

DIOCESAN COUNCIL

January 22, 2009

St. John in the Wilderness, White Bear Lake

Present: Bishop Jelinek; Karen Olson, Secretary of Council

Region 1 Carole Johnson

Region 2

Region 3 John Husband

Region 4 Bill Gray

Region 5 Pat Dibble

Region 6 Martha Beckwith, Mark Kelm

Region 7 Doug Franzen, Rex McKee

Region 8 Gary Aamodt, Tom Eklo

Region 9 Andrew Waldo

Guests: Jim Pavlik, Principal Financial Officer; Kevin Shaw, Development Director; Malcolm McDonald, Trustees of the Diocese, Inc.; Susan Barksdale, Recorder

Executive Summary of January 22, 2009, meeting

(Details in body of minutes)

Diocesan Council:

Received and discussed a State of the Diocese analysis and recommended that members discuss the materials relating to their own regions and their regional meetings.
Learned that an ad hoc committee has recommended a compensation package for the next Bishop of Minnesota to the Bishop Search Committee.
Unanimously received the report entitled Proposal for Improving Governance within the Diocese of Minnesota, prepared by a working group established by Resolution 4 of the 2008 Diocesan Convention.
Unanimously passed Resolution 2009-01, establishing a Personnel Committee as a Standing Committee of Diocesan Council.
Passed a motion calling for the president and vice president of Council to name a constitutions and canons committee to begin the process of changes that will be requested by both the MSN process and the Proposal for Improving Governance within the Diocese of Minnesota.
Passed a motion directing the Diocesan Finance and Audit Committee to begin the process of separating the committee into a finance committee and an audit committee.
Passed a motion that the Proposal for Improving Governance within the Diocese of Minnesota be returned to Council as a proposal for the HR committee exclusively.
Passed a motion that the Proposal for Improving Governance within the Diocese of Minnesota be forwarded to MSN for its consideration no later than March 2009.
Acquired an official parliamentarian, Mark Kelm, who was appointed by First Vice President Doug Franzen.

The meeting was chaired by Doug Franzen, First Vice President of Council.

Mark Kelm, rector of St. John's, welcomed the group.

The meeting began with Gospel-Based Discipleship.

The agenda and the December 11 minutes were adopted unanimously.

BISHOP'S REPORT

Bishop Jelinek began with a few reflections (*attached*).

He then reported that Michael Wyatt, rector of St. John's in St. Cloud, has resigned for health reasons after a cancer diagnosis in early December. Bishop Jelinek celebrated at St. Cloud on Christmas Eve so that Michael could be with his family. The bishop has spent time with him, and is walking with the St. John's congregation, as well. He has nominated Michele Morgan to serve as short-term interim.

The bishop did a Total Ministry discernment in Bemidji with a huge team, and said that it was a very good discernment with great honesty and integrity of sharing.

The recent annual meeting with seminarians was quite helpful. Bishop Jelinek hopes that his successor will be able to attend next year's session with him during the time of transition.

Last week's diocesan discernment was powerful, the bishop noted. There were seven candidates representing a wide range, including the first Hmong candidate (the number of Hmong people in other parts of country watching us is phenomenal; the bishop noted) and a bicultural Hispanic man. The bishop praised the Discernment Committee and its work. The Holy Spirit was indeed present, he added, and there was at least one life-changing experience. "It gives me renewed hope that God is looking out for the Church of tomorrow through the Church of today," the bishop said.

Len Freeman is retiring as rector of St. Martin's by-the-Lake in Minnetonka Beach at the end of January. Associate Rector Lindsay Hardin Freeman will be leaving congregation as well, but will still be doing other ministry. Bishop Jelinek preached and celebrated and had a forum at St. Martin's on January 18.

Bishop Jelinek noted that he is fine but that his energy level is down following recent bilateral hernia surgery. He may need further surgery at a later time.

STATE OF THE DIOCESE: CONGREGATIONAL ANALYSIS

Karen distributed a summary document (*attached*), which was read around the table. This work had been initiated by the Canon Missioners in 2005, but was shelved when the Bishop's Commission on Mission Strategy (BCMS) began its work. Now, the report has been updated and completed.

A booklet was also distributed, with a page for each parish or mission in the diocese. The pages included information as gleaned from parochial reports as submitted to the national church offices, as well as the congregation's "current vs. canonical" status: i.e.; it may be called a "parish" but qualifies instead as a "mission" under our current diocesan canons. All data is public information and was taken from parochial reports, the First Step Committee, and the Internal Revenue Service (parishes incorporated under the statutes of the State of Minnesota). It was noted that omissions and discrepancies, etc, were likely caused by errors in filling out the parochial reports.

There were a number of questions on particular congregations and suggestions of what additional information to research and include, such as indebtedness, number of paid staff, and ratios of operating expenses to plate offerings.

There was also considerable discussion on how this material should be used and what next steps ought to be. This discussion included the ideas being explored by the Mission Strategy Network (MSN) about having certain congregations serve as hubs, or mentor congregations for their neighbors. Council member Rex McKee, also an MSN team leader, noted that team leaders will bring a number of questions to regional MSN gatherings that are now being planned.

It was noted that regional meetings are happening soon, and that regional MSN gatherings are also being planned. There was a general consensus that Council members work at these gatherings for dialogues on the congregations in their particular regions, and that one agenda item in February be reports of the conversations in the regions. Regions 6, 7 and 8 had both lay and clergy representatives present at the meeting, so they were charged with working with their respective deans in reporting back first.

When asked how Council could help MSN in its work, Rex replied that members could promote the regional gatherings and especially the diocesan-wide convocation on May 2 at Breck School.

FINANCE: JIM PAVLIK

Nearly \$41,000 of ACG is still unpaid from 2008; this is better than previous years. The final 2008 financials are not yet complete, but Jim estimated that the diocese will finish the year at a balanced budget or better. Karen stated that everyone should be very pleased at this news, and recommended that they lift it up to everyone they know. Pat Dibble reminded Council that St. Paul's, Winona, had paid up the remaining apportionments of all Department of Indian Work congregations.

Doug Franzen noted that there has been \$300,000 in adjustment requests, and asked that strategies and alternatives be brought to the February meeting by the Diocesan Finance/Audit Committee.

The Finance Report was received unanimously.

LUNCH

Tom Eklo, who was filling out Rex McKee's unexpired term in Region 8, will not run for reelection. Doug Franzen thanked him for his excellent service.

COMPENSATION PACKAGE FOR NEXT BISHOP

Andrew Waldo, Doug Franzen, Rex McKee, and Susan Dusek served on an ad hoc committee to recommend a compensation package for the next Bishop of Minnesota to the Bishop Search Committee. The ad hoc committee has recommended a range of \$100,000-\$140,000.

“GOOD GOVERNANCE” PROPOSAL: BOB SYKES, MARILYN CLINTON, KAREN DINGLE

Bob Sykes noted that this working group was formed and charged by Resolution Four from the 2008 Diocesan Convention (*attached*) to prepare a proposal for the January 2009 Council meeting for the creation of “a Personnel Committee of the Council and provide Council with all appropriate personnel policies and guidelines that reflect good governance and best practices.”

As the group began its work, Bob added, it recognized that good governance is “not just a couple of good regulations but a comprehensive reality within an organization.” The group also understood that this was a bigger project, especially in this time of upcoming change. It looked at the intent of the constitution and canons in the context of civil law, and also at processes to give guidelines so Council would know what it is charged to do. He acknowledged that the group went beyond its charge from Convention, but it wanted to create a larger piece to give the diocese a tool and process for going forward. The working group then presented an extensive proposal, including details on a Personnel Committee, separate Finance and Audit Committees, and recommendations for canonical changes.

Bill Gray commended the group for an extremely thought-provoking and profound report. Following considerable discussion on the report and its recommendations, as well as questioning on a number of details, **Council unanimously received the report of the working group.**

Doug Franzen offered Resolution 2009-01, establishing a Personnel Committee as a Standing Committee of Diocesan Council; second by Rex McKee. In the ensuing discussion, members of the working group expressed concern that the resolution was opposed to the intent of what they had been charged to do. Amendments were proposed to the resolution, and some were accepted by the motion maker. A vote on calling the question was passed, and a vote to amend the resolution was also passed. **After further discussion, the amended Resolution 2009-01 (*attached*) was passed unanimously.**

Rex McKee then made the following motions:

- 1. Resolved that the president and vice president of Council name a constitutions and canons committee to begin the process of changes that will be requested by both the MSN process and the HR management proposal approved by resolution at convention, and known as Proposal for Improving Governance within the Diocese of Minnesota. Seconded and passed unanimously.**
- 2. Resolved that council direct the Diocesan Finance and Audit Committee (DFAC) to begin the process of separating the committee into a finance committee and an audit committee consistent with the recommendations put forth by the HR management proposal, known as Proposal for Improving Governance within the Diocese of Minnesota, and to report their plan and progress at the March meeting. Seconded and passed unanimously.**
- 3. Resolved that the Proposal for Improving Governance within the Diocese of Minnesota be returned to Council as a proposal for the HR committee exclusively. Seconded and passed unanimously.**

Doug Franzen moved that the Proposal for Improving Governance within the Diocese of Minnesota be forwarded to MSN for its consideration no later than March 2009; **seconded passed unanimously.**

Doug Franzen appointed Mark Kelm as parliamentarian for Council.

The meeting was adjourned at 3:10 pm.

Respectfully submitted,

Karen Olson
Secretary of Council

Susan Barksdale, recorder

Reflections from Bishop Jelinek

Diocesan Council meeting: January 22, 2009

We Episcopalians in Minnesota are not exempt from the economic woes and the effects of the depression on our country and our world. The staff and I have heard from many of you how this is affecting your parishioners — lost jobs and/or savings and pensions, less income for business outreach and investments, and depleted housing values. This has the further effect in our congregations of fewer and lower pledges and reduced budgets for the mission and ministry we hold dear on all levels.

I am very glad we made the reductions in our apportionment for this year. It was a start. Given the requests we have in already for further reductions in apportionment — about \$300,000, and the fact that we budgeted only \$120,000 to help with that — it is likely that we shall need to make further cuts. I am heartened to know that most of those requesting reductions are making many internally and are then asking the diocese to share the burden.

It is clear to me that we are all in this together and we shall have to share the pain and consequences together. It is my hope that an awareness of such sharing, the making of common sacrifices, will strengthen bonds and build trust and community further among and between us. For us, poverty right now is about money and financial woes and fear. We can choose to pull back into our own congregations, our own homes, our private personal spaces, to cower in fear or to try to muster some bravado. That's one choice. Or we can seek to go a different way, a gospel way, the way of faith. We can be open and honest with one another, admit our poverty and look at what we still have and who we are *together*.

I think that is what our new President, Barack Obama, is trying to call us to as a nation. Politics aside, whether you agree/disagree with his ideas about government or his policies on foreign affairs, I hope you value as much as I do his underlying confidence and hope and trust in the richness of the human spirit, the goodness of community when we work together and for everyone, and the faith of God in humanity — God's confidence that we can truly become the people God envisions. That seems to be President Obama's faith. That is a large part of my faith. If we hold that together, shoring each other up when we waver, I am sure the communion we experience will be greater than what we now know.

Jesus doesn't ever suggest we be naïve. "Be vigilant! Stay awake!" (You never know when the master/bridegroom is coming — i.e., the moment of [God]). "Be wise as serpents and harmless as doves!" And most of all — how many times! — Jesus says, "Be not afraid."

Let us walk together so we may not be afraid.

State of the Diocese
Diocesan Council
Thursday, January 22, 2009

The State of the Diocese report was initiated by the Canon Missioners of the Diocese in 2005. Over the past four years it has been a work in progress that was essentially shelved when the Bishop's Commission on Mission Strategy was formed and their research began. Now that the Mission Strategy findings have been shared and implementation of initiatives is under way, the Bishops staff has been asked to update and complete the State of the Diocese report. The compiled information is intended to compare common criteria as defined in the Constitutions and Canons of the make-up of a Parish, Mission, and Specialized Mission. The information that you see in the following pages is public information that is reported through the Parochial Report, the First Stop Committee and the Internal Revenue Service (parishes incorporated under the statutes of the state of Minnesota).

The current report is organized by congregations in a region. Each page includes the following information:

- Status of employed clergy or Total Ministry Team
- Current status as Parish or Mission Status as recognized by legal incorporation
- Canonical Status according to canonical requirements
- Number of pledging units
- Plate and pledge revenue
- Average Sunday attendance
- Apportionment for the Common Good as assessed
- Apportionment for the Common Good payments
- Operating Revenue
- Total Operating Expense
- Investments

This information is not provided to chastise or penalize any congregations, clergy, or individuals. It is intended to help the leaders of the diocese and the congregations come to grips with the inconsistencies of our own practice within our Constitution and Canons. It is the opinion of the current Canon Missioners that it would be helpful if either the status of each congregation was in keeping with the Constitutions and Canons, or that the Constitutions and Canons be changed to reflect the congregational realities so that actions can be implemented with fairness and predictability with a faithful and helpful measure on behalf of the bishop and each congregation.

**RESOLUTION OF THE DIOCESAN COUNCIL
OF THE EPISCOPAL DIOCESE OF MINNESOTA**

**Establishment of a Personnel Committee
As a Standing Committee of Diocesan Council**

A Personnel Committee of the Diocesan Council is hereby established. The Committee shall be a standing committee of the Council and shall consist of two members of the Council, one lay and one clergy, who shall be voting members of the Committee. Further, 3-5 additional persons of demonstrated competence in personnel matters shall be nominated by the Bishop and the First Vice-President of the Diocesan Council and ratified by the Council as voting members of the Committee. Committee Members shall be elected by the Council at its February 2009 meeting. The Bishop or his/her designee shall be an ex-officio member of the Committee.

The Personnel Committee shall develop a detailed initial description of its specific tasks and processes in light of Section 218.7 of the report entitled Improving Governance, Processes and Procedures in the Episcopal Diocese of Minnesota, dated January 12, 2009, and presented to Diocesan Council on January 22, 2009.

The Personnel Committee shall meet at a minimum, quarterly, or as needed to fulfill its duties in a timely manner. The Council may expend funds as reasonably necessary for the Committee to fulfill its charge. Funds expended by the Committee shall be taken from the budget allocation for the Diocesan Council.

Date: January 22, 2009

Karen Olson, Secretary of Diocesan Council

Resolution #4

Good Governance Process (A joint resolution of the Episcopate of the Diocese of Minnesota, the Lay Leaders' Network, and the Deanery of Region IX)

“Whereas good governance is essential for the effective functioning and integrity of the Diocese of Minnesota, as expressed in the Preface to the Canons of the Episcopal Diocese of Minnesota, and as acknowledged in the Joint Statement to the Delegates of the 151st Convention of the Episcopal Diocese of Minnesota, it is hereby resolved that:

- A. This Convention creates a working group of three individuals who collectively possess substantial expertise and experience in governance, organizational development, human resources and law as well as many years of service and leadership in the Diocese of Minnesota.
- B. This working group is charged with the creation of a proposal for adoption by Diocesan Council at its January 2009 meeting. This proposal would create a Personnel Committee of the Council and provide Council with all appropriate personnel policies and guidelines that reflect good governance and best practices. The Diocese will use these policies and guidelines to manage, evaluate and compensate employees during the period of February 1, 2009 through the 152nd. Convention. The working group will draft appropriate revision(s) to the Canons of the Episcopal Diocese of Minnesota that embody and provide permanent guidelines for the good governance of personnel and compensation matters, which Diocesan Council will then propose to the 152nd. Convention for adoption.
- C. During this period between the 151st. and 152nd. Convention the Bishop will honor this process and not act unilaterally under the current provisions of Canon 310.
- D. The members of the working group are:
 - Karen Dingle, Chancellor the Episcopal Diocese of Minnesota
 - Marilyn Clinton, Consultant
 - Robert Sykes, VP General Counsel & Government Affairs (Retired) Target Stores
- E. The working group is authorized to utilize other individuals to assist them in this process as they see fit in order to supplement their individual skills, talents and experience with the additional resources that may be necessary to carry out this charge.
- F. The working group will report their process on a regular basis to the First Vice President of Diocesan Council and the President of the Standing Committee of the Diocese to keep them informed and to solicit input on the process.

Further, it is anticipated that this process will serve as a model for future good governance initiatives in the Diocese, specifically with regard to the functions of Audit and Finance.”

Approved October 28, 2008 by Delegates of the 151st Convention of the Episcopal Diocese of Minnesota