881,246
215		TOTAL ALL EXPENSE CATEGORIES:	\$4,593,863	\$4,514,751	\$4,370,957	\$4,346,250
216		Total All Revenues (Assuming 15% Shortfall--2006; 11%--2007)	\$4,593,863	\$4,496,751	\$4,503,652	\$4,437,908
217		Results	\$0	-\$18,000	\$132,695	\$91,658

2007 Budget Narrative

Income

Assessments (line 1-4)

Assessments are based on the net disposable income reported annually by congregations. The rate of assessment is set each year by the Diocesan Convention for the second succeeding year (i.e., the 2005 Convention will set the 2007 rate). Payment of the assessment is mandatory for a congregation to stay in union with Convention (that is, to continue to function as a part of the Episcopal Church). Of the total, 11% in 2007 is budgeted as a reserve to allow for those congregations that do not meet their obligations. Assessment relief is determined by Diocesan Council upon recommendation by the Early Response Team (ERT) of Council. Assessment relief for growth appears as an expense (line 64).

Unrestricted Investment Income (line 6-10)

Unrestricted income from endowment funds is available for general operating expenses.

Restricted Investment Income (line 12-26)

Restricted income is designated for specific purposes as follows:

Christiansen - educational and religious uses within the city of Seattle (line 135).

Clapp - bond support (line 68)

Clergy Emergency - pastoral care of clergy (line 89) and clergy emergency grants (line 134).

College Work - University of Washington Canterbury Ministry (line 94).

Episcopate Endowment #1 - support of the Office of the Bishop (line 128, 129).

Episcopate Endowment #2 - Bishop Search (line 137) and Dean Search (line 181), 10% for new program, balance for other programs and reserves (129, 130, and 136).

Horn Fund - capital improvements and maintenance at Huston Center (line 197).

Mission Ministry Fund - supports Church of the Holy Spirit, Battle Ground, through a mission ministry grant (line 62).

Philips - supports the Board Rep. (line 177).

Pruden - clergy residency program (line 67).

St. Bernard's Chapel - supports the chapel at Snoqualmie Pass (line 212).

Theological Education - education grants for clergy and lay leadership (line 133)

Human Needs Endowment - provides emergency assistance grants in the area of the church in the world and specialized ministries (line 124).

Other Income (line 28-33) & **Fees, Tuition and Reimbursements** (line 35-45)

Income is received from camp and conference participants, print shop revenue and Cathedral use of the print shop. In addition, the Accounting Office generates fees for administration of grants, insurance and the Diocesan Investment Fund (DIF).

Expenses

Wider Church Covenants (line 50-56)

Wider Church Covenants include support for shared ministry through the asking for the *National Church* (based on a formula approved by the triennial General Convention of the Episcopal Church), support for *Province VIII* (one of nine provinces in the Episcopal Church USA consisting of the dioceses of Alaska, Arizona, California, Eastern Oregon, El Camino Real, Hawaii, Idaho, Los Angeles, Nevada, Northern California, Olympia, Oregon, San Diego, San Joaquin, Spokane, Taiwan, Utah and the Navajoland Area Mission), the *Washington Association of Churches* (our faith-based state public policy education and advocacy network), *St. Mark's Cathedral* and *ecumenical work* in western Washington.

Supporting Congregations (line 59-69)

Congregations and the support of ministry through people, dollars and resources is the primary goal of the *Commission for Congregations* (C4C), *Canon for Congregation Development* (the Rev. Joan Anthony), and the *Canon to the Ordinary* (Dr. Betsy Greenman). Work with congregations through the commission includes three dollar-support programs: *Operating Grants*, *Mortgage Grants* and *Assessment Relief for Growth* grants. Applications are received annually for operating and mortgage grants. Assessment relief for growth grants is a program that is being phased out -- the basis was originally a percentage of unrestricted income when assessment payments exceeded budgeted shortfall, which is no longer a reality. Operating and mortgage grants are recommended annually to Diocesan Council, with the criteria being growth and support of developing communities of ethnic ministry. *Support for Congregation Programs* line includes several components as listed.

Evangelism and Growth (line 70-74)

The purpose of the Commission for Evangelism is to equip the congregations of the diocese to share the good news of Jesus Christ with others, and to remain accountable to God and the diocese. The commission offers training to congregations in the essentials for sharing the good news, including: inviting, welcoming, engaging/incorporating newcomers, sharing our faith journey and telling our story. Financial assistance is made available to congregations to attend Start Up! Start Over! and Upward Bound, national conferences on congregation growth. Bring A Friend (BAF) to church is a major initiative sponsored by the commission.

The commission provides \$15,000 in salary support to the Lutheran Pastor of Church of the Apostles (COTA), a joint Lutheran/Episcopal postmodern mission, emerging church in Fremont in Seattle. The commission offered training to over 300 individuals this past year. The Sunday morning televised Eucharist, broadcast at 5 a.m. on cable, KONG-TV, is a long-standing program of the Commission, reaching 4500 viewers each week.

Faith Formation (line 75-95)

The Faith Formation program offers training, education, consultation and resources for congregations with specific programs for children, youth and young adults and, through DSOMAT, programs for adults. This office provides staff support for the Commission for Faith Formation, the Diocesan School of Ministry and Theology (DSOMAT), diocesan Young Adult, High School and Junior High Conferences and Children's Ministry as well as consultation and resources for all major ministries.

This budget area supports two *Junior High Youth Conferences (JYC's)* and three *High School Youth Conferences (HYC's)* as well as a week-long *High School Conference (6-Day)*. Over 150 volunteers assist in these events. The Junior and Senior High conferences are hosted by congregations around the diocese. 6-Day is held at our own Huston Camp and Conference Center. *Young adult weekend retreats* with themes focusing on discernment and on leading a Christian life are also offered. *Training events* for children, youth leaders and teachers are another aspect of this ministry.

The *Diocesan School of Ministry and Theology (DSOMAT)* and the *Resource Center* provide programs and resources for the education, training and equipping of adults in this diocese through DSOMAT, Education for Ministry (EFM), Clergy Days and other programs. Training is designed and coordinated for liturgical, pastoral and a variety of other ministries to strengthen congregational life throughout the diocese. The funding for the *Diocesan Resource Center* and the work of the *Ministry Resource Coordinator* makes available religious educational material, Episcopal Church materials and audio-visual resource materials to both clergy and laity as well as providing theological materials for DSOMAT. The Earth Ministry collection is also housed in this center. Ninety-five percent of our congregations have been consistently served by the Resource Center. The Ministry Resource Coordinator provides networks for sharing people resources and gifts between congregations and regions in the diocese. Consultations are offered on-site or at the Resource Center for curriculum, resource selection and program development for all ages.

Total Common Ministry program is connected to the work of the Rev. Canon Joan Anthony in congregations where ministry of the baptized teams are studying. *Clergy Days* and *Pastoral Care of Clergy* are budget items used to support time when clergy are called together through the bishop's office and also to assist in some clergy emergency work.

Ethnic Ministries (line 96-101)

The *Commission for Ethnic Ministries* and the *Ethnic Missioner* support, empower and develop ethnic ministries in the Diocese of Olympia. The commission's mission is to promote the health and development of a culturally and ethnically diverse diocese. The *missioner* coordinates multi-cultural workshops and the discernment weekend for people of color. The *Cambodian Ministry*, Holy Family of Jesus Church, Tacoma, provides spiritual nourishment, supports a rapidly growing youth ministry and addresses the social needs of the surrounding community. The *Chinese Ministry*, Holy Apostles, Bellevue, provides numerous ministries within the congregation and the greater Chinese community. The *Hispanic Ministry* supports current Hispanic ministries, provides start-up funding and sponsors diocesan-wide seminars. The *First Nations Ministry* provides a link between Native American communities and the 102 congregations with the celebration of Enmegahbowh, David Pendleton Oakerhater and other activities.

The *African American Ministry* brings African Americans together to celebrate their rich heritage and to establish bridges of understanding with the larger community. The *Sudanese Ministry* addresses the spiritual needs of this community. The *Anti-Racism Training Ministry* has provided anti-racism seminars to many individuals throughout the diocese (especially more with leadership over the past year--Diocesan Council, Bishops and Staff).

Stewardship and Planned Giving (line 102-108)

The Planned Giving & Stewardship office provides congregations with resources and training to develop the ministry of legacy giving as well as support for annual campaigns and development of a theology of giving in gratitude for all that God has given to us. The office staffs campaigns such as the Student Scholarship Committee and other diocesan wide special appeals such as the We Will Stand With You campaign to support St. Paul's, New Orleans. The Episcopal Charities Appeal committee falls under the commission's work and the ECA chair is a member of the commission. Staff oversee marketing, accounting and distribution of these funds. ECA distributed \$100,000 in 2006 to 28 ministries in western Washington, all with Episcopal connections.

The Bishop's Society, started in 1993, recognizes anyone who has remembered the church or any Episcopal ministry in their estate plans. It has grown to 1050 individuals and is the largest diocesan recognition society in ECUSA. Staff includes the Bishop's Deputy for Planned Giving/Stewardship and a half time administrative assistant.

Communications (line 109-119)

The Office of Communications continues to pursue its three goals in support of the ministry of the Diocese of Olympia: 1) provide support to congregations and ministries of the Diocese of Olympia through communication tools, strategies, and consultation to strengthen communication skills throughout the diocese; 2) maintain a public relations system for the Office of the Bishop for both internal and external audiences and offer advice to congregations and ministries in the areas of public relations; and 3) maintain excellent performance standards for all communication tools. These tools include the *Episcopal Voice*, the diocesan website, the *FYI*, a monthly leadership newsletter, and *Across the Diocese*, a weekly informational electronic newsletter.

The office also hosts and organizes the annual Church Communicators Conference and provides grant funding and consultation to congregations working in the area of communications ministry.

Specialized Ministries/Church in the World (line 121-125)

The work of these ministries of justice and mercy are coordinated and funded by the Commission for the Church in the World. Funds are used in support of committees of the diocese, e.g., the Bishop's Committee for Justice and Peace in Israel/Palestine, the Committee for the Environment, etc., as well as for affiliated programs such as the Mission to Seafarers and the Chapel of Sts. Martha and Mary in the Pike Market. Limited funds are also made available for new initiatives and emergency responses to human need.

Diocesan Bishop's Office (line 127-138)

The budget for the Office of the Bishop funds the day-to-day expenses associated with that ministry. The *Standing Committee* serves as a counsel of advice to the bishop as described in national and diocesan canons. *Pastoral Care of Retired Clergy* funds the Chaplains to the retired clergy, spouses and widows, remembrances at times of illness and celebration, and gatherings of retired clergy. *Diaconal Presence* reimburses travel expenses of the deacon who accompany our bishop on visitations. *Episcopal Assistance* pays the honorarium and travel expenses on those occasions when the Diocesan Bishop invites another bishop to function for a particular reason on his behalf. The *Office of the Bishop* administers three endowment (restricted) funds: *theological education* grants for clergy and lay leadership; *clergy emergency* grants; and the *Christiansen Fund*, which is restricted in use to educational and religious purposes within the City of Seattle.

Bishop Suffragan's Office (line 139-145)

The budget for the Office of the Bishop Suffragan funds the day-to-day expenses associated with this ministry. The *Commission on Ministry* is organized to carry out the responsibilities as described in the canons. *Ministry discernment* expenses relate directly to persons seeking ordination -- from the time of their initial nomination by a congregation through ordination. Prior to Bishop Rivera's consecration, Commission on Ministry and ministry discernment expenses were in the Diocesan Bishop's section of the budget.

Canon to the Ordinary's Office (line 150-155)

Canon to the Ordinary (Dr. Betsy Greenman) is the staff person who, with the Bishop Diocesan, works with clergy and congregations in transition, as well as with congregations when there are times of conflict and/or issues of misconduct. Canon Greenman provides staff support for the Personnel Commission, the Committee on Constitution and Canons and the Commission for Congregations. She is the Bishop Diocesan's representative on the St. Mark's Cathedral Vestry and the representative from the Office of the Bishop to the board of the Clergy Association of the Diocese of Olympia. She is also the diocesan deployment officer. In these roles her focus is to encourage and support clergy and leaders in congregations and to represent the values and vision of the bishop diocesan.

Consultants work, without fee, through the Canon's office to provide assistance in congregations in transition, to facilitate retreats, to support mutual ministry reviews and to assist in a number of areas where an external facilitator/consultant is helpful. This budget line provides ongoing training for these volunteers. The areas dealing with *Abuse and Misconduct* are managed by the Canon for Congregation Development and the bishop diocesan. *Training and resources* for clergy and leaders are provided as well as investigation and support, for all involved, in cases of abuse and misconduct. The focus of this work is to bring health and to make decisions that lead to wholeness.

Treasurer's Office (line 156-165)

The *Treasurer's Office* is responsible for the financial transactions and records of the Operating, Trust, Building Loan, Mission Development and Diocesan Investment funds of the diocese. In addition, this office audits the annual NDI reports from the congregations, staffs the budget process, files state tax forms, and processes financial transactions and prepares reports for federal, state and local government grants. In addition, the diocesan medical, dental, property and liability insurances are the responsibility of this office. The office trains and serves as a resource to congregation treasurers. Staff includes a volunteer treasurer, a comptroller, an accountant and a part-time assistant who also supports the Board of Directors and the board representative.

Archives (line 166-171)

Archives and Records Management is a canonically required program. The *Archivist and Records Manager* is the official custodian of diocesan records and is responsible for the direction and implementation of this program. The mission of the Archives and Records Management program is to preserve the historical record and to support the current ministry and community life of the diocese. Its goal is to identify, collect, preserve and make available records of enduring value and to serve the informational and records management needs of the diocese – including compliance with administrative, fiscal and legal requirements. In addition the program aids the congregations, ministries and institutions of the diocese in the preservation and care of records through written guides, workshops and personal consultations.

The *Historiographer* is responsible for chronicling the history of the Diocese of Olympia and for making it available to the diocese through written works, oral presentations, participation in professional forums and other mediums of communication. Responsibilities also include assisting diocesan congregations, ministries and institutions with the capture and preservation of their history and for encouraging these efforts.

Diocesan Governance (line 172-178) and **Other Governance Program** (line 179-182)

The *Convention* and *Pre-Convention Gatherings* provide worship and fellowship opportunities for elected delegates and clergy from every congregation. Members of Convention discuss issues and resolutions and elect to diocesan offices. Funding under Diocesan Governance provides for a 3/5's time *Governance Coordinator* who is responsible for oversight, administration and coordination of the Convention, Pre-Convention Gatherings, Diocesan Council and the Ministry Resource Day. The *Diocesan Council* is the Convention-in-recess and as such is responsible for the programs and budget of the Diocese.

The *Board of Directors* manages the funds and real estate held by the diocesan corporation. The *Board Representative* (previously Treasurer) is contracted to oversee the physical needs of the Diocese's physical assets -- Diocesan House, St. Andrew's House, Huston Center and St. Bernard's Chapel. He also represents the board in all property matters involving mission congregations and reports pertinent information to the board on these projects. The Representative makes recommendations to the board regarding loan requests from congregations applying for loans from the Building Loan Fund. He also advises the bishop about the financial viability of loans that congregations seek from outside sources to assist the bishop in making a recommendation to the Standing Committee.

Ministry Resource Day provides a chance for members of the diocese to attend a one-day event with workshops in all areas of ministry – from planned giving to outreach to ethnic ministries, and more. In 2005, close to 500 people selected from 58 different workshops in four sessions. Many of the workshops are offered more than once during the day to facilitate attendance. Workshops are sponsored by the diocesan program commissions, committees and ministries. This idea-filled day is free and open to all. A survey evaluating this important program was completed during the summer of 2006; it is expected that this program will return in 2007 in some form.

The *Commission on Church Architecture* provides advice and resources for congregations and institutions involved with building/construction projects. The *Liturgy and Arts Commission* is a resource for the bishop and diocese in all matters regarding worship, liturgy, music and the arts. Members of the L&A Commission plan the worship for the annual convention, provide leadership through workshops at Ministry Resource Day, and explore additional ways in which music, worship and the sacraments can become enfolded in our lives. The governance area supports administrative costs for the *Personnel Commission* and provides a small amount for any new initiatives that may come up during the year in the form of *Other Commission Expense*.

Other Governance Program funds the production, printing and mailing costs for a limited number of the Journal of Convention and the diocesan Constitution and Canons. In addition, funds are provided to support any future Cathedral Dean Search (restricted income) and diocesan Audit and Legal expenses. The significant increase in funding requested is related to legal expenses. The General Convention Reserve annually sets aside funds to cover the triennial costs for all eight deputies and two alternates (first in each order) to attend the ten-day General Convention of the Episcopal Church. The next General Convention is scheduled for 2009 in Anaheim, Calif.; deputation members will be elected at the 2007 diocesan convention.

Support Staff Resources (line 183-185)

Support Staff Resources is the support staff shared by the Offices of the Bishop, the Bishop Suffragan, the Canon to the Ordinary and the Ethnic Missioner.

Property and Liability Insurance (line 186-188)

Funds the cost of property and liability coverage for the Liability, Directors and Officers, and non-owned auto for the diocesan corporation.

Benefits (line 189-192)

Provides for the likelihood of an increase in insurance premiums for diocesan staff. Also covers the majority of the cost of Medicare supplement policies for retired diocesan staff.

Huston Center (line 195-198)

Huston Camp and Conference Center is located in the foothills of the Cascades in Gold Bar, and is a space for retreats and workshops for congregations and organizations, as well as the diocesan summer youth camping program. Huston Center is fully funded through fees, reimbursements and restricted income.

St. Andrew's House (line 199-203)

St. Andrew's House on Hood Canal is a gathering space for retreats and workshops for congregations and organizations from across the diocese. The Diocese will provide a \$40,000 operations subsidy in 2006; fees and reimbursements generate all other funding. It is hoped that the facility will become self-supporting in the near future.

Diocesan House (line 204-211)

Diocesan House provides space and services to the staff of the Office of the Bishop, committees, commissions and organizations. The *receptionist* answers and directs calls, greets visitors, orders supplies, coordinates equipment maintenance, prepares and distributes mail and provides miscellaneous clerical support. The *custodian* maintains and repairs Diocesan House and grounds.

St. Bernard's Chapel (line 212-213)

Located on Snoqualmie Pass, the Chapel offers spiritual sustenance for skiers, hikers and members of the local community at the Pass. The chapel is fully funded by restricted funds.

2007 Budget Questions & Answers

1) *Where is the money coming from to fund the new Bishop's Search?*

There is a specific fund established in the Diocesan Investment Fund for all expenses related to bringing on a new diocesan bishop (approximately \$240k is available at this time for use for this search process). This is a portion of the income from the proceeds of the sale of the Bishop's House on Harvard Avenue after Bishop Cochrane retired. This means it is likely the cost of bringing in this new bishop should be fully covered, and then these funds can get replenished through reinvesting over the next years.

2) *How is the diocesan bishop's transition being handled in the 2007 budget?*

At this time there are no added/special funds placed in the diocesan bishop salary/benefits line to cover the transition between the outgoing and incoming bishops. The salary of the new bishop will likely be lower than our 18 years experienced present bishop's salary and the transition period is anticipated to be fairly short, so the overlap costs are likely to be not large. Any funds required that are more than what has been budgeted for this line item will be taken from remaining bishop search funds or requested from episcopal endowment fund #2. This is an area, that will be monitored and worked administratively using these reserves if needed closer to the actual time of occurrence.

3) *What about planning for the costs of any diocesan staff transitions in this budget?*

Again, it is really unclear how this will work out at the time of the new bishop and other staff transitions, around the fall of next year. There are at least a couple of staff people who have said they will be retiring at this time, others may also choose to leave, and of course, the new bishop may have new and different ideas about how the staff should be set up, too. This is another area that will be monitored and worked administratively within the budget or using reserves if needed closer to the actual time of occurrence.

4) *How is the 25% increase in medical costs projected?*

This is just a somewhat educated guess and there won't be a clear view of the costs until near the end of the year; this is based totally on previous experience. The diocese is considered an undesirable group to insure, as it has a rather senior average age. Two years ago the insurance committee went out for bids and the only option found was with the Nat'l Church Medical Trust, and their plan was very expensive.

5) *How did the 2005 Income/Expense Actuals track to the 2005 Budget?*

The 2005 budget figures are not shown in the 2007 proposed budget package, only the actuals are presented. The budget vs. income/expenses are monitored very closely through the year by the treasurer's office, and if there is a specific need to deal with a significant change in funding or expenses (which did occur in 2004), then this is conveyed to the bishop's office and staff and Council to work out. For 2005, and in most years other than 2004, the actual income/expenses track really close to the budget, within under \$100k out of approximately a \$4.5M budget.

6) *How does the recent assessment payments history provide insight as to what can be expected for 2007, and why the change in the shortfall % projection to 11% from 15%?*

For the past three years (2003-2005) the overall shortfall has been around 13%, after getting some past years assessments paid later by some congregations who managed to catch up from previous issues with their payments. With the problems in assessment payments and subsequent mid-year budget revisions needed in 2004, it became clear that the budget for 2005 would need to plan with a 15% shortfall included, much more than the 5% or less than had been used in previous years (2003 and earlier). This figure was also used in preparing the 2006 budget. At mid year 2006 we have about a net 14% shortfall (assuming congregations one month or less behind will catch up by year end).

The selection of an 11% shortfall projection for 2007 represents both a step out in faith by all of us that we can work well with congregations with assessment payment issues, and also that the reduction in the assessment rate for 2007 from 20% to 18% will help those congregations close to being able to pay fully to make their commitments. [There are two ways this shortfall projection is backed up: 1) an unrestricted funds net balance of about \$400k available (built up from frugal budget operations resulting in some surpluses the past few years), and 2) the Working Capital Trust Fund, which can be used in an emergency, but would need to be repaid the subsequent budget year (this is a restricted fund set up for cash flow management purpose and is required to have one month's unrestricted income on hand).]

7) *What is the basis for the \$100k line item for St. Mark's Cathedral Partnership, and how is the budget figure arrived at?*

This is a long established policy to work with St. Mark's as a partner in ministry, being that it is by far our largest congregation and is also the "landmark" congregation for our diocese to those outside the Episcopal Church (their diocesan assessment is almost three times the size of any other congregation in the diocese). Back in the 1970's this line item was set at 10% of the Operating expenses of St. Mark's, but this was changed recently to relate to the diocese's revenue rather than the St. Mark's expenses. In 2003 this amount was re-negotiated to be 3% of the two year prior's diocesan assessment income, with a minimum floor of \$100k (2005's assessment income was \$3,230,476, for a 3% total of \$96,914).

Resolutions Committee 2006 Report to Convention (06/D/3)

MEMBERS OF THE RESOLUTIONS COMMITTEE: **The Rev. Patty Baker**, *St. Clare's Church, Snoqualmie*; **Mr. Duncan Bayne**, *St. Mark's Cathedral, Seattle, Diocesan Vice-Chancellor, chair*; **the Rev. Jo Beecher**, *Komo Kulshan Cluster, Mount Vernon*; **Mr. Sam Fleshman**, *St. Andrew's Church, Tacoma*; **the Rev. Richard Green**, *St. Stephen's Church, Longview*; **Ms. Mary Maxon**, *Emmanuel Church, Mercer Island*; **Mr. Ralph Provencal**, *St. Benedict's Church, Lacey*; and **the Rev. Richard Younge**, *St. Clement's Church, Seattle, Diocesan Council representative*.

Resolution #1 – Establishment of Legacy Societies/Legacy Sunday in the Diocese of Olympia. Submitted by the Commission for Planned Giving/Stewardship, chair Bill Brice, St. Andrew's, Tacoma; Council representative, the Rev. Kim Forman, Ascension, Seattle. **Resolved**, That the 96th Convention of the Diocese of Olympia encourage all congregations to establish a Legacy Society and celebrate an annual Legacy Sunday to recognize the generosity of legacy giving by faithful members of each congregation. Sundays recommended are Rogation Sunday, All Saints/All Souls Day, and Memorial Sunday (the Sunday during Memorial Day weekend), but any Sunday can be chosen. Explanation: Establishing a Legacy Society to honor and thank members who inform us that they've made arrangements for a planned gift to the church upon their death is a key ingredient to encouraging others to join in making a gift in their will or estate plans to their beloved church. A kit entitled, "Creating A Successful Parish Legacy Society," as well as other materials and training are available from the Planned Giving Office of the diocese. Every member of a congregation Legacy Society also becomes a member of the Bishop's Society, and gets thanked by the diocese in numerous ways. The Bishop's Society has grown to 1050 plus members and is the largest diocesan recognition society in the Episcopal Church. The Living Tree Campaign, started two years ago at Convention, has set a goal of growing the Bishop's Society to 2000 members by the year 2010. **Resolutions Committee Recommendation:** DO PASS. **Rationale:** The Committee accepts this resolution and explanation and urges adoption. (See pg. 4 for action on Resolution #1.)

Resolution #2 – Seeking Peace and Reconciliation in Sudan. Submitted by the Sudanese Ministry Committee, Commission for Ethnic Ministries; co-sponsored by St. Columba's Church, Kent, in the Evergreen Regional Ministry. **Resolved**, That this 96th Convention of the Diocese of Olympia, as part of fulfilling its mission to "reconcile all people to God and each other in Jesus Christ," and in support of our Sudanese community in the diocese, encourage parishes to reach out and prayerfully uphold peace and reconciliation in the Sudan; **and be it further, Resolved**, That we support by prayer and action the Province VIII and the American Friends of the Episcopal Church of the Sudan in their efforts to provide leadership efforts to rebuild churches and communities for the 1.5 million Christians in the Sudan. Explanation: The cease-fire and Peace Accord has come to the Sudan after decades of civil war, and these have not changed the political climate much. Leadership of the Sudanese People's Liberation Movement/Army still struggles because of the death of Dr. John Garang. Leadership in Providence VIII and the American Friends of the Episcopal Church of the Sudan, a coalition of faith-based organizations, have been working with the bishops of the Sudan and other faith-based organizations to sponsor projects that rebuild churches and communities for the 1.5 million Christians. The preferred situation is to have people live their full natural lives in peace, have adequate food, shelter, clothing, medical care, and education, have religious freedom, possess political self-determination, and in all, have a functional economy. Free and fair elections are required in 2009. **Resolutions Committee Recommendation:** DO PASS. **Rationale:** The Committee accepts this resolution and explanation and urges adoption. (See pg. 18 for action on Resolution #2.)

Resolution #3 – Raising up the Sudanese Ministry in the Diocese of Olympia. Submitted by the Sudanese Ministry Committee, Commission for Ethnic Ministries; co-sponsored by St. Columba's Church, Kent, in the Evergreen Regional Ministry. **Resolved**, That the Diocese of Olympia prayerfully acknowledges and gives thanks for the beginning congregational development and the outreach to/of our Sudanese sisters and brothers living here; **and be it further, Resolved**, That we raise up Sudanese ministries across the Diocese by encouraging: a) congregations to develop relationships with Sudanese wherever possible; and, b) congregations to use language and communication resources or whatever possible in services in order to share our core values through

the Book of Common Prayer, Holy Scriptures, and music. Explanation: Displaced, refugee, migrating, settling in—all are descriptive for Sudanese among us. Many have begun to found homes and families in the Diocese of Olympia. Sudanese ministries that are worshiping groups are developing with the comfort of communication and of language. From scriptures and in church history, we find that God's primary instrument for His mission has been the local church. We believe it is God's desire for the local church to realize its potential to evangelize and build disciples from their own locale and around the world. We believe this happens when local churches partner, using their resources to fulfill a vision for a nation or people group. (Acts 2-3:13-21) We believe that the liturgy and worship have their greatest impact and long term effect when they are presented through the language, customs, and culture of those who are their recipients. We are committed to sharing these core values and allowing peoples to be led of the Holy Spirit in discovering how these values may be expressed within their culture. **Resolutions Committee Recommendation:** DO PASS. **Rationale:** The Committee accepts this resolution and explanation and urges adoption. (See pg. 19 for action on Resolution #3.)

Resolution #4 – Restore Grants to Congregations. Submitted by unanimous vote of the members of the Peninsula region attending its July 23, 2006, meeting. **Resolved**, That this 96th Convention of the Diocese of Olympia restore Grants to Congregations to at least 2006 budget levels; **and be it further, Resolved**, That the following changes be made to the diocesan budget for 2007: reduce budget line 51 by \$60,000 and increase line 62 by \$60,000. Explanation: This is a revenue neutral change to restore Grants to Congregations to at least the 2006 level without effect on proposed diocesan programs or personnel in 2007. From 2004 to 2007, aid to congregations (line 62) has been cut by over 31% (\$86,000). The 2006-2007 cut is 24% (\$60,000). During the 2004-2006 period, assessment income (line 4) increased by over \$205,000 but diocesan average Sunday attendance has decreased as described below. The National Church Apportionment (line 51), in excess of \$600,000, has increased over 14% (\$77,105) from 2004 to 2007. The 2006-2007 proposed increase is 8.5% (\$49,138). Over the last few years, the total population of the counties which comprise the diocese has grown by over 10%, but diocesan average Sunday attendance has decreased over 7% from 2001 to 2004, over 4% from 2003 to 2004. In relationship to the population growth, the diocese has realized a relative decline of over 13%. Given the trends, it is imperative that congregations be bolstered including with financial resources. At the 2005 diocesan convention, the 2007 assessment was established at 18%, a reduction from 20% in 2006. The actual difference between 2006 and 2007 total assessment income (line 4) is essentially 0%. **Resolutions Committee Recommendation:** DO NOT PASS. **Rationale:** The Committee believes that this resolution is counter to two policies of this Diocese. First, it was the conscious decision several years ago of Diocesan Council to reduce grants to congregations over time, which policy has been effected in recent years. Second, for decades it has been the stated policy of this diocese that we pay our National Church assessment in full. The Committee recommends that the convention no adopt this resolution. (See pg. 13 for action on Resolution #4.)

Resolution #5 – Affirmation of Canons regarding access to discernment process. Submitted by the members of Integrity/Puget Sound, Diane Stipp, convener; Alan Quigley and David Swim, past convenors; and the Reverends Thomas Bigelow, Alan Mack and Kevin Smith, chaplains. Also endorsed by the Human Sexuality Committee, St. Mark's Cathedral. **Whereas**, Title III, Canon 1, Section 2 of the National Canons of the Episcopal Church states that "no person shall be denied access to the discernment process for any ministry, lay or ordained, in this Church because of race, color, ethnic origin, national origin, sex, marital status, sexual orientation, disabilities or age, except as otherwise provided by these Canons. No right to licensing, ordination, or election is hereby established"; be it

Resolved, That this 96th Convention of the Diocese of Olympia affirms, and calls upon the Bishops and Standing Committee of this Diocese, in the face of pressure to discriminate as a result of the passage of General Convention resolution B033 (see Appendix A), to uphold canon law in both letter and spirit when considering consents to consecrations of new bishops; and be it further **Resolved**, That in light of these resolutions, this 96th Convention of the Diocese of Olympia calls upon the Bishops and Standing Committee of this Diocese to affirm the full inclusion in all areas of the life of the Episcopal Church of our otherwise qualified brother and sister Christians who are single or partnered to be non-collaborate gay, lesbian, bisexual or transgendered persons, as well as the full inclusion of the Episcopal Church in the USA in the full life of the Anglican Communion. Explanation: In June, the 75th General Convention passed Resolution B033. Although the resolution "urges restraint," it proceeds to tell the Standing Committees and Bishops how to act. Doing so violates Title III, Canon 1, Section 2 by effectively denying dioceses the right to call a bishop of their own choosing. In our hiring practices, we would not say, "white person preferred." Even though such phrasing does not preclude hiring a person of color, it would correctly be seen as prejudicial and unjust. The ordination process cannot be open to all if it is closed in advance to some. **Resolutions Committee Recommendation:** DO PASS, AS AMENDED. **Rationale:** The Committee had difficulty with the Resolution as originally proposed, and suggested various amendments to the drafters. The Committee understands that an amended Resolution has been submitted by the drafters. The Committee recommends adoption of the amended version. (See pg. 14 for action on Resolution #5.)

Resolution #6 – Endorsement of current laws against discrimination based on sexual orientation. Submitted by the Willapa Regional Ministry, Ralph Provençal, convenor; and Martha Liska. **Resolved**, That this 96th Convention of the Diocese of Olympia, publicly and openly, stands in support of chapter 4 Laws of 2006 for the State of Washington, which is summarized in part in the statement: "The Law Against Discrimination is expanded to prohibit discrimination based on a person's sexual orientation"; **and be it further Resolved**, That the Diocese of Olympia, if or when there is any attempt to nullify this law, speak, and in an appropriate manner, take action to support the continuation of the intent of the current law prohibiting discrimination based on a person's sexual orientation. Explanation: The Episcopal Church of the United States professes, in two baptismal vows love and respect for every human being (BCP p. 305: Will you seek and serve Christ in all persons, loving your neighbor as yourself? **I will, with God's help.** Will you strive for justice and peace among all people, and respect the dignity of every human being? **I will, with God's help.**) These vows are covenant statements for every baptized member of the Episcopal Church. This resolution gives the Diocese of Olympia the support of this 96th Convention to speak and act in endorsement of this issue to preserve the intent of chapter 4 Laws of 2006 for the State of Washington. Further, the language of the current laws specifically state that the inclusion of sexual orientation in the list of conditions for which discrimination is prohibited does not modify or supercede any existing state law or statute regarding, or based upon, the definition of "marriage", nor does it require the setting of any employment goals or quotas based on sexual orientation, and, further, specifically denies endorsement of any particular life style. The following language is a direct quote from the final, signed version of the act creating this addition to the previous non-discrimination laws: "This chapter shall not be construed to endorse any specific belief, practice, behavior, or orientation. Inclusion of sexual orientation in this chapter shall not be construed to modify or supersede state law relating to marriage. This section shall not be construed to require an employer to establish employment goals or quotas based on sexual orientation." **Resolutions Committee Recommendation:** NO RECOMMENDATION. **Rationale:** The Committee was divided on this Resolution and, as there was no consensus, makes no recommendation. (See pg. 18 for action on Resolution #6.)

Resolution #7 – Recognition and support for World Indigenous Peoples. Submitted by the Willapa Regional Ministry, Ralph D. Provençal, convenor; Sheila Crisp; the Rev. Norris Pearson; and Jens Dieter-Stahmer. **Resolved**, That this 96th Convention of the Diocese of Olympia recommends to the General Convention of the Episcopal Church the creation of a staff position of ministry for Indigenous People of the World at the national Church Center of the Episcopal church at 815 2nd New York Ave, New York. This position should be charged with the following responsibilities: As part of the Episcopal Church Center: be a member of the Peace and Social Justice committee, compile up-to-date information for the different Dioceses and their congregations about the issues Indigenous Peoples are facing, including collection of information from the different programs at the church center about any work in progress affecting indigenous peoples and their communities, keep the various programs at the Church center informed about the struggles, challenges and achievements of the World Indigenous Peoples with current information, welcome Indigenous Peoples from around the world to the Church Center. Throughout the USA: assist in the fundraising for this program, develop proposals for media presentations about Indigenous Issues to the various elements of the Episcopal Church, present opportunities of involvement to the various offices, programs, dioceses and other subdivisions of the Episcopal Church community wherever and whenever invited, support the Episcopal Church schools with information about world indigenous peoples for their curriculums, reach out in coordination with the Native American Missioner to Native American and Native Alaskan communities presenting the resources, involvement and goals of the office and position within the Church Center, coordinate with the Native American Missioner the outreach to American Indian Tribal Colleges and encourage the inclusion of World Indigenous Peoples Issues in their college curriculums. Work beyond the Episcopal Church: network with other faith communities and Non Governmental Organizations (NGO's) with regard to combined approaches to world indigenous issues, present the work of this program to other faith communities across the United States wherever invited, prepare and coordinate news articles, TV clips, and other media presentations publicizing the life conditions and issues of various world indigenous peoples on a continuing and regular basis, organize forums for the Episcopal Communities on Issues World Indigenous Peoples are facing with visitors from Indigenous Communities world wide. As part of the Anglican Communion: assist individual Indigenous travelers and participants at UN gatherings wherever and whenever possible, provide support and assistance to the Anglican Observer at the United Nations and its staff on World Indigenous Issues, attend the annual meetings of the United Nations Permanent Forum on Indigenous Issues (UNPFII) and the Working Group on Indigenous Populations (WGIP) at the United Nations and other meetings concerning indigenous peoples as appropriate and/or as directed, represent the Episcopal church at the annual UN Day for the World Indigenous Peoples at the UN headquarters in New York together with the Anglican Observer. This recommendation to the General Convention shall include the following explanation: The establishment of this position to serve as a focus point for issues affecting indigenous peoples throughout the world is extremely important because: The dramatic challenges of World Indigenous peoples are still not fully embraced by the Episcopal Church and in the Anglican Communion; More than 370 million indigenous peoples live in over 70 countries worldwide. While they are from diverse geographical and cultural backgrounds, they share common obstacles and challenges: forced assimilation, lack of basic health care, human rights violations, economic and social marginalization, displacement, loss of control over land and natural resources, limited access to education, war and militarization; United Nations meetings with concern for world indigenous peoples (United Nations Permanent Forum on Indigenous Issues (UNPFII)), the Working Group on Indigenous Populations in Geneva (WGIP) and other international gatherings sharing that concern (Organization of the Americas, African Commission for Human and Peoples Rights, and others) need to be attended by committed observers. These observers

need to build relationships in those gatherings and bring information to the church and visa versa. These observers fulfill multiple roles as circumstances require. They are first observers and reporters, liaison, citizen diplomats, advocates, catalysts and networkers); With the United Nations Permanent Forum on Indigenous Issues (UNPFII) in its 5th year of existence it is clear that the voices of Indigenous Peoples are being heard. However, the issues and struggles Indigenous peoples are facing world wide are immense and need the attention of the world community. It is now the time, based in our faith as Episcopalians and Anglicans and witnessing to that faith, to include the struggle of world indigenous peoples, their communities and non-governmental organizations, into our agenda of social justice and peace ministries. The outline of the responsibilities of the position included in the resolution illustrates the tremendous breadth of influence potential to such a position within the Episcopal Church, ecumenically, and in the Anglican community on a worldwide basis. This could, and should, be one way we witness our articles of faith to the world; **and be it further Resolved**, That from the year 2007 on, the Diocese of Olympia will observe annually the UN International Day of the World Indigenous Peoples, which is observed on August 9, and encourages the parishes in the diocese to observe this day together with their Native American neighbors and with immigrants or refugees who are Indigenous persons; **and be it further Resolved**, That the Diocese of Olympia recognizes the contributions made by the office of the Anglican Observer at the United Nations to the Anglican Communion, and takes this opportunity to recognize the contributions made by the former position holder of that office Archdeacon Taimalelagi Fagamalama Tuatagaloa-Matalavea from Samoa. This 96th Convention of the Diocese of Olympia encourages the congregations of the diocese to dedicate the Sunday just prior to or just after the official United Nations day (October 24) to the work of the United Nations and our Anglican Observer. It is suggested to all congregations that the collections of that day are designated to the office of the Anglican Observer and be forwarded through the diocesan office to the office of the Anglican Observer prior to the end of the year, noted as being given in honor and thanks for the work of Archdeacon Taimalelagi. Explanation: The Episcopal Church, USA, has an opportunity to make our witness to the world by providing dedicated support for the work of the office of the Anglican Observer in the form of a staff position at the Church Center. It is widely believed that the struggles of the world's indigenous peoples has been, for too long, overlooked or not recognized by the Episcopal Church at large and this diocese. This concern needs to be addressed through the peace and social justice work in close coordination with the Native American Missioner/First Nations committee of the diocese. This day should reflect through worship, and also through other ways to be decided, the current struggles of Indigenous Peoples worldwide. It is important that every opportunity be taken to observe this day with parishioners, Native Americans, Native Alaskans and Immigrants/Refugees who are individual indigenous persons. The diocese further encourages the dialogue and inclusion in the planning of these events with neighboring Native American communities wherever possible and the full inclusion of the First Nations committee in this process. The Anglican Communion is a worldwide family of churches with 75 million members in 164 countries. This office, which opened in 1991, has now been in place for 15 years, the last five years under the direction of Archdeacon Taimalelagi, and concentrates its work on the issues of Women's rights, Environment and Sustainable Development, Children's Rights, World Indigenous peoples, Human Rights and Economic and Global Security. Many of the achievements of this office are the contribution of Archdeacon Taimalelagi Fagamalama Tuatagaloa-Matalavea, and significant progress has been made in these areas under her guidance. This draft resolution was sent to one of the very well known Canadian members of the UN Permanent Forum, Mr. Wilton Littlechild, Ermineskin Cree, Barister of Canada, for his review and recommendations. Following is his response: *Thank you very much for your important and continued interest on the issues facing the World's Indigenous Peoples. I have had an opportunity to review your proposed resolution for the 96th Convention of the Diocese*

of Olympia and again, commend you for your outstanding work in this regard. As a Member of the United Nations Permanent Forum on Indigenous Issues for the North American Region, I would add my voice to your concerns in support of the resolution. Creating an advocacy position at the headquarters of the Episcopal Church in New York would be very beneficial, as you know, for all of us who work in New York at the Permanent Forum. Secondly, the observation of the International Day for the World Indigenous Peoples held annually in New York at the United Nations has become a very important, increasingly, commemoration for Indigenous Peoples. Thirdly, as with other faiths who have created position either as an ambassador or observer, I would encourage the 96th Convention to adopt the proposed resolution as I know from past experience that it would be very helpful for all of us who work with common objectives to improve the situations of Indigenous Peoples world wide. UN Permanent Forum webpage: <http://www.un.org/esa/socdev/unpfii/> **Resolutions Committee**

Recommendation: REFER TO THE COMMISSION FOR THE CHURCH IN THE WORLD OR OTHER APPROPRIATE DIOCESAN BODY. **Rationale:** While a majority of the Committee approves the concepts behind this Resolution, the Committee believes that considerable investigation and further drafting need to be accomplished before this Resolution should come before the Diocesan Convention for action. As the earliest that this Resolution, if adopted, could be presented to the National Convention would be in 2009, the Committee believes there is ample time to sharpen this up for presentation at next year's gathering. (See pg. 18 for action on Resolution #7.)

Resolution #8 – Appreciation to Bishop Warner. *Submitted by the Be-attitudes Regional Ministry. Resolved*, That the 96th Convention of the Diocese of Olympia express its appreciation for ~~the leadership and ministry of our Bishop Diocesan, the Right Reverend Vincent W. Warner, especially for his servant leadership, including, but by no means limited to in reconciliation, as exemplified by:~~ His work in the Holy Land, fostering dialogue and healing; His efforts to foster peace and justice within our diocesan family and in the larger community; ~~and His work in promoting reconciliation; and His work with the ecumenical community. His work with St. Stephen's, Oak Harbor, and St. Charles, Poulsbo, in framing an amiable temporary resolution that has been championed by many in the Anglican Communion.~~ **Resolutions Committee Recommendation:** DO PASS, AS AMENDED. **Rationale:** The Committee understands that, after discussion with the Committee, the drafters of this Resolution have submitted a revised version. The Committee recommends adoption of the revised Resolution. (See pg. 11 for action on Resolution #8.)

Resolution #9 – Recommend Diocesan Council Committee. *Submitted by the Be-attitudes Regional Ministry. Resolved*, That the 96th Convention of the Diocese of Olympia recommend that one or more persons be identified to work with the Bishop and Diocesan Council. This person or persons will identify specific opportunities to clarify, enhance and further the Diocesan Council's support of the Bishop and Diocese, and to develop Council bylaws in order to build strong leadership for the future of our church; and be it further **Resolved**, That this person or persons be appointed or engaged by the Diocesan Council chair, subject to the approval of the Diocesan Council; and be it further **Resolved**, That any expenditures for professional services engaged for this activity be limited to a maximum of \$25,000 in total. Half of the funds would come from Corporate Expenses, specifically from the savings from the transition of the Canon to the Ordinary (\$12,500), and the second half to come from either the Diocesan Governance (\$12,500, budget line #178, \$156,016) or from the savings from the transition of the Bishop (line #128); and be it further **Resolved**, That this person or persons report back to the 97th Convention with any ensuing next steps, proposals, and bylaws, as available, for ratification by the convention. Explanation: Though the Constitution and Canons specify activities for the Diocesan Council, no Bylaws have been established for the Diocesan Council. No annual goals have been established for the Council and, at times, the policies and procedures to be exercised by the Council have been unclear. Further, at times like this, when diocesan programs and their associated policy and

plans are well established, the Diocesan Council activities have been limited to providing feedback on proposed initiatives, developing the annual diocesan budget, and preparing annual assessment resolutions. This has resulted in an unrealized opportunity to better use the Council's time and talents to address some of the issues that the diocese faces, such as, but not limited to: Congregations that make no payment or fail to make full payment of their fair share assessments; Failure of congregations to file their Parochial or Net Disposable income reports; Evaluation of diocesan grant efforts and diocesan programs; Reviewing and/or implementing tools and techniques as appropriate, such as zero-based budget analysis; and Helping develop the vision, mission and strategic plan for the diocese. For all of the above reasons, there is an opportunity to prayerfully examine the responsibilities and inter-workings of the Diocesan Council in order to discern if there are areas for improvement of or further alignment with the needs and goals of the current bishop, the next bishop, and the Diocese of Olympia. **Resolutions Committee Recommendation:** DO NOT PASS. **Rationale:** The Committee believes that if Diocesan Council wishes or needs this person, it should act on its own with respect to the position. It is inconsistent with good personnel policy to have a person working for the Council and independently reporting to Convention, and there are budget implications for the Council to determine. The Committee also feels that it would be most appropriate for the subject of this Resolution to be considered by the new Diocesan Bishop, who should be in office by the time Diocesan Convention meets next year. (See pg. 7 for action on Resolution #9.)

Resolution #10 – Unemployment Benefit Plan for the Diocese of Olympia. Submitted by the Personnel Commission of the Diocese of Olympia. **Resolved,** That the 96th Convention of the Diocese of Olympia strongly recommend that each independent employing unit within the Diocese seek and find ways to fund in its annual budget, a program of partial salary or wage continuation benefits to employees who become unemployed through no fault of their own, in order to assist the transition to re-employment. **Explanation:** The Diocese of Olympia in Convention 2005 referred back to the Personnel Commission the concern that unemployment benefit plans should be made available for employees of the various employing units of the Diocese of Olympia. This proposed unemployment benefit plan is the result of the work of that Commission which they now present to the 96th annual convention of the Diocese of Olympia. The Unemployment Benefit Plan proposal is intended to provide more information. **Resolutions Committee Recommendation:** DO PASS. **Rationale:** This resolution is a follow-up to action taken at the 95th Diocesan Convention. The Committee accepts this Resolution and Explanation and urges adoption. (See pg. 19 for action on Resolution #10.)

Resolution #11 – 2008 Diocesan Assessment Rate. Submitted by the Diocesan Council. **Resolved,** That this 96th Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2008 diocesan assessment rate factor be set at 18% of the Net Disposable Income (NDI) **Explanation:** In accordance with Canon 7, Diocesan Convention determines the assessment rate for the second year of assessment following determination; thus the 2006 Convention sets the 2008 assessment rate. It is the recommendation of the Diocesan Council that the assessment rate be continued at 18% of Net Disposable Income (NDI) for 2008. **Resolutions Committee Recommendation:** DO PASS. **Rationale:** The Committee accepts this Resolution and Explanation and urges adoption. (See pg. 7 for details & action on Resolution #11.)

Resolution #12 – Cost of Living Adjustment for 2007. Submitted by the Personnel Commission of the Diocese of Olympia. **Resolved,** That this 96th Convention of the Diocese of Olympia authorize the setting of the Cost of Living Adjustment for 2007 diocesan congregation ranges at 3.6%. **Explanation:** As required by Canon 23, Sections 2 and 5, and Canon 12, Section 4, the Personnel Commission, at its June meeting, set the Cost of Living Adjustment (COLA) for 2007 for diocesan congregation ranges at 3.6%. This is based on the Bureau of Labor Statistics (BLS) for West cities under 1,500,000 population COLA information for the calendar year May 2005 to May 2006. **Resolutions Committee Recommendation:** DO PASS. **Rationale:** The Committee accepts this Resolution and Explanation and urges adoption. (See pg. 16 for action on Resolution #12.)

Six Hour Resolutions

Resolution #13 – Regarding the Ministry of Blessing Marriages. Submitted by the Rev. Dr. Jeff Sells, the Rev. Mary Allen, the Rev. Armand Kreft, the Rev. Canon David James, the Rev. Susan Armer, the Rev. Cynthia Espeseth. **Resolved,** That it is the sentiment of the 96th Convention of the Diocese of Olympia that beginning January 2008, marriages usually performed by Episcopal clergy be presided over by an agent of the state of Washington; **and be it further, Resolved,** That it is the sentiment of the 96th Convention of the Diocese of Olympia that marriages in the Diocese of Olympia be limited to the blessing of the union as a holy act and that clergy not act as an agent of the state for any form of civil marriage. **Explanation:** It is time to question whether clergy ought to act as agents of the state of Washington, or any other state. The First Amendment of the Constitution of the United States enunciates the importance of the separation of Church and State to protect the religious liberties of all Americans. The Church and its clergy are in the ministry of blessing, and not in the vocation of conducting marriage ceremonies on behalf of the State. In many other parts of the world the role clergy play is strictly that of blessing civil marriages or unions already performed by the civil authority. **Statement against:** It is the historical custom of clergy to act as agents of the state in a marriage ceremony. To ask for an agent of the state to conduct the service adds an additional expense, as well as perhaps detracting from the imputed sacramental nature of the marriage rite. **Statement for requirements to implement the resolution:** There is still need for education about the distinction between marriage and Holy Matrimony. There is no cost to the diocese for implementation of the resolution unless teaching materials need to be developed for future use by parishes and individuals. (See pg. 20 for action on Resolution #13.)

Resolution #14 – Additional Courtesy Resolution. Submitted by James Parmenter, Assistant Convenor of the Mount Baker Regional Ministry. **Resolved,** That the 96th annual Convention of the Diocese of Olympia express its thanks for the continuing leadership and ministry of The Most Reverend Archbishop of Canterbury, Rowen B. Williams. In particular we express our appreciation for his continuing efforts to foster mutual forbearance and respect among and between the various members of our Anglican Communion. (The Secretary of Convention is directed to forward a copy of this resolution to Archbishop Canterbury at his residence in Lambeth Palace.) (See pg. 20 action on Resolution #14.)

Commission on Personnel—Report to the 96th Convention (06/E/2)

The work of the Commission:

Items one and two are reports required by Canon to be provided to Convention from the Personnel Commission.

1. In accordance with Canon 23, Sections 2 and 5, and Canon 12, Section 4, of the Canons of the Diocese of Olympia, the Commission annually recommends adoption of the Resolution Authorizing Cost of Living Adjustment for the following year. The recommendation is a 3.6% increase to the salary ranges. Convention takes action on this in Resolution #12. The salary ranges information sheet accompanies this report.

2. In accordance with Canon 23, Sections 2 and 5, and Canon 12, Sections 3 and 4, of the Canons of the Diocese of Olympia, the Commission has determined that:

a. All clergy employed in the Diocese in clerical positions are compensated at a rate not less than the minimum established by the Diocese. **Basis for this information is the salary report by the Church Pension Fund.**

b. Of 195 clergy employed and associated on staff in congregations or institutions, 167 are covered by written agreements specifying terms as to compensation, including housing and utilities allowance, pension and insurance benefits, and business expense allowances, as provided for in Canon 12, Section 3. In associated positions even where compensation is not provided, roles in ministry are defined and reviewed. **Basis for this information comes from the clergy and congregation files at the Office of the Bishop.**

Items three, four, five and six reflect the topic areas in which work was accomplished by the Personnel Commission since the 95th diocesan convention.

3. The Compensation Manual for parochial clergy was presented and affirmed at the 94th Convention in 2004. A recommended policy change about un-employment was suspended for a year by the same convention. A recommendation of the Commission was presented to the 95th Convention. Action taken by that convention returned the work to the

Commission. The recommendation is presented in Resolution #10 and Appendix B of document 06/D/2.

4. The Commission has completed a standard template for Letters of Agreement. This effort will make the mandatory and suggested guidelines of salary, benefits and other contractual information standard. The portion which sets forth the goals and ministry responsibilities for each congregation will be unique and developed by each Rector and Vestry, Vicar and Bishop's Committee. This information is available through the office of the Canon to the Ordinary. It will become available on the diocesan website.

5. The Commission on Personnel, several years ago, established the diocesan staff salary ranges by use of statistics from comparable positions in the public sector. Bishops' salary ranges were not part of that study. The Personnel Commission over the years has been trying to determine how to set this basis. Information from the national church Office of Pastoral Development provides some indexes for Bishop salaries. This information shows that the Diocese of Olympia Bishop salary is below the normal appropriate for the size, budget and number of clergy as well as the tenure of the diocesan bishop. Information from dioceses about how salaries are determined and who makes those decisions is all over the map. In 2005, at the encouragement of the Diocesan Chancellor, the Diocesan Council agreed to establish an Episcopal Compensation Review Committee. A member of the Personnel Commission worked on that committee which also included two members from Council, two from the Board of Directors and one appointed by the Bishop Diocesan. The task force completed its work and reported to the Council, the Board and the Personnel Commission.

6. Work ahead for 2007 includes reviewing the request from the Treasurer of the Diocese of Olympia for an update of the market value of staff positions. The Commission will begin to set aside funding so this study could be accomplished once a new Bishop diocesan is clear about the staff positions and descriptions of work.

Respectfully submitted, The Commission on Personnel: *Barbara Larson*, chair, St. George, Seattle; *the Rev. Mary Allen*, CADO representative, St. Philip, Marysville; *Linda Beardslee*, St. George, Maple Valley; *the Rev. Cynthia Espeseth*, St. Stephen, Seattle; *Jim Hindle*, Good Samaritan, Sammamish; *Gayle Lee*, St. Thomas, Medina; *Cindy Miller*, St. Luke's Memorial, Tacoma; *the Rev. Constance Moorehead*, St. Clement, Seattle; *the Rev. David Price*; and, staff support, *Betsy Greenman*, *Carla Robinson*.

Commission on Personnel—2007 Parochial Clergy Salary Scale (06/E/3)

Grade	Minimum	Mid-Point	Maximum
A	\$70,304	\$87,880	\$105,456
B	63,913	79,891	95,869
C	58,092	72,615	87,138
D	52,819	66,024	79,229
E	48,076	60,095	72,114

Applicable Policies:

Mandatory Policies (applies to rectors and vicars)

1. If church-owned housing is provided, the range is reduced by 20% plus the amount of any utilities provided, either in form of actual utility costs paid or in allowances provided.
2. Clergy must be paid at least the minimum of the applicable range.
3. Clergy with total experience in ordained ministry of ten years (10) or more regardless of grade, must be paid the mid-point of Grade E, which for 2007, will be \$60,095.

4. Clergy with five (5) or more years in the same grade or congregation must be paid at least 90% of the mid-point of the applicable range. *Note: A clergy person with less than five (5) years should be given pay raises greater than the cost-of-living adjustment so the salary would reach the 90% of mid-point by the fifth year.*
5. Clergy with ten (10) or more years in the same grade or congregation must be paid at least 100% of the mid-point of the applicable range. *See note in number 4.*

6. Exceptions to these policies require approval of the Bishop.
7. All financial agreements with clergy must be rewritten or amended in their Letter of Mutual Ministry Agreement (LOMMA) to reflect changes in compensation or provisions and a copy forwarded to the Bishop.

Advisory Policies:

1. For assisting clergy, it is recommended that minimum compensation be established at two salary grades below that established for the parish or mission, depending upon qualifications and experience.
2. For interim clergy of a parish or mission, it is recommended that compensation shall be at the grade level of the parish or mission, prorated for the percentage of time committed.

Report of the Committee on Privilege (06/E/4)

Canon 2, section 5, states, “The Convention, once convened in session, may grant the privileges of seat and vote, in that session, to a total of up to 12 adult Communicants in Good Standing (aged 16-21), by a vote of not less than two-thirds of the members present (both orders voting together). It is recommended that the following youth be accorded this privilege at the 96th annual diocesan convention.

Youth Presence:

Emily Bee, St. Alban, Edmonds
 Greg Demmon, St. Antony of Egypt, Silverdale
 Evan Figge, St. Margaret, Bellevue
 Ryan Hiatt, Holy Cross, Redmond
 Zachary Hooper, St. John, Olympia
 Samantha McCormick, St. Luke, Vancouver

Vannara Meas, Holy Family of Jesus, Tacoma
 Kristina Myles, St. Clement, Seattle
 Edna Okereke, Good Shepherd, Vancouver
 Robyn Stevens, St. James, Kent
 Sara Unbehaun, St. John’s, Olympia

The Committee on Privilege recommends that the following persons be given the privilege of seat and voice at the 96th Annual Convention of the Diocese of Olympia.

Retired Bishops now residing in the diocese, if present

The Rt. Rev. Cabell Tennis, Bishop Retired, Delaware

The Rt. Rev. William Choi, Bishop Retired

Officers of the Diocese/Convention who are not members of Convention

Mrs. Diane Wells, Archivist and Records Manager (voice only)

Diocesan Staff members who are not members of Convention

Ms. Betsy Greenman, Canon to the Ordinary
 Ms. Dede Moore, Convention Coordinator
 Mrs. Kathleen Hamilton, Director of Faith Formation

Mr. Carl Knirk, Bishop’s Deputy for Planned Giving/Stewardship
 Ms. Christine Smith-Clark, Comptroller
 Mr. Bill Goodenough, Board of Directors Representative

Lay members of the Board of Directors who are not members of Convention

Mr. William Bain, Emmanuel Church, Mercer Island
 Mr. Ed Benschopf, Emmanuel Church, Eastsound/ Orcas Island
 Mr. Todd Curry, St. Thomas’ Church, Medina

Mr. Bill Lucks, Trinity Church, Seattle
 Mr. John Rolfe, St. Mark’s Cathedral, Seattle
 Ms. Kathryn Truong, Church of the Holy Apostles’, Bellevue

Developing Congregations, Specialized Ministries

Francisco Lopez, La Iglesia Episcopal de la Resurreccion
 Anthony Rivera, Church of the Apostles (COTA)

Sara Moore, Church of the Apostles (COTA)

ELCA Pastors serving Episcopal Congregations

The Rev. Pamela Armstrong

The Rev. Sandra Kreis, St. Christopher’s, Olympia

Others who are not members of Convention (voice only, unless otherwise indicated)

Mr. Miller Adams, Chair, Dispatch of Business (seat and voice)
 The Rev. William Hood, St. Paul’s, New Orleans, Convention Chaplain (seat and voice)
 The Rev. Jim Bethell, Good Shepherd, Vancouver (seat and voice)
 Mr. Anthony Rivera, Church of the Apostles (COTA)
 Ms. Erin Parsons-Wright, Church of the Apostles (COTA)
 Mr. Jason Anderson, Convention Musician (seat and voice)

Mrs. Katie Akesson, Elections
 Mr. David Baylor, Episcopal Relief & Development
 Mr. Doug Oles, Chair, Constitution and Canons Committee
 Mr. Brian Sellers-Peterson, Episcopal Relief & Development
 Ms. Barbara Larson, Commission on Personnel
 Ms. Diane Stipp, Integrity/Puget Sound (voice only, speaking to Resolution #5)

Clergy canonically resident, but not domiciled or ecclesiastically employed within the Diocese of Olympia, if present:

Adams, Richard	Kolbet, Paul	Smith, Homer
Barrow, Gordon Hurst	Longwood, David	Snyder, Ken
Bell, John	Lueckert, Diana	Sonnesyn, Roger
Berge, Clark	Maier, Andrea	Southwell, Robert
Bogel, Marianne	McCauley, Shana	Stewart, Daniel
Clark, Corbet	McCaw, Mary	Thomas, John
Cleveland-Stout, Jennifer	McDaniel, Judith	Tomter, Patrick
Elkins, Donald	McKee, Helen	Viggers, Jack
Ellis, Marshall	Miller, A. Scott	Walker, Randolph
Fitzgibbons, Elisabeth	Nichols, Robert	Westpfahl, Carol
Gardner, Randal	Paolozzi, Joann	Williams, Robert H.
Gates, Alan	Reddell, Ronald	Wilton, G.W Paul
Johnson, Janis	Skanse, Oliver	Wolfe, Eugene
Keller, Patterson	Smith, Don	

Clergy licensed in the Diocese of Olympia, if present:

Allaire, Nancy	Greenwood, Don	Mesenbring, David
Ayers, Phillip	Hakiel, Nick	Miller, Donald
Barnett, Webster	Hammond, Constance	Minter, Russell D.
Beveridge, Robert	Harris, Carl	Moore, Robert
Bird, Julie	Helsel, Verle	Powers, Robert
Blue, Gordon	Hubbard, Winfield	Redding, Ann
Bourne-Raiswell, Margaret	Hubbard, John	Rouffy, Edward
Brown, Marilyn	Istowanohpataakiwa, Timothy	Scannell, Alice
Brown, Robert	Jimenez-Mesenbring, Maria	Totman, Glenn
Carver, Robert	Lander, James (JR)	Tudor, William
Chrisman, Robert	Larive, Armand	Van Eenwyk, John
Dexter, Raymond	Larson, L. John	Watson, Stennis
Elliott, James	Marie, Christine	Wesch, Kate
Friedrich, James	Maxwell, William	Williams, Henry
Gallagher, Robert	McMurtry, Herbert	

Submitted by, Committee on Privilege, The Rev. Peter DeVeau, chair; Ms. Dede Moore; Canon Betsy Greenman.

2006 Convention Committees (06/E/5)

Constitution & Canons Committee

Ms. Judith Andrews, St. Mark's Cathedral
Mr. Duncan Bayne, Diocesan Vice Chancellor,
Ms. Betsy Greenman, Canon to the Ordinary
Mr. Gregory A. Hicks, St. Clement's, Seattle
The Rev. Stephen Moore, All Saints', Bellevue
Mr. Donald Mullins, Diocesan Chancellor,
* Mr. Douglas Oles, Redeemer, Kenmore
The Rev. John G. Schaeffer
Mr. David H. Zielke, St. Margaret, Bellevue

Resolutions Committee

The Rev. Patty Baker, St. Clare's, Snoqualmie
* Mr. Duncan Bayne, St. Mark's Cathedral
The Rev. Jo Beecher, Komo Kulshan Cluster, Mount Vernon
Mr. Sam Fleshman, St. Andrew's, Tacoma
The Rev. Richard Green, St. Stephen's, Longview
Ms. Mary Maxon, Emmanuel, Mercer Island
Mr. Ralph Provencal, St. Benedict's, Lacey
The Rev. Richard Younge, St. Clement's, Seattle

Committee on Privilege

* The Rev. Peter DeVeau, St. John the Baptist, West Seattle

Ms. Dede Moore, All Saints', Bellevue
Canon Betsy Greenman

Nominations Committee

Mr. Tom Cashman, St. Columba's, Kent
Ms. Hisako Beasley, St. Mark's Cathedral
Mrs. Jan Hanson, St. Stephen's, Longview
* Mr. Steve Tellari, St. James', Kent

Commission on Personnel

The Rev. Mary Allen, St. Philip's, Marysville (CADO representative)
Ms. Linda Beardslee, St. George's, Maple Valley
The Rev. Cynthia Espeseth, St. Stephen's, Seattle
Canon Betsy Greenman, Staff Support
Mr. Jim Hindle, Good Samaritan, Sammamish
* Mrs. Barbara Larson, St. George's, Seattle
Ms. Gayle Lee, St. Thomas', Medina
Ms. Cindy Miller, St. Luke's Memorial, Tacoma
The Rev. Constance Moorehead, St. Clement's, Seattle
The Rev. David Price
Ms. Carla Robinson, Staff Support

Commission on Church Architecture

- * Mr. Mark Anderson, Ascension, Seattle
- The Rev. Robert Biever, All Saints', Tacoma
- Mr. Guy Falskow, St. Stephen's, Seattle
- Mr. Gary Gideon, St. Paul's, Bellingham
- Mr. Don Glad, St. Stephen's, Seattle
- Mr. William Goodenough, Ascension, Seattle
- Mr. Kenneth Large, Good Samaritan, Sammamish
- Mrs. Jeannette Moore, St. Hugh of Lincoln, Allyn
- Mr. Allen Moses, Redeemer, Kenmore
- Mr. Frederick Pneuman, St. Thomas', Medina
- Mr. Ralph Provencal, St. Benedict's, Lacey

Commission on Ministry

- The Rev. Cristina Amburgey, St. Andrew's, Tacoma
- The Rev. Peter DeVeau, St. John the Baptist, Seattle
- The Rev. Randy Lord-Wilkinson, St. Paul's, Bremerton
- The Rev. Constance Moorehead, St. Clement's, Seattle
- The Rev. Kathleen Patton, St. Stephen's, Longview

- * The Rt. Rev. Bavi Rivera
- Ms. Holly Roddam, St. Luke's, Seattle
- Mr. Dwight Russell, St. Thomas', Medina
- The Rev. Dr. Marda Steedman Sanborn, St. James', Kent
- * Mrs. Barbara Wilson, St. Mark's Cathedral
- Ms. Suzie Zych, St. Benedict's, Lacey

Insurance Committee

- Mr. Steve Carver,
- Mr. Gerald Coe, St. Mark's Cathedral, Seattle
- * Mr. Stephen Day, Epiphany Parish of Seattle
- Mr. Earl Fauser, St. Margaret's, Bellevue
- Mr. Steve Faust, Epiphany Parish of Seattle
- Mr. Phillip Haas, St. Margaret's, Bellevue
- Mr. William Meacham, St. John's, Kirkland
- Ms. Carrie Rohlik, Staff Liaison
- The Rev. Raymond Sheldon, Faith Church, Kingston
- Mrs. Chris Smith-Clark, Staff liaison
- Ms. Kathy Wells, St. Mark's Cathedral

The Episcopal Church in Western Washington (06/F/1)

WHO WE ARE:

We are people of God who proclaim boldly by word and action the reconciling Gospel of Jesus Christ.

OUR VALUES ARE REFLECTED IN OUR PROGRAM AND STRUCTURE:

WE ARE INCLUSIVE

(Commission for Ethnic Ministries)

We know ourselves as one people of God in the Episcopal Church in Western Washington, gathered around our Bishop, celebrating our shared diversity.

WE ARE GROWING AND LEARNING

(Commission for Faith Formation)

We empower, equip and support the ministries of laity, deacons, priests, and bishops.

WE ARE STEWARDS

(Commission for Planned Giving and Stewardship)

We challenge one another to develop, share and responsibly use the resources entrusted to us by God.

WE ARE EVANGELISTS

(Commission for Evangelism)

We prepare and encourage one another for the spreading of the Good News of Jesus Christ through invitation, witness and example.

WE ARE ON MISSION

(Commission for Congregations)

We build upon and extend the mission and ministry of the Episcopal Church in Western Washington by strengthening existing congregations and strategically establishing new congregations.

WE ARE THE CHURCH IN THE WORLD

(Commission for Church in the World)

We work together with people of all faiths to seek justice and peace, respecting the world we live in and the dignity of every human being.

Report of the Historiographer, Br. Carle Griffin, OCP (06/F/2)

As your historiographer, during the past year I have:

- Continued research for a comprehensive history of the diocese.
- Surveyed 50 years of diocesan newspapers.
- Visited the Diocese of Philadelphia for information on Charles Wright, patron of the Episcopal Church in Tacoma.
- Completed a history of St. Andrew's House, *St. Andrew's House and the Spirits of Hood Canal*, which will

be available for distribution this fall. It is my hope that sales will help support the retreat center.

- Given presentations on researching and writing parish history in Silverdale, Olympia and Mt. Vernon.

Recording oral histories continues to be a high priority, and a mailing list of people interested in a workshop has been compiled. The year has been productive and fulfilling and I hope to continue to serve as historiographer.

Report of the Archivist and Records Manager (06/F/3)

The Archivist and Records Manager is the official custodian of diocesan records and is responsible for the direction and implementation of the Archives and Records Management Program of the Diocese.

"As we come together today to review our work, there is no thought or desire to glory in what we have done...Our one aim and purpose...is to plan for better service, and greater faithfulness in the work before us." Bishop Frederic William Keator, Convocation Address, St. Luke's Church, Tacoma, May 30, 1906.

One hundred years ago, Bishop Keator spoke these words in his convocation address – words that are as relevant today as when they were uttered.

"...to plan for better service, and greater faithfulness in the work before us." What better aim to keep in mind as we conduct the work of the diocesan Archives, serving the people, congregations and communities of the Diocese through the faithful stewardship of its heritage.

Collections: The collections maintained in the diocesan Archives are broad and varied. They include records of all diocesan offices, convention, commissions, committees and ministries as well as parish and mission records and records of diocesan and affiliated institutions and organizations – and come in a wide variety of formats.

Collection processing is an on-going function of the Archives. This year the records of Bishop's Commission on Education have been processed and are now open for research. The other major collection that has been processed this year is that of the Episcopal Church Women. One hundred and twenty-nine years of service by the women of this Diocese of Olympia are represented here. Other record collections currently being processed include the records of the Human Needs and Pastoral Ministry programs. In addition, a most appreciated gift of papers, photographs and related memorabilia from the family of the Rt. Rev. Stephen F. Bayne, Jr. has also been received. An updated artifact inventory has been completed and photo processing continues.

Records Management Manual: A key component of the Archives and Records Management Program is having a Records Management Manual that accurately reflects the organizational structure of the Diocese, the creation and use of records, and professional records management standards. The new, revised edition of the Manual was approved in May and is available for viewing on the diocesan website at: <http://www.ecww.org/onlinedocuments>. Of particular importance is the section on electronic records including updated E-mail and Internet policies and procedures.

Microfilm/Scanning Projects: Board of Directors minutes (previously microfilmed) have now been scanned for the years 1985-2005. Diocesan Council and Standing Committee minutes will follow and other microfilm/scanning projects will proceed as funds allow.

Reference: Responding to requests for information from diocesan staff, congregations, ministries, institutions and individuals is at the heart of archival service. These requests come in every day and number from 200-250 annually. In addition, the Internet has increased the number of requests for information from outside the Diocese. While diocesan requests have priority, responding to outside requests presents an opportunity to interact with the larger community and such inquiries are welcomed.

Reference services are available by mail, telephone and email. The Archives also has a web page that can be accessed at www.ecww.org/archives/index.cfm or by clicking on DIRECTORY on the diocesan web site.

Outreach: The Archivist and Records Manager advises congregations in their efforts to protect and maintain their records and is happy to respond to any request for consultation. Workshops on archives and records management topics are also available. To date in 2006, Historiographer Br. Carle Griffin and I have presented three

(3) workshops (St. Antony's, Silverdale; St. Paul's, Mt. Vernon; and St. John's, Olympia) and have consulted with two congregations (St. John's, Snohomish and Church of the Holy Spirit, Vashon). Tours of Diocesan House are also provided through the Archives.

On the national level, I continue as a member of the Association of Records Managers and Administrators (ARMA) and the National Episcopal Historians and Archivists (NEHA). After completing my term as Section Chair, I now serve as Chair of the Nominations Committee for the Archivists of Religious Collections Section of the Society of American Archivists and I am a founding

member of a new group of professional Episcopal archivists called the Episcopal Archivists Network which is currently working on a canonical recordkeeping database.

Volunteers: I am currently looking for volunteers for the Archives and would be happy to hear from anyone who might be interested.

History, Archives and Records Committee: I would like to thank the members of the Committee: Barbara Benson, Richard Gould, Jane Hershman; and ex-officio member, Bro. Carle Griffin, OCP, Historiographer for their advice and continued support. Submitted by: Diane Wells, CA, Archivist and Records Manager

Report of the Commission for Congregations (06/F/4)

Purpose and Vision

The Commission for Congregations is responsible to the Bishop and Diocesan Council to promote the health and development of congregations. This is done by focusing on three main tasks.

1. Develop strategy, policies, and tools for supporting growth (in Spirit, Faith, and membership) in the Diocese, both with new starts (planted congregations) and redevelopment within existing congregations.
2. Oversee diocesan financial support to congregations
3. Develop partnerships with other Commissions, Regional Ministries, and congregations to ensure that diocesan growth strategy is implemented.

C4C is a commission of the Diocese of Olympia charged with helping to fulfill the mission of being people of God who proclaim boldly by word and action the reconciling love of Jesus through the strengthening of existing congregations and strategically establishing new congregations.

Commission work during 2006

Our work is currently focused in these primary areas;

- Resource management – encouraging work for the health of congregations and recommending the distribution of grant monies.
- Demographic Information - using the PERCEPT information to help congregations understand their communities better and plan for more effective ministry in them.

In 2006 the Commission:

- provided in-depth demographic material to nine congregations;
- distributed the grants-to-congregation monies through the grant application process to 2 parishes, 14 missions, Komo Kulshan Cluster, 3 ethnic congregations and COTA.
- encouraged partnership conversations among congregations
- encouraged congregations in transition in neighboring areas to begin ministry resource conversations.
- Reviewed proposal from the Board of Directors to request C4C review of projects coming to the board.

The diocesan demographic information for congregations is constantly refreshed and available. Members of the Commission provide assistance to congregations regarding use of this material. The Link2Lead demographic information is available to anyone who registers. This is part of the contract the Commission has with the Percept organization. The link appears on the diocesan website: www.ecww.org

Members of the Commission for Congregations: The Rev. Ann Whitfield, **Chair**, Vicar, All Saints, Vancouver; The Rev. Geoffrey Ethelston, Associate Rector for Outreach, Redeemer, Kenmore; Mrs. Carolyn Forbes, Council representative, St. Phillips, Marysville; The Rev. Deborah Heathcock, Priest-in-Charge, St. Andrews, Tacoma; Mr. James McKenzie, Good Samaritan, Sammamish; Ms. Laura Poston, Church of our Saviour, Monroe; The Rev. Mary Allen, Rector, St. Philips, Marysville; Staff: Canon Betsy Greenman, The Rev. Canon Joan Anthony, Ms. Carla Robinson.

Episcopal Relief & Development (06/F/5)

Our Basic Mission: Episcopal Relief and Development (ERD) works with Anglican and Episcopal partners throughout the U.S. and around the world to (1) provide tangible emergency assistance in times of disaster and crisis, (2) help rebuild devastated communities once the immediate crisis is over, and, (3) offer long-term development solutions to help people achieve and maintain safer, healthier, and more productive lives.

The mandate for our mission comes directly from Matthew 25:37-40 (NRSV): *“For I was hungry and you gave me food, I was thirsty and you gave me something to drink, I was a stranger and you welcomed me, I was naked and you gave me clothing, I was sick and you took care of me, I was in prison and you visited me... Truly I tell you, just as you did it to one of the Least of these who are members of my family, you did it to me.”*

ERD and Hurricane Katrina—one year later: As noted at last year’s convention, 2005 was marked by an unusual number of significant natural disasters – beginning with the immediate after-effects of the late December 2004 tsunami, followed by a record-breaking hurricane season in the Atlantic and Gulf of Mexico, and culminating at this time last year with a massive and destructive earthquake in the Kashmir region of India and Pakistan. Episcopalians throughout the U.S. responded to these disasters with an unprecedented outpouring of financial support, enabling ERD to respond to each event with immediate and critical emergency relief, and to begin meaningful long-term recovery programs as well.

For residents of the Gulf Coast in particular, 2005 brought one of the most devastating hurricane seasons in history, with a total of 28 recorded storms. The most dramatic and far-reaching, of course, was Katrina, a fierce Category 3 storm that wreaked death and destruction along most of the Gulf Coast from Florida to Louisiana, killing more than 1,600 people, and completely destroying over 270,000 homes and 35,000 businesses. In the end, Katrina left more than 2.2 million people dependent on public assistance for their very survival. And just as the massive emergency response to Katrina was getting underway, the Gulf was hit by yet another, even stronger hurricane, Rita, which struck between Texas and Louisiana, impacting many of the communities already attempting to shelter those forced to flee from the impacts of Katrina.

As evacuees dispersed throughout the Gulf Coast, Episcopal churches quickly organized to provide whatever assistance they could to the hundreds of thousands of displaced families and individuals fleeing the devastation of Katrina and Rita. At the same time, compassion and generosity of Episcopalians and Anglicans across the U.S. and throughout the world was equally swift – and enduring – resulting in over \$15 million in contributions to hurricane relief efforts by the end of 2005. As a result, ERD was able to quickly begin providing emergency funding assistance for humanitarian efforts to the Dioceses of Alabama, the Central Gulf Coast, East Tennessee, Western Louisiana, Mississippi, Texas, West Texas, Western Kansas, and Louisiana.

ERD also partnered with Episcopal Migration Ministries to help settle evacuees across the country, including several in the Diocese of Olympia, and teamed with Church World Service to provide thousands of medical kits to ecumenical partners in the Gulf Coast. In the end, more than a half million people received critical emergency assistance in the form of food, water, and first aid supplies provided through churches and camp facilities that operated as distribution centers and shelters.

Well before the one-year anniversary of Katrina, ERD had fully committed the \$15+ million in 2005 donations to hurricane relief to our three- to five-year recovery commitments in Mississippi and Louisiana. Today, in concert with more than a dozen partner agencies and organizations, ERD continues to provide direct assistance throughout Louisiana and Mississippi in rebuilding housing and small businesses, providing case management services, support psychosocial counseling to those impacted by Katrina and Rita, and creating much-needed infrastructure for medical and volunteer services. Additional details are available in ERD’s “Hurricane Katrina Response: One Year Report” at www.er-d.org.

Individuals and congregations from this Diocese have been especially generous – and effective – in their response to the victims of Katrina and Rita, with contributions to ERD’s hurricane relief efforts from August 2005 through September 2006 totaling just under \$345,000.

Long-term Development and the Millennium Development Goals: ERD continues to work toward implementation of the Millennium Development Goals (MDGs) through its long-term development projects in over 30 countries stretching from the Philippines through South and Central Asia to the Middle East, to Africa, to Central and South America, as well as the United States. Every one of ERD’s projects addresses one or more of the MDGs through ERD’s basic program areas:

Food security programs designed to ensure that families have the means and access to secure and healthy food sources.

Primary health care programs that emphasize treatment and care for the sick; education and training of communities and local health care workers on preventable illnesses and proper sanitation practices; developing safe and secure supplies of drinking water; and immunization and other forms of prevention of communicable diseases.

HIV/AIDS care programs that provide education, care for people suffering from the disease, and support for children left without adult caregivers by the death of both parents.

- Agreed to pay for property and general liability insurance premiums for St. Stephen's, Oak Harbor, and St. Charles', Poulsbo.
- Approved the funds necessary to repair Diocesan House (drainage, heating, plumbing, electrical) with a limit of \$10,000.
- Holy Family of Jesus, Tacoma: accepted the Joint Use Agreement between Holy Family of Jesus and the Indochinese Cultural and Service Center; approved the renovation and up-grade of the Holy Family of Jesus kitchen and two office rooms to be used and funded by Indochinese Culture and Service Center; authorized the \$1,100 use fee from the Indochinese Culture and Service Center be forwarded to the Diocesan Comptroller, who will use the funds for compensation for Holy Family of Jesus clergy.
- Designated the 2007 income from Norton Clapp Endowment to be used to support the 2007 Bonds and the Church of the Holy Spirit, Battle Ground.
- Approved the sale of the Pederson-Winters/Patton property with proceeds gifts to All Saints, Tacoma.
- Accepted the 2006 Revision of the Records Management Program Policies and Procedures Manual.
- Authorized beginning the liquidation process for the Whatcom County property, including an update of the 2004 appraisal.

- Authorized the connection charge and annual payments for St. George, Maple Valley to connect to the Soos Creek Water and Sewer District.
- All Saints, Vancouver: approved the Follow the child Montessori School's use of All Saints, Vancouver's multipurpose portion of the parish hall; approved Joint Use Agreement between All Saints and the Follow the Child Montessori School.
- Approved the Use Policy for Diocesan House, Huston Camp and Conference Center, St. Andrew's House, and St. Bernard's Chapel.
- Authorized the Planned Giving/Stewardship Office to open a separate, new checking account with US Bank National Association for purposes of accepting electronic transfer donations through Vanco.

Members of the 2006 Board of Directors: *the Rt. Rev. Vincent W. Warner*, president; *Mr. Bill Bain*, vice president, Emmanuel, Mercer Island; *the Rev. John G. Schaeffer*, secretary; *Mr. Steve Faust*, treasurer, Epiphany, Seattle; *Mr. Donald H. Mullins*, chancellor, St. Stephen, Seattle; *Mr. Ed Benshoof*, Emmanuel, Eastsound/Orcas Island; *Mr. Bill Goodenough*, Ascension, Seattle; *Mr. Bill Lucks*, Trinity, Seattle; *the Rev. Dorian Mulvey*, Ascension, Seattle; *Ms. Kathryn Truong*, Holy Apostles, Bellevue; *Mr. Todd Curry*, St. Thomas, Medina; *Mr. John Rolfe*, St. Mark's Cathedral, Seattle; and *the Rev. Thomas Dement*, St. Dunstan, Shoreline.

Submitted by Bill Goodenough, Board of Directors Representative for Property.

Audits Outstanding (06/F/7)

Canon 12 Section 1e requires that each congregation file with the Bishop's Office an audit of the prior year's books no later than September 1. Following is the list of congregations that have not yet filed such an audit:

Parishes

Bainbridge Island	St. Barnabas
Bellevue	Resurrection
Bellevue	St. Margaret
Bellingham	St. Paul
Bremerton	St. Paul
Burien	St. Elizabeth
Chehalis	St. Timothy
Edmonds	St. Alban
Friday Harbor	St. David
Kenmore	Redeemer
Kirkland	St. John
Marysville	St. Philip
Mercer Island	Emmanuel
Oak Harbor	St. Stephen
Orcas Island	Emmanuel
Port Angeles	St. Andrew
Port Townsend	St. Paul
Poulsbo	St. Charles
Redmond	Holy Cross
Renton	St. Luke
Seattle	Ascension
Seattle	Epiphany
Seattle	St. Clement

Seattle	St. George
Seattle	St. John the Baptist
Seattle	St. Paul
Seattle	St. Peter
Shelton	St. David
Snohomish	St. John
Tacoma	St. Andrew
Tacoma	St. Luke
Tacoma	St. Mary
Tacoma	St. Matthew
Vashon	Holy Spirit

Missions

Allyn	St. Hugh
Anacortes	Christ Church
Bellevue	All Saints
Bellevue	Holy Apostles
Elma	St. Luke
Enumclaw	St. Catherine
Montesano	St. Mark
Olympia	St. Christopher
Sammamish	Good Samaritan
Seattle	All Saints
Seaview	St. Peter
Sedro Woolley	St. James

Snoqualmie
Steilacoom
Tacoma
Kingston
Mill Creek

St. Clare
St. Joseph/St. John
Holy Family of Jesus
Faith
St. Francis

Tahuya
Westport

St. Nicholas
St. Christopher

Commission for Ethnic Ministries (06/F/8)

The Commission for Ethnic Ministries works to promote and to develop a culturally and ethnically diverse diocese. It is dedicated to supporting ethnic congregations. The Commission encourages lay and ordained leadership of individuals of color. It strives to build bridges of mutual respect and understanding between the Anglo and Ethnic Minority communities throughout the diocese. The following are 2006 highlights.

Ministries of the Commission for Ethnic Ministries:

- Circle of Color Support Group—This group was established to provide a supportive environment for aspirants and postulants of color discerning Holy Orders. They met on a quarterly basis for prayer, worship, mutual support, and theological reflection. In June, Shana Price was ordained to the transitional diaconate. She is currently serving in a parish in Danville, California. There are six postulants of color seeking orders to the priesthood and a number of aspirants.
- Clergy of Color Support Group—Quarterly gatherings were held for support, prayer and worship. Deacon Vivian Hopkins, who has moved to our diocese, has joined our group.
- Multi-Cultural Clergy Support Group—The Missioner met with a supportive group of Anglo clergy on a bi-monthly basis to brainstorm and to implement strategies to enhance ethnic ministries. Activities include: supplying at ethnic congregations, supporting numerous cultural events, establishing relationships with ethnic parishes, and developing a curacy program, in conjunction with the African American Committee, for individuals of color.
- Linkage with the Mission for Seafarers – Over 80% of the seafarers are individuals of color. As a member of the Board of Directors, the Missioner for Ethnic Ministries was involved in fundraising activities. On Ash Wednesday, Bishop Vincent Warner celebrated Eucharist on a massive grain ship.

African American Ministry—The committee sponsored a very meaningful diocesan wide seminar, “Having Our Say,” during the Absalom Jones weekend. The event was co-sponsored by St. Clement’s and All Saints, Seattle. Members of the committee developed a seminar for the national Urban Caucus. In November 2006, the committee is sponsoring an event at the Intiman Theater, “Black Nativity” to honor the life and ministry of the Rev. Richard Young and his wife Edith and to raise funds to help establish a curate program in the Diocese for persons of color.

Anti-Racism Training Task Force (ARTTF)—This year has been a record breaking! Over two hundred fifty

individuals completed an anti-racism seminar. Facilitators included: members of the diocesan anti-racism training task force, national Episcopal Church trainers, and the Rev. Dr. Eric Law. Next year, plans are again being developed to have regional seminars throughout the diocese.

Cambodian Ministry—Relationships are being developed with congregations in the Rainier Region, Diocesan commissions, and Indochinese Cultural Service Center to enhance the ministries of Holy Family of Jesus. The Friday evening youth program continues to flourish.

Chinese Ministry—Our Chinese congregation, Holy Apostles’, is providing a wide range of ministries at the following churches: Church of the Resurrection, St. Margaret’s, St. Anthony School Renton, First Presbyterian of Bellevue, and St. Peter’s. The ministries include: worship, Bible study, Chinese school, the Alpha program, and the Golden Age Club. Holy Apostles’ is a Jubilee Center.

First Nations Committee—The First Nation’s Committee in partnership with St. Benedict’s has initiated conversations with members of the Nisqually Nation. The goals are to develop meaningful ways to support the Nisqually church and develop cross cultural relationships. The committee sponsored Daren Chidester, a Native American parishioner from St. John’s, Olympia, to participate in the Indigenous People’s World Forum at the United Nations, New York City. The members of the committee continue to lift up First Nations people within the diocese.

Hispanic Ministry—An exciting and spirit filled three day Hispanic Summit was held at the Dumas Bay Retreat Center. Approximately 60 participants representing the seven Hispanic ministries and diocesan house staff attended. The keynote speaker was the Rev. Anthony Guillen, from the national Hispanic Desk. It was a very special time to learn about the Episcopal Church and grow spiritually.

Sudanese Ministry—The Sudanese community worshipped at St. Columba’s, Kent, Saturday and Sunday afternoons. The community sponsored, “The Drums of Peace,” evening for fellowship and to raise funds for their

ministries. Close to 200 individuals attended this successful event.

Staff members: Commission for Ethnic Ministries chairperson, *Polly Shigaki*; Missioner for Ethnic Ministries, *the Rev. Jerry Shigaki*; Administrative Assistant, *Carla Robinson*; Commission representative to Diocesan Council, *the Rev. Anna Maria Korathu*.

Commission for Ethnic Ministries members: *Dianne Aid, Hisako Beasley, the Rev. Josephine Beecher, the Rev. George Anne Boyle, Rong By, the Rev. William Deng Deng, Charles Hubbard, Norah Joslyn, the Rev. Anna Maria Korathu, Francisco Lopez, the Rev. Constance Moorehead, Frank Prohaska, Cleveland Riley, the Rt. Rev. Bavi Rivera, the Rev. Mary Shehane, the Rev. Rachel Taber-Hamilton, the Rev. Dennis Taylor, the Rev. Patricia Taylor, Steve Tellari, the Rev. Philip Wong.*

Standing Committee (06/F/9)

The Standing Committee is made up of eight members, four clergy and four lay. All members of the Standing Committee are elected by Diocesan Convention and serve a four-year term. Members may not be immediately re-elected. These rules mean that the Standing Committee is a small, diverse group of people committed to serving the Diocese and the Bishop in a number of ways. Monthly meetings of several hours mean that members become well acquainted with one another.

The Standing Committee serves several functions. We act as a body of advice to the bishop on any matter the bishop brings to us. These conversations are held in confidence and members of the committee give varied, thoughtful and honest opinions. We also recommend candidates for ordination upon receipt of their completed files. By canon, a person cannot be ordained deacon or priest without the consent of a majority of the Standing Committee. Members of the committee take this duty seriously – listening, asking questions, reviewing the information contained in files and reading the reports of the Commission on Ministry.

A third role for the committee regards election of bishops for the Church. When a diocese within the National Church wishes to hold an election for Bishop, Bishop Suffragan, or Bishop Coadjutor, three-quarters of the Standing Committees must consent to that election. When a cleric is elected Bishop, again three quarters of the Standing Committees of the National Church must consent in writing. This is also a duty the members of the committee take seriously. We request information from the electing diocese and review that information before voting to consent to such elections.

Finally, time is devoted to considering the alienation or encumbrance of Church property. Whenever a congregation wishes to make changes in status of real property – buying, selling, or mortgaging real estate – a request is made in writing to the Bishop. After investigation by the Bishop, or his agent, the request comes to the Standing Committee with a recommendation. The Standing Committee reviews the request and the research, and consents, or declines to consent, to the proposed alienation or encumbrance. The

action is considered carefully and is not automatic. Last year, the Standing Committee clarified the review process regarding alienations or encumbrances. The committee requires information about the issue at least one meeting before action is taken and can call on an ad hoc committee of the Board of Directors to study the situation more closely if deemed necessary upon initial review.

A continued focus for the Standing Committee this year was preparation for the election of a Bishop Diocesan for our diocese. As required in our canons, a Joint Board, consisting of both lay and clerical representatives from the Standing Committee and the Diocesan Council was established last year to oversee the process. The Search Committee and the Transition Committee have been meeting this year, completing the diocesan profile, accepting applications and preparing for the transition period. The Joint Board will continue to monitor this process.

Personally, it has been a privilege to serve on the Standing Committee for the last four years. One of the first things we talked about when I started is how this is a committee about relationships, and that has proved true for me. There is a great deal of love and wisdom in this diocese and I am a better Christian and have a better understanding of the Episcopal Church because of what I have experienced and learned as part of this group. We begin each meeting with Bible study, prayer and reflection, and often support each other in our personal challenges and sorrows. I have learned a lot about what “servant leadership” means among this remarkable circle of friends and leaders and am grateful for the experience.

Respectfully submitted, *Dorothy Gibson*, President.

Commission for Faith Formation (06/F/10)

A life-long journey in faith...Spiritual as well as Developmental...Formational! The Commission for Faith Formation continues to examine, develop, and evaluate the needs and programs of Christian formation for people of all ages.

The Commission serves as the advisory board for Faith Formation. The following opportunities and events were offered around the Diocese this past year:

Children's Ministry: *Colleagues in Children's Ministry*, a committee which offers resource support, networking and training to those working with children in their churches throughout the Diocese, met in Seattle, Olympia and Sammamish during the past year. Programs for these gatherings included presentations of seasonal interest (such as Advent or Vacation Bible School) and Sunday School with kids who have special needs. Two workshops were presented on faith in the family at the Transforming Ministry Day in August. The ongoing work of this committee is guided by *The Children's Charter for the Church*, with its three focal points: "Nurture of the Child, Ministry to the Child, and Ministry of the Child.

High School Youth Conference (HYC): Three weekend conferences were provided for youth in grades 9-12 in three different congregations within our Diocese. The theme for each of the weekends was supported through speakers, films, worship, music, and both large and small-group activities. The HYCs are dependent upon the support of clergy and laity within the hosting churches and the volunteer staff.

Junior High Youth Conference (JYC): Two of these weekend conferences were held serving grades 6-9. These events are similar in design to the HYC program, taking place in our churches, with more emphasis on active learning situations.

6-Day: 6-Day was held in June at Huston Camp and Conference Center. The youth and volunteer leaders in attendance lived in Christian community and experienced music, worship, speakers, workshops, prayer, games, and small and large-group activities. Clergy on staff as well as visiting clergy from our Diocese lend support each day. Bishop Rivera was also a member of the staff for the week.

Christian Education/Youth Leader Training: Workshops were provided at the diocesan Transforming Ministries Day in August. On site consultations were also offered. We also participated with the Program Leadership Team in Appreciative Inquiry for congregations. Child abuse awareness training with instructors Jan and Mike Akin was offered in several regions this year. Conference staff training days also precede each of the youth conferences.

Canterbury and Young Adult Ministry: Episcopal Campus Ministry provides Holy Eucharist twice a week. Tuesdays we take Holy Eucharist to the Husky Student Union Building and Wednesday we have Holy Eucharist and a great home cooked meal after worship. We celebrate three Feast Day Eucharists; King Kamehameha and Queen Emma, Absalom Jones and Martin Luther King, Jr. to celebrate the diversity of the Church. We provide service opportunities for students ranging from a Habitat for Humanity project, to participating in the Ecumenical Student gathering this December to help rebuild New Orleans. We offer spiritual direction and vocation discernment. Episcopal Campus Ministry, in partnership with the Office of Faith Formation, provides retreat opportunities for post-grad young adults. Training and consultation for the development of young adult ministries is available.

Church and Regional Support: The Commission has also provided assistance to children, youth, teachers, and youth leaders by helping to supply or locate resources. Youth leader meetings and regional gatherings were attended by Commission members. Our Ministry Resource Coordinator has consulted on-site or in the resource center with congregations, assisting with program development and resource

selection in such areas as faith formation for all ages, prayer groups, bible studies, church growth, and leadership training.

Diocesan Convention: Eleven young people from around the Diocese were given seat, voice and vote as "Youth Presence" on the floor at Convention 2005. They participated in table discussions and brought a younger viewpoint to critical issues. Youth and youth leaders served as pages and tellers for Convention. Our Commission and the Resource Center also provided a display of resources for ministry.

Provincial Network: An adult and a youth represented the Diocese of Olympia at the Provincial Youth Council meeting held in Portland, OR. PYC is the decision-making program group of Province VIII Youth Ministries. It has the responsibility for planning and implementing all provincial youth events and programs, while overseeing the youth budget for the province. It also provides the most direct communication channel between diocesan and national youth networks. Our Diocese also hosts the annual fall meeting of the Western Episcopal Educators, the Province VIII program group for Christian Education.

Diocesan School of Ministry and Theology: The school continues to offer core programs and an expanded selection of classes and trainings. The two-year *Cycle of Studies*, based at the diocesan house in Seattle, features foundational courses while Life-long Learning classes encourage others to expand their skills and interests, becoming or remaining part of this learning community. *Worship Leader* training was offered once in 2006; popular workshops on the *Ministry of Healing Prayer* were continued this year. Trainings were held in various locations around the Diocese. The school website (www.dsomat.org)

offers a complete listing of classes and programs, provides an on-line registration option, and includes links to various continuing education opportunities in the area.

Diocesan Resource Center:

New and updated materials were added to the center's collection (over 8000 books and 900 videotapes and a growing collection of DVDs are available). The collection is broad, including samples of curriculum for all ages, materials dealing with congregations, spiritual practices, stewardship, storytelling, leadership, liturgy and even a small collection of

books for children. The Center provides information and resources for the Diocesan School of Ministry and Theology and houses the Earth Ministry collection. The monthly newsletter, "Report from the Stacks" highlights new titles, and monthly columns in FYI take a themed approach to promoting materials. Bibliographies of both written and video resources were emailed to individuals to assist in their planning for programs and retreats. The librarian as a members of the Diocesan program team participated in team visits to congregations,

presented workshops at the Transforming Ministry day, and made several "bookmobile" visits, taking resources to congregations outside the Seattle area.

Commission For Faith

Formation Members: Ms. Jan Akin, Dr. Chris Christensen, the Rev. Jack Erskine, Mr. Robert Graham, Ms. Cherry Haisten, Ms. Kathleen Hamilton, Ms. Janice Higby, Ms. Shannon Jergenson, Ms. Mary Maxon, the Rt. Rev Bavi Rivera, the Rev Mary Shehane, Ms. Sue Tait and Ms. Sally Young.

Communications Committee report (06/F/11)

With the September 2006 departure of the Missioner for Communications and Community Ministry, the Office of Communications has undergone some slight reorganization. The program now has the follow people and areas of accountability.

Norah Joslyn, Communications Specialist. Joslyn serves as editor of the *Across the Diocese* e-mail newsletter and the *Episcopal Voice* newspaper. She co-edits the diocesan website, www.ecww.org, and is the contact for congregations and media relations. She also supervises the position of Receptionist/Support Services, her former position, which currently is held by transitional deacon the Rev. Kate Wesch.

David Manes, Information Systems Coordinator. Manes manages the computer networks, e-mail system and database, and is co-editor of the diocesan website.

Julie Tarter, Graphics Designer and Publications Coordinator. Tarter is editor of the *FYI* newsletter and associate editor, layout designer and circulation manager of the *Voice*. She is editor of the diocesan directory and provides graphic design assistance for brochures, flyers and communication materials. She also manages the communications records and photo library.

The Office of Communications continues to produce high-quality communications tools for the diocese. *Across the Diocese* has grown in popularity and congregations draw on it for their newsletters as well as offering their events to the whole diocese. The *Voice*, which wraps with the national church's *Episcopal Life* and is published in January, March, April, June, July/August, September, October and December, remains a standard-setting leader in its field and took home another eight Polly Bond awards from the 2006 Episcopal Communicators Conference. Communications staff members look forward to more opportunities to serve the wider diocese in the coming year.

Small and Simple Grants Project: Largely through the work of former Missioner for Communications and Community Ministry, Peter Strimer, the Office of Communications office consulted with many congregations on their various communications needs. Small and Simple Grants were awarded, which ranged from magazine advertising and website development to door hangers and video projection equipment. Through these grants, which match costs up to \$500, congregations and committees are able to reach broader segments of their neighborhoods, spreading good news. Members are encouraged to apply for these grants again in 2007.

Church Communicators Conference: Following on the success of the 2004 and 2005 Church Communicators Conference, the communications committee designed and implemented another great gathering of communicators in 2006. With a theme of e-V@ngelism, participants heard from guests A. Bowie Snodgrass, web content editor for the Episcopal Church Center; Sean McConnell, communications director for the Diocese of California; and Every Voice Network members Br. Karekin Yarian and Rosa Lee Harden. Special attention was given to podcasting, web content development and *via media* curriculum while continuing to provide congregations with nuts-and-bolts support in newsletters, e-mail lists and communications strategies. With changes in committee membership and the communications office, it was determined that the time and energy necessary to provide and effective conference was not available. It is hoped that the conference will return in 2008 with as much enthusiasm as in years past.

Commission for Evangelism (06/F/12)

The purpose of the Commission for Evangelism is to equip the congregations of the diocese to share the good news of Jesus Christ with others, and to remain accountable to God and the diocese.

Staff members include: *Nedi Rivera*, Bishop Suffragan; *Carl Knirk*, Bishop's Deputy for Planned Giving/Stewardship; *Sharon Pethers*, Administrative Assistant; Commission Chair, *Laura Poston*, Our Saviour, Monroe; Commission Representative to Diocesan Council, *The Rev. Armand Kreft*, Epiphany, Seattle.

Bring-A-Friend Sunday, is now in its fifth year, recommended for October, 2006. It appears to be becoming part of the culture. Email invitations are available at the diocesan website: www.ecww.org. *Laura Faley* continues to offer congregational consulting around evangelism, greeting, church growth issues, with financial support available from the Evangelism budget to assist congregations in engaging her.

The **Television Eucharist**, on KONG TV, cable, airs Sunday mornings at 5 a.m. KING-TV donates airtime and production costs. The Rev. Mike Jackson organizes volunteers for the taping of these services. An estimated 5,000 viewers tune in every Sunday, making it, by far, the largest congregation on any given Sunday in our diocese.

A **Pastoral Care Committee** for the diocese has been organized by Peter Pitarys, volunteer, who conducted a survey of congregations in 2005. The committee plans to survey congregations to develop a directory of pastoral care leaders in congregations. They then plan to develop a needs analysis questionnaire and begin to offer training and consultation to any congregations in the diocese around the ministry of Pastoral Care. For more information, contact the Evangelism office of the Diocese of Olympia.

Church of the Apostles (COTA), an "emerging church" now in its fourth year of operation, has moved into the old St. Paul's Lutheran structure, at 43rd and Fremont, now called the Fremont Abbey. Plans for developing COTA

along with a community art center, coffee house, performing center, are underway thanks to a building loan from the Lutheran Mission Investment Fund. Worship happens Saturdays at 5 p.m. with multi-media and music, with a strong Lutheran/Episcopal ethos. Funds from the Evangelism budget are helping pay the salary of pastor Rev. Karen Ward. COTA received a three-year grant from Trinity, Wall Street, to underwrite their liturgist and music staff, allowing them to share their gifts and teach others. They are conducting workshops all around the country. The diocese has committed to raising \$100,000 to help COTA pay for the purchase of the building by August, of 2007.

Seven people from two congregations in the diocese attended **Start Up Start Over** this year, with funding help from the Evangelism budget.

Three thousand "**Share Your Story**" decks of cards have been printed and 1000 decks were given away free at General Convention in Columbus. The decks are now available for sale at \$7 each, from TENS, The Episcopal Network for Stewardship. These can be used in any setting to encourage folks to share their story of what it means to be a Christian. The deck now has 48 questions and the questions are printed in English and Spanish.

August 12, the Program Team of the Diocese, under the leadership of Bishop Suffragan Rivera, held a **Transforming Ministry** workshop at St. Columba's, Kent. The focus was to look at ministry as part of the Great Commission, of spreading the Good News of Christ. Music was provided by volunteers from the youth conference programs and a variety of workshops were presented by program staff and volunteers.

Submitted by Carl Knirk, Bishop's Deputy for Planned Giving/Stewardship.

Commission for Planned Giving/Stewardship (06/F/13)

The purpose of the Commission is to provide servant leadership and encouragement for developing and sharing resources to strengthen the work of the Episcopal Church in Western Washington. The diocesan office for Planned Giving/Stewardship supports the Commission and its work in the areas of planned giving, stewardship, and Episcopal Charities Appeal.

Staff members include: *Carl Knirk*, Bishop's Deputy for Planned Giving/Stewardship; *Sharon Pethers*, Administrative Assistant; Chair of the Commission, *Bill Brice*, St. Andrew's, Tacoma; Commission Representative to Diocesan Council, *the Rev. Kim Forman*, Ascension, Seattle.

Commission for Stewardship & Planned Giving, Chair, Bill Brice: The Commission sets and reviews goals and objectives annually. A copy of these are available by

contacting the Planned Giving/Stewardship office. This past year, 2214 people were served with training/resources in 2005, a 47% increase from 2004; homilies were given in ten congregations; 38 congregations were reached with personal visits/consultations/training, a 33% increase from 2004.

The Bishop's Society has grown to 1,056 members as of Convention, 2006. Our Society is now the largest diocesan recognition legacy society in ECUSA. Approximately one

third of all the dioceses have a recognition society in place. Anyone who has made arrangements for a gift to any Episcopal Church or ministry in their will or estate plans qualifies. The Society hosts one or two diocesan-wide events to say thank you to members, and partners with congregations in recognizing individual legacy society members. Nearly 20 congregations now have Legacy Societies in place.

The Living Tree, a five-year campaign, was rolled out at Convention, 2004, with a goal of doubling the membership in the Bishop's Society by 2010, to 2010 members. Other goals of this five-year campaign are to develop legacy societies in one third of our congregations and have active planned giving ministries and endowments in place in half of our congregations.

In September 2006, a Clergy Day was held, focused on stewardship, and helping clergy share their own stewardship story with their congregation. Bruce Rockwell, president of the board of The Episcopal Network for Stewardship, led the program for clergy.

A TENS regional stewardship conference was held September 29/30 at the Sea-Tac Marriott Hotel. Four other northwest dioceses helped underwrite and promote the conference. The day and a half of workshops (Friday afternoon to Saturday afternoon) drew more than 175 participants and presenters.

Episcopal Charities Appeal, Chair, The Rev. Patty Baker: Episcopal Charities Appeal was founded in 1987 by the Diocesan Convention as our diocesan annual appeal to support ministries with an Episcopal connection in Western Washington reaching out to those in human need. Congregations are asked to take a special offering for ECA on Thanksgiving or the Sunday before or after Thanksgiving. An annual direct mail appeal is sent to diocesan households during Lent each year. The ECA committee chose 28 ministries to support in 2006, with a little over \$100,000 distributed in June of this year. Donations may now be made electronically, on line, year round. Go to www.ecww.org and link to the secure website

to make a gift to ECA via credit card, debit card, or electronic transfer.

Electronic Giving Now Available: The Diocese of Olympia has now set up a secure website link through our website: www.ecww.org where donors can give via credit card, debit card or electronic transfer from their bank accounts. You can now give to ECA, We Will Stand With you, and the Student Scholarship Fund campaigns.

After much research, the diocese chose to contract with VANCO Services of Minnesota, who now work with over 8,000 churches, many of them Lutheran and Episcopal congregations. Here is a testimonial from Vanco's website:

We have been using Vanco Services for some time now and have found them to be user friendly and 100% reliable. We use this service for both our general fund and capital campaign giving... our people appreciate the various options for weekly or monthly giving... it is easy for the church and easy for the willing giver who is seeking a disciplined way of following through on their desire to give. Our experience has been problem-free. I strongly recommend Vanco as a team that will provide any local church with a service that they will appreciate.

In some churches more than a third of their donations are received through electronic giving. If you are not offering this service to your members, it is now time to consider it and take the steps to do so. The costs are minimal for the services provided, and need to be a budgeted item for the cost of running the church.

You can find more information about Vanco at their website:

http://www.vancoservices.com/vs_nonprofit_main.htm or simply do a search online for Vanco. If you would like more information from our diocesan office call Sharon Pethers at ext 323 at Diocesan House (800-488-4978). There are other providers available as well, besides Vanco. The important thing is that churches do their own investigation and move forward to make it easy for people to be generous with their monetary gifts.

Submitted by Carl Knirk, Bishop's Deputy for Planned Giving/Stewardship

Student Scholarship Committee Report (06/F/14)

The Student Scholarship Committee (SSC) was formed in 2001 to solicit and distribute funds diocesan wide to support students studying for Holy Orders from the Diocese of Olympia. The Mentzer Endowment fund, which is restricted to male seminarians studying to become priests, is distributed annually by the diocesan bishop. One of the prime reasons for creating the SSC is to bring some equity in funding for women students and to add support for those who are following a call to become deacons.

The cost of residential seminary education runs more than \$30,000 annually. The norm for everyone studying for the priesthood in this diocese is that they are in residence at an Episcopal seminary.

Many students receive some support from their sponsoring congregation, but the sacrifice given by individual students and the toll on their families, including for many a long term debt that needs to be repaid, can be enormous. The SSC conducts an annual appeal in January to

clergy, congregations, and former donors to support all those studying for Holy Orders from our diocese.

In 2006, approximately \$19,000 will be distributed by the SSC to 25 postulants and candidates studying for the priesthood and 9 students studying for the diaconate. This is still a minimal amount of support in relation to total costs. In 2005 the Mentzer Fund proceeds will be approximately \$25,000. Deacons received a grant for the first time in 2004 and continue to get support.

The Seminarian Scholarship Fund Endowment, started in 1961 by the Episcopal Church Women, provided \$10,000 of the funds for the SSC. The balance came mostly from individual gifts.

In January of each year, a feature article will appear in *The Episcopal Voice* profiling one of our students along with

an appeal for gifts. In addition, individual solicitations will be sent to all former donors and to all congregations. Gifts to the SSC may now be made online at www.ecww.org through our secure website for electronic giving. Options include giving by credit card, debit card, or electronic transfer of funds.

Donations to the SSC are welcome and are tax deductible according to IRS rules.

Members of Student Scholarship Committee are: Maureen Lyons, Convener; Rev. Cris Amburgey; Rev. Anna Maria Korathu; Rev. Dennis Taylor; Rev. Jerry Shigaki; Barbara Brower; Phoebe Gilbert; Carl Knirk.

For more information, contact *Carl Knirk*, Bishop's Deputy for Planned Giving/Stewardship, at Diocesan House, 206-325-4200, ext. 315.

Episcopal Charities Appeal Report (06/F/15)

2006 Appeal: Episcopal Charities Appeal was formed by Diocesan Convention in 1987 to serve as our diocesan wide way to solicit funds for ministries serving those in human need in Western Washington. All ECA support ministries must have an Episcopal connection either on the board of with support from an Episcopal congregation.

ECA distributed \$100,552 in early June to 33 ministries across western Washington. We accept grant applications from ministries in mid-December, which are deliberated on by ECA committee members in January. This year, the committee selected 28 ministries to receive benefits from the 2006 appeal. This year we welcomed two new ministries, La Iglesia Santa Isabel (Burien) and SafePlace (Olympia). There were a few donor designated gifts received for the benefit of five ministries funded by ECA in past years who did not apply for 2006 funding. Following is a list of this years ministries and their grant amounts.

\$3,550-Aids Housing Association (Tacoma); \$454-Babies In Need (Vancouver); \$3,730-Canterbury Campus Ministry (U of W, Seattle); \$3,550-Congregations for the Homeless (Eastside of Lake Washington); \$3,000-Dungeness Valley Health & Wellness (Sequim); \$9,000-Faith Homes; \$3,400-Harmony Hill (Union); \$3,500-Helping Hand (South Whidbey); \$3,678-Homeless Project of the Church Council of Greater Seattle (Seattle); \$1,500-Jackson Street Food Bank (Tacoma); \$3,850-KAIROS Prison Ministry Intl. Inc.; \$3,500-La Iglesia de la Resurreccion (Mt. Vernon); \$2,000-La Iglesia Santa Isabel (Burien) New 2006; \$3,550-M.A.N.N.A. (Pt. Angeles); \$3,826-Mediation & Settlement Center (Pacific & Grays Harbor Counties); \$3,550-Mental Health Chaplaincy of Pierce County (Tacoma); \$3,758-Mission to Seafarers (Seattle); \$3,711-MultiFaith Works (Seattle); \$3,550-Northwest Harvest South (Vancouver); \$3,615-Refugee Resettlement Ministry Office (Seattle); \$3,000-SafePlace (Olympia) New 2006; \$2,500-San Mateo/St. Matthew (Auburn); \$3,550-Self-Managed Housing Program (Seattle); \$3,550-Matthew House (Simon of Cyrene, Inc., Monroe); \$5,827-St. James Family Center (Cathlamet); \$3,000-St. James Outreach (Kent); \$3,550-Thurston County Ministries in Higher Education

(Olympia); \$3,500-Volunteers in Medicine of the Olympics Clinic (VIMO) (Pt. Angeles); \$1,403-other designations.

At the time of distributions in June, we had available a net total of \$101,030 (after expenses) including \$10,867 which was donor designated to the various agencies as well as \$890 designated for the ECA endowment. It should be noted that of the 502 donors this past year, 20% are new donors to ECA.

ECA Endowment Fund: The ECA endowment fund was created several years ago from part of one major gift ECA received. The original balance of \$20,000 has grown to \$30,000 and the committee has no plans to spend any of the endowment until we reach a substantially larger principal amount. We continue to promote the existence of the endowment fund for ECA, mailing the Living Tree brochure with all thank you letters and have included it as a separate designation on the donor designation cards sent out with all ECA mailings. \$890 of funds donated to ECA this past year were designated to the ECA endowment fund. We know of several donors who have remembered ECA in their legacy giving plans.

Memorial/Honorarium gifting program for ECA: We are in the process of developing a memorial/honorarium program where donors can make a gift to ECA in memory of a birthday, anniversary, loss of a loved one, etc. This program will be available later this fall on the diocesan website: www.ecww.org.

Electronic Giving Options! New! Many have asked if the diocese offers an electronic, or automated, option for giving. As of October 6 we do. Easy and simple, electronic giving allows donors to make contributions for the ECA, We Will Stand With You campaign, or Student Scholarship Fund to be transferred electronically from their checking or savings account, or credit card directly to the diocesan account. The link is up at our diocesan website, www.ecww.org, to our secure online

payment site or one simple and easy to use authorization form can be downloaded and printed to begin your electronic contribution amount. The authorization form and "Answers to Frequently Asked Questions" can be accessed from this page or

both can be obtained by contacting Sharon at the Diocese of Olympia Planned Giving/Stewardship office at 206-325-4200 or 800-488-4978, ext. 323 or email spethers@ecww.org.

Hurricane Katrina Task Force (06/F/16)

Background: Shortly after Hurricane Katrina and Rita struck the United States Gulf Coast in August and September 2005 a task force was convened by the bishops of the Diocese of Olympia to discern our response to these tragedies. After a period of meaningful prayer and reflection the task force recommended that everyone in the diocese join in these efforts to re-build what is lost and work to prevent such devastation happening again, in the Gulf Coast as well as the Pacific Northwest. The following programs have been developed.

We Will Stand With You program:

This program pairs the Diocese of Olympia with the people of St. Paul's New Orleans, a church heavily damaged by Hurricane Katrina. This long-term commitment means that our diocese will work with this congregation over months and even years to help reestablish its life and ministry. On April 1, the Rev. Will Hood, priest-in-charge of St. Paul's, New Orleans, gave a moving testimonial at our diocesan house to 50 representatives from throughout our diocese. He asked that we stand with the people of his church as they re-build following the vast devastation. In response, the Diocesan Council at its May meeting declared August 27 We Will Stand With You Sunday. Congregations received information packets in late June to help support this effort. Every household in the diocese received an appeal letter and prayer card in early August. They were asked to participate in We Will Stand With You, to bring their pledge of support and notes of encouragement to their congregation on August 27. The Diocese of Olympia has pledged to support St. Paul's Restoration Fund in the amount of \$500,000 over five years.

As of mid-October 2006, a total of \$258,000 in pledges has been received, from over 500 individual donors and congregations representing 76 congregations in the Diocese of Olympia. Many of these pledges are five year commitments by individuals and congregations to continue to provide funds for the rebuilding of St.

Paul's Church and its school. In addition, several batches of prayer cards have been forwarded to St. Paul's and are inserted in the Sunday service leaflets. Fr. Will Hood says these testimonials have dramatic and immediate impact on the readers and testify to our commitment of both prayer and financial support.

Talking in times of need: This program was designed to create opportunities for congregations to host open community conversation neighbor to neighbor, with the relevant topic of community preparedness as the invitation. The task force provides funding, training, materials and logistical support so that congregations can host café conversations in and for their communities. These particular conversations are a process fostering collaborative dialogue, particularly in large groups, which keep people moving, thinking and engaging in constructive discourse. They also provide a place for local officials to share what provisions are in place in case a disaster strikes their town or city. At these meetings, church neighbors and community leaders share together their stories of how disaster has touched their lives, what happened, and how they would like to respond to any disaster today. People are given the opportunity to begin planning together for their neighborhoods, workplaces and schools. Many have followed through, in part because of the support of new relationships formed in these conversations.

To date, St. Benedict's, Lacey and St. James, Kent, have taken advantage of this great opportunity to plan for their community's response to any crisis. Having opened their doors wide to the whole community, (in the spirit of hospitality and evangelism) they now have a process to use in the future any time folks need to gather together to talk, share knowledge and explore strategic challenges or opportunities in a very short period of time. The kits and support for this process continue to be available to any congregation through the diocesan office of Communications.

The Amos Project: The Amos Project has been a prayerful consideration of the ramifications of last year's weather disaster and what they reveal about poverty, class and race in our society and our world. From regular prayerful gatherings with critical reflection on what was experienced during the storms, new initiatives will be developed. Presently, the members of the Amos Project are discerning and researching the feasibility of developing a partnership with the Episcopal Church Public Policy Network.

Hurricane Katrina Facilitator: Karen Casey; co-chairpersons: the Rev. Sally Carlson and the Rev. Jerry Garman; We Will Stand With You: Matthew Campbell; Talking in Times of Need: Karen Casey; Amos Project: the Rt. Rev. Nedi Rivera; Staff support: Norah Joslyn, Carl Knirk, Sharon Pethers, Carla Robinson, and the Rev. Jerry Shigaki.

Diocesan Council Report to Convention (06/F/17)

The Diocesan Council is the “convention in recess” and has responsibility to oversee the budget and program goals of the Diocese and to carry out the priorities adopted by convention. Council members accept assignments, work on task groups, and attend regional, committee and commission meetings as necessary. The Diocesan Council includes the bishop, bishop suffragan, ten members elected from the regional ministries, six members appointed by program commissions and three members elected by convention.

This past year the Diocesan Council met six times: December (24-hour retreat), January, March (hosted in the Peninsula region), May (combination meeting and anti-racism training), August, and September (hosted in the Rainier region). Armand Kreft, Carolyn Forbes and Jim Campbell provided leadership for the Council; Cleveland Riley provided leadership and kept the Council grounded in prayer as the Council chaplain.

At the December retreat Council members and staff discussed how to move forward during a time of transition and goals for the following 18 months. A joint session with the Standing Committee discussed the roles and responsibilities of each group during transition. Action was taken on end of the year accounting procedures, and grants to congregations, as recommended by the Commission for Congregations, were approved. Council agreed to continue the visitation program with Council members joining Bishops Warner and Rivera on congregation visitations throughout the year.

In January the Council heard reports from the Regional Ministry convenor’s meeting and updates from each of the program commissions. The Joint Board announced that the Search and Transition committees had been constituted and would begin to work on the election of the next diocesan bishop. Year-end financial statements were reviewed, action was taken on several financial requests and the process for develop of the 2007 budget was introduced.

The March meeting was hosted by St. Barnabas’ Church, Bainbridge Island, in the Peninsula Regional Ministry. Council members heard reports from members of congregations in the region and enjoyed further conversation with these individuals over lunch. Council members also discussed assessment relief requests, heard updates from the Bishop Search process, the 2007 budget process, and program commissions; discussed upcoming Early Response Team (ERT) visits to congregations; and discussed a portion of the book, “Organic Church: Growing Faith Where Life Happens.”

The Council gathered at the Diocesan House in May for a business meeting followed by a Friday evening and all day Saturday anti-racism training. During the business session Council members heard updates on congregations in transition; a report from the Regional Ministry convenor’s meeting; reports on visitations with Bishops Warner and Rivera; an update on the Bishop Search; and recommendations following a meeting with members from St. Luke’s Church, Seattle. On recommendation from the We

Will Stand With You program, Council designated Sunday, August 27, as a day to support our partner congregation in New Orleans. Council also heard a report from the chair of the deputation to General Convention, took action on several financial issues, heard reports from recent ERTs, and approved the first draft of the 2007 diocesan operating budget.

The August meeting included reports from Regional Ministry meetings, conversation about recent congregation visitations, a review of actions and experiences at the June General Convention by those who attended, and an update on congregations in transition as well as the mediation process with the churches in Poulsbo and Oak Harbor. Reports were reviewed from program commissions, the Personnel Commission, and the Episcopal Compensation Review Task Force. The final draft of the 2007 operating budget was approved for distribution and ratification at the fall convention.

The September meeting was hosted in the Rainier Regional Ministry at All Saints’ Church, Tacoma. Council members heard reports from and enjoyed conversation and lunch with members representing seven of the nine congregations in the region. The Council also reviewed current financial reports, agreed on the assessment rate to be proposed for 2008, shared thoughts from recent visitations to congregations, heard an update on congregations in transition, and discussed several proposed resolutions to the fall convention with budget implications. A report was shared by the We Will Stand With You program and Council members provided input for the agenda of the December Council retreat. Gratitude and thanks were expressed for retiring Council members – Jayne Gott, Charlie Hubbard, Cleveland Riley, Andy Leech and Connie Moorehead.

During the year, assessment relief requests from the following congregations were received, reviewed and acted upon: St. Margaret’s Church, Bellevue; Christ Church, Anacortes; and St. Alban’s Church, Edmonds.

Respectfully submitted, The Diocesan Council Planning Team: the Rev. Armand Kreft, Epiphany Parish of Seattle; Mrs. Carolyn Forbes, St. Philip’s Church, Marysville; Mr. Cleveland Riley, St. Augustine’s in-the-Woods, Freeland; Mr. Jim Campbell, St. Mark’s Church, Montesano; Ms. Betsy Greenman, Canon to the Ordinary; the Rev. Joan Anthony, Canon for Congregation Development; Ms. Dede Moore, Staff liaison to the Diocesan Council; Bishop Vincent W. Warner.

Bishop Search Report from the Joint Board, Bishop Search and Transition Committees (06/F/18)

The Joint Board is providing oversight to the overall process for the Search for the 8th Bishop of the Episcopal Diocese of Olympia under the professional guidance of a national consultant. The Joint Board is comprised of members from both the diocesan Standing Committee and the Diocesan Council. In January 2006 two committees were formed with specific responsibilities for the search and transition process, selected by the Standing Committee and Diocesan Council from nominees received throughout the diocese. These committees are: the Bishop Search Committee and the Transition Committee.

The Bishop Search Committee: In April, the Bishop Search website (www.bishopsearcholympia.org or www.ecww.org then select bishop search) was launched and linked to the Diocese of Olympia website. The Bishop Search website contains continually updated information to the search process.

The committee created several listening opportunities for the laity and clergy of the diocese and also developed listening packets that were sent to every parish as a means of capturing important information and input. The committee then produced a diocesan profile describing the Diocese of Olympia, our many ministries, missions and institutions, and what we are seeking in our next bishop. Approximately 75% of the dioceses 102 congregations held listening sessions.

The Profile text takes its voice from the Voices of our diocese and is partnered with the Voices section on our website. Therefore, the Profile is informed by congregational, regional and clergy input as well as by the information gained from diocesan staff, individuals who sought out search members, and committees and commissions who shared their thoughts.

The Profile of the Diocese of Olympia, the Episcopal Church in Western Washington, and the nomination forms for discernment in the election of the 8th bishop of the Diocese of Olympia were launched on the Bishop Search website July 10. This multi-media project was jointly created by the Bishop Search Committee and Axis Studios, Inc. of Seattle.

To alert people to our Profile and website, every congregation and clergy person in our diocese as well as every Episcopal seminary, cathedral, endowed parish, bishop and deployment officer in the country was sent a multi-media CD to connect the user to the website and engage the profile. Hot linked to each congregation and diocesan group website, the Voices section has provided candidates and nominators with a transparent look at thousands of comments about the diocese and what we seek to discern in a bishop.

Search Committee members lead the development of an education curriculum (intended for use in parishes during Advent and the months prior to the election) that is accessible and downloadable from the Search website. This education component is an important way to help our diocese prepare for considering, electing and welcoming our next bishop.

Applications opened July 10 and closed September 26. The committee received completed applications from 23 outstanding candidates. The Search Committee is currently engaged in the process of developing a slate of nominees to be presented to the Joint Board on February 5, 2007. This includes essay and application review, interviews, on-site visits and background checks.

Angela Griffin, a member and staff of Trinity Episcopal Church in Everett, was hired as the administrative assistant to the Search and Transition Committee to handle confidentially all paperwork and administrative work of the committees.

Committee Roster: The Rev. Rachel Taber-Hamilton (co-chair), the Rev. Andrea McMillin (co-chair), the Rev. John Allen, the Rev. Susan Armer, the Rev. Steven Brill, Sheri Flies, Mari Hampton, Tovi Harris, Patricia (Pat) McGuire, Sarah T. Moore, Samuel Morris, Antonio Paz, Genelle Phillips, Cleveland Riley, the Rev. John Ruder.

The Joint Board: When the Joint Board receives the slate of nominees on February 5, it will immediately present the slate to the Standing Committee and Diocesan Council as required by canon. The slate will be publicly announced later the same day.

The Joint Board is responsible for overseeing the petition process otherwise known as "petitions from the floor." The Petition Process will open on January 29 and closed on February 26. All guidelines and material will be posted on the Bishop Search website.

Committee Roster: the Rev. Steve Garratt (chair), Evie Beard, Sally Young, the Rev. Kim Forman. *National Consultant:* Suzanne Foucault.

Transition Committee: The primary role of the Transition Committee is to oversee a smooth transition between Bishop Vincent Warner and the new bishop. This responsibility extends to support for both bishops and their families, support for diocesan staff, conduct the "walkabout" throughout the diocese, and oversight and administration of the election and consecration process.

The Transition Committee has been meeting monthly since February 2006 planning for the events involved with the search for a new bishop. Please be sure and stop by the Search and Transition Committee table in the exhibition hall. There is a handout for you that lists the events and important dates in 2006-2007.

Please pray for the Joint Board, the Search Committee and the Transition Committee.

Important Transition Committee Dates: October 27, 2006-Convention Banquet (Gentle Roast); April 30-May 5, 2007-Walkabout (meet the nominees); May 12, 2007-Electing Convention (St. Mark's Cathedral); August 18, 2007-Potlatch Celebration (Annie Wright School); September 15, 2007-Consecration (Meydenbauer Center).

Committee Roster: Peggy Habegger (co-chair), Linda Potter (co-chair), the Rev. Janet Campbell, Becky Clark, Sam Fleshman, Joy Goodenough, Margaret Kaus, the Rev. David Marshall, the Rev. Constance Moorehead, Jean Perry, Ralph Provencal, the Rev. Edie Weller.

Budget:

Bishop Search Committee Budget
Communications \$16,350

Survey & Profile	\$19,500	
Education	\$ 2,000	
Screening & Application Process		\$33,330
Membership & Process Support		\$12,350
Total	\$83,530	

Transition Committee Budget		
Walkabout	\$25,000	
Election and Celebration		\$11,000
Consecration	\$44,709	
Bishop Elect Expenses		\$21,000
Other Expenses	\$ 4,500	
Total	\$106,209	
Joint Board Budget & Consulting Fees		\$44,261
Budget Total	\$234,000	

Training and Consulting Services (06/F/19)

\$80,000 for \$5,000 – TACS assistance in congregations 2006. Training and Consulting Services (TACS) group are women and men, clergy and lay, Episcopalian and Lutheran, who have training in leadership development, group development and organization development. These 29 individuals have worked with 50 congregations during 2006.

Assistance included working with: vestry/bishops committee retreats; committees for discernment and call, (A.K.A. Search process); strategic planning; workshops in the development of congregation leadership; mutual ministry reviews; and staff retreats.

All these and more were provided by the TACS members as volunteers, the only expense being reimbursement for actual expenses such as mileage, ferry fees, etc.

A congregation in transition calling a new rector or vicar could pay consultants @ \$20,000 per call process. The

expertise of the TACS group comes as a greater return on a congregation's diocesan assessment. The budget line for TACS for 2006 was \$5,000. This provides continued learning experiences for the members of TACS. So, in the year 2006, congregations of the diocese received @ \$80,000 worth of assistance for \$5,000. Quite a bargain! To request assistance from the TACS group contact Canon Betsy Greenman at 206-325-4200/800-488-4978, ext. 307, or bgreenman@ecww.org.

Section 4

Leadership Lists

Congregations of the Diocese of Olympia

Parishes

Aberdeen, St. Andrew (1890)
Auburn, St. Matthew (1896)
Bainbridge Island, St. Barnabas (1944)
Bellevue, Church of the Resurrection (1957)
Bellevue, St. Margaret (1957)
Bellingham, St. Paul (1883)
Bremerton, St. Paul (1901)
Burien, St. Elizabeth (1941)
Chehalis, St. Timothy (1883/2000) formerly St. John,
Centralia and Church of the Epiphany, Chehalis
Eastsound/Orcas Island, Emmanuel Parish (1885)
Edmonds, St. Alban (1952)
Everett, Trinity Church (1892)
Federal Way, Church of the Good Shepherd (1961)
Freeland, St. Augustine in-the-Woods (1949)
Friday Harbor, St. David (1950/1999)
Gig Harbor, St. John (1916)
Issaquah, St. Michael & All Angels (1950)
Kenmore, Church of the Redeemer (1947)
Kent, St. James (1890)
Kirkland, St. John (1922)
Lakewood, St. Mary (1949)
Longview, St. Stephen (1923)
Marysville, St. Philip (1958/1998)
Medina, St. Thomas (1943)
Mercer Island, Emmanuel Church (1909)
Mount Vernon, St. Paul (1891)
Oak Harbor, St. Stephen (1952)
Olympia, St. John (1853)
Port Angeles, St. Andrew (1891)
Port Townsend, St. Paul (1860)
Poulsbo, St. Charles (1963)
Puyallup, Christ Church (1882)
Redmond, Church of the Holy Cross (1909)
Renton, St. Luke (1892)
Seattle, Christ Church (1903)
Seattle, Church of the Ascension (1938)
Seattle, Epiphany Parish of Seattle (1908)
Seattle, St. Andrew (1906)
Seattle, St. Clement (1890)
Seattle, St. George (1954)
Seattle, St. John the Baptist Church (1892)
Seattle, St. Luke (1891)
Seattle, St. Mark Cathedral (1889)
Seattle, St. Paul (1892)
Seattle, St. Peter (1908)
Seattle, St. Stephen (1920)
Seattle, Trinity Church (1865)
Sequim, St. Luke (1893)
Shelton, St. David of Wales (1890)
Shoreline, St. Dunstan (1949) formerly Seattle
Snohomish, St. John (1889)

Tacoma, Christ Church (1889)
Tacoma, St. Andrew (1890)
Tacoma, St. Luke (1879)
Tacoma, St. Matthew (1951)
Vancouver, Church of the Good Shepherd (1966/2005)
Vancouver, St. Luke (1836)
Vashon Island, Church of the Holy Spirit (1912)

Missions

Allyn, St. Hugh of Lincoln (1969)
Anacortes, Christ Church (1890)
Bainbridge Island, Grace Church
Battle Ground, Church of the Holy Spirit (1996)
Bellevue, All Saints (1996)
Bellevue, Church of the Holy Apostles (1990) formerly Seattle
Blaine, Christ Church (1889)
Camano Island, St. Aidan (1959)
Castle Rock, St. Matthew (1961)
Cathlamet, St. James (1851)
Darrington, Church of the Transfiguration (1955)
Edmonds, St. Hilda-St. Patrick (1963)
Elma, St. Luke (1895)
Enumclaw, St. Catherine (1940's)
Kent (Des Moines), St. Columba (1957)
Kingston, Faith Church (1997)
Lacey, St. Benedict (1980)
Lakewood, St. Joseph-St. John (1969)
Lopez Island, Grace Church (1954)
Maple Valley, St. George (1967)
Mill Creek, St. Francis (1980)
Monroe, Church of Our Saviour (1910)
Montesano, St. Mark (1909)
Olympia, St. Christopher (1959)
Port Orchard, St. Bede (1963)
Sammamish, Church of Good Samaritan (1990)
Seattle, All Saints (1903)
Seaview, St. Peter (1896)
Sedro-Woolley, St. James (1890)
Shoreline, St. David Emmanuel Church (1958)
Silverdale, St. Antony of Egypt (1985)
Snoqualmie, St. Clare (1982)
South Bend, St. John (1890)
Tacoma, All Saints (1890)
Tacoma, Holy Family of Jesus Church (1980)
Tahuya, St. Nicholas (1968)
Vancouver, All Saints (1977)
Washougal, St. Anne (1951)
Westport, St. Christopher (1959)

Parochial Missions/Developing Congregations

Forks, St. Swithin (1964)
Hoodsport, St. Germain (1976)
Port Gamble, St. Paul (1931)
Rockport, St. Martin-St. Francis (1952)

Diocesan Canonically Resident Clergy – October 2006 (06/A/15)

The Right Reverend Vincent W. Warner, Diocesan Bishop
The Right Reverend Bavi Edna "Nedi" Rivera, Bishop Suffragan
The Right Reverend Robert H. Cochrane, retired
The Right Reverend Sanford Z.K. Hampton, retired

001	Forbes, William	059	Snodgrass, Marilyn S.	117	Phinney, James
002	Forbes Jr., Charles A.	060	McDaniel, G. Judith	118	DeVine, Whitney Jones
003	Adams, Richard C.	061	Davis, West R.	119	Mackay III, Donald
004	Garlichs, Richard W.	062	Sterling, Edward A.	120	Miller, A. Scott
005	Leche, Edward D.	063	Gehrig, Stephen J.	121	Ridge III, Charles D.
006	Schaeffer, John G.	064	Erskine, John A.	122	Woods, James E.
007	Huston, John A.	065	Zimmerman, Curtis	123	Southwell, Robert E.
008	Hunter, Charles W.	066	Lambert, John P.	124	Hauge, Morris
009	Ellis, Marshall J.	067	Knowles, Walter R.	125	Hanna, Gerald B.
010	Winn, J. Barrie	068	Lindsey, Barrett K.	126	Carmichael, M. Jean
011	Elkins, Donald L.	069	Garratt, Stephen R.	127	Thompson, John K.
012	Jordan, Alan	070	Stewart, Ralph R.	128	Pollock, Douglas S.
013	Bristol, Wallace E.	071	Butt, J. Reginald	129	Porter, Gerald W.
014	Maddux, Donald J.	072	Rankin, Edward H.	130	Van Zanten, Peter E.
015	Snyder, Kenneth M.	073	Walker, John F.	131	Alkins, David S.
016	Luethe, Robin L.	074	Johns III, Norman S.	132	Steedman-Sanborn, Marda
017	Carpenter, George W.	075	Sell-Lee, William	133	Paolozzi, Joann
018	Nakayama, Timothy	076	Biever, Robert	134	Lueckert, Diana M.
019	Seaman, Henry F.	077	Fowler Jr., Stanley G.	135	Dietel, Robert G.
020	Radcliffe, Ernest	078	Bethea, Robert L.	136	Moore, Stephen E.
021	Storm, David A.	079	Halbrook, Thomas R.	137	Smith, Kevin C.
022	Carney, Joseph P.	080	Bogel, Marianne	138	Williams, Robert L.
023	Johnson Jr., William C.	081	Smith, Don L.	139	Treleash, Murray L.
024	Tomter, Patrick A.	082	Ferguson, John F.	140	Martin, Irene
025	Skanse, Oliver B.	083	Lane, John C.	141	Dierick, Frances L.
026	Gorsuch, John P.	084	Mikel, Joseph F.	142	Gunderson, Gretchen A.
027	Bigford, Jack N.	085	Pyme, Carla V.	143	Kindle, Charles R.
028	Pearson, J. Norris	086	Besheer, Kimbrough A.	144	Wright, Scot R.
029	Smith, Homer H.	087	Snow, Peter D.	145	Dills, R. Scott
030	Tench, Jack M.	088	Ludden, Carol P.	146	Francis, Mary Jane
031	Stewart, Daniel R.	089	Sonnesyn, Roger	147	O'Shea, Susan
032	Burnett, William M.	090	French, Richard C.	148	Cleveland, Jennifer B.
033	Bond, L. Wayne	091	Berge, William Clarke	149	Gould, Mary D.
034	McLauchlan, H. Fred	092	Gardner, Randal B.	150	Lukens, Ann Pierson
035	Christie, Robert L.	093	Taylor, Patricia L.	151	Murray, Vincent D.
036	Scovell, Dean H.	094	McCulloch, Kent T.	152	Close Erskine, Christine E.
037	Peterson Jr., Phillip	095	Williams Jr., Hollis R.	153	Scott, Richard H.
038	Dunning, David	096	Nemes, John D.	154	Bigelow, Thomas S.
039	Schreiner, Charles F.	097	Dement, Thomas E.	155	Clark, Duncan
040	Ethelston, Geoffrey F.	098	Nichols, Robert	156	Hayman, Robert F.
041	Ross, H. Stewart	099	Viggers, Jack	157	Ensor, A. Jeanne
042	Wolfe, V. Eugene	100	Ford, R. Lawrence	158	McCaw, Mary Ann
043	Sherman, Guy C.	101	Waring, William D.	159	Carr, Michael G.
044	Fast, Todd H.	102	Carskadden, Ralph	160	Brelsford, Diane
045	Rhodes, Robert W.	103	Lewis, Margaret K.	161	Lonergan, W. Gerald
046	Blundell, James	104	Keller, Patterson	162	Minifie, Thomas
047	Barrow, Gordon Hurst	105	Rietmann, Paul D.	163	Harper, William
048	Parker, Allan C.	106	Richards, Fitzroy I.	164	Lord-Wilkinson, Randal D.
049	Rogers, Henry S.	107	Reynolds, Alan D.	165	Shehane, Mary K.
050	Brown, Melvin R.	108	Hickey-Tiernan, Joseph	166	Kolbet, Paul R.
051	Looney, Richard J.	109	Astleford, Elise	167	Campbell, Anne
052	Reddell, Ronald K.	110	Steig, Terrance	168	Bartels, Judith T.
053	Collins, Paul M.	111	Jessett, Frederick E.	169	Bayles, Richard
054	Wilson, George S.	112	Moore, Robin A.	170	Brown, Lawrence Edward
055	Wappler, Harry	113	Bell, John R.	171	Hammond, Blaine R.
056	Grabinski, Kenneth	114	Davis, M. Fletcher	172	Mullins, Judith P.
057	Wilton, G.W.	115	Creighton, Susan	173	Ruder, John Williams
058	Clark, D. Corbet	116	Stanton, Barclay R.	174	Craighead, J. Thomas

175	West, Craig A.	224	Wesen, Vicki	273	Marshall, David
176	Anthony, Joan M.	225	Perry, Lawrence S.	274	Taber-Hamilton, Rachel
177	Robertson, Patricia Rome	226	Taber-Hamilton, Nigel	275	Weller, Edith
178	Strimer, Peter	227	Lee, Jeffrey D.	276	Ackermann, John
179	DeVeau, Peter J.	228	Harlacher, Carol	277	Morrissey, Michael
180	Arnold-Boyd, Annette	229	Roddam, John W.R.	278	Stockburger, Andrea McMillin
181	Best, Stephen	230	Longwood, David P.	279	Sells, Jeffrey
182	Korathu, Anna Maria	231	Heller, Jan C.	280	Sells, Patricia
183	Lee, Samuel	232	Jackson, E. Michael	281	Mack, Allan E.
184	Moorehead, Constance	233	Amburgey, Cristina G.	282	Borders, LeRoy
185	Peters, Gregory	234	Espeseth, Cynthia A.	283	Santman, Linda
186	Simonsen, Douglas	235	Taylor, N. Dennis	284	Cochran, Elizabeth Jane
187	Miller, Mark	236	Schmaling, Pamela	285	Streiff, Suzanne
188	Dunn, Robert E.	237	Eichner, James	286	Bloch, Elizabeth
189	Kinney, Kathleen	238	Arner, Susan C.	287	Maynard, Jane F.
190	MacKay, Wray	239	Barber, Grethe	288	Kalunian, J. Peter
191	Pratt, Jennifer	240	Wills, Clark E.	289	Moore, Bridget
192	Johnson, Linda M.	241	Allen, John M.	290	Garman, Gerald R.
193	Miller, Judith J.	242	Buhrer, Richard	291	Sheldon, Raymond S.
194	Walker, Randolph D.	243	Dean, Susan Chanda	292	Stroup, Susan L.
195	Conklin, Daniel G.	244	Moon, Mary Louise	293	Ballinger, Kathryn E.
196	Trytten, Patricia S.	245	Morris, Ceceilia Gilman	294	Allen, Mary L.
197	Cole, Dennis C.	246	Poirier, Esther Holley	295	Reid, M. Sue
198	Forman, Bernard (Kim)	247	Rozendaal, Jay Calvin	296	Atcheson, Charles B.
199	Prestegard, JoAnn	248	Maier, Andrea R.	297	Skelton, Melissa
200	Wolford, Rachael	249	Demura, Christine A.	298	Carlson, Sara
201	Helgeson, Gail M.	250	Tiederman, Nancy Coppass	299	Gates, Alan
202	Williams, Robert H.	251	Allen, Kevin Bond	300	Lewis, Philip
203	Whitfield, Ann	252	McQueen, Dale L.	301	MacKenzie, Mary
204	Endicott, Rachel Faith	253	Glenn, Katherine Merrell	302	Scott, Rebecca
205	Fageol, Suzanne A.	254	Younge, Richard	303	Smith, Jacqueline
206	Brill, Steven G.	255	Steele, Chris C.	304	Smith, Travis
207	Avery, Joyce M.	256	Campbell, Janet	305	Smith, Robin
208	McMeekin, Dorothy N.	257	Seeger, Elisabeth A.	306	Kreft, Armand
209	Irving, Anthony T.	258	Beecher, Josephine C.	307	Moore, David
210	Spina, Frank A.	259	Haase, Sylvia Anne	308	Heathcock, Deborah
211	Rhoads, Robert L.	260	Logan, Christie Larson	309	Pearson, Kevin
212	Thomas, John	261	Neal, James Frederick	310	Cornwell, Marilyn
213	Taylor, Robert V.	262	Brentnall, Burden	311	Dogaru, Vickie
214	Price, David L.	263	Goode, Colin	312	Fitzgibbons, Elisabeth
215	Gott, Jayne	264	Tyree-Cuevas, Susan	313	Johnson, Janis
216	Grewell, Genevieve M.	265	Boyle, George Anne	314	McKee, Helen
217	McConnell, Joyce	266	Deng Deng, William	315	McCauley, Shana
218	Novak, Margaret A.	267	Mulvey, Dorian	316	Saunderson, Ann
219	Shigaki, Jerry M.	268	Hosea, Beverly	317	Anderson, Mary Petty
220	Westpfahl, Carol E.	269	James, David	318	Hopkins, Vivian
221	Wong, Philip	270	Johnston, Zula		
222	Green, Richard	271	Baker, Patricia		
223	Patton, Kathleen	272	Grout, Earl L.		

Lay Delegates & Alternates as of October 18, 2006 (06/A/16)

Be-Attitudes Region

Edmonds, St. Alban

Del	Mannery, Denise
Del	Mullene, Daniel
Del	Wells, Gregory
Del	Young, Maryellen
Alt	Councill, Marilyn
Alt	Councill, Thomas Steve

Alt	Lorentson, Jerry
Alt	Lorentson, Marlene
<u>Kenmore, Redeemer</u>	
Del	Bentley, Donald
Del	Close, Eleanor
Del	Darrow, Lee
Del	Laughlin, Deborah

Del	McGlinn, Bill
Del	Oles, Karl
Alt	Hawley, Carter
Alt	McLean, Ken
<u>Seattle, Christ Church</u>	
Del	Dodsley, Eric
Del	McNair, Jan

Del Prohaska, Frank
Del Swain, Amanda
Alt Swisher, Donald

Seattle, St. Andrew

Del Kirschner, Bradley
Del Lee, Arthur
Del Moore, Becky
Del Pitts, Dennis
Del Schwartz, Ron
Del Terrill, Debbie
Alt Barnes, Sally

Seattle, St. George

Del Gray, Dennis
Del Gray, Susan
Alt Burkner, John
Alt Fitzsimmons, Suzanne

Seattle, St. Luke

Del Sutherland, Judi

Del Zimmerman, Ward
Alt Zi, Anne
Alt Sutherland, Gene

Seattle, St. Stephen

Del Franz, Darlene
Del Goodyear, Nancy
Del Habegger, Peggy
Del McIntosh, Nancy
Del Montgomery, William
Del Robertson, George
Del Snyder, Peter
Del Webb, Eugene
Alt Andrews, Kai
Alt Blair, Cristine
Alt Boyns, Thomas
Alt Bruce, Andrew
Alt Graunke, Kathy
Alt Jesse, Mildred

Alt Wendling, Ronald
Alt Yantis, Dorothy

Shoreline, St. David Emmanuel

Del Perry, James
Del Perry, Jean
Alt Hudson, Richard
Alt Lyons, Maureen

Shoreline, St. Dunstan

Del Buo, Dixie
Del Cook, Jay
Del Pacher, Charles
Del Pacher, Mary
Alt Baker, Joan
Alt Chapman, Robert
Alt Servais, Michael
Alt Sweeney, Mary

Columbia Region

Battle Ground, Holy Spirit

Del Rettinger, Henry Paul
Del Sale, Beth
Alt Matthews, Lee
Alt Schweizer, John

Castle Rock, St. Matthew

Del Cochran, Jere
Del King, Julie
Alt King, Kerry

Cathlamet, St. James

Del Brennan, Gery

Chehalis, St. Timothy

Del Hogan, Carol Sue
Del Hogan, Patrick
Alt Graham, Janet
Alt Johnson, David

Longview, St. Stephen

Del Edmiston, Becky
Del Edmiston, John
Del Hughey, David

Del Lyons, Mary
Del Mottet, Ann
Del Piper, Perry
Alt Hanson, Jan
Alt Meharg, Howard
Alt Spens, Crawford
Alt Spens, Lyn
Alt Sudar, Joe
Alt Swecker, Robin

Vancouver, All Saints

Del Philbrook, Mary Suzanne
Del Whitfield, Jim
Alt Haase, Dan
Alt Stephens, Patricia
Alt Stewart, Robert

Vancouver, Good Shepherd

Del Ellis, Earl
Del Green, James
Del Green, Sandi
Del Henry, Tina
Del Hundley, Della

Del Hundley, Mark
Del Okereke, Sammy
Del St Claire, Sandra
Alt Miller, Joanne
Alt Miller, Ron
Alt Stratton, James
Alt Stratton, Rose

Vancouver, St. Luke

Del Frederick, Jonathan
Del Frederick, Louise
Del Holt, Cheryl-Lee
Del Mountford, Ebie
Alt Denny, Nancy
Alt Mountford, Chris

Washougal, St. Anne

Del Tooley, Ron
Del Tooley, Fay
Alt Boggs, David
Alt Boggs, Ethel

Eastside Episcopal Churches

Bellevue, All Saints

Del Pascal, Jenny
Del Williamson, Robert
Alt Faubel, Bernard
Alt Hertlein, Christine

Bellevue, Holy Apostles

Del Chao, Richard
Del Hwang, Fion
Alt Kuk, Thomas

Bellevue, Resurrection

Del Kalunian, Kathy
Del Morton, Jane
Del Reed, Edward
Del Snow, Lilyan
Del Lewis, Sandra

Bellevue, St. Margaret

Del Champoux, Bob
Del Couch, Steven
Del Figge, Anne
Del Jensen, Jeanne-Anne
Del Jones, Ralph
Del Kilpatrick, John
Del Monks, Sharon
Del Storey, Daryl

Alt Fitzgerald, Elizabeth
Alt Forsyth, Robert

Issaquah, St. Michael & All Angels

Del Kaufmann, Michael
Del Kaufmann, Priscilla
Del Maupin, Elizabeth
Del Taylor, Marilyn
Alt Donegan, Thomas
Alt Klein, Joel
Alt Randall, Pat
Alt Thompson, Jeff

Kirkland, St. John

Del Adams, Ruth
Del Entrekin, Robert
Del Husband, James
Del Payne, Earl
Del Reilly, Pam
Del Younger, Karen
Alt Laswell, Nancy
Alt Laswell, Sam

Medina, St. Thomas

Del Albertson, Elisabeth
Del Craig, Brian
Del Holeman, Cynthia

Del Holeman, Herb
Del Johnson, Jean
Del Magee, Rose
Del Murashie, Diane
Del Murashie, Joseph
Del Rogers, Anne
Del Rogers, Claude
Del Sato, Andrea
Del Westbrook, Barbara
Alt Kestle, Donald
Alt Wassberg, Kathleen

Mercer Island, Emmanuel

Del Beatty, Barbara
Del Beatty, David
Del Daugherty, Jennifer
Del Ketcham, Terry
Del Kraft, Mary
Del Lee, Bruce
Del McReynolds, Nancy
Del McReynolds, Neil
Alt Bennett, Ruth
Alt Chambers, A George
Alt Harvey, Karen
Alt Jared, Jan
Alt Jared, Mike

Alt Paulson, John
Alt Taylor, Anthony
Alt Taylor, Brigitta
Redmond, Holy Cross
Del Dietrich, Joan
Del Hildebrand, Scott
Del Watkins, Ashley

Del Whalen, Jerome
Sammamish, Good Samaritan
Del Hindle, Jim
Del O'Neil, Joe
Del Strohl, Cathy
Del Waterfield, Paula
Alt Farrell, Sally

Alt Harper Leonard, Cynthia
Alt Shaw, Joy
Alt Smith, Martin
Snoqualmie, St. Clare
Del Van Dine, Kenneth

Evergreen Region

Auburn, St. Matthew
Del Aid, Dianne
Del Baxter, Nadine
Del Desjean, Robert
Del Keith, Laura
Alt Clark, Becky
Alt Hesketh, Jim
Alt Reveles, Maria
Alt Springer, Michael

Burien, St. Elizabeth
Del Hoerd, Jeannette
Del Jacques, Neal
Alt Mcgowan, Patti
Alt Purrington, Donald

Enumclaw, St. Catherine
Del Catto, Marion
Del Olsen, Martha
Alt Bowie, Doreen
Alt Selle, Janet

Federal Way, Good Shepherd

Del Blesener, Dale
Del Blesener, Jeannette
Del Nyberg, Linda
Del Ogden, John
Alt Esparza, Gilbert
Alt Van Blaricom, Vicki
Alt White, Barry
Alt White, Karen

Kent, St. Columba
Del Everson, Carol
Del Mcfayden, Doug
Alt Cashman, Tom
Alt MCFayden, Diane

Kent, St. James
Del Bracher, D
Del Burgess, Stan
Del Danioth, Debra
Del Gauthier, Donald
Del Helmer, Karen
Del Helmer, Philip
Del Higgins, Marie

Del Tellari, Stephen
Alt Breland, Stacy
Alt Burgess, Yvonne
Alt Coburn, Michelle
Alt Gathman, Robert
Alt Harris, Norman
Alt Helmer, Tisha
Alt Paisley, David
Alt Sanborn, Douglas

Maple Valley, St. George
Del Selby, Donna
Del Selby, Joe
Alt Beardslee, Linda
Alt Cole, Chloe

Renton, St. Luke
Del Highland, Patti
Del McLean, Daniels
Alt Grayson, Maxine
Alt Woelk, Robert

Holy C Region

Seattle, All Saints
Del Cox, Chuck
Del Tobin, Barbara
Alt James, Bob
Alt Kopischke, Ann

Seattle, Ascension
Del Batchelder, Carol
Del Breunig, Christopher
Del Cain, Marie
Del Peterson, William
Alt Gallagher, John
Alt Jahnke, James
Alt Johnson, Dace
Alt Lemke, Jody

Seattle, Epiphany Parish
Del Chemnick, Patricia
Del Day, Steve
Del Hill, Margot
Del Hill, Timothy
Del Lock, Gabriel
Del Love, Brooke
Del Love, Ed
Del Ryhter, Barbara
Alt Clake, Patty

Seattle, St. Clement
Del Barber, Theodore
Del Ferris, Diane

Del Gilshannon, Margaret
Del Sparks, Roy
Alt Hill, Paul
Alt Ousley, Robin
Seattle, St. John the Baptist
Del Blake, Ann
Del Peterson, David
Del Rehm, Nell
Del Rehm, Richardson
Alt McNamara, Donna
Alt Swim, David

Seattle, St. Mark Cathedral
Del Bates, Polly
Del Beasley, Hisako
Del Dickinson, Mary
Del Gosline, W
Del Green, James
Del Haynes, George
Del Hodsdon, Richard
Del Hoerster, Carol
Del Johns, Paul
Del Kincaid, Tamara
Del Minugh, Gary
Del Niven, Kris
Alt Blaine, Dora
Alt Bradburn, Pamela
Alt Gruchala-Gilbert, Liz
Alt Haas, Phillip

Alt Hayton, Tom
Alt McCloud, Sandra
Alt McCully, Annette
Alt McFarland, Gerry
Alt O'Sullivan, Kate
Alt Sires, David
Alt Tudor, Michael
Alt Young, Doug

Seattle, St. Paul
Del Carr, Bryan
Del Crippen, Stephen
Del Sequeira, Debra
Del Taylor, Mark
Alt Hill, Ellen
Alt Timms, Barbara

Seattle, St. Peter
Del Shigaki, Pauline
Del Shoji, Jay
Seattle, Trinity Church
Del Baim, Keri jo
Del Hannah, Paul
Del Hartley, Marvin
Del Vann, Barbara
Alt Bennett, George
Alt French, Joan
Alt Hartshorn, Bonnie

Mt. Baker Region

Anacortes, Christ Church
Del Ramerman, Dale
Del Ramerman, Diane

Alt Rodin, Carol
Alt Rodin, Curt
Bellingham, St. Paul

Del Attebery, William
Del Beckwith, Jim
Del Cook, Laurel

Del Findley, Julia
 Del Horton, Mary
 Del Horton, Truman
 Del Keast, Richard
 Del McMeel, Debbie
 Del McMeel, Ed
 Del Rehm, Erin
 Del Rehm, Greg
 Del Storrs, Charlie
 Alt Attebery, William
 Alt Funston, Karen
 Alt Hamstreet, Lisa
 Alt Litherland, Bruce
Blaine, Christ Church
 Del Bradley, Carl
 Del Hendricks-Hockey, Evelyne

Alt Bradley, Elizabeth
 Alt Fengel, Kirk
Eastsound/Orcas Island, Emmanuel
 Del Murdock, Leslie
 Del Murdock, Tom
Friday Harbor, St. David
 Del Drake, Beth
 Del Warner, Diana
 Alt Tiederman, Bill
Lopez Island, Grace Church
 Del Bryant, Alma Joanne
 Del Bryant, Trevor
 Alt Langrock, Donald
 Alt Langrock, Marlene
Mt. Vernon, St. Paul

Del Dugaw, John
 Del Dugaw, Virginia
 Del Ingraham, Charles
 Del Thomas, Elizabeth
Oak Harbor, St. Stephen
 Del Taylor, Robert
 Del Taylor, Sandy
 Alt Wagner, James
 Alt Wagner, Virginia
Sedro Woolley, St. James
 Del Baker, Judith
 Del Tasker-Mueller, Barbara
 Alt Barrett, Rilla

Peninsula Region

Allyn, St. Hugh of Lincoln

Del Ferguson, Roy
 Del Liebergesell, Virginia
 Alt Moore, Richard
 Alt Elmore, Garby

Bainbridge Island, Grace

Del Blaney, Ruth
 Del Matthews, Eric
 Del Pollock, Ken
 Del Zamzow, Heidi
 Alt Fisher, Willa
 Alt King, Bowen
 Alt Waldo, John

Bainbridge Island, St. Barnabas

Del Brown, Monica
 Del Carlin, Jerry
 Del Cederwall, Eric
 Del Holland, Lee Ann
 Del Holzman, Paul
 Del Sulonen, Mary-Louise
 Alt Gregory, Carol
 Alt Holland, Steve
 Alt Key, Nancy
 Alt Orcutt, Clifton

Bremerton, St. Paul

Del Adams, Katherine
 Del Adams, Mike
 Del Battin, John
 Del Battin, Myra
 Alt Ahrens, Susan

Alt Vanlue, Donald
Gig Harbor, St. John
 Del Danelson, Gary
 Del Halsan, Melanie
 Del Helsdon, Jeffrey
 Del Osborn, George
 Del Osborn, Elizabeth
 Del Pollock, Carol
Kingston, Faith Church
 Del Flanders, Dennis
 Del Flanders, Lori
 Alt Aurand, Constance
 Alt Aurand, James

Pt. Angeles, St. Andrew

Del Berrington, Edwin
 Del McCoy, David
 Del Mowbray, Sally
 Del Rolley, Jeanne
 Alt McCarty, Michael
 Alt McCoy, Susanne
 Alt Milliren, Patricia
 Alt Szatlocky, Melinda

Pt. Orchard, St. Bede

Del Carter, Marvin
 Del Jones, Mary-Francis
 Alt Carter, Helen
 Alt Fraser, R James

Pt. Townsend, St. Paul

Del Kalb, William
 Del Minter, Elizabeth

Del Nolan, Linda
 Del Self, David
 Alt Fleming, Kate
 Alt Vleck, Joseph

Sequim, St. Luke

Del Clary, Susan
 Del Olmer, Richard
 Del Selby, James
 Del Selby, Kara
 Alt Aldrich, Jim
 Alt Neal, Linda
 Alt Raven, Donna
 Alt Raven, Ron

Silverdale, St. Antony of Egypt

Del Andrews, Norman
 Del Andrews, Tovi
 Alt Crowson, Christopher
 Alt Scott, Margaret

Tahuya, St. Nicholas

Del None elected

Vashon Island, Holy Spirit

Del Butler, Lydia
 Del Clarke, Douglas
 Del Lake, Barbara
 Del Squire, Harold
 Alt Butler, Deborah
 Alt Clow, Richard
 Alt Crawford, David
 Alt Frederick, Connie

Rainier Region

Lakewood, St. Joseph-St. John

Del Garcia, Candace
 Del Garcia, George

Lakewood, St. Mary

Del Clancy, John
 Del Gonzalez, George
 Del Graef, Martha
 Del Hamrick, Kenneth
 Del Kemen, Jean
 Del Rostedt, Sylvia

Puyallup, Christ Church

Del Demick, James
 Del Godwin, Helen
 Del Tanner, Rick
 Del Wolfe, Nancy

Alt Gray, Erick
 Alt Hedlund, Gwena

Tacoma, All Saints

Del Barnett, Michael
 Del Gordon, Marybeth
 Alt Hayes, Warren
 Alt Wilson, Lorraine

Tacoma, Christ Church

Del Langton, Fred
 Del Moore, Patricia
 Alt Chen, Patricia
 Alt Templeton, Zachary

Tacoma, Holy Family of Jesus

Del By, Rong
 Del Yun, Samanda

Alt Kantawong, Phetsamai
 Alt Yuong, Chantana

Tacoma, St. Andrew

Del Clark, Craig
 Del Dildine, Don
 Del Gray, Alice
 Del Kolkman, Donna
 Alt Dildine, Ming
 Alt Gaub, Steven
 Alt Johnston, Kurt
 Alt Schlosser, Geri

Tacoma, St. Luke Memorial

Del Bishop, David
 Del Miller, Cindy
 Del Sampson, William
 Del Tinsley, Pamela

Alt Hicks, Nancy
Alt Turbak, Dick
Tacoma, St. Matthew

Del Kennedy, Leanne
Del Ladley, Art
Del Ladley, Pam
Del Peterson, Thomas

Alt Elofson, Richard
Alt Reed, Kendra

Sno-Isle Region

Camano Island, St. Aidan

Del Lewis, Laura
Del Poage, Douglas
Alt Bassett, Jim
Alt Poage, Jane

Edmonds, St. Hilda-St. Patrick

Del Allendoerfer, James
Del Seaborg, Paige
Alt Allendoerfer, Pat

Everett, Trinity Church

Del Bond, Marie
Del Erbeck, David
Del Griffin, Angela
Del Neal, Timothy
Del Rawson, Charlene
Del Wheeler, Gerald
Alt Hutt, Grace

Alt Torgerson-Harrison, Leann
Alt Wright, Brian

Freeland, St. Augustine in the Woods

Del Hall, Richard
Del Hall, Arnelle
Del Johnson, Joan
Del Wood, Jack
Alt Neddow, Isabel
Alt Williams, Tom

Marysville, St. Philip

Del Bechtol, Judith
Del Bechtol, Stanley
Alt Mahlum, Don
Alt Mahlum, Shirley

Mill Creek, St. Francis

Del Haslett, Louis
Del Jernegan, Joan

Alt Haslett, Lynn
Alt Holmes, John

Monroe, Our Saviour

Del Hosley, Burr
Del Poston, Laura
Alt Ganger, Devin
Alt Ganger, Stephanie

Snohomish, St. John

Del Gray, John
Del Gray, Laurie
Del Grove, Jackie
Del Morgan, Harvey
Alt Gregory, Norman
Alt Knight, Robert
Alt Skidmore, Jan
Alt Wesley, Sally

Willapa Region

Aberdeen, St. Andrew

Del Preble, Robert
Del Roumell, Grace
Del Turner, Mert
Del Woodcock, Bob
Alt McCracken, Bobbi

Elma, St. Luke

Del Kaus, Margaret
Del Niemann, Joan

Lacey, St. Benedict

Del Kindle, David
Del Liska, Collum
Del Liska, Martha
Del Provencal, Judy
Alt Crisp, Sheila
Alt Wallace, Lee
Alt Zych, Robert
Alt Zych, Susie

Montesano, St. Mark

Del Allshouse, Beatrice

Del Tennefoss, John
Alt Newdell, Steve

Olympia, St. Christopher

Del Kleier, Robert
Del Whidden, Scott
Del Whitehouse, Bruce
Del Whitehouse, Virginia
Alt Bradford, Delano
Alt Bradford, Linda

Olympia, St. John

Del Akin, Michael
Del Atwell, Catherine
Del Atwell, Troy
Del Laws, Jean
Del Laws, Keith
Del McKinney, Kathleen
Del Rawlings, Carleta
Del Rawlings, Tom
Alt Linville, Addison
Alt Schroeder, Kathryn

Seaview, St. Peter

Del Glenn, Frank
Del Glenn, Karla
Alt Adams, Ruth
Alt Garrett, Patricia

Shelton, St. David of Wales

Del Conklin, Jef
Del Haskins, Betti
Del Haskins, Douglas
Del Jones, Pam

South Bend, St. John

Del Mathis, Marie

Westport, St. Christopher

Del Coleman, Pat
Del Dickson, Julie
Alt Chapin, Suzanne
Alt Schaeffer, Patricia

Officers of the Convention

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The Reverend John G. Schaeffer, Secretary
Mr. Steve Faust, Treasurer
Mr. Donald H. Mullins, Esq., Chancellor
Mr. Duncan Bayne, Esq., Vice Chancellor
Br. Carle Griffin, OCP, Historiographer
Mrs. Diane T. Wells, Archivist and Records Manager

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Ms. Dorothy Gibson (2006)
Ms. Evelyn Beard (2007)
The Rev. Cris Amburgey (2007)
The Rev. Steve Garratt (2008)
Ms. Nancy Jacobs (2008)
Ms. Mary Lyons (2009)
The Rev. Jim Neal (2009)

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The Rev. John G. Schaeffer, secretary
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Ms. Kathryn Truong, Holy Apostles', Bellevue
Mr. Todd Curry, St. Thomas, Medina
Mr. John Rolfe, St. Mark's Cathedral, Seattle
The Rev. Thomas Dement, St. Dunstan, Shoreline

Bishop's Office Staff

Archives—Diane Wells, archivist
Bishop Diocesan—The Rt. Rev. Vincent W. Warner, bishop; Barbara Brower, administrative assistant
Bishop Suffragan—The Rt. Rev. Bavi Edna "Nedi" Rivera; Barbara Brower & Carla Robinson, administrative assistants
Canon to the Ordinary—Betsy Greenman, canon to the ordinary; Barbara Brower & Carla Robinson, administrative assistants
Communications—Norah Joslyn, communications specialist; Julie Tarter, publications coordinator; David Manes, information systems coordinator
Congregation Development – The Rev. Joan Anthony, canon for congregation development
Diocesan School of Ministry & Theology— Sue Tait, administrator; Shannon Jergenson, project manager
Ethnic Ministries—The Rev. Jerry Shigaki, ethnic missionary; Carla Robinson, administrative assistant
Evangelism – Carl Knirk, director; Sharon Pethers, administrative assistant
Faith Formation—Kathy Hamilton, missionary for youth & young adults; Shannon Jergenson, project manager
Governance—Dede Moore, convention & governance coordinator
Maintenance—Mark Swanson, custodian
Planned Giving/Stewardship -- Carl Knirk, bishop's deputy for planned giving/stewardship; Sharon Pethers, administrative assistant
Print Shop—Richard (Ky) Chen, printer
Property—Bill Goodenough, project manager
Reception—Heather Kmitta, receptionist
Resource Center—Sue Tait, librarian
Treasurer/Accounting—Steve Faust, treasurer; Chris Smith-Clark, comptroller; Paster Soong, accountant; Carrie Rohlik, finance assistant/ insurance administrator

Diocesan Council

Elected by Convention

The Rev. Connie Moorehead (2006); the Rev. Jeff Sells (2007); the Rev. Richard Younge (2008).

Elected by Regional Ministries

Mr. Gordon Baxter (Evergreen, 2008); Mr. Jim Campbell (Willapa, 2007); the Rev. Jayne Gott (Peninsula, 2006); Mr. Charlie Hubbard (Eastside, 2006); Mr. Andy Leech (Mt. Baker, 2006); Ms. Sandy McCloud (Holy C, 2007); Dr. Joan Oliver (Columbia, 2008); Mr. Cleveland Riley (Sno-Isle, 2006); the Rev. John Roddam (Be-Attitudes, 2008); the Rev. Ed Sterling (Rainier, 2007).

Appointed by Program Commissions

Ms. Chris Christensen (Church in the World, 2006); Ms. Carolyn Forbes (Congregations, 2007); the Rev. Kim Forman (Stewardship/Planned Giving, 2007); the Rev. Anna Maria Korathu (Ethnic Ministries, 2007); the Rev. Armand Kreft (Evangelism, 2007); Ms. Sally Young (Faith Formation, 2007).

Other voting members

The Rt. Rev. Vincent W. Warner; the Rt. Rev. Nedi Rivera.

Other non-voting members

The Rev. Joan Anthony; Mr. Steve Faust; Canon Betsy Greenman; Mr. Carl Knirk; Mr. Larry Meyer, St. Mark's Cathedral; Ms. Dede Moore; Mr. Donald H. Mullins; the Rev. Jerry Shigaki; Ms. Christine Smith-Clark; the Rev. Peter Strimer.

Section 5

2005 Audit & Statistics

Beail, Raines & Gillespie, Certified Public Accountants, Delta Dental Building, 9706 Fourth Avenue NE, #305, Seattle, WA 98115-2162, (206) 527-3000
INDEPENDENT AUDITOR'S REPORT

Diocese of Olympia, Inc., 1551 Tenth Avenue East, Seattle, Washington 98102

We have audited the statements of financial position--Episcopal Church basis of the Diocese of Olympia, Inc., at December 31, 2005 and 2004, and the related statements of activities and cash flows--Episcopal Church basis for the years then ended. These financial statements are the responsibility of diocesan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the policy of the Diocese of Olympia, Inc. is to prepare its financial statements on a basis that is in accordance with principles that constitute the generally accepted principles authorized by the General Convention of the Episcopal Church. These principles were last revised January 1, 2000 (see Note 2). Accordingly, the accompanying financial statements are not intended to present the financial position and the results of operations in conformity with generally accepted accounting principles.

As explained in Note 2 to the financial statements, the diocese does not keep track of the basis of Trust investment assets so it can separate realized and unrealized gains and losses or disclose unrealized appreciation. It was impractical to determine the basis for these required financial statement elements.

In our opinion, except for the lack of certain basis information, the financial statements referred to above present fairly, in all material respects, the statement of financial position of Diocese of Olympia, Inc. at December 31, 2005 and 2004, and the statements of activities and cash flows for the years then ended, in accordance with principles authorized by the General Convention of the Episcopal Church.

Beail, Raines & Gillespie, PLLC, Seattle, Washington, June 1, 2006

Diocese of Olympia, Inc. Statements of Financial Position--Episcopal Church Basis December 31, 2005 and 2004

	12/31/2005	12/31/2004
ASSETS		
Cash & Cash Equivalents	\$ 1,496,175	\$ 233,010
Investments	40,228,095	42,376,824
Notes, Loans & Real Estate		
Contracts Receivable	769,915	735,273
Related party receivables	146,136	173,273
Interest & DIF income/principal receivable	301,574	296,849
Campaign gifts--deferred	49,686	49,686
Irrevocable split-interest gifts	34,074	34,552
Equipment (less accumulated depreciation)	-	-
Property	<u>21,771,992</u>	<u>22,202,476</u>
TOTAL ASSETS	<u>\$ 64,797,647</u>	<u>\$ 66,101,943</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Bank overdraft	\$ -	\$ 503,469
DIF and other payables	327,915	362,974
Shareholders' Equity in Diocesan		
Investment Fund	21,190,520	21,072,608
Liability for Trust Accounts	29,944	753,576
Loans Payable--Banks/Other	<u>824,365</u>	<u>889,219</u>
Total Liabilities	<u>22,371,744</u>	<u>23,581,846</u>
NET ASSETS:		
Unrestricted net assets	20,080,282	20,005,732
Temporarily restricted net assets	1,273,180	1,313,706

Permanently restricted net assets	21,071,441	21,200,659
Total Net assets	<u>42,424,903</u>	<u>42,520,097</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 64,797,647</u>	<u>\$ 66,101,943</u>

Diocese of Olympia, Inc.
Statement of Activities--Episcopal Church Basis
For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Contributions	\$ 3,020	\$ 27,159	\$ 70,371	\$ 100,550
Interest Income	-	-	112,793	112,793
DIF investment income	-	-	1,449,393	1,449,393
Other investment income	38,424	90,713	84,789	213,926
Realized & unrealized net gain (loss) on investments	(16,153)	(665)	(445,645)	(462,463)
Net assets released from restrictions				
Satisfaction of program restrictions	<u>310,523</u>	<u>(113,570)</u>	<u>(196,953)</u>	-
Total Support & Revenue	<u>335,814</u>	<u>3,637</u>	<u>1,074,748</u>	<u>1,414,199</u>
EXPENSES AND DISBURSEMENTS:				
Corporate/Canonically required	-	-	6,850	6,850
Ministry	550,731	-	-	550,731
Trustee obligations	-	-	<u>35,937</u>	<u>35,937</u>
Total Expenses & Disbursements	<u>550,731</u>	-	<u>42,787</u>	<u>593,518</u>
Excess (deficiency) of support & revenue over expenses & disbursements	(214,917)	3,637	1,031,961	820,681
Amounts allocated to DIF shareholders congregations and institutions	-	-	211,789	211,789
DIF dividends paid	-	-	(1,413,456)	(1,413,456)
(Increase) Decrease in loans	605,039	-	-	605,039
Missions that became parishes	(725,035)	-	-	(725,035)
Purchases & new construction	294,551	-	-	294,551
Transfers (to) from other funds	<u>114,912</u>	<u>(44,163)</u>	<u>40,488</u>	<u>111,237</u>
Change in net assets	74,550	(40,526)	(129,218)	(95,194)
Net Assets at 12/31/2004	<u>20,005,732</u>	<u>1,313,706</u>	<u>21,200,659</u>	<u>42,520,097</u>
Net Assets at 12/31/2005	<u>\$ 20,080,282</u>	<u>\$ 1,273,180</u>	<u>\$ 21,071,441</u>	<u>\$ 42,424,903</u>

Diocese of Olympia, Inc.
Statement of Activities--Episcopal Church Basis
December 31, 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Contributions	\$ 284	\$ 127,869	\$ 12,601	\$ 140,754
Interest Income	-	-	79,336	79,336
DIF investment income	-	-	1,453,367	1,453,367
Other investment income	41,589	86,828	86,098	214,515
Realized & unrealized net gain (loss) on investments	161,894	2,875	1,708,768	1,873,537
Net assets released from restrictions				
Satisfaction of program restrictions	<u>201,177</u>	<u>(147,228)</u>	<u>(53,949)</u>	-
Total Support & Revenue	<u>404,944</u>	<u>70,344</u>	<u>3,286,221</u>	<u>3,761,509</u>
EXPENSES AND DISBURSEMENTS:				
Corporate/Canonically required	-	-	3,250	3,250
Ministry	343,777	-	15	343,792
Trustee obligations	-	-	<u>46,359</u>	<u>46,359</u>
Total Expenses & Disbursements	<u>343,777</u>	-	<u>49,624</u>	<u>393,401</u>
Excess (deficiency) of support & revenue over expenses & disbursements	61,167	70,344	3,236,597	3,368,108

Amounts allocated to DIF shareholders				
congregations and institutions	-	-	(836,641)	(836,641)
DIF dividends paid	-	-	(1,407,008)	(1,407,008)
(Increase) Decrease in loans	(179,360)	-	-	(179,360)
Purchases & new construction	361,488	-	-	361,488
Transfers (to) from other funds	<u>24,138</u>	<u>44,378</u>	<u>(164,483)</u>	<u>(95,967)</u>
Change in net assets	267,433	114,722	828,465	1,210,620
Net Assets at 12/31/2003	<u>19,738,299</u>	<u>1,198,984</u>	<u>20,372,194</u>	<u>41,309,477</u>
Net Assets at 12/31/2004	<u>\$ 20,005,732</u>	<u>\$ 1,313,706</u>	<u>\$ 21,200,659</u>	<u>\$ 42,520,097</u>

Diocese of Olympia, Inc.
Statements of Cash Flows--Episcopal Church Basis
For the Years Ended December 31, 2005 & 2004

	12/31/2005	12/31/2004
Cash flows from operating activities		
Excess of support and revenue over		
expenses and disbursements	\$ 1,032,469	\$ 2,531,466
Adjustments to reconcile excess of support and revenue		
to net cash provided by operating activities		
Realized and unrealized (gain) loss on investments	250,652	(1,038,290)
(Increase) decrease in notes & loans receivable	(30,346)	(28,549)
(Increase) decrease DIF suspense items	1,581,896	(1,582,014)
Increase (decrease) in payables	61	(17,386)
Increase (decrease) in other liabilities	<u>(612,394)</u>	<u>573,106</u>
Net cash (used) by operating activities	<u>2,222,338</u>	<u>438,333</u>
Cash flows from investing activities		
Purchase of securities/new loans	(9,768,691)	(7,754,203)
Sales of securities/loan payments/new property	10,428,030	7,231,047
DIF shareholder unit purchases	1,261,628	3,326,435
DIF shareholder unit redemptions	<u>(898,361)</u>	<u>(3,460,779)</u>
Net cash provided (used) by investing activities	<u>1,022,606</u>	<u>(657,500)</u>
Cash flows from financing activities		
DIF dividends paid	(1,413,456)	(1,407,008)
Loans from (paid to) banks/others	<u>(64,854)</u>	-
Net cash provided by financing activities	<u>(1,478,310)</u>	<u>(1,407,008)</u>
Net (decrease) in cash and cash equivalents	1,766,634	(1,626,175)
Cash and cash equivalents at beginning of year	<u>(270,459)</u>	<u>1,355,716</u>
Cash and cash equivalents at end of year	<u>\$ 1,496,175</u>	<u>\$ (270,459)</u>

Notes to Financial Statements
December 31, 2005

Note 1--Organization and Operations:

The "Diocese of Olympia" is a diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America. The Diocese includes all Episcopal churches and institutions in western Washington and is composed of two separate legal entities, the Diocese of Olympia, Inc. and the Diocese of Olympia (an unincorporated entity--see Note 3). These financial statements are for the Diocese of Olympia, Inc. and do not include the related unincorporated entity (Note 3). The Diocese of Olympia, Inc. is composed of the James F. Hodges Diocesan Investment Fund, the Trust Fund and the Building Loan, Mission Development and Real Estate Funds. Each of these funds has issued a separate audited financial statement. The Diocese of Olympia, Inc.'s main source of support is gifts, loan interest and investment and endowment income. The Diocese has adopted a policy of investing excess cash of Building, Mission Development, and Trust Funds through Bank of America. The James F. Hodges Diocesan Investment Fund uses the First America Prime Obligation Fund for cash management purposes. These investments are a concentration of credit risk in U.S. Government securities. The Building Loan Fund was established in 1949 to make loans to churches to assist in financing new building projects and to make loans for small building repair and improvement projects. The interest rate charged by the fund is set annually. Loans are periodically exempted from interest by Board action. The Property Fund accounts for the value of the land and buildings held by the Diocese. The value of mission property is shown as a diocesan asset until the mission becomes a parish. The book value of non-mission property is approximately \$3.6 million. The Mission Development Fund (MDF) was set up to purchase properties in areas where growth would necessitate establishment of a new mission. Loans made by the MDF are generally exempt from interest even after congregations have been organized. The Trust Fund holds the endowment funds of the Diocese of Olympia and other institutions of the Diocese for which the Diocese has been named trustee. The funds held are invested primarily in the James F. Hodges Diocesan Investment Fund. The James F. Hodges Diocesan Investment Fund (DIF) was organized in 1951 as a "mutual fund" for the endowments of the Diocese, parishes and related institutions. The fund balances the need for current income and growth in asset value to offset inflation by investing in a mixture of stocks and bonds. The securities are held in trust with US Bank. Realized gains for 2005 were \$2,038,497 with a \$(2,500,960) decline in net unrealized appreciation.

Note 2--Summary of Significant Accounting Policies:

These financial statements have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the "Manual of Business Methods in Church Affairs," January 1, 2000 revision. The basic financial statements for Episcopal accounting purposes consist of the statement of financial position, statement of activities and statement of cash flows. FASB 117, "Financial Statement for Not-For-Profit Organizations," was adopted by the Episcopal Church in the latest revision (2000) of the accounting manual. The system of funds previously used has been revised to conform to the net asset model. The principles follow generally accepted accounting principles except as explained below. The January 1, 1995 revised accounting principles of the Episcopal Church require capitalizing of real estate, furniture, fixtures and equipment at cost and state that depreciation is optional. Previously, all fixtures and equipment were expensed. The Diocese has elected to prospectively capitalize furniture and fixtures and depreciate them. Most equipment is purchased by the related Operating Fund (Note 3). No equipment purchased by missions is capitalized. The Diocese has elected not to depreciate real property on the basis that no additional useful information will be gained. Loans receivable and notes receivable are carried at the amount due as of December 31, 2005. Interest receivable has been accrued to December 31, 2005. The Board of Directors has adopted a policy of annual changes in the interest rate charged to diocesan institutions. The rate will be set at the One-Year Treasury Constant Maturities Index from the second week in November rounded up to the nearest eighth of a point plus three percent. For 2005 the rates were set at 5.5% for parishes and 4.0% for missions. In addition, a 2% per year cap on interest rate increases is in place. At the Board's discretion, interest is not charged on construction loans until five years after construction is completed. The Diocese does not attempt to value donated services. Investments are stated at fair market value. Cash held by the DIF is treated as an investment. The Trust accounts of the diocese do not separately track realized and unrealized gains so they may be presented separately in the statement of activities and cash flows. This omission makes it impossible to present all disclosures required by FASB 124. The Diocese is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. Transfers do not add to zero because of transfers to the Diocese of Olympia Operating Fund (Note 3). The Operating Fund receives and reports most of the income earned by the Trust's restricted net assets. The preparation of financial statements in conformity with Episcopal accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Estimates were extensively used to reconstruct property costs.

Note 3--Operating Fund

The Operating Fund of the Diocese of Olympia is a separate unincorporated entity. The Hodges Investment Fund pays a \$5,000 fee to the Operating Fund to maintain its books and records, but the remaining funds record keeping is done at no charge. Part of the cost of this audit report is also paid by the Operating Fund. Transfers do not balance because of transfers to this related entity. There are no employees of the Diocese of Olympia, Inc. and hence no pension expenses.

Note 4--Interfund Loans

Real estate owned by the Diocese is reflected at historical cost as explained in Note 2. The loans from the Mission Development Fund and Building Loan Fund have been eliminated and net assets reduced. Loans eliminated can be summarized as follows:

	<u>12/31/05</u>	<u>12/31/04</u>
Building Loan Fund	\$ 2,897,480	\$ 3,347,717
Mission Development Fund	<u>1,275,726</u>	<u>1,275,787</u>
Total	<u>\$ 4,173,206</u>	<u>\$ 4,623,504</u>

The loans eliminated at December 31, 2005 include approximately \$1,900,000 in nonperforming mission loans. There are nonperforming loans to parishes of \$287,000 that are included in the statement of financial position.

Note 5--Loans Receivable

The loans below have been eliminated in consolidation.

Loan to	Comment/Payment/Maturity	Interest Rate	Amount
Hodges Fund	Diocesan house roof loan, \$4,480.50/quarter form Hodges Income paid to Philips Fund	5%	59,894
Cathlamet	No maturity date set	0%	150,000
St. Columba's, Des Moines	Land at St. Columba's, no maturity date set	0%	318,847
Hodges Fund	Repaid \$10,000/quarter, Paid to Philips Fund	0%	108,750
Battle Ground	First five years interest free, 15-year amortization at BLF mission rate Due 2017	0%	69,000
Good Shepherd, Vancouver	Zero interest until BLF loan repaid	0%	49,383
St. Hilda/St. Patrick	Interest free until 2007, then 15 year amortization at BLF Mission rate	0%	<u>475,000</u>
			<u>\$ 1,230,874</u>

The notes, loans and contracts receivable on the balance sheet are BLF/MDF loans not eliminated (Note 4) in consolidation. These are loans to parishes.

Note 6--Capital Campaign

The deferred capital campaign gift represents the present value of a \$100,000 second-to-die life insurance policy. There was no increase in value in 2005 as the premium was paid by a policy loan.

Note 7--Loans from Banks/Others

The Diocese of Olympia, Inc. has a loan with the Bank of the Pacific that funded the construction of the Cathlamet St. James' Family Center. This note was dated January 15, 1997 with an original amount of \$500,000 maturing January 15, 2017. It bears interest at 7.3% and calls for monthly payments of \$3,715. The balance at December 31, 2005 was \$331,651. The Diocese of Olympia, Inc. has a loan with US Bank for the purchase of the Orchards property. The original note was dated September 15, 2001 with an amount of \$375,000 and has been renewed annually. The loan is secured by a CD placed with the bank. At December 31, 2005 interest rate was 3.09% with interest-only payments due. The balance at December 31, 2005 was \$21,714. This loan is budgeted for in the Operating Fund. Battle Ground has bonded indebtedness outstanding at December 31, 2005, totaling \$186,000, bearing interest at 6.25%, 6.725% and 6.5% dependent on maturity. Grace Bainbridge Island has Bond Loans outstanding at December 31, 2005, totaling \$205,000, bearing various interest rates from 3.75% to 5.75%. The schedule of debt maturity is as follows:

Year Ended	Bank of the Pacific	US Bank	Battle Ground/Holy Spirit	Bainbridge Grace	Total
12/31/2006	\$ 4,642	\$ 21,714	\$ 15,000	\$ 25,000	\$ 66,356
12/31/2007	4,928	-	15,000	30,000	49,928
12/31/2008	5,232	-	15,000	15,000	35,232
12/31/2009	5,555	-	15,000	10,000	30,555
12/31/2010	5,898	-	15,000	40,000	60,898
Thereafter	<u>305,396</u>	-	<u>111,000</u>	<u>165,000</u>	<u>581,396</u>
	<u>\$ 331,651</u>	<u>\$ 21,714</u>	<u>\$ 186,000</u>	<u>\$ 285,000</u>	<u>\$ 824,365</u>

Note 8--Seattle Habitat for Humanity

The Diocese sold, on June 28, 2001, property valued at \$224,600 to Seattle Habitat for Humanity for \$37,151. As part of the agreement, Habitat constructed two houses and leased them back to the Diocese at nominal rent for its ministry. Only the cash portion of this transaction was reflected in the financial statements, as the value of the property to be received cannot be determined. One house is used by the diocesan refugee program and the other by St. John's, West Seattle.

Note 9--Related Party Transactions

The Diocese of Olympia, Inc., has loaned the current bishop funds to purchase a principal residence. The current loan is dated January 10, 2003 and is considered an equity position. The position, with no current payments, is subordinate to the primary mortgage on the residence. The loan balance was \$146,136 at December 31, 2005.

Note 10--Contingent Liabilities

No liabilities that related to the mission congregations of the Diocese are reflected. The Diocese could be held to be a responsible party until a mission becomes a parish. Property insurance on structures includes earthquake insurance only if the individual congregations have purchased it.

Note 11--Bond Agency

The Diocese is the Registrar/Paying Agent for bonds issued by three parishes and two missions. The Diocese has obtained an Acknowledgement of Exemption from registration from the Washington State Department of Financial Institutions on these bonds.

Note 12--Securities and Investments

Securities and investments are stated at fair value. The majority of Trust investments are in the diocesan managed James F. Hodges Diocesan Investment Fund. Fund activity for 2005 is as follows:

Fair Market Value December 31, 2004	\$ 22,318,153
Reinvestment of dividends	123,086
Purchases	180,770
Redemptions	(431,819)
Total	22,190,190
Less Fair Market Value December 31, 2005	(21,940,018)
Increase in Market Value 2005	<u>\$ 250,172</u>

The Diocesan Investment Fund is a mutual type fund, open exclusively to the Diocese and its institutions. The fund has balanced growth and income as its investment objective. At December 31, 2005, the fund was approximately 30% cash and U.S. government bonds and 70% stocks listed on major exchanges. The Diocese records irrevocable split-interest agreements that are held by banks or other outside parties. The Diocese is an income-only beneficiary of one agreement. The Diocese records the fair market value of each portfolio as its estimate of the present value of the future cash flows to be received.

Note 13--Excess Appreciation

On May 16, 1996, the Board of Directors of the Diocese adopted a policy to address the use of appreciation or capital gains when the governing trust instrument is silent. 95% of any appreciation in the James F. Hodges Diocesan Investment Fund in excess of the U.S. City Average Urban Consumers Price Index may be withdrawn. This determination will be made annually as of December 31st. The start date for determining value was set at December 31, 1985 or fund setup date if later. This date may be pushed back by the beneficiary, but the burden of proof to establish any pre-1985 excess appreciation will fall on the beneficiary.

	FMV Investment James F. Hodges Diocesan Investment Fund 12/31/05	Excess Appreciation as defined above
Investments held for congregations by Trust Fund	\$ 2,928,763	\$ 1,776,652
Diocesan Trust Funds	<u>15,493,339</u>	<u>6,184,087</u>
	<u>\$ 18,422,102</u>	<u>\$ 7,960,739</u>

Independent Auditor's Report, Diocesan Council, Diocese of Olympia—Operating Fund, Seattle, WA 98102

We have audited the accompanying statement of financial position—Episcopal Church Basis of the **Diocese of Olympia – Operating Fund** (a non-profit organization) at December 31, 2005 and 2004, and the related statements of activities, cash flows and revenues and expenses compared to budget – Episcopal Church basis, for the years then ended. These financial statements are the responsibility of the diocesan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting

principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 2, the Diocese of Olympia – Operating Fund prepares its financial statements in accordance with principles authorized by the General Convention of the Episcopal Church. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Olympia – Operating Fund at December 31, 2005 and 2004, and the results of operations for the years then ended in accordance with principles authorized by the General Convention of the Episcopal Church.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The 2005 and 2004 operating fund budgets are presented for purposes of additional analysis and marked “unaudited” as we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 15, 2006, on our consideration of the Diocese of Olympia’s internal control structure and a report dated August 15, 2006, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Diocese of Olympia – Operating Fund, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards presented for purposes of additional analysis is required by U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects to the basic financial statements taken as a whole.

Beail, Raines & Gillespie, PLLC, Seattle, Washington, August 15, 2006

**Diocese of Olympia—Operating Fund
Statement of Financial Position—Episcopal Church Basis
December 31, 2005 and 2004**

	12/31/2005	12/31/2004
ASSETS		
Current Assets		
Cash – Checking & Saving	\$ 730,557	\$ 1,086,683
Cash – Money Market	<u>416,346</u>	<u>405,974</u>
Total Cash	1,146,903	1,492,657
Diocesan Investment Fund Receivable	129,822	129,452
Other Receivables	284,550	291,027
Prepaid Expense	<u>13,250</u>	<u>11,388</u>
Total Current Assets	1,574,525	1,924,524
Fixed Assets		
Equipment	116,551	346,293
Less accumulated depreciation	<u>(80,904)</u>	<u>(298,814)</u>
Total Fixed Assets	<u>35,647</u>	<u>47,479</u>
TOTAL ASSETS	<u>\$ 1,610,172</u>	<u>\$ 1,972,003</u>
LIABILITIES		
Accounts Payable	\$ 88,273	\$ 162,858
Accrued Payroll Expenses	74,334	72,668
Camp Huston/St. Andrew’s House Deposits	62,253	38,759
Grants Payable	83,673	98,524
Post Retirement Payable	505,000	505,000
IDA Payable	-	200,053
Other Payables	<u>56,121</u>	<u>294,197</u>
Total Liabilities	<u>869,654</u>	<u>1,372,059</u>
NET ASSETS		
Unrestricted	402,667	300,865
Temporarily Restricted	337,851	299,079
Permanently Restricted	-	-
Total Net Assets	<u>740,518</u>	<u>599,944</u>
LIABILITIES & NET ASSETS	<u>\$ 1,610,172</u>	<u>\$ 1,972,003</u>

**Diocese of Olympia—Operating Fund
Statement of Activities—Episcopal Church Basis
For the Year Ended December 31, 2005**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Contributions	\$ 108,409	\$ 1,650	\$ -	\$ 110,059

Assessments	3,229,576	-	-	3,229,576
Investments	564,789	116,336	-	681,125
Interest Income	22,160	-	-	22,160
Fees and Tuition	761,066	-	-	761,066
Grants	688,911	221,321	-	910,232
Fundraising	5,129	-	-	5,129
Miscellaneous and Transfers	202,581	-	-	202,581
Net assets released from restrictions				
Satisfaction of program restrictions	<u>300,535</u>	<u>(300,535)</u>	-	-
Total Revenue	<u>5,883,156</u>	<u>38,772</u>	-	<u>5,921,928</u>
EXPENSES				
Ministry	2,950,252	-	-	2,950,252
Trustee Obligations	1,680,832	-	-	1,680,832
Corporate/Canonical Required	825,724	-	-	825,724
Management and General	<u>324,546</u>	-	-	<u>324,546</u>
Total Expenditures	<u>5,781,354</u>	-	-	<u>5,781,354</u>
Excess (Deficit) of Revenue Over Expenditures	101,802	38,772	-	140,574
Net Assets January 1, 2005	<u>300,865</u>	<u>299,079</u>	-	<u>599,944</u>
Net Assets December 31, 2005	<u>\$ 402,667</u>	<u>\$ 337,851</u>	<u>\$ -</u>	<u>\$ 740,518</u>

**Diocese of Olympia—Operating Fund
Statement of Activities—Episcopal Church Basis
For the Year Ended December 31, 2004**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Contributions	\$ 247,769	\$ -	\$ -	\$ 247,769
Assessments	3,066,501	-	-	3,066,501
Investments	239,051	251,578	-	490,629
Interest Income	9,744	-	-	9,744
Fees and Tuition	782,126	-	-	782,126
Grants	207,112	893,014	-	1,100,126
Fundraising	-	5,443	-	5,443
Miscellaneous and Transfers	70,285	-	-	70,285
Net assets released from restrictions				
Satisfaction of program restrictions	<u>1,258,638</u>	<u>(1,258,638)</u>	-	-
Total Revenue	<u>5,881,226</u>	<u>(108,603)</u>	-	<u>5,772,623</u>
EXPENSES				
Ministry	3,065,796	-	-	3,065,796
Trustee Obligations	1,654,845	-	-	1,654,845
Corporate/Canonical Required	764,083	-	-	764,083
Management and General	<u>342,997</u>	-	-	<u>342,997</u>
Total Expenditures	<u>5,827,721</u>	-	-	<u>5,827,721</u>
Excess (Deficit) of Revenue Over Expenditures	53,505	(108,603)	-	(55,098)
Net Assets January 1, 2004	<u>247,360</u>	<u>407,682</u>	-	<u>655,042</u>
Net Assets December 31, 2004	<u>\$ 300,865</u>	<u>\$ 299,079</u>	<u>\$ -</u>	<u>\$ 599,944</u>

**Diocese of Olympia—Operating Fund
Statement of Revenue and Expenditures Compared to Budget—Episcopal Church Basis
For the Year Ended December 31, 2005**

	2005 Unaudited Budget	2005 Actual	Total Budget Over/(Under) Variance
REVENUE			
Assessments	\$ 3,282,829	\$ 3,399,005	\$ 116,176
Investments (Unrestricted)	76,881	168,379	91,498
Investments (Restricted)	381,965	348,988	(32,977)
Bank Interest	13,000	19,053	6,053
Fees and Tuition	744,625	710,831	(33,794)

Miscellaneous and Transfers	-	28,317	28,317
Total Revenue	4,499,300	4,674,573	175,273
EXPENDITURES			
Office of the Bishop	357,961	354,467	(3,494)
Assistant Bishop	150,421	148,692	(1,729)
Communications	348,572	348,543	(29)
Governing Bodies	106,010	103,125	(2,885)
Diocesan House	304,354	270,659	(33,695)
Archives	49,484	49,571	87
St. Mark's Cathedral	102,500	102,500	-
St. Andrew's House	161,000	177,862	16,862
Huston Center	541,970	511,258	(30,712)
St. Bernard's Chapel	962	1,527	562
Evangelism	65,000	65,000	-
Evangelism Training	30,113	30,340	227
Ethnic Ministries	157,630	157,583	(47)
Congregation/Ministry Development	228,084	217,441	(10,643)
Ministry Development	3,058	3,058	-
Faith Development Program	151,377	150,574	(803)
Resource Center	55,811	56,696	885
Medicare Supplement	75,337	64,218	(11,119)
Stewardship & Development	160,303	160,299	(4)
Treasurer's Office	287,811	274,974	(12,837)
National Church Apportionment	544,271	544,271	-
General Convention Dep. Expense	12,680	12,680	-
Province VIII/Lambeth Conference	25,328	25,328	-
Ecumenical & Interfaith	21,000	36,000	15,000
Multi-Cultural Concerns	57,302	53,440	(3,862)
Missioners	91,260	91,269	9
Commission on Developing Congregations	409,698	359,812	(49,886)
	4,499,300	4,371,187	128,113
Excess of Revenue over Expenditures	\$ -	\$ 303,386	\$ 303,386

Diocese of Olympia—Operating Fund
Statement of Revenue and Expenditures Compared to Budget—Episcopal Church Basis
For the Year Ended December 31, 2004

	2004 Unaudited Budget	2004 Actual	Total Budget Over/(Under) Variance
REVENUE			
Assessments	\$ 3,204,877	\$ 3,066,501	\$ (138,376)
Investments (Unrestricted)	74,538	238,329	163,791
Investments (Restricted)	492,973	248,084	(244,889)
Bank Interest	40,500	9,744	(30,756)
Fees and Tuition	722,469	711,333	(11,136)
Miscellaneous and Transfers	27,000	158,849	131,849
Total Revenue	4,562,357	4,432,840	(129,517)
EXPENDITURES			
Office of the Bishop	354,835	355,285	450
Assistant Bishop	141,410	113,720	(27,690)
Communications	342,969	336,148	(6,821)
Governing Bodies	104,817	96,365	(8,452)
Diocesan House	291,891	259,002	(32,889)
Archives	47,503	47,459	(44)
St. Mark's Cathedral	102,500	102,500	-
St. Andrew's House	160,000	173,819	13,819
Huston Center	556,269	520,931	(35,338)
St. Bernard's Chapel	1,230	1,527	297
Evangelism	64,665	67,150	2,485

Evangelism Training	31,011	31,038	27
Ethnic Ministries	159,443	158,740	(703)
Congregation/Ministry Development	188,782	198,712	9,930
Ministry Development	3,905	3,981	76
Faith Development Program	152,400	135,082	(17,318)
Resource Center	105,541	98,938	(6,603)
Medicare Supplement	53,111	43,975	(9,136)
Stewardship & Development	151,009	151,330	321
Treasurer's Office	317,854	295,483	(22,371)
National Church Apportionment	547,258	547,258	-
General Convention Dep. Expense	5,833	5,833	-
Province VIII	23,328	23,328	-
Ecumenical & Interfaith	22,000	21,492	(508)
Multi-Cultural Concerns	80,292	80,146	(146)
Missioners	84,262	75,371	(8,891)
Commission on Developing Congregations	<u>468,239</u>	<u>412,907</u>	<u>(55,332)</u>
	<u>4,562,357</u>	<u>4,357,520</u>	<u>204,837</u>
Excess of Revenue over Expenditures	\$ <u>-</u>	\$ <u>75,320</u>	\$ <u>75,320</u>

**Diocese of Olympia—Operating Fund
Statements of Cash Flows—Episcopal Church Basis
For the Years Ended December 31, 2005 and 2004**

	12/31/05	12/31/04
Cash flows from operating activities		
Change in net assets	\$ 140,574	\$ (55,098)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	11,832	15,029
(Increase) decrease in assets:		
DIF receivable	(370)	(20,991)
Other receivables	6,477	20,979
Prepaid expenses	(1,862)	25,234
Increase (decrease) in liabilities:		
Accounts payable	(74,585)	2,119
Deposits	23,494	5,193
Grants payable	(14,851)	96,285
Payroll liabilities	1,666	(216)
Post retirement payable	-	-
IDA Payable	(200,053)	78,764
Other payables	<u>(238,076)</u>	<u>214,401</u>
Net cash provided (used) by operating activities	<u>(345,754)</u>	<u>381,699</u>
Cash flows from investing activities		
Assets disposed	-	-
Net cash provided (used) by investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	(345,754)	381,699
Cash and cash equivalents at beginning of year	1,492,657	1,110,958
Cash and cash equivalents at end of year	<u>\$ 1,146,903</u>	<u>\$ 1,492,657</u>

**Notes to Financial Statements
December 31, 2005**

Note 1—General

The Diocese of Olympia is a diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America. The amount paid in support of the National Church was \$602,599 in 2005. The Diocese includes all Episcopal churches in western Washington. An outline of the breadth of diocesan involvement in the community can be gleaned by reviewing the category titles in the attached budget. The Diocese's main source of support is assessments levied on its congregations. The assessments are a function of the congregation's revenue in the second prior year. The congregation revenues are related to the size and vitality of the congregation and the state of the economy generally in the region. Several congregations are not paying their assessments currently for various reasons. The rate of assessment shortfall currently incorporated into the budget is 15 percent. The

Diocese also runs a large refugee resettlement, assistance and work-training program, which are primarily funded by federal grants. The Diocese regularly has cash in excess of federally insured limits with its bank. This and the assessments discussed above represent concentrations of credit risk.

Note 2—Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the January 1, 2000 revision of the Manual of Business Methods in Church Affairs. The basic financial statements for Episcopal accounting purposes consist of the balance sheet, statement of revenue and expenditures and the statement of changes in net assets. A statement comparing budget to actual is required for budgeted funds. The Episcopal Church adopted FASB 117 January 1, 2002. Consequently, net assets are shown as unrestricted, temporarily restricted or permanently restricted. Except as explained below, Episcopal Church accounting principles follow generally accepted accounting principles. Included in unrestricted net assets are \$380,944 in board designated amounts. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized. The Operating Fund receives and reports most of the income earned by the Trust's (Note 4) permanently restricted net assets. The principles direct the use of the modified accrual basis of accounting. Property and equipment purchased after January 1, 1995 are capitalized at cost. Depreciation is optional under Episcopal Church accounting principles and the Diocese has elected to depreciate only its equipment and not its real property. Starting in 2001 the Diocese capitalized only equipment costing in excess of \$5,000. Equipment is depreciated on the straight-line basis over its estimated useful life.

	<u>12/31/05</u>	<u>12/31/04</u>
Equipment capitalized	\$ 116,551	\$ 346,293
Accumulated Depreciation	<u>(80,904)</u>	<u>(298,814)</u>
Equipment Net of Depreciation	\$ 35,647	\$ 47,479

It is the policy of the Diocese to pay five percent of accumulated sick leave up to \$500 to any employee leaving the employment of the Diocese, except those terminated for cause. At December 31, 2005 total annual and sick leave payable was \$67,482. A liability has been recorded for retiree post-employment benefits as explained in Note 6. The Diocese is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code by a 1943 group ruling by the Internal Revenue Service. The diocesan Student Memorial Fund is considered to be independent entity and is not included in these financial statements. Fund raising expenditures by the stewardship and planned giving office are budgeted under the caption "Stewardship & Development." Assessments receivable are not recorded for the year-end. Assessment revenue is recognized on cash basis, because the Diocesan Council regularly grants assessment relief for prior years. The Diocese practices encumbrance accounting for budget items that are non-reoccurring. If a budgeted amount for such a nonrecurring item is unspent at year-end, the budgeted balance will be moved to accounts payable or a suspense account if the Council approves. The Diocese has active refugee and employment programs supported predominantly by contracts with the state and federal governments. Most of the programs are on an achievement or reimbursable expense basis. Other receivables consist primarily of amounts billed but not yet collected on these contracts. The refugee/employment program/IDA expenditures were in excess of \$1.4 million and are not part of the Diocese's Operating Budget. The IDA payable is temporarily restricted cash for one of the Diocesan grant programs. The IDA program was completed in 2005. The preparation of financial statements in conformity with Episcopal Church accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The investment income received from the James F. Hodges Diocesan Investment Fund is net of expenses, which are about 2.5% of gross investment income of the fund.

Note 3—Fund Groups

In prior years, the Diocese of Olympia has divided the Operating Fund into four fund groups: Unrestricted, Restricted, Designated and Grant. With the adoption of FASB 117 presentation as of January 1, 2002, these fund groups remain embedded in the accounting system and are still used to produce management reports.

Note 4—Related Organization

The Diocese of Olympia—Operating Fund contains the operating budget, restricted income, designated and grant funds of the Diocese of Olympia. The fund groupings known as Trust Funds, Building Loan and Real Estate Fund, Mission Development, and the James F. Hodges Diocesan Investment Fund (DIF) are reported separately. These funds are part of the Diocese of Olympia, Inc., a separate incorporated entity. The Endowment and Other Income reported on the Statement of Support and Revenue and Expenditures in part reflects income from assets held by the Trust Fund. The Real Estate Fund owns the diocesan properties that constitute the offices, camp and conference center included in the budget of the diocese. In 2005 the DIF paid the Operating Fund \$5,000 for accounting services. The Diocese of Olympia, Inc. is not allocated any of the common expenses incurred and paid from the operating budget. Transfers on the statement of support include amounts transferred to funds from the Diocese of Olympia, Inc.

Note 5—Trust Funds

The Diocese of Olympia Operating Fund is the beneficiary of several trust funds held by the related entity discussed in Note 4. Income from this source is captioned DIF income.

Note 6—Pensions/Post Retirement Benefits

The clergy are covered under a plan administered by the Church Pension Fund. All full and part time clergy employed by the Diocese must have 18 percent of their compensation, including housing allowance if applicable, paid to the Church Pension Fund. Lay employees are covered under IRC Section 403(b), Annuity Retirement Plan. Employees are eligible to participate after two consecutive 1,000-hour service years. Employees are 100% vested after five (5) years. The diocesan contribution is set at five (5) percent of prior year's salary plus up to an additional 4 percent match of voluntary employee contributions. Contributions were made as follows:

	<u>2005</u>	<u>2004</u>
Clergy	\$ 104,419	\$ 92,045
Lay employees	<u>84,724</u>	<u>99,491</u>
Total Pension Contributions	\$ 189,143	\$ 191,536

Neither plan guarantees any specific benefit, so no unfunded liabilities exist. Because it is a church, the Diocese is not subject to ERISA requirements. The prior policy of the Diocese was to pay for medigap health insurance coverage for retired clergy and lay employees and their spouses who are over the age of 65, who meet eligibility requirements of 5 years full time employment immediately prior to retirement at age 59 1/2 or over. All employees hired prior to January 1, 2001 are now covered under a fixed dollar per year limitation. Employees hired after January 1, 2001 have no promise of coverage. In 2005 this expense was \$38,214. In 2003 the Church Pension Fund began providing medigap health insurance for retired clergy and their spouses (at attainment of

age 65). This will reduce the diocese's future obligations. The Diocese last had actuarial valuation prepared as of December 31, 2002, resulting in \$505,000 liability shown on the statement of financial position.

Note 7—Contingent Liabilities

No liabilities that relate to mission congregations of the Diocese are reflected. The Diocese could be held to be a responsible party until a mission becomes a parish. The Diocese of Olympia, Inc. (Note 4) is a guarantor/principal of various loans made to diocesan parishes and missions and its financial statements should be reviewed for remote contingencies. The Diocese is an agent for various health insurance companies in Washington and collects and remits premiums for institutions of the Diocese.

Independent Auditor's Report, Diocese of Olympia, Inc., Trust Accounts, Seattle, WA 98102

We have audited the accompanying statements of financial position—Episcopal Church basis for the Diocese of Olympia, Inc.—Trust Accounts at December 31, 2005 and 2004, and the related statements of activities and cash flows—Episcopal Church basis, for the years then ended. These financial statements are the responsibility of diocesan management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the financial statements are being presented in accordance with accounting principles authorized by the General Convention of the Episcopal Church which is a comprehensive basis of accounting other than GAAP and are only for the Trust Accounts referred to above and do not include the assets, liabilities and fund balances and the support, revenue, and expenses of the Diocese of Olympia, Inc. that are recorded in its Building Loan, Real Estate, and Mission Development Funds, and the James F. Hodges Diocesan Investment Fund. Accordingly, the accompanying financial statements are not intended to present the financial position of the Diocese of Olympia, Inc. as of December 31, 2005 and 2004, or its results of operations for the years then ended in conformity with generally accepted accounting principles.

As explained in Note 2 to the financial statements, the diocese does not keep track of the basis of investment assets so it can not separate realized and unrealized gains and losses or disclose unrealized appreciation. It was impractical to determine the basis for these required financial statement elements.

In our opinion, except for the lack of certain basis information, the financial statements referred to above present fairly, in all material respects, the statement of financial position of the Diocese of Olympia, Inc.—Trust Accounts at December 31, 2005 and 2004 and the statements of activities, cash flows and net assets, for the years then ended, in accordance with the principles authorized by the General Convention of the Episcopal Church.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of liabilities and fund balances are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Beail, Raines & Gillespie, PLLC, Seattle, Washington, June 1, 2006

**Diocese of Olympia, Inc—Trust Accounts
Statements of Financial Position—Episcopal Church Basis
December 31, 2005 and 2004**

	2005	2004	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Cash:			
Demand deposits	\$ 194,620	\$ -	\$ 194,620
Savings accounts	577,293	-	577,293
Total Cash	771,913	-	771,913
DIF principal/income receivable	318,535	1,900,431	(1,581,896)
Securities and investments	21,940,018	22,318,153	(378,136)
Total Current Assets	<u>23,030,466</u>	<u>24,218,584</u>	<u>(1,188,119)</u>
NON-CURRENT ASSETS:			
Related party loans receivable (Note 6)	1,352,009	1,419,652	(67,643)
Irrevocable split-interest gifts	34,074	34,552	(478)
Campaign gifts – deferred	49,686	49,686	-
Total Non-Current Assets	<u>1,435,769</u>	<u>1,503,890</u>	<u>(68,120)</u>
Total Assets	<u>\$ 24,466,235</u>	<u>\$ 25,722,474</u>	<u>\$ (1,256,239)</u>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Payable to DIF/DIF accrued income	459,681	1,482	458,199
Bank Overdrafts	-	503,469	(503,469)
Cash trusts for congregations	29,944	753,576	(723,632)

Securities & investments in trust for congregations and other institutions	<u>2,928,763</u>	<u>3,040,408</u>	<u>(111,645)</u>
Total Liabilities	<u>3,418,388</u>	<u>4,298,935</u>	<u>(880,547)</u>
NET ASSETS:			
Unrestricted net assets	4,247,255	4,347,260	(100,005)
Temporarily restricted net assets	1,273,180	1,313,706	(40,526)
Permanently restricted net assets	<u>15,527,412</u>	<u>15,762,573</u>	<u>(235,161)</u>
Total Net Assets	<u>21,047,847</u>	<u>21,423,539</u>	<u>(375,692)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,466,235</u>	<u>\$ 25,722,474</u>	<u>\$ (1,256,239)</u>

**Diocese of Olympia, Inc.—Trust Accounts
Statement of Activities—Episcopal Church Basis
For the Year Ended December 31, 2005**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 3,020	\$ 27,159	\$ 70,371	\$ 100,550
Other Investment Income	38,424	90,713	84,789	213,926
Realized and unrealized net gain (loss) on investments	(16,153)	(665)	(233,856)	(250,675)
Net assets released from restrictions				
Satisfaction of program restrictions	<u>310,523</u>	<u>(113,570)</u>	<u>(196,953)</u>	<u>-</u>
Total Support and Revenue	<u>335,814</u>	<u>3,637</u>	<u>(275,649)</u>	<u>63,801</u>
EXPENSES AND DISBURSEMENTS:				
Corporate/Canonically required	-	-	-	-
Ministry	550,731	-	-	550,731
Trustee obligations	-	-	-	-
Total Expenses & Disbursements	<u>550,731</u>	<u>-</u>	<u>-</u>	<u>550,731</u>
Excess (deficiency) of support and revenue over expenses and disbursements	(214,917)	3,637	(275,649)	(486,930)
Net Assets at December 31, 2004	<u>4,347,260</u>	<u>1,313,706</u>	<u>15,762,573</u>	<u>21,423,539</u>
Funds available	4,432,343	1,317,343	15,486,924	20,936,609
Transfers (to) from other funds	<u>114,912</u>	<u>(44,163)</u>	<u>40,488</u>	<u>111,238</u>
Net Assets at December 31, 2005	<u>\$ 4,247,255</u>	<u>\$ 1,273,180</u>	<u>\$ 15,527,412</u>	<u>\$ 21,047,847</u>

**Diocese of Olympia, Inc.—Trust Accounts
Statement of Activities—Episcopal Church Basis
For the Year Ended December 31, 2004**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 284	\$ 127,869	\$ 12,601	\$ 140,754
Other Investment Income	41,589	86,828	86,098	214,514
Realized and unrealized net gain (loss) on investments	161,894	2,875	872,127	1,036,895
Net assets released from restrictions				
Satisfaction of program restrictions	<u>201,177</u>	<u>(147,228)</u>	<u>(53,949)</u>	<u>-</u>
Total Support and Revenue	<u>404,943</u>	<u>70,344</u>	<u>916,877</u>	<u>1,392,164</u>
EXPENSES AND DISBURSEMENTS:				
Corporate/Canonically required	-	-	-	-
Ministry	343,777	-	-	343,777
Trustee obligations	-	-	-	-
Total Expenses & Disbursements	<u>343,777</u>	<u>-</u>	<u>-</u>	<u>343,777</u>
Excess (deficiency) of support and revenue over expenses and disbursements	61,167	70,344	916,877	1,048,387
Net Assets at December 31, 2003	<u>4,261,956</u>	<u>1,198,984</u>	<u>15,010,179</u>	<u>20,471,119</u>
Funds available	4,323,122	1,269,328	15,927,056	21,519,506
Transfers (to) from other funds	<u>24,138</u>	<u>44,378</u>	<u>(164,483)</u>	<u>(95,967)</u>
Net Assets at December 31, 2004	<u>\$ 4,347,260</u>	<u>\$ 1,313,706</u>	<u>\$ 15,762,573</u>	<u>\$ 21,423,539</u>

Diocese of Olympia, Inc.—Trust Accounts
Statement of Cash Flows—Episcopal Church Basis
For the Year Ended December 31, 2005

Cash flows from operating activities	
Excess of support and revenue over expenses and disbursements	\$ (486,930)
Adjustments to reconcile excess of support and revenue to net cash provided by operating activities	
Decrease in DIF principal/income receivable	1,581,896
Net realized and unrealized losses on investments	250,652
Net decrease in cash trusts held for congregations	(723,632)
Transfers from other funds	<u>111,238</u>
Net cash (used) by operating activities	<u>733,224</u>
Cash flows from investing activities	
DIF principal/income in transit	458,199
Proceeds from sale of investments	431,819
Purchase of investments	(303,858)
Principal payments received on loans	67,643
Decrease in investments held for congregations	<u>(111,645)</u>
Net cash provided (used) by investing activities	<u>542,158</u>
Cash flows from financing activities	
Net cash provided by financing activities	-
Net (decrease) in cash and cash equivalents	1,275,382
Cash and cash equivalents at beginning of year	<u>(503,469)</u>
Cash and cash equivalents at end of year	<u>\$ 771,913</u>

Diocese of Olympia, Inc.—Trust Accounts
Statement of Cash Flows—Episcopal Church Basis
For the Year Ended December 31, 2004

Cash flows from operating activities	
Excess of support and revenue over expenses and disbursements	\$ 1,048,387
Adjustments to reconcile excess of support and revenue to net cash provided by operating activities	
Decrease in DIF principal/income receivable	(1,582,014)
Net realized and unrealized losses on investments	(1,038,290)
Net decrease in cash trusts held for congregations	667,454
Transfers from other funds	<u>(95,967)</u>
Net cash (used) by operating activities	<u>(1,000,430)</u>
Cash flows from investing activities	
DIF principal/income in transit	(690,776)
Proceeds from sale of investments	345,440
Purchase of investments	(283,666)
Principal payments on loans	34,777
Decrease in investments held for congregations	<u>95,402</u>
Net cash provided (used) by investing activities	<u>(498,823)</u>
Cash flows from financing activities	
Net cash provided by financing activities	-
Net (decrease) in cash and cash equivalents	(1,499,253)
Cash and cash equivalents at beginning of year	<u>995,784</u>
Cash and cash equivalents at end of year	<u>\$ (503,469)</u>

Diocese of Olympia, Inc.—Trust Accounts
Schedule of Liabilities to Congregations and Other Institutions
Schedule of Net Assets
December 31, 2005

Schedule of Liabilities	
Cash trusts for Congregations:	
Charles G. McDonald Scholarship Fund	\$ 6,511
Bond Trustee accounts	<u>23,433</u>
Total Cash Trusts for Congregations	<u>29,944</u>

Securities & investments in trust for congregations and other institutions:

Annie Wright School	316,414
Bainbridge, St. Barnabas' – Hodges Endowment	754,371
Charles G. McDonald Scholarship Fund	15,742
Kent, St. James – Arney Memorial	48,851
Kent, St. James – Endowment	38,679
Lord Scholarship Fund	20,971
Seattle, St. Mark's – Hodges Endowment	1,102,631
Seaview, St. Peter's – Johnson Bequest	473,326
St. Paul's, Palm Desert, CA – Hodges Endowment	144,824
Tod Prichard, Allyn	13,224
Total Securities for Congregations and Institutions	<u>2,928,763</u>
TOTAL LIABILITIES TO CONGREGATIONS AND OTHER INSTITUTIONS	<u>2,958,706</u>

Schedule of Net Assets

Cash Trusts for Diocese:	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign—unrestricted	\$ -	\$ 1,111,915	\$ -	\$ 1,111,915
Diocesan School of Theology	-	17,108	-	17,108
Episcopal Charities Appeal	-	2,857	-	2,857
Episcopal Residence Loan	146,136	-	-	146,136
Hodges Income Account	-	50,578	-	50,578
Huston Discretionary Account, Horn Trust	-	1,095	-	1,095
Planned Giving Gifts	-	16,370	-	16,370
Ruth & Jacques Hayes Memorial Trust	-	3,958	-	3,958
Salary/Sick Leave Contractual Obligation	6,724	-	-	6,724
Snoqualmie, St. Bernard's chapel	-	2,134	-	2,134
Total Cash Trusts for Diocese of Olympia	<u>\$ 152,860</u>	<u>\$ 1,206,015</u>	<u>\$ -</u>	<u>\$ 1,358,875</u>
Securities and investments in trust for Diocese:				
Bishop Curtis Camp Scholarship	-	-	71,498	71,498
Bishop Suffragan Endowment	-	-	30,928	30,928
Canon Jessett Memorial	-	-	13,899	13,899
Centennial Project	234	-	-	234
Chinese Ministry Reserve	72,770	-	-	72,770
Christenson Bequest	-	-	275,328	275,328
Clapp Trust	-	-	1,028,554	1,028,554
Clergy Emergency Fund	-	-	429,032	429,032
College Work Endowment	-	-	320,389	320,389
David Devik Memorial	-	-	10,022	10,022
Dean Search Reserve	17,375	-	-	17,375
Diocesan Working Capital Trust Fund	-	-	420,242	420,242
Episcopal Charities Appeal	-	27,822	-	27,822
Episcopal House Fund	716,956	-	-	716,956
Episcopal Search Reserve	175,498	-	-	175,498
Episcopate Endowment Fund #1	-	-	4,527,437	4,527,437
Episcopate Endowment Fund #2	2,499,712	-	-	2,499,712
Grace L. Philips Memorial Fund	603,812	-	-	603,812
Hansen Fund	-	-	3,018	3,018
Hayes Trust (Held by Wells Fargo Bank)	-	-	34,074	34,074
Hodges Endowment for Diocese	-	-	2,101,046	2,101,046
Horn Memorial for Camp Huston	-	-	1,292,535	1,292,535
Human Need Endowment	-	-	220,113	220,113
James McConnell Scholarship Fund	-	-	17,227	17,007
Jean Young Memorial	-	11,991	-	11,991
Mission Ministry Endowment	-	-	880,725	880,725
Paul M. Wilson Trust	-	-	258,228	258,228
Paul M. Wilson Trust-Earnings	-	-	95,650	95,650
Pruden Fund	-	-	22,307	22,307
Refugee Program Reserves	-	27,351	-	27,351

S. Eston Collins Memorial Scholarship	-	-	9,135	9,135
Sophie Henry Trust	-	-	2,563,129	2,563,129
St. Andrew's House Endowment	-	-	5,614	5,614
St. Bernard's Chapel Fund: Moffett	-	-	33,360	33,360
Thanksgiving & Memorial Fund	8,038	-	-	8,038
Theological Education Fund	-	-	863,923	863,923
Total Securities and Investments for Diocese	<u>4,094,395</u>	<u>67,164</u>	<u>15,527,412</u>	<u>19,688,972</u>
Total Net Assets	<u>\$ 4,247,255</u>	<u>\$ 1,273,180</u>	<u>\$ 15,527,412</u>	<u>\$ 21,047,847</u>

Diocese of Olympia, Inc.—Trust Accounts
Schedule of Liabilities to Congregations and Other Institutions
Schedule of Net Assets
December 31, 2004

Schedule of Liabilities

Cash trusts for Congregations:

Charles G. McDonald Scholarship Fund	\$ 6,103
Bond Trustee accounts	<u>747,473</u>
Total Cash Trusts for Congregations	<u>753,576</u>

Securities & investments in trust for congregations and other institutions:

Annie Wright School	320,036
Bainbridge, St. Barnabas' – Hodges Endowment	784,223
Charles G. McDonald Scholarship Fund	15,922
Kent, St. James – Arney Memorial	49,411
Kent, St. James – Endowment	39,122
Lord Scholarship Fund	20,450
Seattle, St. Mark's – Hodges Endowment	1,114,980
Seaview, St. Peter's – Johnson Bequest	535,597
St. Paul's, Palm Desert, CA – Hodges Endowment	146,482
Tod Prichard, Allyn	<u>14,184</u>

Total Securities for Congregations and Institutions	<u>3,040,408</u>
TOTAL LIABILITIES TO CONGREGATIONS AND OTHER INSTITUTIONS	<u>\$ 3,793,984</u>

Schedule of Net Assets

Cash Trusts for Diocese:	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign—unrestricted	\$ -	\$ 1,111,915	\$ -	\$ 1,111,915
Diocesan School of Theology	-	17,108	-	17,108
Episcopal Charities Appeal	-	51,839	-	51,839
Episcopal Residence Loan	173,272	-	-	173,272
Hodges Income Account	-	43,641	-	43,641
Huston Discretionary Account, Horn Trust	-	8,071	-	8,071
Planned Giving Gifts	-	10,370	-	10,370
Ruth & Jacques Hayes Memorial Trust	-	6,088	-	6,088
Salary/Sick Leave Contractual Obligation	2,657	-	-	2,657
Snoqualmie, St. Bernard's chapel	-	<u>2,134</u>	-	<u>2,134</u>
Total Cash Trusts for Diocese	<u>\$ 175,929</u>	<u>\$ 1,251,167</u>	<u>\$ -</u>	<u>\$ 1,427,095</u>
Securities and investments in trust for Diocese:				
Bishop Curtis Camp Scholarship	-	-	72,316	72,316
Bishop Suffragan Endowment	-	-	10,754	10,754
Canon Jessett Memorial	-	-	14,058	14,058
Centennial Project	1,531	-	-	1,531
Chinese Ministry Reserve	88,692	-	-	88,692
Christenson Bequest	-	-	278,479	278,479
Clapp Trust	-	-	1,040,328	1,040,328
Clergy Emergency Fund	-	-	433,943	433,943
College Work Endowment	-	-	324,057	324,057
David Devik Memorial	-	-	10,137	10,137
Dean Search Reserve	14,476	-	-	14,476
Diocesan Working Capital Trust Fund	-	-	410,331	410,331

Episcopal Charities Appeal	-	24,125	-	24,125
Episcopal House Fund	698,041	-	-	698,041
Episcopal Search Reserve	229,571	-	-	229,571
Episcopate Endowment Fund #1	-	-	4,579,264	4,579,264
Episcopate Endowment Fund #2	2,522,604	-	-	2,522,604
Grace L. Philips Memorial Fund	608,614	-	-	608,614
Hansen Fund	-	-	2,946	2,946
Hayes Trust (Held by Wells Fargo Bank)	-	-	34,552	34,552
Hodges Endowment for Diocese	-	-	2,125,097	2,125,097
Horn Memorial for Camp Huston	-	-	1,467,226	1,467,226
Human Need Endowment	-	-	222,645	222,645
James McConnell Scholarship Fund	-	-	16,821	16,821
Jean Young Memorial	-	11,708	-	11,708
Mission Ministry Endowment	-	-	843,333	843,333
Paul M. Wilson Trust	-	-	258,738	258,738
Paul M. Wilson Trust-Earnings	-	-	86,041	86,041
Pruden Fund	-	-	22,562	22,562
Refugee Program Reserves	-	26,706	-	26,706
S. Eston Collins Memorial Scholarship	-	-	8,920	8,920
Sophie Henry Trust	-	-	2,592,470	2,592,470
St. Bernard's Chapel Fund: Moffett	-	-	33,742	33,742
Thanksgiving & Memorial Fund	7,802	-	-	7,802
Theological Education Fund	-	-	873,813	873,813
Total Securities and Investments for Diocese	<u>4,171,331</u>	<u>62,539</u>	<u>15,762,573</u>	<u>19,996,444</u>
Total Net Assets	<u>\$ 4,347,260</u>	<u>\$ 1,313,706</u>	<u>\$ 15,762,573</u>	<u>\$ 21,423,539</u>

Notes to Financial Statements December 31, 2005 and 2004

Note 1—General

The Diocese of Olympia includes all Episcopal congregations and other institutions in Western Washington. It is a diocese of the Protestant Episcopal Church in the United States. The Trust Accounts hold the endowment funds for the Diocese of Olympia, Inc. and other institutions of the Diocese for which the Diocese has been named trustee. The funds are predominantly invested in the James F. Hodges Diocesan Investment Fund (DIF). The Trust is also the conduit for expenses and capital transactions by the DIF. The Trust regularly invests cash in excess of day-to-day needs in U.S. Government backed securities through Bank of America. These investments represent a credit risk.

Note 2—Accounting

These financial statements have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the "Manual of Business Methods in Church Affairs," January 1, 2000 revision. The basic financial statements for Episcopal accounting purposes consist of the statement of financial position, statement of activities and the statement of changes in net assets. A statement comparing budget to actual is required for budgeted funds (none in Trust Accounts). The principles follow generally accepted accounting principles except as explained below. The accounting principles of the Episcopal Church prior to January 1, 1995 required expensing of furniture, fixtures, and equipment. Depreciation is optional under Episcopal Church accounting principles. The equipment owned by the Trust is being depreciated straight-line over five years. The Episcopal Church adopted Financial Accounting Standards Board (FASB) statement 117 effective January 1, 2000. The Trust is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The diocese does not record donated services. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized. The Operating Fund (Note 4) receives and reports most of the income earned by the Trust's permanently restricted net assets. The statement of activities shows net assets released from permanently restricted funds as the fund document requires reinvestment of current income, which is then required to be distributed in the subsequent year. Investments are stated at fair value, but the Diocese does not track basis in a manner that allows it to separate realized and unrealized gains and losses as so they may be presented separately in the statement of activities and cash flows or present all disclosures required by FASB 124. Transfers do not add to zero because of transfers to other fund groups (Note 3) and the related entity (Note 4).

Note 3—Component Organization

The preparation of financial statements in conformity with Episcopal Church accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Diocese of Olympia, Inc.—Trust Accounts contains designated and restricted funds (as noted) of the Diocese of Olympia, Inc., and funds that have been given to the Diocese as a trustee for congregations. The fund groupings known as Building Loan, Real Estate, and Mission Development Funds, and the James F. Hodges Diocesan Investment Fund are reported separately. The Hodges Investment Fund uses the trust checking account to pay its quarterly dividends and handle redemptions and investments, but only the amounts attributable to trusts held by the Diocese are reflected in the financial statements. The Trust Accounts are not allocated any of the common expenses incurred and paid from the Diocese of Olympia—Operating Fund (an unincorporated related entity).

Note 4—Related Entity

The Diocese of Olympia (an unincorporated entity) contains the operating fund and special purpose funds of the Diocese. Employees of this related entity maintain the books and records of the Trust Accounts at no charge to this fund.

Note 5—Capital Campaign

The Diocese began a multi-year capital campaign in 1995. Members of the Diocese were asked to contribute funds to start new congregations, buy future church sites, renovate St. Andrew's House, build a new pool and bathhouse at Camp Huston, create an endowment for outreach activities, and fund campaign expenses. The campaign has been completed and all pledged but uncollected amounts were written off at December 31, 2000. The deferred capital campaign gift represents the present value of a \$100,000 second-to-die life insurance policy. It was not increased in value in 2005 as the premium was paid by policy loan.

Note 6—Related Party Transactions

The Diocese of Olympia, Inc. has loaned funds to the current bishop, parishes and missions within the Diocese and made interfund loans as well.

Loan to	Comment/Payment/Maturity	Interest Rate	Amount
Bishop	Secured by residence, Equity position, no current paymetns Subordinate to primary mortgage	0%	\$ 146,136
Hodges Fund	Diocesan house roof loan, \$4,480.50/quarter from Hodges Income paid to Philips Fund	5%	59,894
Cathlamet	No maturity date set	0%	150,000
St. Columba, Des Moines	Land at St. Columba's, no maturity date set	0%	318,848
Hodges Fund	Repaid \$10,000/quarter; paid to Philips Fund	0%	83,750
Battle Ground	First five years interest free; 15 year amortization at BLF mission rate; due 2017	0%	69,000
Good Shepherd, Vancouver	BLF mission variable rate	4.5%	49,381
St. Hilda/St. Patrick	Interest free until 2007, then 15 year amortization at BLF mission rate	0%	<u>475,000</u>
			<u>\$ 1,352,009</u>

Note 7—Securities and investments

Securities and investments are stated at fair value. The majority of Trust investments are in the diocesan managed James F. Hodges Diocesan Investment Fund. Fund activity for 2005 is as follows:

Fair Market Value December 31, 2004	\$ 22,318,153
Reinvestment of Dividends	123,086
Purchases	180,770
Redemptions	<u>(431,819)</u>
Total	22,190,190
Fair Market Value December 31, 2005	<u>(21,940,018)</u>
Increase in Market Value 2005	<u>\$ 250,172</u>

The Diocesan Investment Fund is a mutual type fund, open exclusively to the Diocese and its institutions. The fund has balanced growth and income as its investment objective. At December 31, 2005 the fund was approximately 35% cash and U.S. government bonds and 65% stocks listed on major exchanges. The Diocese has recorded an irrevocable split-interest agreement that is held by a bank. The Diocese is an income-only beneficiary of this trust. The Diocese records the fair market value of the portfolio as its estimate of the present value of the future cash flows to be received.

Note 8—Excess Appreciation

In 1996, the Diocese adopted a policy to address the use of appreciation of capital gains when the governing trust instrument is silent. 95% of any appreciation in the James F. Hodges Diocesan Investment Fund in excess of the U.S. City Average Urban Consumers Price Index may be withdrawn. This determination will be made annually as of December 31st. The start date for determining value was set as December 31, 1985 or fund setup date if later. This date may be pushed back by the beneficiary, but the burden of proof to establish any pre-1985 excess appreciation will fall on the beneficiary.

	FMV Investment James F. Hodges Diocesan Investment Fund 12/31/05	Excess Appreciation as defined above
Investments held for congregations	\$ 2,928,763	\$ 1,776,652
Permanently Restricted Diocesan Trust Funds	<u>15,493,339</u>	<u>6,184,087</u>
	<u>\$ 18,422,102</u>	<u>\$ 7,960,739</u>

Independent Auditor's Report, Diocese of Olympia, Inc., Building Loan Fund, Mission Development Fund and Real Estate Fund, Seattle, WA 98102

We have audited the accompanying statements of financial position—Episcopal Church basis of the Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund as of December 31, 2005, and 2004, and the related statements of activities—Episcopal Church basis, and statements of cash flows—Episcopal Church basis for the years then ended. These financial statements are the responsibility of the diocesan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 4, the financial statements are being presented in accordance with principles authorized by the General Convention of the Episcopal Church which is a comprehensive basis of accounting other than generally accepted accounting principles and are only for the Building Loan Fund, Mission Development Fund and Real Estate Fund referred to above and do not include the assets, liabilities and fund balances and the support, revenue, and expenses of the Diocese of Olympia, Inc. that are recorded in its Trust Accounts, and the James F. Hodges Diocesan Investment Fund.

Accordingly, the accompanying financial statements are not intended to present the financial position of the Diocese of Olympia, Inc. as of December 31, 2005, or its results of operations for the years then ended in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly in all material respects, the statement of financial position of Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund as of December 31, 2005, and 2004, and the statements of activities and statement of cash flows for the years then ended, in accordance with the principles authorized by the General Convention of the Episcopal Church.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of loans receivable is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Beail, Raines & Gillespie, PLLC, Seattle, Washington, May 30, 2006

Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund
Statements of Financial Position—Episcopal Church Basis
December 31, 2005 and 2004

	12/31/2005	12/31/2004	Increase (Decrease)
ASSETS:			
Cash			
Checking	\$ 54,992	\$ 23,341	\$ 31,651
Cash management & savings	<u>669,270</u>	<u>209,669</u>	<u>459,601</u>
Total Cash	<u>724,262</u>	<u>233,010</u>	<u>491,252</u>
Receivables:			
Loans receivable	769,915	735,273	34,642
Interest receivable	91,743	61,397	30,346
Total Receivables	<u>861,658</u>	<u>796,670</u>	<u>64,988</u>
PROPERTY:			
Real Estate	21,771,992	22,202,476	(430,484)
Total Property	<u>21,771,992</u>	<u>22,202,476</u>	<u>(430,484)</u>
TOTAL ASSETS	<u>\$ 23,357,912</u>	<u>\$ 23,232,156</u>	<u>\$ 125,756</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Interfund loans	1,156,491	1,246,379	(89,888)
Loans—private parties	<u>824,365</u>	<u>889,219</u>	<u>(64,854)</u>
Total Liabilities	<u>1,980,856</u>	<u>2,135,598</u>	<u>(154,742)</u>
NET ASSETS:			
Unrestricted net assets	15,833,027	15,658,472	174,555
Temporarily restricted net assets	-	-	-
Permanently restricted net assets	<u>5,544,029</u>	<u>5,438,086</u>	<u>105,943</u>
Total net assets	<u>21,377,056</u>	<u>21,096,558</u>	<u>280,498</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,357,912</u>	<u>\$ 23,232,156</u>	<u>\$ 125,756</u>

Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund
Statement of Activities—Episcopal Church Basis
For the Year ended December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Interest (building loans)	\$ -	\$ -	\$ 97,275	\$ 97,275
Interest (Bolling loans)	-	-	5,699	5,699
Bank Interest	-	-	9,819	9,819
Total Support & Revenue	-	-	<u>112,793</u>	<u>112,793</u>
EXPENSES & DISBURSEMENTS:				
Corporate/Canonically required	-	-	6,850	6,850
Ministry	-	-	-	-
Total Expenses & Disbursements	-	-	<u>6,850</u>	<u>6,850</u>
Excess (deficiency) of support and revenue over expenses & disbursements	-	-	105,943	105,943
Net Assets at December 31, 2004	<u>15,658,472</u>	-	<u>5,438,086</u>	<u>21,096,558</u>
Funds available	15,658,472	-	5,544,029	21,202,501
Missions that became parishes	(725,035)	-	-	(725,035)

Purchases and new construction	294,551	-	-	294,551
Net interfund/outside loans activity	605,039	-	-	605,039
Net Assets at December 31, 2005	<u>15,833,027</u>	-	<u>5,544,029</u>	<u>21,377,056</u>

**Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund
Statement of Activities—Episcopal Church Basis
For the Year ended December 31, 2004**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Interest (building loans)	\$ -	\$ -	\$ 72,760	\$ 72,760
Interest (Bolling loans)	-	-	4,842	4,842
Bank Interest	-	-	1,734	1,734
Total Support & Revenue	-	-	<u>79,336</u>	<u>79,336</u>
EXPENSES & DISBURSEMENTS:				
Corporate/Canonically required	-	-	3,250	3,250
Ministry	-	-	15	15
Total Expenses & Disbursements	-	-	<u>3,265</u>	<u>3,265</u>
Excess (deficiency) of support and revenue over expenses & disbursements	-	-	76,071	76,071
Net Assets at December 31, 2003	<u>15,476,343</u>	-	<u>5,362,015</u>	<u>20,838,358</u>
Funds available	15,476,343	-	5,438,086	20,914,429
Missions that became parishes	-	-	-	-
Purchases and new construction	361,489	-	-	361,489
Net interfund/outside loans activity	(179,360)	-	-	(179,360)
Net Assets at December 31, 2004	<u>15,658,472</u>	-	<u>5,438,086</u>	<u>21,096,558</u>

**Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund
Statements of Cash Flows—Episcopal Church Basis
For the Years Ended December 31, 2005 and 2004**

	12/31/2005	12/31/2004
Cash flows from operating activities:		
Excess of revenue over expenditures	\$ 105,943	\$ 76,071
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in advances on sites for missions	61	1,619
(Increase) decrease in interest receivable	(30,346)	(28,549)
Increase (decrease) in mission deposits	-	(17,386)
Net cash provided by operating activities	<u>75,658</u>	<u>31,755</u>
Cash flows from investing activities:		
Note collections/construction receipts	589,564	478,038
Loans made/construction advances	(173,970)	(636,715)
Transfers to other funds	-	-
Net cash used by investing activities	<u>415,594</u>	<u>(158,677)</u>
Cash flows from financing activities:		
Interfund loans	-	-
Net cash provided by financing activities	-	-
Net decrease in cash and cash equivalents	491,252	(126,922)
Cash and cash equivalents at beginning of year	<u>233,010</u>	<u>359,932</u>
Cash and cash equivalents at end of year	<u>\$ 724,262</u>	<u>\$ 233,010</u>

**Diocese of Olympia, Inc.—Building Loan Fund
Schedule of Loans Receivable
December 31, 2005 and 2004**

	2005	2004	Increase (Decrease)
PARISHES AND MISSIONS:			
Allyn, St. Hugh's	\$ 81,542	\$ 100,350	\$ (18,808)

Auburn, St. Matthew's	155,515	155,515	-
Bainbridge Island, Grace	240,369	255,938	(15,569)
Bainbridge Island, Grace	-	79,273	(79,273)
Cathlamet, St. James'	11,542	18,061	(6,519)
Cathlamet, St. James'	58,909	36,940	21,969
DesMoines, St. Columba's (interest waiver)	890,033	896,033	(6,000)
Edmonds, St. Alban's	-	2,818	(2,818)
Issaquah, St. Michael	11,266	65,105	(53,839)
Kent, St. James	52,632	83,433	(30,801)
Lacey, St. Benedict's	83,283	105,636	(22,353)
Meadowdale, St. Hilda-St. Patrick (waiver)	442,529	442,529	-
Monroe, Our Saviour	18,151	19,538	(1,387)
Port Orchard, St. Bede	-	52,906	(52,906)
Redmond, Holy Cross	131,498	131,498	-
Redmond, Good Samaritan	570,352	570,352	-
Redmond, Good Samaritan	45,682	46,424	(742)
Seattle, St. Clement's	32,016	32,072	(56)
Seattle, St. John	192,594	198,831	(6,237)
Seattle, St. John Bridge Loan	-	50,000	(50,000)
Seattle, Church of Apostles	11,583	16,000	(4,417)
Seaview, St. Peter	18,993	24,290	(5,297)
Snoqualmie, St. Clare's	60,888	59,386	1,502
Snoqualmie, St. Clare's	-	4,845	(4,845)
Steilacoom, St Jos/St John	89,320	99,310	(9,990)
Steilacoom, St. Jos/St. John	-	33,773	(33,773)
Vancouver, All Saints'	280,815	294,330	(13,515)
Vancouver, Good Shepherd	120,492	135,026	(14,534)
Vancouver, Good Shepherd	62,319	62,459	(140)
Washougal, St. Anne's	5,071	10,318	(5,247)
Total loans receivable	<u>\$ 3,667,394</u>	<u>\$ 4,082,989</u>	<u>\$ (415,595)</u>

Bold=Missions

Notes to Financial Statements December 31, 2004

Note 1—General

The Diocese of Olympia, Inc. is comprised of all Episcopal parishes, missions, and other institutions in western Washington. It is a diocese of the Protestant Episcopal Church in the United States. The Building Loan Fund (BLF) was established in 1949 to make loans to churches to assist in financing new building projects and to make loans for small building repair and improvement projects. Repayment terms vary and remaining maturities range from 1 to 18 years. Effective January 1, 1993, the Board of Directors adopted a policy of annual changes in the interest rate charged to diocesan institutions. The rate is set annually at the One-Year Treasury Constant Maturities Index rounded up to the eighth of a point plus three percent. For 2005, the rates were set at 5.5% for parishes and 4.0% for missions. In addition, a 2% cap on interest increases per year was adopted. Loans on interest waiver are shown at undiscounted value. Because of the anticipated need for funds in the future (see Note 7), the BLF adopted, on January 21, 1993, an interest rate incentive program to encourage faster principal repayment. In exchange for each year of loan term reduction the BLF will reduce the interest rate on the loan by 4/10 of 1%. In addition, there are other limitations imposed on this voluntary program. The Mission Development Fund (MDF) was set up to purchase properties in areas where growth would necessitate the establishment of a new congregation. Advances made by the MDF are generally exempt from interest and current principal repayment even after congregations have been organized. In February 1994, the Board of Directors authorized that the Bolling Trust Fund be designated for emergency repairs and other small projects totaling \$50,000 or less. These loans are to be repaid within seven years. The Real Estate Fund holds the land and buildings owned by the Diocese. It was combined with the BLF during 1998 and split again in 1999. See Note 4 for an explanation of how these assets are accounted for. The value of a mission congregation's property is shown as a diocesan asset until the mission becomes a parish. Generally, in Washington State, real property used for the church's exempt purposes is exempt from real estate taxes. The Fund invests excess cash through Bank of America using its cash management services. This investment is a concentration of credit risk in U.S. Government securities. The invested balance at December 31, 2005, was \$669,270.

Note 2—Component Organization:

The Diocese of Olympia, Inc. – Building Loan Fund, Mission Development, and Real Estate Funds contains the mission sites, building loans and real estate of the Diocese of Olympia, Inc. The other fund groupings known as Trust Fund and the James F. Hodges Diocesan Investment Fund (DIF) are reported separately.

Note 3—Related Entity:

The Diocese of Olympia (an unincorporated entity) contains the operating fund and special purpose funds of the Diocese. Employees of this related entity maintain the books and records of the Building Loan Fund, Mission Development and Real Estate Funds at no charge to this fund. The routine maintenance of Diocesan House, Huston Center and St. Andrew's House are part of the Operating Fund budget.

Note 4—Summary of Significant Accounting Policies:

These financial statements have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the “Manual of Business Methods in Church Affairs,” January 1, 2000, revision. The basic financial statements for Episcopal Church accounting purposes consists of the statement of financial position, statement of activities and the statement of changes in net assets. The principles follow generally accepted accounting principles except as explained below. FASB 117 requires uniform financial statement classification by not-for-profit organizations of donor imposed restrictions into permanently restricted, temporarily restricted or unrestricted net assets. Real estate is to be carried at historical cost or fair market value at date of donation. Because the January 1, 1995 revised accounting manual dropped the use of fair value accounting, the Diocese has reconstructed cost on its properties. Estimates were used in many cases, as precise records are not available. The Diocese carries real and personal property and liability insurance. The January 1, 1995, revised accounting principles of the Episcopal Church require capitalizing of furniture, fixtures and equipment and state that depreciation is optional. Previously, all fixtures and equipment were expensed. The Diocese has elected to prospectively capitalize furniture and fixtures that are purchased by the Diocese and to depreciate them. The capitalized furniture and fixtures are in the Operating Fund (Note 3). The Diocese does not capitalize any furniture or fixtures purchased by mission congregations. The Diocese has elected not to depreciate real estate on the basis that no additional useful information will be gained. Property reflected on the balance sheet is categorized as follows:

	<u>12/31/2005</u>	<u>12/31/2004</u>
Land	\$ 2,790,447	\$ 2,609,396
Buildings/improvements	<u>18,981,545</u>	<u>19,593,080</u>
Total	<u>\$ 21,771,992</u>	<u>\$ 22,202,476</u>

Loans receivable and notes receivable are carried at the amount due as of December 31, 2005. Interest receivable has been accrued to December 31, 2005. At the Board’s discretion, in some instances, interest is not charged on construction loans until five years after construction is completed. For purposes of the statement of cash flows, the Diocese considers all short-term debt securities purchased with maturity of three months or less to be cash equivalents. The Diocese uses the bad debt specific write-off method. The Diocese does not attempt to value donated services. The Diocese of Olympia, Inc. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. When a mission becomes a parish, the value of its real estate and any related loans are removed from the Diocesan Real Estate Fund. During 2005, Vancouver, Good Shepherd, becomes a parish. The preparation of financial statements in conformity with Episcopal Church accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 5—Consolidation:

Real estate owned by the Diocese is reflected at historical cost as explained in Note 4. The loans from the Mission Development Fund and Building Loan Fund have been eliminated and net assets reduced. Loans eliminated can be summarized as follows:

	<u>12/31/05</u>	<u>12/31/04</u>
Building Loan Fund	\$ 2,897,480	\$ 3,347,717
Mission Development Fund	<u>1,275,726</u>	<u>1,275,787</u>
Total	<u>\$ 4,173,206</u>	<u>\$ 4,623,504</u>

Note 6—Construction of Buildings:

For missions of the Diocese, diocesan policy is that all construction payments are made by the Building Loan Fund (BLF) and then reimbursed by the congregation. These expenditures are not reflected in the financial statements except to the extent that amounts advanced have not been reimbursed, or cash held not expended.

Note 7—Commitments to Loan Funds:

At December 31, 2005, the Diocese of Olympia, Inc. Building Loan, and/or Mission Development Funds was committed to making loans to the following congregations:

	Total Commitment	Loan Balance 12/31/2005	Commitment Not Yet Drawn On
Puyallup, Christ Church	\$ 50,000	\$ -	\$ 50,000

Note 8—Other Loans - \$824,365:

The Diocese of Olympia, Inc. has a loan from Bank of the Pacific to fund the construction of the Cathlamet St. James Family Center. This note was dated January 15, 1997, with an original amount of \$500,000. In August 2005, the loan terms were adjusted to 30-year-term with a five year rate of 6% and calls for monthly payments of \$2,034.56. The balance at December 31, 2005 was \$331,651. The Diocese of Olympia, Inc. has a loan with US Bank for the purchase of the Orchards property. The note was dated September 15, 2000, with an original amount of \$375,000. It bears interest at 3.09% and calls for monthly interest payments of \$3,902.72. The balance at December 31, 2005 was \$21,714. This loan is budgeted for in the Operating Fund. Battle Ground has three Bond Loans outstanding at December 31, 2005, totaling \$186,000, bearing interest at 6.375%, and 6.5%. Bainbridge has Bond Loans outstanding at December 31, 2005, totaling \$285,000, bearing various interest rates from 3.75% to 5.75%. The schedule of debt maturity is as follows:

Year Ended	Bank of the Pacific	US Bank	Battle Ground Holy Spirit	Bainbridge Grace	Total
12/31/2006	\$ 4,642	\$ 21,714	\$ 15,000	\$ 25,000	\$ 66,356
12/31/2007	4,928	-	15,000	30,000	49,928
12/31/2008	5,232	-	15,000	15,000	35,232
12/31/2009	5,555	-	15,000	10,000	30,555
12/31/2010	5,898	-	15,000	40,000	60,898
Thereafter	<u>305,396</u>	-	<u>111,000</u>	<u>165,000</u>	<u>581,396</u>
Total	<u>\$ 331,651</u>	<u>\$ 21,714</u>	<u>\$ 186,000</u>	<u>\$ 285,000</u>	<u>\$ 824,365</u>

Note 9—Contingent Liabilities:

No liabilities that relate to the mission congregations of the Diocese are reflected. The Diocese could be held to be a responsible party until a mission becomes a parish. Property insurance on structures does not include earthquake insurance.

Note 10—Bond Agency:

The Diocese is the registrar/paying agent for bonds issued by two parishes and two missions. The Diocese has obtained an Acknowledgement of Exemption registration from the Washington State Department of Financial Institutions on these bonds.

Independent Auditor's Report, Diocese of Olympia, Inc., The James F. Hodges Diocesan Investment Fund, Seattle, WA 98102

We have audited the statements of assets and liabilities of the Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund at December 31, 2005 and 2004, and the related statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the diocesan management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 3, the Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund's policy is to prepare its financial statements on a basis that is in accordance with principles authorized by the General Convention of the Episcopal Church. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statements of assets and liabilities of Diocese of Olympia, Inc. – the James F. Hodges Diocesan Investment Fund at December 31, 2005 and 2004, and the statement of operations and changes in net assets for the years then ended, in accordance with the principles authorized by the General Convention of the Episcopal Church.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Investments is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Beail, Raines & Gillespie, PLLC, Seattle, Washington, March 1, 2006

Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund
Statements of Assets and Liabilities
December 31, 2005 and 2004

	2005	2004	Increase (Decrease)
ASSETS:			
Cash:			
Cash for purchase in transit	\$ 378,061	\$ 2,406,118	\$ (2,028,057)
Total Cash	<u>378,061</u>	<u>2,406,118</u>	<u>(2,028,057)</u>
Income receivable	<u>209,831</u>	<u>235,452</u>	<u>(25,621)</u>
Investments (at market value):			
Stocks	26,215,118	27,924,010	(1,708,892)
Bonds, notes and other	12,774,832	9,515,006	3,259,826
Cash equivalents	<u>860,084</u>	<u>2,531,690</u>	<u>(1,671,606)</u>
Total Investments	<u>39,850,034</u>	<u>39,970,706</u>	<u>(120,672)</u>
Total Assets	<u>40,437,926</u>	<u>42,612,276</u>	<u>(2,174,350)</u>
LIABILITIES:			
Share redemptions payable	<u>186,769</u>	<u>2,261,923</u>	<u>(2,075,154)</u>
Total Liabilities	<u>186,769</u>	<u>2,261,923</u>	<u>(2,075,154)</u>
NET ASSETS	<u>\$ 40,251,157</u>	<u>\$ 40,350,353</u>	<u>\$ (99,196)</u>

Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund
Statements of Operations – Episcopal Church Basis
December 31, 2005 and 2004

Investment Income:			
Dividends and interest	\$ 1,449,393	\$ 1,450,835	\$ (1,442)
Other Income	-	<u>2,532</u>	<u>(2,532)</u>
Total Investment Income	<u>1,449,393</u>	<u>1,453,367</u>	<u>(3,974)</u>
Expenses:			
Agency fee	26,048	29,384	(3,336)
Accounting fee	5,526	5,617	(91)
Audit	3,050	2,950	100
Board miscellaneous expense	1,081	1,160	(79)

Foreign taxes withheld	-	6,415	(6,415)
Interest Expenses on Redemption	-	542	(542)
Printing, postage	<u>232</u>	<u>290</u>	<u>(58)</u>
Total Expenses	<u>35,937</u>	<u>46,359</u>	<u>(10,422)</u>
Excess investment income over expenses	<u>1,413,456</u>	<u>1,407,008</u>	<u>6,448</u>
Realized Gain and Unrealized Appreciation on Investments:			
Net investment gains (loss) realized	2,038,497	2,019,507	18,990
Net change in unrealized appreciation on investments	<u>(2,500,960)</u>	<u>(145,970)</u>	<u>(2,354,990)</u>
Net Gain (Loss) on Investments	<u>(462,463)</u>	<u>1,873,537</u>	<u>(2,336,000)</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 950,993</u>	<u>\$ 3,280,545</u>	<u>\$ (2,329,552)</u>

Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund
Statements of Changes in Net Assets – Episcopal Church Basis
December 31, 2005 and 2004

	2005	2004
Operations:		
Net investment income	\$ 1,413,456	\$ 1,407,008
Net realized gain (loss) on investments	2038,497	2,019,507
Net change in unrealized appreciation on investments	<u>(2,500,960)</u>	<u>(145,970)</u>
Net increase in net assets resulting from operations	<u>950,993</u>	<u>3,280,545</u>
Dividends and Distributions Paid to Shareholders:		
Dividends from net investment income	<u>(1,413,456)</u>	<u>(1,407,008)</u>
Total dividends paid shareholders	<u>(1,413,456)</u>	<u>(1,407,008)</u>
Capital Share Transactions:		
Proceeds from shareholder purchases and dividends reinvested	1,261,628	3,326,435
Cost of shareholder redemptions	<u>(898,361)</u>	<u>(3,460,779)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>363,267</u>	<u>(134,344)</u>
Total increase (decrease) in net assets	<u>(99,196)</u>	<u>1,739,193</u>
Net Assets:		
Net Assets – January 1	<u>40,350,353</u>	<u>38,611,160</u>
Net Assets – December 31	<u>\$ 40,251,157</u>	<u>\$ 40,350,353</u>

Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund
Schedule of Investments
December 31, 2005

	Number of Shares	Market Value
Stocks:		
Avery Dennison Corp	10,000	\$ 552,700
BankAmerica Corporation	15,032	693,727
ChevronTexaco Corp	15,900	902,643
Cisco Systems Inc.	23,500	402,320
Citigroup	16,000	776,480
Conagra Inc.	24,500	496,860
Costco Inc.	17,000	840,990
Emerson Electric	9,100	679,770
Equity Office Properties	15,000	454,950
Exxon Mobil Corporation	13,222	742,680
Eli Lilly & Co Com	9,500	537,605
First Data Corp Com	17,500	752,675
General Dynamics Corp	3,700	421,985
General Electric	25,400	890,270

Schedule 1

Honeywell Int'l Inc	21,000	782,250
Intel Corporation	25,000	624,000
International Business Machines	7,100	538,620
Johnson & Johnson	11,200	673,120
Johnson Controls Inc.	11,000	802,010
JPMorgan Chase & Co	10,000	396,900
Kerr-Mcgee Corp Com	9,423	856,174
3M Co	7,500	581,250
MBNA Corp	19,400	526,710
Mack Cali Realty Corp	15,000	648,000
Medtronic Inc	10,000	575,700
Microsoft	26,000	679,900
Nationwide Health Properties Inc	30,000	642,000
Paccar, Inc.	11,000	761,530
Pfizer Inc	25,200	587,664
Safeco Corporation	22,000	1,243,000
Staples Inc	32,250	732,398
Sysco Corp	18,500	574,425
Southern Company Common	20,000	690,600
Tsakos Energy Navigation Ltd	7,000	256,690
United Health Group Inc	10,000	621,400
United Technologies	14,600	816,286
Verizon Communications Inc	23,000	692,760
Vanguard Developed Mkts Index	100,433	1,025,420
Weyeth	15,100	695,657

TOTAL STOCKS

\$ 26,215,118

	Rate of Interest	Maturity	Face Value	Schedule 2 Market Value
CASH EQUIVALENTS				
First America Prime Obligation Fund	Variable	n/a	\$ 860,084	<u>\$ 860,084</u>
Total Cash Equivalents				<u>\$ 860,084</u>
<u>BONDS, NOTES AND OTHER</u>				
U.S. Treasury Notes	5.625	02/15/06	500,000	500,940
U.S. Treasury Notes	2.500	05/31/06	1,500,000	1,488,990
U.S. Treasury Notes	2.750	06/30/06	1,500,000	1,488,345
U.S. Treasury Notes	7.000	07/15/06	400,000	405,296
U.S. Treasury Notes	6.625	05/15/07	1,650,000	1,697,949
U.S. Treasury Notes	5.625	05/15/08	1,250,000	1,284,088
U.S. Treasury Notes Indexed	3.875	01/15/09	2,085,399	2,191,796
U.S. Treasury Notes	14.000	11/15/11	600,000	648,564
U.S. Treasury Notes	10.375	11/15/12	950,000	1,049,902
U.S. Treasury Notes	12.000	08/15/13	1,250,000	1,483,013
U.S. Treasury Notes Indexed	2.000	01/15/14	539,000	<u>535,949</u>
Total Bonds, Notes and Other				<u>\$ 12,774,832</u>

**Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund
Schedule of Investments
December 31, 2004**

	Number of Shares	Market Value	Schedule 1
Stocks:			
Agilent Technologies Inc.	16,000	385,600	
Avery Dennison Corp	10,000	599,700	
BP Amoco PLC	14,400	840,960	
BankAmerica Corporation	15,032	706,354	
ChevronTexaco Corp	15,900	834,909	
Cisco Systems Inc.	18,300	353,190	

Citigroup	16,000	770,880
Conagra Foods Inc.	24,500	721,525
Costco Wholesale Corp New	17,000	822,970
Emerson Electric Company	9,100	637,910
Equity Office Properties	15,000	436,800
Exxon Mobil Corporation	13,222	677,760
Eli Lilly & Co Com	9,500	539,125
First Data Corp Com	17,500	744,450
General Dynamics Corp	3,700	387,020
General Electric Co	25,400	927,100
Honeywell Int'l Inc	18,000	637,380
Intel Corporation	25,000	584,750
International Business Machines	7,100	699,918
Johnson & Johnson	21,200	1,344,504
Johnson Controls Inc.	11,000	697,840
JPMorgan chase & Co	10,000	390,100
Kerr-Mcgee Corp Com	14,200	820,618
3M Co	7,500	615,525
Mack Cali Realty Corp	15,000	690,450
Medtronic Inc	10,000	496,700
Microsoft Corporation	22,000	587,620
Nationwide Health Properties Inc	30,000	712,500
Paccar, Inc.	16,000	1,287,680
Pfizer Inc	25,200	677,628
Plum Creek Timber Co Inc	14,700	565,068
Safeco Corporation	22,000	1,149,280
Staples Inc	36,500	1,230,415
Sysco Corp	18,500	706,145
Southern Company Common	20,000	670,400
Tsakos Energy Navigation Ltd	7,000	250,530
Union Pacific	5,850	393,413
United Technologies	7,300	754,455
Verizon Communications Inc	23,000	931,730
Wyeth	15,100	643,109
TOTAL STOCKS		<u>\$ 27,924,010</u>

	Rate of Interest	Maturity	Face Value	Schedule 2 Market Value
CASH EQUIVALENTS				
Nations Treasury Reserves Investor #242	Variable	n/a	\$ 2,531,690	\$ 2,531,690
Total Cash Equivalents				<u>\$ 2,531,690</u>
BONDS, NOTES AND OTHER				
U.S. Treasury Notes	7.500	02/15/05	350,000	352,324
U.S. Treasury Notes	6.500	08/15/05	800,000	819,472
U.S. Treasury Notes	5.625	02/15/06	500,000	515,469
U.S. Treasury Notes	7.000	07/15/06	400,000	424,092
U.S. Treasury Notes	6.625	05/15/07	400,000	431,516
U.S. Treasury Notes (Inflation Indexed)	3.875	01/15/09	1,000,000	2,211,903
U.S. Treasury Notes	10.000	05/15/10	750,000	769,922
U.S. Treasury Notes	14.000	11/15/11	600,000	718,688
U.S. Treasury Notes	10.375	11/15/12	950,000	1,132,657
U.S. Treasury Notes	12.000	08/15/13	1,250,000	1,611,038
U.S. Treasury Notes	2.000	01/15/14	500,000	527,928
Total Bonds, Notes and Other				<u>\$ 9,515,006</u>

**Notes to Financial Statements
December 31, 2005 and 2004**

Note 1—General:

The James F. Hodges Diocesan Investment Fund was organized in 1951 as a "mutual fund" for the endowments of the Diocese, its parishes, missions, and related institutions. The Fund's current name was adopted in 1987. The Fund balances the need for current income and growth in asset value to offset

inflation by investing in a mixture of stocks and bonds. The securities are currently held in trust with US Bank (custodian was BNY Western Trust Company prior to October 2005). The Diocesan Investment Committee makes investment decisions. The funds are not FDIC insured.

Note 2—Component Organization:

The Diocese of Olympia, Inc. – James F. Hodges Diocesan Investment Fund, contains the endowment funds of the Diocese of Olympia, Inc. and its missions, parishes and institutions. The fund groupings known as Trust Funds and the Building Loan, Mission Development and Real Estate fund are reported separately. The James F. Hodges Diocesan Investment Fund is charged \$5,000 for the common expenses paid by the Diocese of Olympia – Operating Fund (an unincorporated entity).

Note 3—Accounting:

The financial statements are prepared on a basis that is in accordance with accounting principles and reporting practices for Episcopal Church dioceses. These principles do not specify the method of accounting for this type of fund. The Fund follows the accounting principles of an open-ended diversified management company, except as explained below. Securities are valued at market value based on closing sales prices reported on recognized securities exchanges on the last business day of the year. As is customary in the mutual fund industry, securities transactions are accounted for on the date securities are purchased or sold. Realized gains and losses from securities transactions are reported on an identified cost basis. The fund distributes net cash investment income to shareholders quarterly, but net capital gains are reinvested. Shareholders may reinvest dividends, purchase or redeem shares on a quarterly basis only. No provision is made for income taxes as the Diocese and all related institutions are exempt from taxation.

Note 4—Securities Transactions:

Cost of purchases and proceeds from sales of investment securities (excluding short-term securities) were as follows for the years ended December 31, 2005 and 2004.

2004	<u>Cost of Purchases</u>		<u>Proceeds from Sales/Maturities</u>	
	U.S.	Non-U.S.	U.S.	Non-U.S.
	<u>Government</u>	<u>Government</u>	<u>Government</u>	<u>Government</u>
	\$ 1,133,483	\$ 3,858,975	\$ 1,500,000	\$ 5,468,166
2005	<u>Cost of Purchases</u>		<u>Proceeds from Sales/Maturities</u>	
	U.S.	Non-U.S.	U.S.	Non-U.S.
	<u>Government</u>	<u>Government</u>	<u>Government</u>	<u>Government</u>
	\$ 5,628,750	\$ 2,332,891	\$ 1,900,000	\$ 4,073,263

Unrealized appreciation on cash and securities held by the custodian was as follows:

	<u>2005</u>	<u>2004</u>
Market Value, December 31	\$ 39,850,034	\$ 39,970,706
Cost, Stocks December 31	(19,143,761)	(18,640,951)
Cost, Bonds December 31	(14,100,975)	(12,246,874)
Net Unrealized Appreciation	<u>\$ 6,605,298</u>	<u>\$ 9,082,881</u>

Note 5—Shareholders:

The fund acts as an open-end mutual fund with current year activity as follows:

	<u>Number of Shares</u>	<u>Per Share Value</u>
Shares outstanding 1/1/2004	251,793.124	
Shares purchased and dividends reinvested	20,978.407	
Shares redeemed	(21,871.069)	
Shares outstanding 12/31/2004	250,900.462	\$ 160.822
Shares purchased and dividends reinvested	7,894.337	
Shares redeemed	(5,646.358)	
Shares outstanding 12/31/2005	<u>253,148.441</u>	\$ 159.002

Note 6—Investment Policy – Tobacco Stocks:

In accordance with investment policy recommended by the Executive Council of the Episcopal Church, the Diocesan Investment Fund has divested itself of all securities issued by companies that manufacture and distribute tobacco products.

Vital Statistics—Data Year 2005

Year in parentheses is last year of filing if a report was not filed in 2005

	Active Members	Communicants		Average Sunday Attendance	Sunday Eucharists	BAPTISMS		Confirmed or Rec'd
		in Good Standing	Others			16 yrs and Older	Under 16 years	
Aberdeen, St. Andrew	275	281	8	114	105	3	4	2
Allyn, St. Hugh of Lincoln	86	86	0	49	63	0	1	3
Anacortes, Christ Church	104	104	0	42	56	0	0	3
Auburn, St. Matthew	263	204	2	85	127	0	2	0
Bainbridge Island, Grace Church	510	0	0	0	0	0	0	0
Bainbridge Island, St. Barnabas	523	430	65	138	106	4	3	0
Battle Ground, Holy Spirit	87	80	12	52	55	0	0	0
Bellevue, All Saints	175	167	0	84	55	1	3	12
Bellevue, Holy Apostles	70	60	0	48	0	4	0	4
Bellevue, Resurrection	241	269	7	93	106	1	4	3
Bellevue, St. Margaret	745	657	84	322	162	3	18	26
Bellingham, St. Paul	1,454	1,454	0	399	157	6	16	7
Blaine, Christ Church	64	60	2	64	60	01	2	0
Bremerton, St. Paul	312	229	0	100	102	0	3	0
Burien, St. Elizabeth	198	198	12	73	52	0	1	0
Camano Island, St. Aidan	178	156	4	86	97	1	2	0
Castle Rock, St. Matthew	55	55	8	16	56	2	1	0
Cathlamet, St. James	55	44	3	24	50	0	2	0
Chehalis, St. Timothy	185	179	5	71	92	0	1	0
Eastsound/Orcas, Emmanuel	159	130	20	69	91	0	0	0
Edmonds, St. Alban	195	179	4	100	105	0	2	0
Edmonds, St. Hilda-St. Patrick	146	179	0	84	107	1	2	0
Elma, St. Luke	40	40	0	12	42	0	0	0
Enumclaw, St. Catherine	62	0	0	0	0	0	0	0
Everett, Trinity Church	474	416	84	222	154	6	17	0
Federal Way, Good Shepherd	237	237	0	134	106	1	2	4
Freeland, St. Augustine in-the-Woods	182	203	45	128	112	0	1	10
Friday Harbor, St. David	151	151	10	41	101	1	5	7
Gig Harbor, St. John	632	532	11	186	107	0	6	0
Issaquah, St. Michael & All Angels	406	327	2	126	104	1	7	6
Kenmore, Redeemer	665	372	33	128	98	0	1	5
Kent, St. Columba	146	146	3	68	102	1	1	0
Kent, St. James	886	749	16	243	105	2	13	11
Kingston, Faith Church	62	61	7	29	51	1	1	1
Kirkland, St. John	635	450	0	251	131	1	14	13
Lacey, St. Benedict	313	296	7	118	109	0	1	5
Lakewood, St. Joseph-St. John	100	90	1	44	3	1	0	0
Lakewood, St. Mary	615	285	65	264	104	6	12	40
Longview, St. Stephen	430	419	10	118	107	3	1	8
Lopez Island, Grace Church	160	160	1	71	55	1	1	0
Maple Valley, St. George	88	88	0	64	52	0	1	8
Marysville, St. Philip	195	195	3	53	65	0	2	0
Medina, St. Thomas	1,770	0	0	267	116	1	18	1
Mercer Island, Emmanuel	710	569	29	254	0	0	10	0
Mill Creek, St. Francis	145	160	15	69	111	0	5	1
Monroe, Our Saviour	55	54	5	36	55	1	0	0
Montesano, St. Mark	46	39	3	19	40	0	0	3
Mount Vernon, St. Paul	285	253	6	86	89	0	4	2
Oak Harbor, St. Stephen (2002)	0	0	0	0	0	0	0	0

	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	BAPTISMS		Confirmed or Rec'd
						16 yrs and Older	Under 16 years	
Olympia, St. Christopher	234	234	15	96	132	4	6	20
Olympia, St. John	830	774	60	418	176	5	10	6
Port Angeles, St. Andrew	355	295	21	98	169	1	4	8
Port Orchard, St. Bede	205	205	18	102	84	1	2	4
Port Townsend, St. Paul	231	211	0	94	103	0	1	2
Poulsbo, St. Charles (2003)	0	0	0	0	0	0	0	0
Puyallup, Christ Church	370	370	0	148	177	0	7	3
Redmond, Holy Cross	658	460	30	167	0	0	4	0
Renton, St. Luke	173	158	7	84	104	0	8	10
Sammamish, Good Samaritan	443	326	7	153	112	0	8	1
Seattle, All Saints	60	62	13	42	55	1	1	1
Seattle, Christ Church	382	242	15	128	135	0	1	3
Seattle, Ascension	323	316	20	132	104	0	1	0
Seattle, Epiphany Parish	651	410	0	154	100	3	16	1
Seattle, St. Andrew	660	528	0	229	157	2	10	7
Seattle, St. Clement	295	269	14	74	53	0	3	0
Seattle, St. George (2004)	100	78	6	53	38	2	4	0
Seattle, St. John the Baptist (2004)	410	410	11	157	135	1	8	0
Seattle, St. Luke	122	122	0	83	89	0	6	0
Seattle, St. Mark's Cathedral	2,366	1,220	889	1,513	217	2	44	16
Seattle, St. Paul	210	210	2	126	105	0	0	8
Seattle, St. Peter	222	0	0	0	0	0	0	0
Seattle, St. Stephen	961	742	5	202	105	2	6	9
Seattle, Trinity Church	344	344	25	114	112	0	3	0
Seaview, St. Peter	49	44	10	44	61	0	0	1
Sedro-Woolley, St. James	61	61	0	31	49	0	0	0
Sequim, St. Luke	294	294	0	154	0	0	1	0
Shelton, St. David of Wales	222	133	9	122	150	0	0	0
Shoreline, St. David Emmanuel	57	48	2	32	101	0	0	0
Shoreline, St. Dunstan	305	245	60	127	107	0	2	0
Silverdale, St. Antony of Egypt	207	199	6	105	106	0	2	6
Snohomish, St. John	243	220	20	114	103	1	5	8
Snoqualmie, St. Clare of Assisi	76	79	8	33	53	0	4	0
South Bend, St. John	47	47	0	16	0	0	2	0
Tacoma, All Saints	94	94	15	63	98	0	0	0
Tacoma, Christ Church	222	104	99	104	120	0	1	0
Tacoma, Holy Family of Jesus	8	8	72	35	49	0	0	0
Tacoma, St. Andrew	252	240	44	61	111	1	3	4
Tacoma, St. Luke	461	389	0	172	100	2	11	0
Tacoma, St. Matthew	371	365	26	117	107	0	3	0
Tahuya, St. Nicholas	20	20	0	20	30	0	0	1
Vancouver, All Saints	118	42	0	60	118	0	0	0
Vancouver, Good Shepherd	749	727	94	381	161	14	4	0
Vancouver, St. Luke	564	357	10	185	155	4	14	0
Vashon Island, Holy Spirit	354	292	21	109	130	0	2	8
Washougal, St. Anne	70	63	0	33	52	0	1	1
Westport, St. Christopher	18	18	3	10	40	0	0	0
Total	31,037	23,568	2,249	11,639	8,386	99	398	313

Financial Statistics—Data Year 2005

Year in parentheses is last year of filing if a report was not filed in 2005

	REVENUE			EXPENSE			
	Plate & Pledge	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach and Dev.	Total Expense
Aberdeen, St. Andrew	151,006	184,122	226,756	153,860	27,919	44,074	219,801
Allyn, St. Hugh of Lincoln	22,181	74,291	102,355	90,285	7,635	10,724	103,349
Anacortes, Christ Church	72,416	102,468	132,101	99,017	16,000	11,483	129,740
Auburn, St. Matthew	116,529	126,867	129,696	159,867	0	0	159,867
Bainbridge Island, Grace Church	351,658	356,975	549,519	364,765	39,521	68,869	366,888
Bainbridge Island, St. Barnabas	293,342	355,975	522,187	455,521	72,012	135,597	601,600
Battle Ground, Holy Spirit	53,001	75,303	76,370	61,667	11,498	6,942	62,402
Bellevue, All Saints	171,825	171,825	197,172	207,528	17,978	31,404	240,672
Bellevue, Holy Apostles	30,198	84,521	97,784	103,964	3,600	62,905	106,459
Bellevue, Resurrection	241,516	241,711	276,210	228,275	40,941	37,050	265,926
Bellevue, St. Margaret	678,613	1,094,887	1,254,776	1,078,902	42,141	20,191	1,096,086
Bellingham, St. Paul	545,411	581,376	769,092	588,772	111,704	81,674	660,434
Blaine, Christ Church	42,931	55,337	87,256	35,617	4,827	7,072	39,985
Bremerton, St. Paul	0	0	0	0	0	0	0
Burien, St. Elizabeth	111,354	119,955	134,590	130,915	15,831	49,383	180,776
Camano Island, St. Aidan	95,847	95,847	188,862	99,653	16,267	12,565	105,842
Castle Rock, St. Matthew	13,403	14,991	16,297	15,323	1,200	5,506	18,743
Cathlamet, St. James	18,950	31,445	32,254	27,410	2,900	7,179	30,231
Chehalis, St. Timothy	94,282	130,495	130,942	117,475	19,549	9,942	128,897
Eastsound/Orcas, Emmanuel	118,222	134,544	143,296	126,393	30,768	22,477	132,970
Edmonds, St. Alban	187,289	187,289	206,767	171,753	37,185	2,300	183,332
Edmonds, St. Hilda-St. Patrick	111,094	126,617	150,130	131,347	20,005	19,843	149,408
Elma, St. Luke	7,157	8,017	8,582	14,777	2,012	2,350	15,342
Enumclaw, St. Catherine	0	0	0	0	0	0	0
Everett, Trinity Church	349,299	385,013	522,669	382,223	57,211	95,415	470,041
Federal Way, Good Shepherd	260,688	283,529	371,258	266,939	54,276	44,009	318,520
Freeland, St. Augustine in-the-Woods	226,481	241,226	357,428	248,756	39,488	13,675	258,585
Friday Harbor, St. David	184,359	184,607	206,580	179,219	26,654	34,937	224,566
Gig Harbor, St. John	273,385	274,753	309,885	260,377	42,219	44,741	308,903
Issaquah, St. Michael & All Angels	155,427	156,423	209,758	153,458	19,637	15,965	173,778
Kenmore, Redeemer	169,180	184,380	209,884	194,171	36,359	35,703	225,179
Kent, St. Columba	118,148	189,257	211,312	182,085	33,626	15,871	203,498
Kent, St. James	434,234	451,870	644,981	532,055	72,847	130,016	662,071
Kingston, Faith Church	31,565	31,771	36,499	21,717	7,463	2,486	23,653
Kirkland, St. John	523,718	546,762	888,165	542,728	51,214	296,096	802,551
Lacey, St. Benedict	175,765	183,096	202,716	175,135	35,905	26,372	201,481
Lakewood, St. Joseph-St. John	73,048	92,037	148,605	99,969	15,587	11,518	106,136
Lakewood, St. Mary	596,214	607,447	791,304	670,513	46,583	320,656	917,191
Longview, St. Stephen	272,310	304,822	341,730	304,702	54,551	6,830	339,110
Lopez Island, Grace Church	112,746	118,913	223,433	114,229	16,652	134,390	257,952
Maple Valley, St. George	47,986	48,650	71,003	50,395	8,558	19,802	72,980
Marysville, St. Philip	54,390	113,150	113,150	105,650	19,224	11,411	112,061
Medina, St. Thomas	775,559	885,333	992,825	867,062	172,263	64,224	931,286
Mercer Island, Emmanuel	558,033	558,870	1,001,911	563,529	109,063	1,372,839	1,950,843
Mill Creek, St. Francis	102,368	114,368	121,598	152,282	18,644	8,476	156,190
Monroe, Our Saviour	57,587	78,978	79,255	91,006	10,959	4,376	91,006
Montesano, St. Mark	16,797	19,764	21,933	16,797	3,037	162,804	178,574
Mount Vernon, St. Paul	154,812	154,812	168,274	178,566	31,918	0	192,028

	REVENUE			EXPENSE			
	Plate & Pledge	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach and Dev.	Total Expense
Oak Harbor, St. Stephen (2002)	0	0	0	0	0	0	0
Olympia, St. Christopher	94,933	102,183	190,628	128,485	19,160	22,125	149,760
Olympia, St. John	399,464	421,594	421,594	432,749	54,400	11,540	432,749
Port Angeles, St. Andrew	138,873	156,178	233,614	147,465	14,949	61,946	211,210
Port Orchard, St. Bede	127,480	145,400	168,828	132,056	10,045	27,258	165,593
Port Townsend, St. Paul	150,079	157,747	169,755	132,386	20,580	15,454	147,542
Poulsbo, St. Charles (2003)	0	0	0	0	0	0	0
Puyallup, Christ Church	200,381	304,489	338,162	104,470	42,491	119,267	217,485
Redmond, Holy Cross	333,512	333,512	483,578	348,700	24,958	132,451	485,310
Renton, St. Luke	124,413	131,127	146,650	158,934	22,021	25,810	184,430
Sammamish, Good Samaritan	218,016	225,148	306,361	213,129	32,283	77,220	288,938
Seattle, All Saints	37,698	86,407	93,955	44,737	3,727	56,965	102,122
Seattle, Christ Church	248,076	272,174	283,830	291,965	44,720	10,175	301,540
Seattle, Ascension	267,875	285,098	314,099	278,972	50,328	29,869	311,223
Seattle, Epiphany Parish	474,758	598,140	655,281	494,740	86,954	46,373	534,203
Seattle, St. Andrew	329,637	383,121	530,427	369,809	71,487	137,855	514,454
Seattle, St. Clement	150,069	154,781	247,042	148,501	25,814	20,172	149,946
Seattle, St. George (2004)	51,051	110,161	113,481	114,319	17,350	82	114,469
Seattle, St. John the Baptist (2004)	233,214	299,776	408,794	263,377	42,000	0	271,340
Seattle, St. Luke	218,654	247,742	292,103	229,656	0	22,332	274,017
Seattle, St. Mark's Cathedral	1,299,198	2,031,361	2,478,430	2,045,862	313,736	132,547	2,171,314
Seattle, St. Paul	264,228	297,904	318,897	281,228	51,315	35,253	315,448
Seattle, St. Peter	75,138	87,297	136,958	82,135	14,369	34,677	127,150
Seattle, St. Stephen	518,729	619,595	661,644	670,528	100,122	39,301	711,621
Seattle, Trinity Church	194,876	611,067	4,040,706	600,444	49,844	5,270,169	5,719,682
Seaview, St. Peter	31,919	110,874	114,634	109,096	21,143	2,378	112,856
Sedro-Woolley, St. James	44,751	44,751	50,434	45,609	9,533	3,564	50,082
Sequim, St. Luke	271,841	271,841	337,841	267,257	45,330	19,771	279,257
Shelton, St. David of Wales	149,598	161,106	175,714	169,202	9,286	18,203	185,468
Shoreline, St. David Emmanuel	57,908	72,410	77,024	72,410	15,215	3,614	76,024
Shoreline, St. Dunstan	205,607	215,666	269,310	225,206	30,899	30,028	266,923
Silverdale, St. Antony of Egypt	135,174	137,049	169,435	148,332	26,175	11,030	178,986
Snohomish, St. John	159,450	187,592	187,592	191,983	34,564	1,200	191,983
Snoqualmie, St. Clare of Assisi	48,075	64,755	73,362	68,207	1,200	2,370	73,046
South Bend, St. John	9,236	17,554	18,855	13,543	2,009	400	13,982
Tacoma, All Saints	68,140	80,889	81,661	88,783	15,023	822	90,377
Tacoma, Christ Church	206,069	301,230	311,250	281,049	21,000	46,478	305,569
Tacoma, Holy Family of Jesus	2,649	53,708	55,272	45,576	2,400	4,411	52,820
Tacoma, St. Andrew	225,977	229,038	267,232	275,994	38,304	37,103	291,885
Tacoma, St. Luke	201,176	241,348	814,824	241,214	28,563	301,075	531,711
Tacoma, St. Matthew	195,705	208,358	214,934	208,600	13,463	8,786	214,636
Tahuya, St. Nicholas	17,227	17,227	17,227	17,704	1,693	4,357	19,561
Vancouver, All Saints	92,143	127,266	131,361	128,879	15,957	13,514	146,568
Vancouver, Good Shepherd	687,225	689,614	908,773	666,411	105,858	94,540	908,773
Vancouver, St. Luke	190,989	228,057	564,604	228,018	42,354	18,676	384,662
Vashon Island, Holy Spirit	155,513	163,279	179,628	164,154	19,200	16,229	180,946
Washougal, St. Anne	77,161	90,669	95,362	79,017	8,557	808	83,710
Westport, St. Christopher	11,920	11,920	12,575	9,491	1,581	980	10,691
Total	18,648,129	22,353,522	31,842,871	22,277,031	3,147,391	10,491,320	32,728,995

Section 6

Minutes of the Special Convention to elect the 8th Bishop for the Diocese of Olympia
St. Mark's Cathedral, Seattle, Washington
May 12, 2007

1. Gathering/Opening Acclamation/Collect for the Election / Call to Order

The special convention for the election of the 8th Bishop for the Diocese of Olympia, held at St. Mark's Cathedral, Seattle, was called to order at 9:30 AM by the Rt. Rev. Vincent W. Warner, bishop diocesan.

2. Introduction of the Head Table

Bishop Warner introduced the Head Table – *Ms. Betsy Greenman*, canon to the ordinary; *Mr. Don Mullins*, chancellor; *the Rev. John Schaeffer*, secretary of convention; *Mr. Miller Adams*, chair, Dispatch of Business, *Ms. Nancy Jacobs*, president, Standing Committee; and *the Rev. Terry Kyлло*, ELCA, chaplain for the day.

3. Certification of Quorums

The Rev. John Schaeffer, Secretary of Convention, declared that a canonical quorum in each order was present and **moved** that Convention dispense with the reading of all names.

Motion carried unanimously
Quorum accepted

4. Declaration Convention Organized

Bishop Warner declared the Special Convention for the election of the 8th Bishop for the Diocese of Olympia organized for business.

5. Appointment of Assistant Secretaries

Secretary John Schaeffer requested approval of the appointment of Barbara Brower, Norah Joslyn, Diane Wells, Carla Robinson and Dawn Dunn as assistant secretaries serving the special convention.

Appointments approved

6. Appointment of Parliamentarian

Bishop Warner appointed Don Mullins as the parliamentarian for the special convention.

Appointment approved

7. Dispatch of Business report

Bishop Warner recognized Mr. Miller Adams, who **moved** acceptance of the order of business for the special convention as outlined in the agenda and the worship booklet.

Motion carried
Agenda adopted

8. Nomination of candidates

Bishop Warner recognized Nancy Jacobs, president of the Standing Committee, who, on behalf of the Joint Board, presented to the assembly the names of the candidates nominated by the Search Committee. She noted that no additional nominees by petition were received. Nominees: *Richard Burnett*, *Jeffrey Lee*, *Gregory Rickel*, *Bavi Edna "Nedi" Rivera*, and *Angela Shepherd*. A second was provided by members of the Search Committee.

9. Recognition of the Search Committee

Bishop Warner recognized and thanked the members of the Bishop Search Committee.

Committee discharged

10. Hymn of Preparation & Liturgy of the Word

The convention continued with the Liturgy of the Word through the homily given by the Convention Chaplain Terry Kyлло.

Homily by Chaplain Terry Kylo

I've been working among Episcopalians for about three or four years now in the Skagit Valley and the Komo Kulshan Cluster. I have heard many things about you. I have even heard some things from you. And that's a lot, because I'm Lutheran. I've learned what all those extra forks are for. I have learned to use chopsticks to eat ribs. I have learned how to eat a Tamale. I have also learned that you are liturgically stubborn. For three years now I have been advocating to replace the Eucharist with the veneration of the statue of Martin Luther. It has yet to take place. It would be easier on the altar guild. I have yet to see one instance of any breach of courtesy, any lack of competency, any misstep of kindness. In fact, I was able to sit down with Bishop Warner a few weeks ago and I asked him if there were any parts of his ministry as diocesan bishop he wishes he would have done otherwise and he very clearly looked me in the eye and said, "No." Isn't that right bishop. [Bishop Warner: "That's not right."] Apparently he'd been misheard.

Actually, what he told me was this. After he'd been bishop diocesan for ten years he gathered together some of the leadership of the diocese and what they did was to mutually confess to one another their own shortcomings and their sins and they received confession and forgiveness from one another. That is how we stand with one another. We all stand here today as brothers and sisters in Christ, as baptized people, people who have been made part of the body of Christ in this world. We stand with one another as people with tremendous gifts and abilities and faith and love. And yet, we also stand as people who fall short of love so many times.

There is a story about Stravinsky who wrote a wonderful piece for violin. One of the best violinists in the world took a week trying to learn it and came back and said, "I cannot play this song." And Stravinsky is said to have replied to him, "I did not want the sound of someone playing this part. What I wanted was the sound of someone trying to play this part."

We in the church are not called to sing the song of love perfectly. We're called to try. Think of what that violinist had at stake. He was one of the best in the world. He had a reputation to protect. You can imagine him sweating and frustration

happening in his practice room as he could not make those notes take place on his violin. And he saw himself falling short of it. And yet, he played that song in front of his peers and in front of an audience. He had the humility to play that song. He had the humility to play it because, after all, every song that we play, every part that we play, we can only try, because we all stand as God's beloved children and we all stand as people who fall short.

Today, we are gathered here to elect the bishop, although actually that's not true. Today, we may do the election of the bishop, but that's not why we are here. We are not here because of that. There are hundreds of clubs in the western Washington area that have elections for presidents. And if all we are here today to do is to elect the bishop then we should all go home and enjoy this beautiful day. But we are not here to elect the bishop today, although we may do that. We are here to try to sing the song, the part that God would have us play in this world.

Paul and Barnabas found themselves at _____ and there was a man by the gate who could not walk. Paul looked at him intently and saw that the man had faith to be healed and he said, "Rise up and walk." And the man did. And he rejoiced. And the people having heard a story perhaps how Zeus and Hermes had come down among the people in bodily form and had given gifts of generosity to the people, began to shout that Paul and Barnabas must be Zeus and Hermes. What a remarkable opportunity for Paul and Barnabas. But instead they chose to say, "Brothers and sisters, we are mortals, just like you. We serve the living God who created the heavens and the earth and the sea and all that is in them. Let go of this silly idol of yours and worship God with us." This text makes me wonder if sometimes perhaps we might be more like these people than baptized people of God, by seeking to elect a Zeus or a Hermes, so that they could complete all the things that we are not. So that they could take care of all the things that we can't take care of. So that they could embody our lacking.

So which one do you want, Zeus or Hermes? Because I know these nominees and I can tell you which is which! In fact, perhaps I should take this opportunity to tell you who to vote for. The problem with

electing a Zeus or a Hermes is that just after this lectionary meeting, all the folks at _____ took up stones and threw them at Paul, dragged him out of the city and left him for dead. That is what happens, friends, when we try to elect a Zeus or a Hermes to make up for all the things that we lack, forgetting that God did not ask us to play the song perfectly. God asked us to try to sing the song. God asked us to be vulnerable and to make the attempt knowing that we would get notes wrong and knowing that we would look foolish, knowing that we don't know the answers, knowing that we will fall short of love and that we will have to return to the font again and again to remember that we are both God's beloved children and, as Luther taught, we are also, at the same time, sinners in need of redeeming.

But what is that song, that part we are called to play? In the Gospel of John we see that the very wisdom of the universe, the very thing that is at the heart of every atom, at the heart of every sun, at the heart of every cell, at the heart of every person and every community became flesh and dwelt among us and that that embodiment of the divine logos died on a cross and suffered. And he died on the cross and suffered that death not because suffering is good – suffering is not good – but because the world suffers. The Word became flesh and dwelt among us to teach us the meaning of love and to teach us the character of the universe.

If you talk to many people on the street, they will say, Jesus is a nice guy and he's unusual. He's a strange fellow, but we're glad he was there. But the word made flesh reveals that Jesus is not unusual, Jesus reveals to us the very character of what it means to be human, the very character of the world and of the universe of which it's a part.

In the text for today, Jesus says to his disciples that he will send to them the Holy Spirit and that he and the Father will come and make their home with us. That he would make us, and this sounds incredible, that he would make us a part of the Holy Trinity. And in that locked room of fear and grief, Jesus came to them after his death and he breathed on them and gave them that Holy Spirit, and he said to them, "As the Father has sent me, so I send you." The logos became part of the

world, became flesh because God so loves the world.

We have been called together as the church and not just the Episcopal Church of which the Lutheran Church is a part, to sing God's song of suffering love, not because suffering is good ... there is still racism, there is still hunger, there is at this very moment war and terror and bloodshed. But we have been called to be sent as Jesus Christ was sent because God so loves the world.

So, we are not here today to elect Zeus or Hermes, but a brother or sister who is called to walk with us and to listen to us and sometimes to lead and sometimes to follow, but to be vulnerable

enough with us to try to sing God's song of suffering love because God's We risk that because we trust. In fact, you could say that trust is the willingness to sing that song even though we know we might sing it horribly and that we might sing it poorly in front of others.

We call today a bishop who will walk with us and sing that song of love, God's song of suffering love, and will dare to sing it even though they cannot sing it perfectly and to accompany us in those times when we try to sing and we don't sing it perfectly. Then why do we sing? Because one day we believe that the deep music inside of every cell and every atom, every galaxy, every mind and heart will one day

be brought to completion in all of our little failed hearts, all of our screeching notes, all of our whole notes that we only went to half, will all be included in God's beautiful song. And on that day God will invite all people to a table and we will all stand around it with all of our brothers and sisters in this world and we will sing. And every tear will be wiped from our eyes, except perhaps a tear of joy as we hear in fullness the song that we only knew in part. We will gather around and we will sing, Allelulia, Allelulia, Allelulia, Christ is risen and so are we. Allelulia. Allelulia. Allelulia. Amen.

11. Ballot instructions

Bishop Warner called on Standing Committee President Nancy Jacobs. Nancy Jacobs called Katie Akesson, elections official, who provided ballot instructions.

12. First ballot

Standing Committee President Nancy Jacobs declared the polls open.

Ballot completed

During the processing and counting of the ballot a time of silence, prayer, readings and music continued.

Report of the First Ballot

Standing Committee President Nancy Jacobs announced that there was no election and called on Secretary John Schaeffer to read the ballot results.

	<i>Lay order</i>	<i>Clergy order</i>
Needed to elect:	184	104
Richard Burnett	18	9
Jeffrey Lee	108	87
Gregory Rickel	161	66
Bavi Edna "Nedi" Rivera	62	38
Angela Shepherd	18	6

No election

13. Additional ballots

The Chaplain provided a time for prayer and reflection prior to the second ballot. Standing Committee President Nancy Jacobs declared the polls open for the second ballot.

Ballot completed

During the processing and counting of the ballot a time of silence, prayer, readings and music continued.

Report of the Second Ballot

Standing Committee President Nancy Jacobs announced that there was no election and called on Secretary John Schaeffer to read the ballot results.

	<i>Lay order</i>	<i>Clergy order</i>
Needed to elect:	185	103
Richard Burnett	1	3
Jeffrey Lee	131	93
Gregory Rickel	193	90
Bavi Edna "Nedi" Rivera	37	18
Angela Shepherd	7	1

No election

Prior to completion of the third ballot the following candidates withdrew: Richard Burnett, Bavi Edna "Nedi" Rivera, and Angela Shepherd. Standing Committee President Nancy Jacobs declared the polls open for the third ballot.

Ballot completed

During the processing and counting of the ballot a time of silence, prayer, readings and music continued.

14. Election

Standing Committee President Nancy Jacobs announced that there was an election and ceded the chair to Bishop Warner for the announcement. Bishop Warner announced the election of Gregory Rickel as the 8th Bishop for Olympia.

Report of the Third Ballot

Secretary John Schaeffer read the ballot results.

	<i>Lay order</i>	<i>Clergy order</i>
Needed to elect:	185	104
Jeffrey Lee	145	101
Gregory Rickel	224	106

Rickel elected

The testimonial statement was circulated for the signature of all those present and voting in this special election. The convention chaplain offered prayers of thanksgiving. Bishop-elect Rickel spoke to the convention via cell phone.

15. The Peace

Bishop Warner declared the business of convention completed, opened the convention floor to all and noted that the day would continue with the Peace and Liturgy of the Table following a lunch break.

16. The Liturgy of the Table

The special convention concluded with the Peace and Liturgy of the Table.

17. Closing

Bishop Warner declared the special convention for the election of the 8th bishop for the Diocese of Olympia adjourned.