

Diocesan Council
June 29, 2006
St. Clement's, St. Paul

Present: Bishop Jelinek; Gary Gleason, Secretary of Council

Region 1: Carole Johnson

Region 2: Susan Dusek, Alice Olson

Region 3: *NONE PRESENT*

Region 4: Dottie Whipple, Paul Rider

Region 5: Pat Dibble, Jim Zotalis

Region 6: Rosemary Sobalvarro, Mark Kelm

Region 7: Doug Rude, LeeAnne Watkins

Region 8: Rex McKee

Region 9: Andrew Waldo

Guests: Jim Pavlik, Principal Financial Officer; Malcolm McDonald, Trustee Representative; Karen Olson, Executive Administrator

Executive Summary of June 29, 2006, meeting
(Details in body of minutes)

Diocesan Council:

Reported reactions in regions to the "State of the Diocese" materials.
Heard and discussed the reactions of Bishop Jelinek and others to the 2006 General Convention.
Unanimously passed Resolution 2006-04, establishing an account at RBC Dain Rauscher for the transfer and liquidation to cash of a substantial stock donation to the diocese from an anonymous donor.
Held preliminary discussion of the proposed 2007 Transitional Budget.
Shared reflections from the May 20 Stakeholders' Meeting.

The meeting was chaired by Bishop Jelinek in the absence of Stacy Abena.

The agenda was approved unanimously. The minutes from the May 4, 2006, meeting were approved unanimously.

BISHOP'S REPORT

A summary of Bishop Jelinek's recent activities is attached to these minutes.

REPORT FROM TRUSTEES: MALCOLM McDONALD

The sale of 1730 Clifton Place has once again been delayed and rescheduled for September 29, 2006. The purchase price has been increased and a fee will be paid by the buyer for the second extension. The Episcopal Center will have expense costs but free rent until it vacates, according to the developer's plans. All this could help lighten the diocesan budget later in 2007. Proceeds from the building sale can also be set aside for a new home for the Episcopal Center.

The Investment Committee is actively looking for more investors for the Pooled Investment Fund. It is also attempting to work with US Bank on bringing a fund in house that is being managed by that institution.

STATE OF THE DIOCESE: BRONWYN CLARK SKOV

Bronwyn redistributed the assessment document including the strategic health plan and the general congregational analysis in follow-up to the May 4 meeting at which the Canon Missioners first presented this information.

Several regions had not met since this material was presented, but some had discussed the document at Clericus and other gatherings. Others had had no discussion at all, as there had been some misunderstanding as to which material was confidential. The clarification was made that the strategic health plan and general congregational analysis and criteria could be discussed

Region 4 reported that nothing in the document was a surprise. Its clergy have discussed ways to connect as congregations to do local training and to support one another, working together in education and mission instead of relying on the diocese. Bishop Jelinek complimented Paul Rider on how the people in Region 4 are working together as a region.

Lynn Orville (Region 1) sent word that she was glad to learn what work had been done and to see where the priorities are.

Region 5 is planning to schedule longer meetings to discuss these issues. Pat Dibble noted that the people there realize that many congregations in that region are really missions, even though they are called parishes.

Bronwyn stated that the next step is deciding what to do with the information gathered by the canon missioners. Council had spoken of promulgating a policy based on this information, but “others have to intersect,” she said; such as the Metro Mission Strategy Committee. The missioners had given Council the information they could, she added. They want to know how (or if) next steps should be taken, or whether a task force should be formed to create a mandate and priorities.

There was a long and intense discussion about the many issues raised by this work and these reports. Representatives in Greater Minnesota mentioned that congregations there would not wait indefinitely for a Metro area mission strategy — “We have work to do!”

Bishop Jelinek suggested having assessments for each congregation be gone over by Council representatives and alternates for that region, regional deans, and the canon missioners.

GENERAL CONVENTION: BISHOP JELINEK

Bishop Jelinek spoke of what General Convention accomplished in the areas of mission and evangelism, and where the Episcopal Church is trying to be responsible and responsive. The bishop served on the National and International Concerns Committee, which met nearly every morning.

General Convention dramatically reaffirmed the Millennium Development Goals (MDGs), the reaffirmation of the Kyoto agreement, and the participation in mission and ministry. The Episcopal Church has pledged to commit additional portion of church’s budget to work on MDGs in various parts of the world. The Diocese of Minnesota will be in compliance in committing 0.7% of its diocesan budget for 2007 and beyond to the MDGs.

LeeAnne Watkins, a clergy deputy, noted that General Convention authorized a national church-planting initiative. Individual dioceses may come up with their own plans, and then apply to the national church for assistance with aspects they cannot afford. Perhaps, she added, Diocesan Council will be choosing some plans to submit.

LeeAnne also reported that Devon Anderson was instrumental in inviting people to the table to help develop the new “Rites of Passage” liturgies.

Rex McKee noted that the Episcopal Peace Fellowship, of which he is a member, is “ecstatic” with the money it received as a result of General Convention actions.

The bishop added that to sit in the Program, Budget, and Finance hearing was “to hear the involvement and the dreams and the faith of the people they represent. Everything that came up was an extraordinary ministry. That’s where the forward movement was; the Windsor Report was where the fear was.”

Bishop Jelinek asked LeeAnne Watkins to summarize the General Convention actions concerning the Windsor Report. She reported that Resolution A161, stating that the Episcopal Church would not consecrate any more gay bishops or do more same-sex blessings, was soundly defeated. The following day there was a joint session of the House of Bishops and the House of Deputies. Presiding Bishop Griswold said that the Episcopal Church should exercise restraint to prevent further strain on the Anglican Communion. The House of Bishops attempted a number of amendments to the resolution. When these amendments all failed, the resolution was passed by the House of Bishops and sent back to House of Deputies.

In middle of this process, LeeAnne added, the House of Deputies allowed Presiding Bishop-Elect Katharine Jefferts Schori to speak. Jefferts Schori said she found the language extremely problematic but it was the best we can do at this time and we shouldn't close the door. She further commented that the Church is now like conjoined twins; we should not separate them unless we know they will both survive. Minnesotan Sally Johnson said, through tears, that the resolution really needed to be passed "as a gift to our new Presiding Bishop."

"We were asked to choose between two things we valued highly," LeeAnne said, "The role of women and the role of gays and lesbians in the Episcopal Church." She noted that the resolution is binding only until the next General Convention, and it will be revisited in three years. "We went home sick to our stomachs and weeping all the way," LeeAnne said in conclusion.

Bishop Jelinek thanked LeeAnne for explaining the events so clearly. He added that some liberal bishops later disassociated themselves from the resolution, and heard that some conservative bishops had disassociated themselves as well.

There was some discussion of subsequent events, such as statements from some conservative dioceses, the naming of a priest in Virginia as a bishop of the Church of Nigeria with oversight of the Convocation of Anglicans in North America, recent statements from the Archbishop of Canterbury, and possible ramifications for the Episcopal Church and the Anglican Communion. Bishop Jelinek said that bishops from the Anglican Consultative Council who attended General Convention said they were impressed with the depth of theological reflection of the American Church in these deliberations. "Others will tell this in a different way," the bishop noted them as saying, "but we have heard it with our own ears."

LUNCH

CERTIFIED AUDIT REPORT: ANN LANOUE

Ann and her committee have met with the auditors from Virchow Krause and reviewed the draft financial statement. Council members should all receive copies of the management letter and other materials within a week or two following this meeting.

Ann reported that the diocese received an unqualified opinion and excellent report from the auditors. The management letter contained the concern about one specific thing - segregation of duties in the finance area, but noted that the controls that are in place help to make up for any potential problems. Council does not need to act at this time, but will vote to receive the audit report after receiving copies. Questions may be directed to Ann or to Jim Pavlik.

Bishop Jelinek commented that this is complicated accounting, and it is good to get this kind of report, especially for the second year in a row.

FINANCE REPORT: JIM PAVLIK

An anonymous donor wishes to make a substantial stock donation (approximately \$250,000) to the Diocese of Minnesota. **Resolution 2006-04 (attached) describes the transfer and liquidation to cash in an account to be established for that purpose at RBC Dain Rauscher; which has provided a Corporate Resolution for the account that must be approved by Diocesan Council.**

Jim explained that the account was to be at RBC Dain Rausher rather than Smith Barney (which the diocese uses) because RBC is the broker of the donor. There was some discussion concerning the status of this account after the money had cleared. Bishop Jelinek recommended having the Finance Committee look into this matter and make a recommendation by the end of the year. **The resolution was passed unanimously.**

OPERATING FUND ACTIVITY

The projected operating statement showed \$906,923 in Apportionment for the Common Good (ACG) revenues. This is nearly \$96,000 short, but Jim Pavlik said he felt that the operating fund was still in pretty good condition. He explained in detail a few items in the statement. In the past, money from endowment funds has been used to cover deficits. This cannot be done this year, so money may have to be cut from the current year's budget.

Some council members asked what action will be taken with congregations that are not paying their ACG. Gary Gleason noted that the canon missionaries work directly with leadership of these congregations throughout the year. When Diocesan Convention convenes, it and it alone can vote to remove the right to vote of the lay delegates of those congregations. Gary added that this provision is in Diocesan Canons but is not mandated. Bishop Jelinek commented that if this action were taken, he would strongly urge from the chair that the clergy from those congregations should be honor bound not to vote either.

The finance report was received unanimously.

DRAFT OF PROPOSED 2007 TRANSITIONAL BUDGET

A first draft of a one year, transitional budget, as crafted by the Triennial Budget Committee, was discussed. The budget was presented at this meeting so that final approval can be voted on by Council in July. Given the work by the Bishop's Metro Mission Strategy Committee and other in-process initiatives, a triennial budget had been deemed by the committee to not be in the best interest of the Diocese, and this decision was discussed and affirmed by the Finance/Audit Committee and Diocesan Council in March. Included in this budget were provisions for moving certain budget line items to other areas, and making various changes in the presentations of organizations and allocations within departments; to improve transparency and understanding of the budget.

As recommended by General Convention, 0.7% of the budget will support the Episcopal Church's Millennium Development Goals.

There will be two Bishop's Circle dinners this fall to attract donors willing to contribute to unfunded or underfunded areas of the budget.

LeeAnne Watkins, a member of the Triennial Budget Committee, expressed her gratitude to the staff members who talked to committee members. She enjoyed her meetings with staff and further noted that she is, by nature, a skeptic, but was extremely heartened to see how hard the staff works. She added that she could not imagine further staff reductions unless we were to stop doing portions of the work we now undertake on behalf of the diocese.

Karen Olson noted that the draft budget is not confidential, but it may change before the final version is presented. She asked that questions or comments be directed to the Triennial Budget Committee.

This draft budget will now be sent to the Diocesan Finance/Audit Committee for any other revisions and modifications and will be presented to Council at its July meeting for final approval.

REFLECTIONS FROM THE STAKEHOLDERS' MEETING

Several Council members shared their reactions to the Metro Area Stakeholders' meeting, which was held on May 20, 2006.

Andrew Waldo thought that the event "was wonderfully honest and straightforward, and a great thing to do." If he had any concerns at all, he added, they were the slight impression that some options were already being cut off.

LeeAnne Watkins was grateful to have all the data. She felt the presentation was "honest and unflinching" but also wanted to know how much had been spent on certain previous efforts.

Malcolm McDonald felt that one missing element was an acknowledgement of which congregations *are* making it, how they are doing it, and how they are they working with their increase.

Doug Rude sensed that all in his group were aware that there must be a change, and that we need to do things differently.

Bishop Jelinek said that the consultant has told the commission that their doing this and their way of going at it is really on the front line. There is nothing to compare it with; "we are designing the plane as we fly it." There is the opportunity to have many mistakes as well as many successes the bishop added, but he felt that "we are doing best we can with the information we have" and all this seems to be dovetailing with other work, such as the congregational analysis.

OTHER

Bishop Jelinek announced that the Rev. Robert Two Bulls will join the Episcopal Center staff, serving half-time as Director of the Department of Indian Work and half-time as Vicar of All Saints, Minneapolis. Two Bulls, a Lakota, has most recently served in the Diocese of Los Angeles. He also worked on the "naming ceremonies" section of the new Rites of Passage liturgies that were presented at General Convention 2006.

A notice was distributed on a July 11 meeting at St. James on the Parkway, Minneapolis, on church strategies in the event of a pandemic. Bishop Jelinek noted that it would be good to have parish nurses and church members in various health professions attend the meeting.

It was announced that this would be LeeAnne Watkins' last Council meeting before her sabbatical. Frank Wilson will serve in her place while she is away.

Bishop Jelinek noted that he was very grateful for this day's meeting.

The business meeting was adjourned at 3:00 pm for Eucharist, with Lee Anne Watkins celebrating.

Respectfully submitted,

Gary Gleason
Secretary of Council

Susan Barksdale, recorder

Diocesan Council
June 29, 2006

Bishop's Report

Schedule since May 4, 2006 Council meeting:

Visitations/Services:

- St. John the Baptist, Minneapolis
- St. David's, Minnetonka
- St. Stephen's, Edina
- St. Martin's by the Lake, Minnetonka Beach

Other Services:

- Preached at the ELCA's NW Synod Eucharist at Concordia College
- Regional Confirmations
- Ordinations (June 8 and June 29)
- Celebration of New Ministry – Red Wing and the Rev. Charles Uhlik
- Breck School Commencement
- 150th Anniversary Celebration, St. Paul's, Winona
- Closing Eucharist for Lutheran/Episcopal Campus Ministry Conference

Boards, Meetings and Other:

- Spring Clergy Conference
- Minnesota Council of Churches Board
- Trustees of the Diocese, Inc.
- General Theological Seminary Board
- Breck School Board and Search Committee
- Bishop's Commission for Metro Mission Strategy Stakeholders' Meeting
- Canon Missioners and Program Staff
- Seabury Western Theological Seminary Board
- Standing Committee
- Pre-Ordination Retreat
- Several Holy Orders discernment appointments
- General Convention
- Pride parade
- Numerous one-on-one appointments