

**Diocesan Council**  
**September 23, 2010**  
**St. Christopher's, Roseville**

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

**Region 1** Georgia Hecock

**Region 2** Susan Dusek, Bill Van Oss

**Region 3** John Husband

**Region 4** Bill Gray; Winnie Mitchell

**Region 5** Pat Dibble, Doug Sparks

**Region 6** Mike Anders, Dick Matthews

**Region 7** Rex McKee

**Region 8** Gary Aamodt, Marlene Jacobs

**Region 9** Bob Sykes, Nancy Brantingham

**Guests:** Jim Delamater, Trustees of the Diocese, Inc.; Jim Pavlik. Acting Missioner for Management; Susan Barksdale, Recorder

**Executive Summary of September 23, 2010, meeting**  
*(Details in body of minutes)*

**Diocesan Council:**

- Spent the morning session in conversations about Council goal setting (facilitated by Bill Van Oss) and redesigning Council structure
- Unanimously endorsed the Trustee financing motion to be proposed to Diocesan Convention
- Voted unanimously to include the budget funding proposal in the 2011 budget
- Unanimously endorsed the proposed budget for 2011 for the Episcopal Church in Minnesota

The morning session was spent in goal setting and reconfiguring the structure for Council. Further work on both tasks will be charged to a combination of the Steering Committee and the volunteer task force that is working on reconfiguration, with a report back at the December 2010 Council meeting.

Minutes of July 8, 2010, meeting were they approved unanimously.

**BISHOP'S REPORT**

Bishop Prior summarized his recent activities, including regional "mission-shaped" gatherings; meetings with the Bishop of Kenya, the Trustees of the Diocese, representatives of Episcopal Relief and Development, Breck School, seminarians, interim clergy, House of Prayer, Missioner for Advancement Richard Tostenson; individual clergy, and the Minnesota Episcopal Environmental Stewardship Commission; and the September 16-21 House of Bishops meeting.

The bishop has been having ongoing conversations with Holy Apostles, St. Paul, and the congregation is beginning to identify possible Hmong candidates for ordination. Work has begun on Minnesota's new School for Formation. Bishop Prior has also been meeting with Diocesan Council's Finance Committee; he thanked them and the Trustees for their work and travel for the area budget meetings.

New members of the Bishop's Staff are Mary-Fred Bausman-Watkins, Missioner for the Bishop; and Tanya Yunchyk, Missioner for Financial Resources.

Bishop Prior reminded Council of upcoming events:

- October 2: Gathering for discussion of camping ministry in Minnesota
- June 15-18: National Episcopal Youth Event, to be held in Minnesota at Bethel College, Arden Hills

John Robertson has resigned from Council. Winnie Mitchell is now the Region 4 clergy representative. Dick Matthews will replace Mark Kelm as the Region 6 clergy representative.

## **BUDGET**

Bishop Prior noted the challenges before us and expressed his gratitude for the work done by committee members over the summer.

Doug Sparks began with an overview of the current financial situation and projections for the end of the year. He noted that some items (such as benefit costs) are uncertain at present because of staff transition, and that some ACG negotiation is still underway. The August financials will be sent out soon. There is a \$35,000 projected deficit at this time. The worst-case projected deficit is \$110,000, but this may change by the end of the year. At its July meeting Council had approved the use of excess from 2008 and 2009 to help pay down the projected 2010 deficit. **The report was received unanimously.**

Bishop Prior reminded Council that expenses are not up but that revenues are down. Doug explained the process by which the 2011 budget was created, including a report on the budget hearings throughout the diocese. The proposed budget is set up in a new format, so Doug went through each section and described how various items had been redistributed. There is an increase in expenses of nearly \$90,000; the projected deficit of nearly \$300,000 is mainly due to a decrease in revenue. Doug made several suggestions for Council to consider as possible offsets, including the designation of a portion of the rural ministry fund income to offset the compensation and benefits for Missioner Sandi Holmberg, as a significant amount of her work is in rural ministry; using the remainder of Mission Strategy Network monies established by Council in 2007, as income and expense in that area have now ceased; and using funds from an account established by the 2010 mission apportionment.

Council was reminded that the diocese is still not paying its full apportionment to the Episcopal Church, and Bishop Prior noted his preference to move towards full payment.

## **TRUSTEES: JIM DELAMATER**

The Trustees have recently been engaged in goal-setting activities, and Jim read from the list of goals, reporting that the goals are measurable and the Trustees are already engaging in many of them. In one instance, the Trustees now have a detailed spreadsheet on all mission property. Jim noted many Trustee issues include both ministry and financial aspects. The Trustees cannot make a final decision on Cass Lake Episcopal Camp, for example, because there are also strong and historical mission concerns with the Native American community.

Jim reminded Council that the Trustees' top line revenue problem is no secret, and it needs to be solved in order to avoid repeats of this same conversation in the future. "People give to mission and what it's going to do," he said. "What will we make Minnesota Episcopalians excited about?" It was noted that Trustees have been part of the budget hearings and were well received.

Jim and other Trustees have also been working to draft a document for Diocesan Convention, including a resolution and a narrative. A sample resolution (to be refined) was distributed. This resolution in its final form, as well as the narrative, are to go in the convention business booklet.

The motion was essentially a 1% apportionment from congregations to assist with the maintenance of mission property. Two current apportionments which were approved in 2009 (.5% for mission funding for the new bishop approved last year; .2% for bishop transition) expire at the end of 2010. The Trustees' resolution would retain those amounts and add an additional .3%, bringing the total "surcharge" to 1%.

There was considerable discussion on this proposal, including examples of some crucial maintenance that is needed now. **Council then unanimously endorsed the Trustee financing motion to be proposed to Diocesan Convention.**

**Council also voted unanimously to include the budget funding proposal in the 2011 budget, and unanimously endorsed the proposed budget for 2011 for the Episcopal Church in Minnesota.**

The meeting was adjourned with prayer at 2:55 pm.

Respectfully submitted,

Karen Olson, Secretary of Council

Susan Barksdale, recorder