

**Diocesan Council**  
**January 28, 2010**  
**Church of the Nativity, Burnsville**

**Present:** Bishop Jelinek; Karen Olson, Secretary of Council

<b>Region 1</b>	Georga Hecock (alt.)	<b>Region 6</b>	Martha Beckwith, Bill Kelm
<b>Region 2</b>	Susan Dusek, Bill Van Oss	<b>Region 7</b>	Rex McKee
<b>Region 3</b>	John Husband	<b>Region 8</b>	Marlene Jacobs
<b>Region 4</b>	Chuck Johnson, John Robertson	<b>Region 9</b>	Stacey Abena, Andrew Waldo
<b>Region 5</b>	Pat Dibble, Doug Sparks		

**Guests:** Bishop-Elect Brian Prior; Jim Pavlik, Chief Financial Officer; Bill Gray, Finance Committee and Region 4 alternate; Jim Delamater, Trustees of the Diocese, Inc.; Susan Barksdale, Recorder

Executive Summary of January 28 meeting  
*(Details in body of minutes)*

**Diocesan Council:**

- Approved (with one name correction) Resolution 2010-01, authorizing new check signers for 2010
- Discussed Resolution 2010-02 on Audit Committee guidelines, and referred it back to the Audit Committee
- Heard reports from the Personnel Committee and the Trustees
- Spent the afternoon session in conversation with Bishop-Elect Brian Prior

The meeting began with Eucharist, celebrated by Bishop Jelinek. Denis O'Pray, Vicar of Nativity, welcomed Council members and recounted some of the history of the congregation.

The meeting agenda was approved unanimously. The minutes from the December 7, 2009, meeting were also approved unanimously.

All around the table introduced themselves. It was noted that the following members were attending their final meetings: Martha Beckwith (Region 6), Stacy Abena, and Andrew Waldo (both of Region 9). Regions 3, 6, and 9 are scheduled to elect new Council representatives and alternates this year.

**STANDING COMMITTEE UPDATE: BISHOP JELINEK**

This report concerned the bishop transition. The Prior family arrived in Minnesota in late December, and the two Prior boys are now enrolled in Breck School. The bishop's office at the Episcopal Center has been redecorated. Final consents to the election of Brian Prior were received January 27, so the ordination and consecration service may now be officially announced. The Standing Committee has finalized the letter of agreement with Bishop-Elect Prior, and the Trustees of the Diocese, Inc. have agreed to provide an equity share to assist the Priors with the purchase of a house.

**FINANCE COMMITTEE**

The year 2009 is not yet closed out, but preliminary results indicate that there may be a surplus of a little less than \$30,000. All but two churches have paid their original or adjusted ACG for 2009, an "exceptionally fine response." It was noted that St. Paul's, Winona, has paid the arrearage amounts for Department of Indian Work churches for two years now. Apportionment for the Common Good (ACG) arrearages amount to about \$220,000. However, most on that list have been making a good effort to repay. The largest amount is from St. Mark's Cathedral, and its representatives are in conversation with

the First Stop Committee. Some individuals with loan payments in arrears have also been making and effort to pay back.

The committee has discussed the possibility of obtaining inexpensive financial software that will enable congregations to work online. It has also discussed the issue of congregational audits and the health plan adopted by General Convention 2009 (which will not go into effect for a few years).

Council discussed the adverse effect that the new ACG formula can have on some congregations. Jim Pavlik reported that a handful of churches had been getting relief under the old "circuit breaker" provision. The circuit breaker is now gone, so a very few congregations are now paying more. Members asked for a list of congregations with 2009 and 2010 apportionments, especially in their own regions, so they could see how the elimination of the circuit breaker is affecting them. Jim Pavlik will provide this information.

The budget excess was applauded but it was noted that it has come at a cost. Two staff members have been let go, and another who left has not been replaced, so the savings were merely in dollars, not time or effort. The payment to the national church has also been reduced.

The First Stop Committee has received only about six requests so far for ACG relief, although one is fairly large. Requests may continue into February.

Bishop Jelinek asked that these matters be covered in detail during in-service training is done for new council members.

**Resolution 2010-01 (attached) authorized new signers for diocesan bank accounts. It was passed unanimously as corrected.**

Doug Sparks noted that in the work of the Mission Strategy Network included a recommendation concerning a task force on the ACG (in Goal 4). This report was approved as part of the work of the diocese, and Council needs to act on this matter. Rex added that the time line in the recommendation should be removed. Bishop Jelinek recommended that the bishop-elect and Council deal with a task force on this matter at their next meeting. If there is to be an ACG formula change for next year, it needs to be prepared by about June because of the need to build the 2011 budget.

#### **AUDIT COMMITTEE: BILL VAN OSS**

**Resolution 2010-02, concerning audit committee guidelines**, was discussed. Bill noted that additional wordsmithing was still needed and simply wanted Council to discuss the resolution at this meeting. He thanked legal consultant Renee Carlson for her help in preparing the resolution. The committee's goal, Bill added, is to be as helpful as possible so all congregations can have their books reviewed. He noted that the accountants on the committee want to distinguish between audits and financial reviews; they are also unhappy with the wording of Diocesan Canon 703.3, which deals with audits.

Considerable discussion followed. Some noted that the prospect of doing a financial review rather than a full audit might enable more participation from congregations. Others shared their experiences (and costs) of congregational audits. It was noted that allowing audits to be done during the tax preparation "off-season" could result in savings of time and money. After further discussion, the resolution was returned to the Audit Committee.

**PERSONNEL COMMITTEE: REX MCKEE AND PAT DIBBLE**

The committee has been meeting mostly by conference call. They are working on job descriptions and expectations for members of Diocesan Council, and will have a draft document for the March 11 meeting. Medical benefits are changing, and other members are looking into this matter.

**TRUSTEES: JIM DELAMATER**

Bishop-Elect Prior attended the January 26 meeting of the Trustees.

Jim reported that the Trustees were grateful that Council took seriously the financial problems they have been having. Council's approval of an administrative fee on diocesan investments of up to 3% gives the Trustees some options when dealing with budget issues. They haven't spent anything yet, Jim said, but he thanked Council for listening and hearing.

Trustee Morris Goodwin is now chair of the Real Estate Committee, and is working on a report concerning which missions may have problems on the horizon with buildings, etc. The Trustees are trying to be more proactive in working with Council on financial issues and ways to manage pastoral issues with congregations. The Trustees want to have their budget wrapped up by the second quarter, well in advance of when the diocesan Finance Committee needs to have its figures plugged in.

The Pooled Investment Fund (PIF) is under the excellent management of John Tillotson and is doing well. Trustee David Neal, who is in the investment business, is chair of the Investment Committee. Jim noted that the committee is thinking of sending out the quarterly PIF reports to all congregations whether they are participating or not, so that all can see how well it performs. Bill Gray stressed that it should be made very clear that this is indeed a "pooled" investment fund, and that churches are *not* "giving money to the diocese."

There are currently several Trustees with expertise in real estate and investment. The Clifton Place office building still has a negative cash flow; it is hoped that this will be eliminated when the building is completely leased.

Bishop Jelinek noted that the Trustees have reported about \$27 million in property assets that have not other way to bring in income but that just need upkeep. "Our structure is 150 years old, and some of our edifices are, too," the bishop said.

**SECRETARY'S REPORT: KAREN OLSON**

Regions 3, 6, and 9 elect Council representatives and alternates this year, so there will be new faces at the March meeting. Karen reminded all of the March 10-11 retreat at Oak Ridge Conference Center in Chaska. The retreat will begin with lunch on Wednesday, March 10 and conclude by mid afternoon on Thursday, March 11.

**BISHOP'S REPORT**

Bishop Jelinek noted that he has just about two weeks left as diocesan bishop. The farewells have been very kind and wonderful, he said, with lots of notes and cards and letters. Most of all, the bishop noted, it has helped him to see how much Bishop-Elect Brian Prior is honoring people and "caring about those

vulnerable [ones] that I care about, too.” “I will with real joy hand over the Whipple cross” at the February 13 consecration, he added. The historic Whipple Crosier will also be used at that service. After the consecration, the Jelineks planned to have dinner with the Swensons and “toast the past as you move to the future.”

Although Bishop Jelinek plans to say “No” to everything until mid-September, he did share a few plans with Council. He and Marilyn will spend some time in Puerto Rico in March, and he will preach at the April 10 consecration of Michael Hanley as Bishop of Oregon. Before those activities however, Bishop Jelinek will begin jury duty on February 16!

“I am very grateful to you and your predecessors,” Bishop Jelinek concluded. “I appreciate your integrity and your efforts on behalf of who we are. It has always been a privilege (and most of the time a pleasure!) to work with you. Now you all are in recess and I am adjourned; Brian will take over this afternoon. I appreciate those who are finishing today . . . You will have some good ventures.”

Bishop Jelinek was thanked with a standing ovation.

LUNCH

#### **LOOKING AHEAD WITH THE BISHOP-ELECT**

The afternoon session consisted of an informal discussion between Bishop-Elect Prior and Council members on the mission of the Diocese of Minnesota, and the hopes and dreams of the members present.

The meeting was adjourned at 2:10.

Respectfully submitted,



Karen Olson, Secretary of Council  
Susan Barksdale, Recorder

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

**AUTHORIZED SIGNERS FOR DIOCESAN BANK ACCOUNTS**

WHEREAS, the bank accounts of the Episcopal Diocese of Minnesota (the “Diocese”) with Wells Fargo Bank requires that all checks drawn on said accounts be signed by at least one or more persons who have received prior authorization from the Diocese to act on its behalf as signers on the accounts; and

WHEREAS, the Diocesan Finance Committee has determined that upon Bishop-Elect Brian N. Prior’s consecration as Bishop of Minnesota on February 13, 2010, the Diocese will need to revise its list of authorized signers;

THEREFORE BE IT RESOLVED THAT upon the recommendation of the Diocesan Finance Committee, beginning February 14, 2010, Diocesan Council authorizes Brian N. Prior, Joseph Dusek, James D. Pavlik, Karen Olson and Renee Carlson to act as authorized signers on checks drawn on the Diocesan bank account held with Wells Fargo Bank.

Date: 1/28/10

Karen Olson  
Secretary