

Diocesan Council
September 17, 2009
St. Paul's Episcopal Church, Duluth

Present: Bishop Jelinek; Karen Olson, Secretary of Council

Region 1: Lisa White Smith, Emma King

Region 2: Susan Dusek, Cindy Peterson-Wlosinski

Region 3: *none present*

Region 4: John Robertson, Bill Gray

Region 5: Doug Sparks, Pat Dibble

Region 6: Martha Beckwith, Mark Kelm

Region 7: Doug Franzen, Rex McKee

Region 8: Gary Aamodt, Marlene Jacobs

Region 9: Andrew Waldo, Stacy Abena

Guests: Jim Pavlik, Chief Financial Officer; Bill Gray, Diocesan Finance Committee; Robert Two Bulls, Director, Department of Indian Work; Darlene Petit, Recorder; Sally Rogers, St. Paul's, Duluth

The meeting opened with Gospel-Based Discipleship.

New Council member, Emma King, lay representative from Region 1 was introduced by Lisa White Smith.

The agenda was approved unanimously. The minutes from the July 23, 2009 meeting were approved unanimously.

Executive Summary of September 17, 2009, meeting
(Details in body of minutes)

Diocesan Council:

- Approved the recommendations from the Steering Committee regarding “Improving Governance, Processes and Procedures” and converted into resolution form (2009-03)
- Created a task force to develop a set of protocols regarding issues surrounding the H1N1 virus
- Approved the Personnel Committee Roles
- Heard a report from the Department of Indian Work
- Approved a motion to address Council’s response to the 2008 Convention Resolution #4
- Approved a final proposed 2010 Budget to send to Diocesan Convention

STEERING COMMITTEE:

Stacy Abena presented the document titled “Improving Governance, Processes and Procedures.” Steering Committee had been charged to make recommendations regarding the final items from Proposal 2 of the Working Group. After discussion, Council was in agreement with the recommendations and it was **moved and seconded to approve the recommendations and amend the document into a resolution form**; passed. Karen Olson agreed to create the resolution. [Attached as Resolution 2009-03.]

Doug Sparks posed the question about whether or not Diocesan Council should create a protocol regarding the issues about the H1N1 influenza. The matter is everywhere in the news, and the Church of England and other denominations have put together recommendations that could be helpful models. **It was moved and seconded to create a task force with representatives from Council, Commission on Liturgy and Music (CLM), Standing Committee and the Bishop’s Office to develop a set of protocols regarding H1N1. In further discussion, Bishop Jelinek asked that we include people from the medical and scientific research communities to assist, in lieu of representatives from**

CLM or Standing Committee. Bishop's amendment was seconded and passed. Main motion passed with amendment. Doug Sparks will be the representative from Diocesan Council. He will ask a member of his congregation, who is in the health field, to assist. There was a sense of urgency stressed to address this as soon as possible, in light of the pending crisis.

Doug Franzen will give a report on actions of Diocesan Council to Diocesan Convention.

PERSONNEL COMMITTEE:

Rex McKee presented the Personnel Committee Roles, as they have been reviewed and edited by the committee, per Council direction. The committee has met twice and has reviewed the job descriptions for diocesan staff and is currently working on preparing salary ranges as they compare with other non-profit salaries in the metro area of Minnesota.

In further discussion, the bishop asked if the work of this committee satisfies the recommendations set forth by Diocesan Convention Resolution #4. Rex McKee and Pat Dibble, Council members who serve on the Personnel Committee, stated their opinion that the committee's work is doing just that and it will take 18-24 months to fully implement.

Council discussed creating a statement to both thank the Working Group for the good work they did and summarize the steps taken to address the recommendations. **A draft will be presented after lunch.**

DEPARTMENT OF INDIAN WORK (DIW):

Robert Two Bulls gave a report of DIW activity. When asked what is the greatest struggle that DIW faces and what is the biggest misunderstanding people have about DIW, he responded, "the greatest struggle is the number of funerals clergy need to be a part of on the reservations and the greatest misunderstanding is simply the fact that non-natives make many assumptions that don't seem to be based on actual relationships with native peoples." As we continue to develop closer relationships, it was noted that we need to evaluate funding not just in terms of tasks completed or products to "show for it," but also in gifts brought to the table and historic ties that bind us together.

2010 BUDGET:

Time was allocated before lunch to address any questions, raise concerns or ask for clarifying points regarding the draft of the 2010 budget which had been sent to Council from the Finance Committee in order to facilitate the approval process of the budget slated for the afternoon session.

LUNCH

Andrew Waldo moved to adopt the Personnel Committee Roles, as recommended by the committee, and to make the following statement addressing Council's response to the Working Group and the 2008 Convention Resolution #4:

Diocesan Council has responded to the resolution of Diocesan Convention 2008 by forming a Personnel Committee, separating the Finance and Audit Committees, and staffing all three committees with members of Council and appropriate professionals following the recommendations for the Working Group appointed by Convention 2008. Council forwarded

related Canonical changes to the Constitution and Canons Committee for the diocese, in collaboration with the Working Group, changes that are being brought before the current Convention. Council especially wishes to thank the Working Group for its dedication. Motion approved.

BISHOP'S REPORT:

Bishop Jelinek gave outline of his upcoming schedule in advance of Diocesan Convention. He also proposed the consideration of allocating an additional .5% to the ACG for the purpose of mission, adding that the current roster of the MSN leadership team was appointed by him as the 8th Bishop of Minnesota and should not carry forward to his successor, but rather give the 9th Bishop the ability to create a team of people, as he/she sees fit, that will supplement and complement the elected leadership; and 2) the funds have been needed up until now for the purpose of ongoing strategizing (or process), whereas now, it is time to direct the funding towards the strategy (or action). A clarifying question was asked about whether the .5% additional assessment wasn't already approved at the 2008 Convention for use by MSN. Karen Olson answered that she had gone back and checked the transcript from last year's convention and that the special assessment was not approved for more than one year.

2010 BUDGET (CONTINUED):

Gary Aamodt moved the approval of the proposed 2010 budget on behalf of the Finance Committee, noting that it came with unanimous recommendation to Council from the committee.

Discussion:

In **Congregational Development**, the addition of the line item "New Bishop's Directive Initiatives" was removed in light of the fact that there was no funding attached to it, but rather a narrative only.

In the **Department of Indian Work**, there was significant discussion about whether or not to restore the line items regarding program and property issues to the full amount as was allocated in 2009. Because there was much confusion about what exactly the line items meant and that the confusion led to assumptions and misperceptions, Council moved to collapse several lines into a new line that simply said "Contingency Program and Property Support," approved.

A further motion to restore \$15,000 to the aforementioned line item did not prevail, as the vote was 8-8, after considerable conversation about the pros and cons of doing so.

Clarification was asked regarding the formula used to achieve the national church assessment in **Mission Work Beyond the Diocese**. Gary Aamodt responded that the formula is 21% of the proposed 2010 proposed expenses. According to the national church's actual request, the assessment would be based on 21% of 2008 income less a \$120,000 exemption.

Discussion ensued regarding whether or not to show the **Department of Development** in the 2010 budget. Some persuaded that because the department was entirely unfunded in 2010 and it was funded by a special gift previously with no monies ever coming from the operating budget, it should not be shown. Others questioned the wisdom of removing it for the sake of losing the historical documentation. A motion was made to strike Section D, Department of Development from the 2010 budget. 5 in favor,

10 opposed. Motion did not prevail.

It was noted that the Department of Communication was the only department to not only see a significant decrease but to actually see a small increase.

Significant conversation was had regarding the level of detail in the **Department of Administration** and all other departments. Clarifications for the sake of readability were made, though the task of editing by a committee of the whole became too large and was eventually abandoned. Any line item that had no funding in it from 2008-2010 was removed entirely.

In **Work of the Diocese**, several minor adjustments were made or defined:

- Anti-Racism has been unfunded at the national level, therefore a small amount was added in the diocesan budget to help pick up the slack.
- The Mayo Pastoral Coordinator has been cut in half. It was noted that Region 5 is finding a way to fund the remaining half and the same level of service would be provided. The word “clinic” will be added after “Mayo.”
- “Safe-Guarding God’s Children will be added to the line item title “Safe Church.”

Minor narrative edits were made in the **Episcopate** department. Karen Olson raised the issue about the wisdom of adding an offset to the “Bishop’s Search and Transition Fund.” Members of the Finance Committee and others weighed in on the high likelihood that a surplus would be realized as the spending has been significantly less than budgeted, to date. A motion was made to strike the offset of \$21,295 from the 2010 budget. 7 voted in favor of the motion, 8 opposed. Motion failed.

While discussion regarding the expense side of the budget had concluded, a motion was made to table the expenses in order to discuss the revenues. Motion passed to table expenses.

The time allotted for the Council meeting had lapsed, and several motions were made in half hour and 15 minute increments to continue the conversation in order to make a final decision.

With the expenses that had been discussed in the earlier portion of the meeting, the recommended formula of 10% for all congregational budgets under \$300,000 and 12% for all congregational budgets over \$300,000 allowed for a balanced budget.

Rex McKee asked the Council to consider a formula scenario that heretofore had not been discussed but that honored the current formula approved by Convention. Rex moved that Diocesan Council establish a Task Force to study, discern, and recommend a revised ACG formula to be voted upon at the 2010 Diocesan Convention, after review and support from Diocesan Council and that the current ACG income formula be applied for 2010 allocations with a \$450,000 adjustment budget provided to the First Stop Committee, seconded.

Lengthy discussion followed with opinions ranging from agreement to stay the present course and allow our system to work with each congregation regarding their needs to a sense of despair that we would not have listened to the recommendations of the Mission Strategy Network who had researched ACG capacity and numerous voices from the recent budget hearings. Karen Olson reminded Council that Canon 705 stipulates that “Diocesan Council must recommend to Convention and apportionment formula reasonably expected to cover the expenses in its proposed Diocesan Budget” and each formula

remains in effect until it is amended by Convention. Bishop Jelinek suggested that Convention approve the formula for 2010, allowing the next Council and Episcopate to tweak the formula, as needed.

Rex McKee withdrew the motion, which left the 10/12% formula in place.

Motion withdrawn by RMG:

In a final piece of conversation regarding the revenue side of the budget, Doug Franzen moved that the Bishop's Search and Transition line item (which is an offset, therefore, a revenue), be increased by \$3,500, making the new offset (24,796), adding that when the expenses were back on the table he would recommend adding \$3,500 to DIW so that the net result of the entire department was flat from 2009 to 2010. **Motion to add \$3,500, as described, seconded and approved.**

A motion was made to take the expense portion off the floor; approved.

Doug Franzen moved that \$3,500 be added to DIW under the newly named "Contingency Program and Property Support" line item; seconded and approved.

Doug Sparks moved that Council adopt the proposed budget as amended for 2010, seconded; unanimously approved.

Gary Aamodt reported on behalf of the Trustees, as requested by Jim Delamater. In order to allow the Trustees to balance their own 2010 budget, and due to the fact that they have no source of ready income, the Trustees ask the Council to approve an additional 1.5% surcharge to the diocesan portion of the Pooled Investment Fund (PIF). Two important distinctions, there is already a 1.6% surcharge, and this would be above and beyond that, and it would apply only to the diocesan portion, not congregational PIF funds. Another option would be to assess an additional 1% to the ACG to cover Trustee expenses.

On behalf of the Trustees, Gary moved that up to an additional 1.5% surcharge be added to the diocesan charge, seconded, noting that the Finance Committee heard the request, offered to bring it to Council but did not necessarily agree with the request.

There was overwhelming disagreement and disappointment regarding the request. In light of the late hour of the meeting and the fact that Council has long upheld a governing rule that it not make a significant financial decision at the same meeting it is presented, the motion was tabled and approved.

On a final matter regarding funding for mission, Doug Sparks moved that **Council recommend to Convention that an extension of an additional .5% be added to the ACG for Mission, at the discretion of Bishop and Council. The motion was seconded and approved.**

Gary Aamodt moved to adjourn at 4:24 pm, seconded; approved.

Respectfully submitted,

Darlene Petit, Guest Recorder

Karen Olson,
Secretary

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

**IMPROVING GOVERNANCE, PROCESSES AND PROCEDURES –
ROLES AND RESPONSIBILITIES**

WHEREAS, the Working Group charged by Diocesan Convention submitted their report and recommendations to Diocesan Council on January 22 that encompassed two proposals:

- 1) Improving Governance, Processes and Procedures within the Episcopal Diocese of Minnesota, and
- 2) Roles and Responsibilities; and

WHEREAS, Proposal 1 has been handled through proposed canonical changes, which was the result of the Working Group and the Constitution and Canons Committee proposing a joint recommendation to Diocesan Council for submission to Diocesan Convention; and

WHEREAS, on April 23, 2009, Diocesan Council unanimously voted to table discussion of Paragraph 1 of Proposal # 2 from the Working Group, and

WHEREAS on June 22, 2009, the Working Group submitted a document titled “Improving Governance, Processes and Procedures within the Episcopal Diocese of Minnesota” and respectfully asked the Council to address the following recommendations in Proposal 2 as soon as possible, recommending that:

- 1) The Diocesan Council be given an information packet similar to what is now received by the Trustees of the Diocese.
- 2) Council appoint a committee (which will function under the jurisdiction of the Diocesan Council) to further study / define roles and responsibilities within the Diocese of Minnesota and then work with the Council to implement them. Note: This could be delegated to the Standing Personnel Committee.
- 3) The Diocese of Minnesota conducts an educational retreat for the Diocesan Council twice per year where team building and training can take place. Through the process of worshipping together and learning together, it is our expectation that the Council will become an effective catalyst for change within and beyond the diocese.
- 4) A priority task of the Council becomes the development of a list of outstanding issues. Council will then discuss the issues at their monthly meetings, reviewing and determining next steps for each issue. The list of issues will be generated by regions, individual churches, convention and other sources.
- 5) A criterion for choosing Diocesan Council members becomes the skill sets needed on the Council at the time.

THEREFORE, BE IT RESOLVED THAT, on June 25, 2009, Diocesan Council passed a motion to strike item 5 from the document titled “Improving Governance, Processes and Procedures within the Episcopal Diocese of Minnesota,” dated June 22, 2009; and

BE IT FURTHER RESOLVED THAT on July 23, 2009, Diocesan Council passed a motion to take off the table the remaining items Proposal # 2 and passed a motion to direct the Steering Committee of Diocesan Council to address the remaining items of Proposal # 2 with a report at the September Council Meeting, and

BE IT FURTHER RESOLVED THAT the Steering Committee addressed the remaining items in this way, for final action and approval at the September 17, 2009 Diocesan Council meeting:

- 1) We unanimously support the recommendation of presenting a packet to Diocesan Council members similar to one presented to the Trustees. We are also committed to providing an orientation time for new members to the council from each region.
- 2) We believe the ongoing work of the Mission Strategy Network, especially in Goals 3 and 4, along with our regular Joint Meetings with the Trustees and Standing Committee, are a visible commitment to defining the particular roles and responsibilities of all in elected leadership in our diocese. We understand this work to be part of our corporate and canonical responsibilities.
- 3) Council intentionally and regularly includes opportunity for worship and fellowship at every meeting. It has been our practice to schedule at least one two-day council meeting each year, which has included further opportunity for worship, faith sharing, listening to the stories of congregations in our diocese and team building. In light of the financial crisis we face, we want to be sensitive to the cost involved in having more than one overnight per year. We are also aware that there are members of council who take vacation days to participate.
- 4) The role and responsibility of the Steering Committee has become very important to the ongoing work of the Diocesan Council. We meet regularly in person or by teleconferencing to make sure the issues generated by Convention, committees of council e.g. MSN, Personnel, Finance, Audit; the Department of Indian Work, Trustees, Standing Committee, Regional Boards and Congregations are monitored and addressed. The list of issues is reviewed regularly. We also try to facilitate communication with the other Episcopal entities in the diocese such as Episcopal Homes and Episcopal Community Services.

Date: _____

Secretary