

**Diocesan Council**  
**February 2, 2006**  
**St. Mark's Cathedral, Minneapolis**

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

**Region 1:** Carole Johnson

**Region 2:** Alice Olson

**Region 3:** none present

**Region 4:** Dottie Whipple, Paul Rider

**Region 5:** Pat Dibble, Doug Sparks

**Region 6:** Mark Kelm

**Region 7:** Doug Rude, LeeAnne Watkins

**Region 8:** Frank Wilkinson, Rex McKee

**Region 9:** Stacy Abena, Paul Schaffer

**Guests:** Gordon Thomas, Director of Communications; Joe Bjordal, Director of News & Information; Jim Pavlik, Principal Financial Officer; Malcolm McDonald, Trustee Liaison; Aron Kramer, vicar of Gethsemane, Minneapolis; Susan Barksdale, recorder

**Executive Summary of Diocesan Council Meeting for February 2**  
*(details in body of minutes)*

**Diocesan Council:**

Discussed a memo on the budget for Diocesan Convention 2005.
Heard an update on the work of the Metro Mission Strategy Commission.
Heard a presentation from the Rev. Barbara Mraz on her program "SermonCraft."
Unanimously approved Resolution 2006-01, authorizing housing allowances for 2006 for diocesan-employed clergy.
Unanimously approved Resolution 2006-02, authorizing the Bishop or Principal Financial Officer to execute the final lease agreement as agreed to between the Real Estate Committee and the Buyer of 1730 Clifton Place.
Heard an update on the Gethsemane Project from Gethsemane's vicar, Aron Kramer.

The meeting was called to order by Bishop Jelinek. He announced the new Council Vice Chair: Stacy Abena, and turned the meeting over to her.

The agenda was approved unanimously. The minutes from December 8, 2005, meeting were also approved unanimously.

**DIOCESAN CONVENTION BUDGET: KAREN OLSON**

Per the request at the December 2005 Council meeting, a memo outlining the expenditures for the 2005 Diocesan Convention was distributed. (attached). Karen went over the memo with Council, noting that the majority of the overage was due to the decision to rent two rooms fully outfitted with separate audio-visual needs: business meeting and worship. There were also significant outside printing expenses for the bulletins for that service because it was not complete in time to be done at the Episcopal Center. After considerable discussion from Council about not only the budget overruns but the Diocesan Convention experience in general, Karen invited people to serve on the Planning Committee for the 2006 Diocesan Convention. Those who are interested may send e-mail to her at karen.o@episcopalmn.org.

**METRO MISSION STRATEGY: JIM HUBER**

The Metro Mission Strategy Commission started in September 2005 with eleven members. The committee felt that it needed to reconsider the composition of its membership, and asked the bishop to consider a more representative model. This newly-organized commission now has 25 members and had

its first meeting in January. Members will also attend upcoming region meetings to discuss the results of completed Phase One work of the committee.

As a key component of the committee's work, a Stakeholders' Meeting will be held on May 20 in order to explain the learnings to date and provide the opportunity for a wider audience to participate in the work of the mission strategy. The attendees will help prepare a plan to be presented at Diocesan Convention. Jim suggested that Council members all attend and bring others along. He noted that this meeting was not limited to Metro-area residents. LeeAnne Watkins asked that the commission let the Budget Committee know as soon as possible about any budget implications from this plan. She also asked that Council commend the commission and its work. Stacy Abena thanked Bishop Jelinek for working with the commission to expand the group.

### **BISHOP'S REPORT**

Bishop Jelinek summarized his recent activities (list attached). He noted that his term as President of Province 6 ends in the summer of 2007.

The bishop mentioned his new "Staying the Course" brochure. This may be found on the diocesan Web site at [www.episcopalmn.org](http://www.episcopalmn.org). He also spoke of a document from the First Stop Committee on how we look at what is health in congregations. New discussions are going on about mission vs. maintenance, the bishop noted, and some congregations must seriously face the need to merge, grow, or close. He stressed that he has not yet needed to close a congregation without being it being requested by the congregation..

The bishop spoke with enthusiasm of the "Gethsemane Plan" which calls for virtually starting a new congregation in downtown Minneapolis. The downtown population has now surpassed 30,000 people. Gethsemane's vicar, Aron Kramer, would speak more on this later in the meeting.

Bishop Jelinek spoke of his ongoing evaluation, which has been happening in stages. This year's evaluation is from clergy, and the bishop noted that he had received some very helpful and candid responses. His goal is to improve relationships by utilizing concepts of family systems. He added that he is asking Council to come a half day earlier to its May meeting in Duluth to explore family systems models. He plans to do this work at the fall Clergy Conference, as well.

The bishop also shared his thoughts regarding the 2006 General Convention, which will include the election of a new Presiding Bishop.

Stacy asked people to ponder this question during their lunch time: "Where is God in your region?"

## LUNCH

When Council reconvened, they shared their responses to Stacy's question. Here are some of the responses (paraphrased) from several of the Council members who were present.

### **Region 1 (northwestern Minnesota)**

**Carole Johnson:** There was an overflow crowd for the funeral of the Rev. George Smith. I sat with incredible pride as I watched all but one of our recent ordinands vested and participating. I saw the passing of the baton from Father George to this newly ordained leadership.

We are the region that prepared the resolution on the Windsor Report, so we will be studying materials we have received from Paul Nancarrow. Our region is also considering various proposals for projects to raise money for unfunded diocesan programs.

Also, as we hear of the Metro Mission Strategy, we have begun to think, "What is *our* strategy?"

### **Region 2 (northeastern Minnesota)**

**Alice Olson:** Region 2 had a lot of vitality at its February 4 meeting. The Mary Brown House in Ely has created energy on the Iron Range. It can be used as a retreat center for small groups. St. Andrew's by-the-Lake has burned its mortgage and is now in process of forming focus groups to see where to go next.

### **Region 4 (southwestern Minnesota)**

**Paul Rider:** I hope God is with us on Saturday, February 11, for the winter region meeting in Fairmont! We are seeing a lot of excitement around the Total Ministry teams that are starting to grow and develop in the western part of the region. We are also excited that Tom Harries is priest in charge at Holy Communion in St. Peter. Tom and I hosted a Trinity Institute "download" at Gustavus Adolphus College in St. Peter. There were about 20 attendees — mostly women and mostly Lutheran!

**Dottie Whipple:** We have some political division in our community that has affected Sunday participation. However, we have had four Sundays of baptisms! This is very exciting!

### **Region 5 (southeastern Minnesota)**

**Pat Dibble:** We saw God's presence at our recent region meeting in that everyone was "hungry" that day. We want to see more of each other, and we want a longer time together! We have been intentionally inviting people to regional events, and are seeing some new faces. We also hope to have a joint meeting in the summer with Region 4. We will miss Carolyn Schmidt as she retires from Holy Cross in Dundas, but we will try to be proactive in meeting the need to support the Dundas congregation.

**Doug Sparks:** We *always* say that God is present at the First Cathedral in Faribault! Some of our congregations are concerned with questions of survival/maintenance issues and may some may be considering mutual ministry (Total Ministry).

### **Region 6 (area north of St. Paul and Minneapolis)**

**Mark Kelm:** A building project at Trinity, Hinckley, is coming from an older group in the congregation — a World War II group building for the younger generation! "If you build it they will come" seems to be their philosophy.

### **Region 7 (St. Paul)**

**Doug Rude:** Region 7 is in a real place of discovery, a kind of waking from a deep sleep. We are a kind of microcosm of the diocese as a whole. I think we have a direction of where we are and where we want to go.

**LeeAnne Watkins** noted that the clergy of Region 7 get together once a month.

## **Region 8 (Minneapolis)**

**Rex McKee:** God is present in the chaos — with growth in the nonwhite parishes and also with the challenges faced by all.

## **Region 9 (southern and western suburbs of Minneapolis)**

**Stacy Abena:** God is calling us together, and we are really feeling that call.

**Paul Shaffer:** There has been a lot of revitalization in our region. St. Martin's by-the-Lake in Minnetonka Beach is just finishing a major construction project. Work has been going on at St. Alban's, Edina; and Trinity, Excelsior, may be starting some renovation soon. Many past animosities in the region have dissipated. We are now making calls and inviting each other over!

## **SERMONCRAFT: BARBARA MRAZ**

Barbara Mraz, a gifted preacher and deacon at St. John the Evangelist in St. Paul, where she is also Director of Adult Education presented; and taught at Blake School for 26 years.

Her program "Sermoncraft" is housed at St. John the Evangelist and aims to improve preaching at diocesan and individual level. Bill Tully put it plainly at Diocesan Convention, she noted: "If people come to church on Sunday, you have to give them really good stuff." A sermon can be the equivalent of hours of adult education and hundreds of hours of pastoral consultation, Tully said, adding that clergy must work and get a coach.

Barb Mraz takes four clergy three times a year in her program, in both regularly-scheduled group and individual meetings. She is halfway through the process with her first group, which is adapting communication theory to the sermon. They will work with delivery later.

There is a fee, but the program is also supported by the generosity of donors. There will be two openings in mid-March. Barb asked that Council members take word of this program back to their regions.

## **FINANCE REPORT: JIM PAVLIK**

Jim said that the total deficit for 2005 has been reduced to approximately \$15,000, which is one-half of one percent of the entire budget.

Bishop Jelinek has directed Jim and the Finance Department to contact congregations that are not paying their full Apportionment for the Common Good and have not received a reduction.

Jim presented two resolutions. **Resolution 2006-01 (attached) authorized housing allowances for 2006 for diocesan-employed clergy.** This allows clergy to designate a certain portion of their salaries as a housing allowance. It was stressed that this is not a salary increase. Housing allowances must be approved every year by church vestries. As Council is the Vestry for the diocese, it must approve the allowances for diocesan-employed clergy. **The resolution was approved unanimously.**

**Resolution 2006-02 (attached) authorizes the Bishop or Principal Financial Officer to execute the final lease agreement as agreed to between the Real Estate Committee and the Buyer of 1730 Clifton Place; passed unanimously.**

## **TRUSTEES LIAISON REPORT: MALCOLM McDONALD**

Malcolm reported that Tom Lockhart continues as negotiator in the process of selling the 1730 Clifton Place Property to Dan Hunt Associates. The Trustees voted in December 2005 to sell the building, including a provision that the Episcopal Center be given ample notice to move when the time comes. He asked Council members to report this to their regions.

Malcolm reported that there are three new Trustees, and that the transition has been excellent. He stressed that the Trustees need to know what issues Council is dealing with on behalf of Diocesan

Convention. He added that the Trustees have fully recognized that they need to know more on priorities on how money is spent. The Real Estate Committee and all of the Trustees are very mindful of their responsibilities.

In addition, Malcolm reported on the more-than-competitive earnings for 2005 of the Pooled Investment Fund.

**GETHSEMANE REPORT: ARON KRAMER**

Aron Kramer is vicar of the Church of Gethsemane in downtown Minneapolis. A recent issue of the *Downtown Journal* included a feature on Aron and his work at Gethsemane. He noted that he used the Tully principle of adding an extra service (an alternative service on Sunday afternoons) and that people really want to commit themselves to Gethsemane.

Aron said he was very optimistic about the new housing and people moving into downtown Minneapolis. He walks around skyways, wearing his collar, many days from 11 am-2 pm. Parishioners who were tired and planning to take a year off, he added, have come back to active work because they don't want to miss anything.

Malcolm McDonald stated that a map of new building in the *Downtown Journal* "shows homes of future parishioners" and added that Council had approved the funding for all of this work at Gethsemane. He thanked Council for giving the Trustees this responsibility.

At the end of his presentation, Aron stated that he couldn't bring everyone from Gethsemane who wanted to come, so he "brought" them by way of a short video.

The meeting adjourned at 3:00 with Eucharist, celebrated by Aron Kramer.

Respectfully submitted,

Karen Olson  
Assistant Secretary of Council

Susan Barksdale, recorder

**Date:** January 31, 2006  
**To:** Diocesan Council

**From:** Karen Olson, Acting Secretary of Council and Convention;  
with contributions from Jim Pavlik, David Kapsner, Gordon Thomas and Joe Bjordal

**RE: 2005 Diocesan Convention budget**

This memo is in response to the request for an itemized report of the 2005 Diocesan Convention budget and actuals from the December 8, 2005 Diocesan Council meeting.

1. It was initially reported that the deficit was close to \$40,000. In further scrutinizing the detail, one printing expense was erroneously charged to the convention account, thereby changing the total deficit to \$31,906.
2. Historically, we use the previous year's convention budget as a road map for the next year's budget. While this is certainly a place to start, the expenses vary greatly from city to city and convention center to convention center.
3. The five major expense categories that contribute to the deficit are as listed below. As in any budget, there were also categories where less was spent than budgeted.

<b>Description</b>	<b>Actual 2005</b>	<b>Budget 2005</b>	<b>Variance 2005</b>
Office supplies	5,467	2,500	(2,967)
Audio visual	32,890	20,000	(12,890)
Event equipment expense	16,090	6,000	(10,090)
Event meals & entertainment	35,935	29,754	(6,181)
Printing expense	6,196	2,000	(4,196)

4. Office supplies: The originally budgeted amount was underestimated and did not reflect increases in paper, mailing costs, and other office supplies.
5. Audio visual: Due to the decision to conduct an ordination service as part of the convention experience, it was necessary to rent two adjacent halls in the convention center. This allowed for concurrent preparation of worship space while convention activities were in progress, including logistical setup requirements, sound checks, processional rehearsals, and other activities that would not have been possible to coordinate or conduct in one multiuse hall. The cost of audio/visual for two halls was hence greater than anticipated in the original convention budget.
6. Event equipment expense: As above, additional equipment was required to staff and prepare two halls for convention activities. Costs incurred included union labor as required by the convention hall, additional audio/visual staffing, and unanticipated equipment rental (towers to mount organ speakers, additional microphones, cabling, sound boards, etc.).

7. Event meals & entertainment: It is important to note that our practice is to charge the exact amount to each registrant per meal as the convention center charges. As a piece of hospitality, we decided NOT to charge for the feast following the ordination but rather to make it a freewill donation. Due to an oversight at the ordination banquet on Saturday evening, baskets were not made available for a suggested donation for the meal.
8. Printing expense: Bulletins for opening worship and the ordination service, normally printed inhouse, were instead commercially printed (Kinko's) for the following reasons:
  - Normally, a deadline for all materials is established in advance of convention that allows adequate time for inhouse preparation, printing and assembly.
  - This year, the deadline was extended several times to accommodate unexpected delays experienced by the liturgy and worship committee in preparing and finalizing bulletin details.
  - Final proofs of both documents were received too late to accommodate inhouse printing, hence the jobs necessarily were sent to Kinko's for fast turnaround in order to be ready for convention.

## **LEARNINGS:**

The convention budget has historically been conservative in estimating projected expenses. If we are to continue to have the level of professional support and accommodation that has become a customary part of the convention experience, we will need to budget more realistically and build contingencies for unanticipated expenses such as those experienced in 2005.

While deadlines are established for materials and other elements of convention preparation, they have been flexible in order to accommodate unforeseen circumstances, such as those experienced in 2005 by the worship and liturgy committee. In the future, enforcement of deadlines will be stringently adhered to. This will be clearly communicated well in advance and reinforced at intervals prior to actual deadline dates.

We have attempted historically to locate convention at various sites throughout the diocese so as to more fairly provide for travel and lodging expenses for those in greater Minnesota. This tradition will be reviewed in light of cost containment issues.

Costs of conducting events such as diocesan convention have risen substantially for all organizations. If there is a strong opinion among delegates, diocesan council members, and other constituents that costs have become prohibitive, alternative convention configurations may need to be explored.

We invite council members, lay and clergy members, and others who may have an interest in serving on the Convention Planning Committee to explore this opportunity and offer input into the planning process. This Episcopate has ordered Convention around the following components: Business, Education, Community and Worship. Part of the ongoing discussion will need to be in weighing out the importance of each against the costs for each.

Diocesan Council  
February 9, 2006

Bishop's Report

Schedule since December 8, 2005 Council meeting:

Visitations/Services:

St. Andrew's, Minneapolis  
Epiphany, Plymouth  
St. Clement's, St. Paul  
St. Paul's, Winona  
Emmanuel, Rushford  
St. Luke's, Minneapolis

Other Services:

Marshall - Total Ministry Ordination and Commissioning  
Ordination to the Priesthood  
Christmas Eve at St. Mark's Cathedral  
St. Luke's, Rochester – Celebration of New Ministry (Doug Sparks)

Boards, Meetings and Other:

Provincial Council  
Monthly meetings with Canon Missioners and Program Staff  
Minnesota Council of Churches  
Anglicans for International Peace and Justice Concerns – National Committee  
St. Mark's Cathedral Chapter  
NEW – COM and Standing Committee retreat with Seminary Track Holy Orders candidates  
Holy Orders discernment appointments and conference  
Breck – note that Sam Salas has announced his departure  
Standing Committee  
General Theological Seminary board  
ECS  
Trustees  
House of Prayer board  
Several appointments in Northern MN

Clergy Changes:

Penny Pfab is leaving St. Luke's, Minneapolis for a rectorship in Florida  
Glenn Derby has left St. Paul's, Brainerd  
Dan Raaen has left St. Peter's, Kasson  
Charles Uhlik started the beginning of February as rector at Christ Church, Red Wing  
Ernie Ashcroft starts in mid February as Priest in Charge at Christ Church, Woodbury

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

**2006 HOUSING ALLOWANCE FOR DIOCESAN EMPLOYED CLERGY**

WHEREAS, Section 107 of the Internal Revenue Code permits a “minister of the gospel” to exclude from his or her gross income a rental allowance (a/k/a “housing allowance”) paid to the person as compensation to the extent it is used by him or her to rent or provide a home (“Rental Allowance”), which includes in part amounts spent for structural repairs and improvements; and

WHEREAS, Internal Revenue Service regulation #1.107-1 provides that any compensation which is to be designated as Rental Allowance pursuant to Section 107 be designated as such by the employing church or other qualified organization by official action adopted in advance of such payments and reflected in the minutes of the organization; and

WHEREAS, The Episcopal Diocese of Minnesota (the “Diocese”) employs certain clergy members with the compensation paid to each including in part amounts paid as salary and Rental Allowance; and

WHEREAS, the clergy members employed by the Diocese are set forth in Exhibit A attached hereto which includes the Rental Allowance paid to each in 2006; and

WHEREAS, the Finance/Audit Committee hereby recommends that Diocesan Council authorize the amounts set forth in Exhibit A to be the designated 2006 Rental Allowances for each respective clergy member;

THEREFORE BE IT RESOLVED THAT, pursuant to Section 107 of the Internal Revenue Code and upon the recommendation of the Finance Committee, Diocesan Council authorizes the Rental Allowances paid to the clergy members employed by The Episcopal Diocese of Minnesota as set forth in Exhibit A attached hereto for 2006.

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary

**Exhibit A**

**Housing Allowances  
For the year ending 12/31/2006**

Robertson John	10,000.00
Eaglebull Harold	9,000.00
Holmberg Sandi	20,000.00
Jelinek James	75,000.00
Loud Johnson	15,000.00
Moss Susan	48,835.00
Smith Alissa	20,000.00

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

**Authorization Concerning Rental of Office Space at  
1730 Clifton Place, Minneapolis**

WHEREAS, the Episcopal Diocese of Minnesota (the “Diocese”) currently leases office space from the Trustees of the Diocese of Minnesota, Incorporated (the “Trustees”) at 1730 Clifton Place, Minneapolis (the “Property”) for its diocesan headquarters; and

WHEREAS, in June 2004, a purchase agreement was executed by the Trustees under which the Trustees agreed to sell the Property to Hunt Associates (the “Buyer”); and

WHEREAS, since the execution of the purchase agreement, the Trustees have continued to work with the Buyer towards closing on sale of the property; and

WHEREAS, the Trustees are currently negotiating the final closing terms which will include a provision for the Diocese to remain a tenant at 1730 Clifton Place for a period of time after the closing date; and

WHEREAS, the Finance/Audit Committee has made a recommendation to Diocesan Council to authorize the Real Estate Committee of the Trustees to negotiate the final lease terms on behalf of the Diocese and to authorize the Bishop or the Principal Financial Officer to execute the final lease agreement as agreed to between the Real Estate Committee and the Buyer;

THEREFORE BE IT RESOLVED, upon the recommendation of the Finance/Audit Committee, Diocesan Council hereby authorizes the Real Estate Committee of the Trustees of the Diocese of Minnesota, Incorporated to negotiate and approve the final leasing terms at 1730 Clifton Place, Minneapolis on behalf of The Episcopal Diocese of Minnesota.

THEREFORE BE IT FURTHER RESOLVED, Diocesan Council authorizes the Bishop or Principal Financial Officer to execute the final lease agreement as agreed to between the Real Estate Committee and the Buyer.

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary