

Diocesan Council
February 15, 2007
St. John the Evangelist, St. Paul

Present: Bishop Jelinek; [Gary Gleason, Secretary of Council]

Region 1: Bert Whitcombe, Lynn Orville

Region 2: Susan Dusek, Alice Olson

Region 3: Maren Kay Welsand

Region 4: Bill Gray, Paul Rider

Region 5: Pat Dibble, Doug Sparks

Region 6: Rosemary Sobalvarro, Jerry Doherty

Region 7: Doug Rude, LeeAnne Watkins

Region 8: Gary Aamodt, Rex McKee

Region 9: Andrew Waldo

Guests: Martha Beckwith, Region 6 lay representative-elect; Jim Pavlik, Principal Financial Officer; Karen Olson, Executive Administrator; Susan Barksdale, Recorder

NOTE: This business session preceded a joint meeting of Council, Trustees, and the Standing Committee.

Executive Summary of February 15, 2007, meeting
(Details in body of minutes)

Diocesan Council:

Unanimously approved a proposal from the Millennium Development Goals Task Force for the issuing of grants to congregations and organizations for work concerning the Millennium Development Goals (MDGs)

Unanimously approved the 2007 Management Agreement between the Diocese and Trustees, retroactive to January 1, 2007

At joint meeting:

Heard update from Development Committee

Received outline of the Bishop Coadjutor election process

Engaged in discussion concerning the work of the Bishop's Commission on Mission Strategy (BCMS)

The meeting was chaired by Pat Dibble, in the absence of Stacy Abena. She noted that this was Rosemary Sobalvarro's last meeting as a Council member.

New Council members were welcomed – Jerry Doherty and Martha Beckwith from Region 6 and Bert Whitcombe, alternate from Region 1. Although they did not officially begin their terms until March, they had been asked to attend this joint meeting, as important mission strategy work was scheduled.

The minutes were approved unanimously, with a few typographical corrections.

MDGS FUND ALLOCATION

The task force for the Millennium Development Goals (MDGs) has prepared a proposal as requested at the December 2006 Council meeting (*attached*). Discussion was to begin at this meeting so that the task force can get started with its work.

A proposal was presented for the issuing of grants to congregations and organizations for work concerning the Millennium Development Goals. During the discussion, it was noted that the original intent of the MDGs was believed to be international/external in scope, and that the diocese intends to devote a minimum of 0.7% of its budget to the MDGs at least through 2015. **The proposal was passed unanimously.**

FINANCE: JIM PAVLIK

Management agreement between Diocese and Trustees: The Trustees do not have administrative and other staff, so members of the diocesan staff serve that function. The management agreement details the money paid to the Diocese by the Trustees to cover the cost of staff work on their behalf. The updated version being presented had been revised and approved at a meeting of the joint Finance/Audit Committees. It is retroactive to January 1, 2007. The Trustees have already approved and signed the agreement. It was noted in discussion that management money paid by the Trustees is now shown as revenue in various line items, and also that Canon Steve Schaitberger is now essentially employed by the Trustees as a property manager. **The agreement was approved unanimously.**

The Finance Report included some good news: in 2006, the prior year's deficit of \$50,000 was made up, and the year also ended with \$22,000 in excess funds. Jim noted that because revenues had been lower, the diocese's assessment to the national church was also lower than budgeted for. In addition, the Episcopal Center's new phone system costs less and works better, and service agreements for copiers and other equipment were renegotiated successfully. Just as the previous deficit was carried through to this year, the surplus will be carried forward as well. The Finance/Audit Committee will consider recommendations for the surplus at the next meeting. Andrew Waldo suggested that recommendations be considered for one-time expenses, rather than ongoing ones.

Doug Sparks asked about ACG arrears. Jim answered that the arrears are approximately \$66,000 at this point, and that receipts generally fluctuate up and down. ACG revenue shown on the report is from 2006, before the books were closed for the year. Anything received from this point on will count for 2007. **The financial report was received unanimously.**

BISHOP'S REPORT

Bishop Jelinek outlined his activities. He met with the Breck School Board in Dallas, and with the General Seminary Board in New York City. Last week he was in Mille Lacs with the Minnesota Council of Churches for a meeting with tribal leaders. He is leaving in early March for international Anglican mission conference — "Toward Effective Anglican Mission (TEAM) — in South Africa.

The Primates' meeting in Tanzania is just starting. Bishop Jelinek reported that Presiding Bishop Katharine Jefferts Schori is "realistic but not pessimistic" about the meeting.

In consultation with Marilyn Clinton, chair of the Personnel Committee, and his council of advice, Bishop Jelinek would like to engage in a type of mutual ministry review this year. In light of the work of the BCMS and the forthcoming search process, the bishop feels an evaluation of his performance alone would be less useful than to evaluate how our leadership system is working. He is proposing that we engage in the mutual ministry review at the Council retreat in May.

JOINT MEETING SUMMARY

The Diocesan Council business meeting was adjourned at 10:05. The remainder of the day was spent in a joint session with the Standing Committee and the Trustees of the Diocese. An update was presented on the work of the Development Committee, and a brief presentation was made on the process for electing a Bishop Coadjutor (*attached*). The bulk of the time was devoted to large and small group discussions on the work of the Bishop's Commission on Mission Strategy.

Respectfully submitted,

Gary Gleason
Secretary of Council

Susan Barksdale, recorder

Diocese of MN – MDG Task Force

Distribution of Diocesan 2007 0.7% Commitment

Proposal submitted by the Millennium Development Goal Task Force of the Diocese of Minnesota to Diocesan Council, February 2007

Approximate Budget: \$20,000

The 2007 funds for Millennium Development Goal work shall be distributed as follows:

- \$4,000 will be used to establish a grant fund for diocesan mission
- \$16,000 distributed quarterly to two groups (one primary at \$3,000 and one secondary at \$1,000) based on the following goals:
 - Jan – Mar: Goals 1 & 8
 - Apr – Jun: Goals 2 & 3
 - Jul – Sept: Goal 7
 - Oct – Dec: Goals 4, 5 & 6

Grant Fund

The goal of the grant fund will be to encourage and support existing and new diocesan mission efforts toward the MDGs. Preference will be given to projects that involve members of the diocese and directly address at least one of the MDGs. The grant fund is not intended to take the place of any congregation's 0.7% pledge. Instead it is intended to build and expand upon local initiatives above and beyond the 0.7% pledge.

To apply for a grant, applicants should submit a letter no more than three pages detailing:

- the project
- amount requested and expected use of funds
- project budget
- timeline
- names of members involved
- contact information

Grants will range from \$500 - \$1,500. To qualify for a grant, a congregation must have made the 0.7% pledge. Grant recipients will be expected to write a brief report detailing the outcomes of the project and any lessons learned. Also, recipients will be expected to participate in a Diocesan MDG Conference to be held in September 2007.

Deadline for submission is: May 4, 2007.

Letters should be sent to:
Episcopal Diocese of Minnesota
Attn: MDG Task Force
1730 Clifton Place, Suite 201
Minneapolis, MN 55403



Development Report Diocesan Council, Standing Committee and Trustees February 15, 2007

Background:

Diocesan Council Resolution 2005-12 (September 8, 2005) resolved that, by joint action of Diocesan Council and the Trustees, a Department of Development would be established under the oversight of the Bishop and Canon to the Ordinary as part of the program office, to be developed with the help, advice and counsel between the Trustees and Diocesan Council.

Diocesan Council Resolution 2006-4 (June 29, 2006) stated that that the Bishop has sole discretion as to how an anonymous gift of approximately \$250,000.00 is expended. Bishop Jelinek has chosen to allocate those funds towards the creation of a Department of Development and has appointed a Development Committee towards that end.

Committee Personnel:

There is intentional representation from Diocesan Council, Standing Committee, Trustees and BCMS – as well as additional members who have significant work experience in development.

Judith Goff – St. Christopher’s, Roseville (Standing Committee)
Jim Huber – St. Mark’s Cathedral, Minneapolis (BCMS)
Gailen Krug – St. Stephen’s, Edina (Trustees)
Chris Mayr – St. Christopher’s, Roseville
Terry Roberts – St. Paul’s, Duluth
Katherine Sedwick – St. Luke’s, Minneapolis
Doug Sparks – St. Luke’s, Rochester (Diocesan Council)
Consultant – Don Taylor, VP, Chief Development Officer, Courage Center
Staff – Gary Gleason, Karen Olson, Jeff Langaard

Goal:

In conjunction with the bishop, to ensure that a Department of Development for the Diocese of Minnesota is established, staffed and operational no later than December 31, 2009.

Bishop’s Charge:

- A. Create a culture of philanthropy in the diocese that welcomes and embraces development
[this is education and primary role of the committee]
- B. Coordinate all work with the elected bodies of the diocese
- C. Educate Episcopalians on the need for increasing the endowments
- D. Work with an outside consultant as guide until staff person is hired

“The Perfect Storm”

Don Taylor, consultant for the Development Committee and VP/Chief Development Officer for Courage Center, calls our current time in the Diocese of Minnesota “the perfect storm” – when all things come together to make for a ripe opportunity – for development to be successful – 150th Anniversary of the Diocese, culmination of mission strategy through the work of the BCMS, a search for a new bishop, and a generous gift of money as start up.

Relationship between BCMS and Development:

It is expected that the final recommendations from the BCMS will help create the case statement for Development and be the framework for criteria in the upcoming Bishop Coadjutor Search process. Development work is a tool to support the vision.

Answers to Frequently Asked Questions:

1. Development Committee meetings are open to the public, but may go into executive committee if confidential information is on the agenda
2. Notes from Development Committee meetings are public and will be posted on the website: www.episcopalmn.org
3. A Department of Development budget has not been created and will not be until enough information is gathered by the committee in order to do so.
4. The anonymous gift of \$250,000 has been invested in a fund that is at the sole discretion of Bishop Jelinek. This fund and all activities therein will be audited by Virchow and Krause
5. Reminder – it costs money to raise money
6. No ACG (Apportionment for the Common Good) is currently being used to fund Development work.

Outline for Bishop Coadjutor Election Process
Episcopal Diocese of Minnesota
February 15, 2007

The following statement is presented to Diocesan Council, Standing Committee and Trustees regarding the canonical procedures and policies leading to the election of a Bishop Coadjutor in May 2009.

Canon law provides that bishops diocesan are required to retire on or before their 72nd birthday (*Canon III.12.8, Episcopal Church*). Bishop Jelinek, who will be 65 in 2007, has stated that he intends to retire in 2010.

In accordance with Canon III.11.10 of the Episcopal Church, to ensure an orderly episcopal transition, Bishop Jelinek, as spiritual leader and ecclesiastical authority of the Diocese, has taken the initiative to set in motion a process leading to the election of his successor. He intends to call for the election of a bishop coadjutor and will make this declaration at the Diocesan Convention in Saint Paul, Minnesota on October 27, 2007.

The bishop diocesan does not determine the outcome of the election, but does have the right to call for the election of a bishop coadjutor and to present a process for the election to the Standing Committee and the Diocesan Convention.

The Bishop has designated the Standing Committee as the Election Supervisory Authority. At the 2007 Diocesan Convention he will present, in conjunction with the Standing Committee of the Diocese, a proposal for the election process, which the Convention will accept, reject, or amend.

The proposal will include recommendations regarding the composition and appointment of a Search Committee, the process to be followed in the nominating of candidates, the process to be followed in the petitioning on behalf of candidates not nominated by the Search Committee, the special Rules and Procedures to govern a Special Electing Convention in 2009, and the funding to cover the expenses of the search process. At the 2007 Convention the Bishop will also present the canonically required statement as to the duties which will be assigned to the bishop coadjutor when elected and consecrated.

Steps and responsibilities:

1. Bishop Jelinek has stated that he intends to ensure that the process is an open, fair and equitable one, following the canonical requirements applicable to the election of a bishop coadjutor.
2. The Standing Committee is responsible to oversee the election process and to send to Convention 2007 proposed Election Rules and Procedures to be followed.
3. The Standing Committee is responsible for presenting nominees to a Special Electing Convention to be held in early May 2009. The Standing Committee may appoint a Search Committee to conduct the search process.
4. The Standing Committee is responsible to determine how to create the membership of the Search Committee and it confers with other diocesan entities as it does so.
5. The bishop diocesan must set forth the duties and responsibilities to be assigned to the coadjutor as noted above. Those responsibilities which he has not assigned to the coadjutor shall be retained by the bishop diocesan until his effective retirement date.

6. The finance and audit committee of the Diocese is responsible for determining the most prudent way to cover all costs associated with the search process and the additional line item cost of a coadjutor. This may include use of unrestricted endowment funds, fundraising efforts, diocesan budget adjustments and all other measures it deems appropriate and advisable.
7. The Bishop shall keep the Standing Committee advised as to any changes in his anticipated retirement date.

The Bishop has determined that Canon Gary F. Gleason, who also serves the diocese as a corporate officer as Secretary to Diocesan Convention, will be the staff liaison to work with the Standing Committee and the Diocesan Convention on the administrative details related to this process and election.