

**Diocesan Council**  
**March 16, 2006**  
**St. Mark's Cathedral, Minneapolis**

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

Region 1: Carole Johnson

Region 2: Susan Dusek, Alice Olson

Region 3: Noel Rich

Region 4: Dottie Whipple, Paul Rider

Region 5: *NONE PRESENT (snow storm)*

Region 6: Rosemary Sobalvarro, Mark Kelm

Region 7: LeeAnne Watkins, Doug Rude

Region 8: Gary Aamodt, Rex McKee

Region 9: Stacy Abena, Paul Shaffer

Guests: Gordon Thomas, Director of Communications; Jim Pavlik, Principal Financial Officer; Susan Barksdale, recorder

Morning session: Jim Huber, Renee Carlson, John Cowan, Bronwyn Clark Skov, Susan Moss

Executive Summary of March 16, 2006, meeting  
*(Details in body of minutes)*

Diocesan Council:

Heard a report from Jim Huber on the first phase of the work of the Metro Mission Strategy Commission
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Shared stories of "Where is God in your region?"
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Learned from the Budget Committee that it was planning a one-year budget for 2007 and would return to a triennial budget in 2008
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Marilyn Clinton, who was to discuss Bishop Jelinek's evaluation, was absent due to illness.

The meeting began with Gospel-based discipleship, based on John 2:13-22 (Jesus driving the moneychangers from the temple).

The meeting was chaired by Bishop Jelinek until the arrival of Stacy Abena, who was delayed by weather.

The minutes from the February 9, 2006, meeting were approved unanimously. The agenda was approved unanimously.

**BISHOP'S REPORT**

Bishop Jelinek summarized his meetings and other activities since February 9 (list attached). He added that he would be leaving later this day for the House of Bishops at Kanuga Retreat Center in North Carolina. The bishops will discuss issues for the June 2006 General Convention, among other things.

The bishop also welcomed new lay representatives Susan Dusek (Region 2) and Gary Aamodt (Region 8).

**BISHOP'S COMMISSION FOR METRO MISSION STRATEGY REPORT: JIM HUBER**

Jim began by stating that this commission (BCMMS) was one of the hardest-working groups he has been associated with in the diocese. He noted that this has been a faith-based process and that now was not yet the time to make plans.

A stakeholders' retreat will be held May 20 at Breck School. The term "stakeholder" has been defined as "any person, group, or organization that can place a claim on an organization's intent, resolution, or output; or that is affected by that output." The BMMSC adds that a stakeholder can be "any person or organization who has an interest and wants to have a voice."

Jim presented a review of the commission's work and its findings so far. The purpose of the commission is to develop a comprehensive strategic plan for the metro area congregations that has a five-year planning window. The commission has 25 members appointed by the bishop, both clergy and lay. They are studying history, patterns of growth and decline, demographic trends and changes within the Metro area, and best practices available from other denominations in Minnesota and from in other Episcopal dioceses. They have been reflecting together theologically on what these trends are and "what God is calling us to do." The commission has already reported to all four Metro regions, and plans to give a final report at the October 2006 Diocesan Convention.

The Metro area is defined as Regions 6-9, comprising 34 parishes, six missions, one cathedral, and one campus ministry congregation. Of these, eleven congregations, or 27%, are financially challenged. In addition, seven churches in these regions have closed since 1994.

Episcopalians in Minnesota see themselves as a family, which can imply intimacy, acceptance, and safety; but can be a closed system. They also see themselves as a democracy, which can allow for diversity, participation, and permission to disagree; but can foster dissension, disunity, and inefficiency. "Observed ministry values" included maintenance over mission, denominational support, Total Ministry as *the* strategy for small churches, a focus on ethnic immigrant congregations, a pastoral approach to congregations which trumps accountability, resistance to evaluation, stress on regulating rather than equipping congregations and leaders, and a bias toward small congregations.

Jim reviewed some history of the Diocese of Minnesota, which includes the Diocese of Duluth, as well as past planning efforts in the diocese. He then presented the findings of the commission on past planning projects that did not attain full fruition for reasons that included a lack of adequate evaluation mechanism; implementation failures; the tendency toward congregationalism; various issues of trust and relationships; lack of institutional memory, benchmarks, or accountability; and the need for system-wide perspective and coordination.

Residual issues included harm to morale and perceptions of the diocese. Jim reminded Council that "Perception is reality." Based on past performance, the commission has concluded, there is "no reason to believe that we are capable of successfully planning at the diocesan level" unless there is a fundamental change in the type of planning undertaken and there is engagement of congregations, clergy, diocesan staff, the bishop, and stakeholders. Jim concluded his presentation with thoughts of mission values to reclaim and questions for discussion:

1. What truth has not been spoken that needs to be brought out now?
2. What do we share in common in stewarding the Gospel?
3. What challenges or hurdles lie before us that need to be addressed?

Members of Council responded to the presentation and to the questions. Some from outside the Metro area expressed an interest in having this presentation given in their regions. Jim noted that the Metro area was just the beginning for mission strategy work. Representatives from southern Minnesota expressed concern that the Stakeholders' Meeting was to be held on the same day as their regional confirmation, so that they could not attend. Jim replied that perhaps a smaller meeting could be held later in southern Minnesota, at which the May 20 results could be included as well.

LeeAnne Watkins expressed gratitude to all who have worked so hard; adding that the work has been necessary, satisfying, and hopeful.

## LUNCH

### **MAY RETREAT: KAREN OLSON**

Karen announced that the May 3-4 retreat will be in the Twin Cities instead of Duluth to make it less costly for more to attend the Family Systems workshop that will form the main part of the gathering. Bishop Jelinek noted that if members could not be present for both parts of the workshop, they should send their alternates, as the sessions build on each other.

### **CHECK-IN: STACY ABENA**

Stacy asked Diocesan Council members to answer the question: "Where is God in your region?" A summary of their answers follows.

### **Region 1**

**Carole Johnson:** On July 8, a Total Ministry team will be commissioned and Lynn Naeckel will be ordained. This will be the very first Total Ministry team in Region 1.

### **Region 2**

**Susan Dusek:** We are hoping to name a new rector fairly soon at St. Paul's, Duluth.

**Alice Olson:** God will be at TEC event (Teens Encounter Christ) this coming weekend at St. Paul's, Duluth; among the participants will be all of our youth at St. Andrew's by-the-Lake.

### **Region 3**

**Noel Rich:** God is alive and well! I am serving churches in two regions now, and it is a challenge getting to two region meetings Emmanuel, Alexandria (Region 3) will be able to pay its assessment this year. St. James, Fergus Falls (Region 1) is a delight, and I am excited about what the Lord is doing there.

### **Region 4**

**Paul Rider:** We have lots of wide open space in Region 4! We had a great region meeting in February with every congregation represented. Luverne and Marshall have great Total Ministry teams. We are looking to do things together with Region 5.

**Dottie Whipple:** I was also happy with the region meeting. It was good to see so many there even though the weather was terrible. There were five representatives from Bishop Whipple Mission. We will be celebrating Cornelia Whipple in July at the Bishop Whipple Mission in the Lower Sioux Community in Morton.

### **Region 6**

**Mark Kelm:** The clergy are meeting on monthly basis. It has been really nice to have a chance to talk, and this will be really positive for congregations as well. This region has a very unusual configuration, but we are talking about how we can work together. There seems to be better collegiality now and less perception of competition. Some are willing to send people around to other churches in the region, if the "fit" is not right at their present congregations.

**Rosemary Sobalvarro:** I was disappointed at the turnout for region meeting for the mission strategy report; several churches were not represented at all.

## **Region 7**

**Doug Rude:** People are very grateful for the Metro Mission Strategy work that has been done so far, and seem really hopeful.

**LeeAnne Watkins:** We are still being dazzled by Holy Apostles, who need more space; and also by St. Mary's, Basswood Grove, a little country church that is going great!

## **Region 8**

**Rex McKee:** There are a lot of buildings in Region 8 but with not many people to fill them. However, there were about 40 at the Region 7 meeting at Gethsemane, Minneapolis, and it was a very powerful experience. St. Andrew's, Minneapolis [where Rex serves as deacon] is renting space to a Pentecostal ministry group, which holds its Sunday services after St. Andrew's. Some of these members came early recently to come to the St. Andrew's Eucharist, and then came down for coffee and doughnuts, too!

## **Region 9**

**Stacy Abena:** Region 9 is waking up and becoming curious. We had very good numbers at our region meeting, and all our congregations but one were represented. We have built a better sense of community with each other, and have an awareness of each other and our own ministries.

## **FINANCE REPORT: JIM PAVLIK**

Jim presented an executive summary for the first two months of 2006. Revenues are down nearly \$65,000, but Jim noted that many congregations pay a lower ACG amount or none at all during the adjustment hearing process, and those appeals will be finished at the end of March. Expenses are also below budget for the first two months of 2006, with every department being under budget.

The Finance Audit Committee is always looking for additional members, Jim reported. He added that they like to have at least two members from Diocesan Council, and Stacy is currently the only one. The committee appreciates different perspectives and ideas, and would like to have members from all regions.

Stacy noted that the diocese ended 2005 with a \$13,000 deficit which would have to be covered from the 2006 budget. She added that it was time to rethink the approach to congregations that do not pay their apportionment. The canonical requirement that they don't get lay representation at Diocesan Convention was discussed at last year's convention, and will canon will be enforced this year. Jim said that the committee also discussed methods of collecting accounts receivable.

Stacy said that the First Stop Committee would meet next on March 27, and asked Council hold them in their prayers as they finalize decisions regarding requests for reductions in apportionment.

## **BUDGET COMMITTEE: LEEANNE WATKINS**

LeeAnne reported that the committee has been meeting twice a month since January. The group recommended three items to the Finance/Audit Committee: 1) that the diocese have a one-year transitional budget in 2007 in order to wait for the results of the work of the Bishop's Commission for Metro Mission Strategy, with the goal of preparing a triennial budget for 2008-2010; 2) that the current ACG formula remain in effect, as it has just recently been fully implemented; and 3) that the current circuit breaker be reduced from 10% to 5%. Jim Pavlik replied that the Finance/Audit Committee agreed with the one-year budget and the continuation of the ACG formula, but will take the recommendation of reducing the circuit breaker from 10% to 5% under advisement until it has seen the first draft of the budget.

Stacy noted that the Budget Committee seemed to be on a path of discovery much like the Metro Mission Strategy Commission.

**REPORT FROM TRUSTEES: MALCOLM McDONALD**

Malcolm stated that he is looking forward to working with Stacy Abena as the new Council liaison to the Trustees.

There are three new Trustees this year, two of whom are lawyers. The Trustees have an outstanding new representative to the First Stop Committee (Sandra Miller) who is looking forward to her work. The committee is hoping to help congregations see that Council is not where they should go for an “end run” if they don’t make their Apportionment for the Common Good. All the Trustees are very interested in the methods and outcome of the Metro Mission Strategy Commission. They recognize that some churches will be closing and that they will need to do work about use of funds from the sale of that property.

In answer to a question about the role of the Trustees, Malcolm explained that the Trustees manage funds that have been left to the diocese, hold proceeds held from property sales and discuss their disposition with Council, and act as money managers for diocesan endowments and funds from congregations that have been invested in the Pooled Investment Fund. Jim Pavlik added that the Pooled Investment Fund contains approximately \$20 million, of which slightly less than \$8 million belongs to the diocese. In addition, there is approximately \$10 million in mission property.

**UPDATE ON SALE OF 1730 CLIFTON PLACE: MALCOLM McDONALD**

Malcolm reported that the Trustees are still working on this matter, and have built an assignment clause into the proposal with Dan Hunt. Hunt has been working in close collaboration with St. Mark’s Cathedral, and he will make the decision about what to do about the assignment clause. He noted that the earnest money from Hunt is still being held, and is not returnable. Council will have a very definite say in the expenditure of eventual money from the sale. Malcolm added that he would be happy to talk with anyone concerning rumors about these negotiations.

**DEBRIEFING**

Stacy asked members to summarize their feelings about today’s meeting with one word, and some words were used by several members. Words included: Enlightened, Encouraged, Peaceful, Informed, Scattered, Interesting, Yearning, Saturated, Fulfilled, and Hopeful.

The business meeting was adjourned at 2:30 for Holy Eucharist, beginning with the Great Thanksgiving and celebrated by Bishop Jelinek.

Respectfully submitted,

Karen Olson  
Assistant Secretary of Council

Susan Barksdale, recorder

Diocesan Council  
March 16, 2006

Bishop's Report

Schedule since February 9, 2006 Council meeting:

Visitations/Services:

St. Thomas, Minneapolis  
Trinity, Excelsior  
Ss. Martha and Mary, Eagan  
St. Mark's Cathedral, Minneapolis

Other Services:

Messiah, St. Paul – dedication of new building

Boards, Meetings and Other:

Candidates for the Diaconate dinner at our house  
Triennial Budget Committee  
Seabury Western Theological Seminary board  
CLEC board  
Breck Search Committee retreat  
Multicultural Retreat for Breck Board Members  
Bishop's Advisory Committee retreat  
Day on the Hill participation  
Trustees  
Province VI Council – conference call  
Meeting with Charles Uhlik, the new rector-elect at Christ Church, Red Wing  
St. Mark's Cathedral Executive Committee re: Strategic Plan and 1730 Clifton  
Standing Committee  
Canon Missioners and Program Staff  
Meeting with leadership at St. Paul's, Minneapolis  
Heads of Communion breakfast  
Numerous one-on-one appointments