

Diocesan Council
March 13, 2008
Ascension Church, Stillwater

Present: Gary Gleason, Secretary of Council

Region 1 Carole Johnson

Region 2 Susan Dusek, Alice Olson

Region 3 Maren Kay Welsand, John Husband

Region 4 Chuck Johnson, John Robertson

Region 5 Pat Dibble, Doug Sparks

Region 6 Martha Beckwith

Region 7 Doug Franzen, Rex McKee

Region 8 Gary Aamodt, Tom Eklo

Region 9 Stacy Abena, Andrew Waldo

Guests: Roxie Markie, Region 7 alternate; Bill Gray, Region 4 alternate (and Finance/Audit Committee); Paul Double, Finance/Audit Committee; Bronwyn Clark Skov, Canon Missioner; Jim Pavlik, Principal Financial Officer; Malcolm McDonald, Trustees; Susan Barksdale, Recorder

Executive Summary of March 13, 2008, meeting
(Details in body of minutes)

Accepted a proposal from Cincinnatus to conduct a midpoint ministry review with Gethsemane, Minneapolis

Received a list of individual salary and benefit numbers for the episcopate and for diocesan staff, and engaged in discussion on issues concerning their use
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Heard an update of the work of the Mission Strategy Network

Heard reports from Episcopal Homes and the Episcopal House of Prayer
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The meeting opened with prayer. The agenda was approved. The minutes from the February 14 meeting were approved.

GETHSEMANE PROJECT

A proposal from Sarah Strickland of Cincinnatus (*attached*) for midpoint ministry review had been distributed prior to the meeting. There was a clarity question about the “retreat” mentioned in Part Four and whether this would be separate from Council’s June retreat. It was noted that the retreat was optional. Gary added that working through Part Three could inform what would happen next.

Andrew Waldo asked where the funding would come from for this work. Stacy answered in February it was noted that the funding would come from Gethsemane Plan funds. Jim Pavlik noted that using funds for this study would mean that the Gethsemane Plan funding would stop a bit sooner.

Andrew expressed concern that it was difficult to make a decision without current financial information from Gethsemane, noting that his own Vestry needs to bring information as to how a proposal that was not in the church’s original budget might affect other programs. There was extensive discussion regarding Gethsemane financial information Jim Pavlik noted that financial information had been submitted by Gethsemane and was to be studied by the Finance/Audit Committee and that the Gethsemane Project funding has not been part of the annual Diocesan budget. He added that Gethsemane funds have been disbursed exactly as directed by Council, according to the plan, and not by request and that Gethsemane progress had also been reported with frequency at Council meetings since the project funding began.

It was noted that two spreadsheets had been prepared by Aron Kramer; and Doug Sparks asked that they be e-mailed to the Ascension office over lunch and duplicated for Council. **Doug then moved to table further discussion of the Cincinnatus proposal and to ask Jim Pavlik to obtain proper reports electronically if possible. The vote to table discussion was defeated 9-7.**

Susan Dusek moved to accept Sarah Strickland's Cincinnatus proposal; second by Rex McKee. Rex added that in his review of the document, Council should consider this work as a "best practices" procedure that could be used for other churches. Stacy reminded Council that Aron Kramer had requested this review, wanting the diocese to know that it is getting "value for the money" at Gethsemane. Andrew Waldo stated that he is very much in favor of this assessment but would vote against it because he felt that more detail was needed in order to make a decision. **The motion carried with Andrew Waldo voting no.**

FINANCE MATTERS

INDIVIDUAL SALARY AND BENEFITS: JIM PAVLIK, BILL GRAY, JON TUTTLE (CHANCELLOR)

Jim Pavlik stated that the books are not yet closed for February. Things are going well in general and a full financial update would be presented in April. Many programs are just starting up, and there is not much ACG revenue as yet. Therefore, much of the finance time would be dedicated to matters from Paul, Bill, and Jon.

The first matter to be discussed was the listing of staff salaries and benefits. Bill Gray gave background on this matter for the benefit of new members. The following resolution was passed at the October 2007 diocesan Convention: "Resolved, that the diocesan budget presented to council and convention be fully transparent, and include salary and benefit numbers for the episcopate and for diocesan staff."

Bill noted that this concept of transparency has generated a lot of discussion. One view is that the operating budget as published already meets the requirements of the resolution in that salaries and benefits are published by department. All salary and benefit figures have been included in the Diocesan budget, along with full time equivalents [FTEs] for several years. Others felt that it did not reflect the spirit of the resolution. Bill added that the manner in which this is reported is a concern. It had been stated by some Council members last month that there are models from other dioceses and the national church although there was no consistency in how this was done. Some felt this was an issue about the credibility of Council.

At the February 2008 Council meeting, a new resolution was passed "that the diocesan finance report presented to Council at its March 13 meeting be fully transparent, and include *individual* salary and benefit numbers for the episcopate and for diocesan staff." Bill added that the Finance and Audit Committee was doing that today by distributing a list to Council members. Doug Franzen asked if there would be publishing outside the Council meeting. He also stated that he had reviewed the salaries and they were reasonable.

Jon Tuttle had been consulted as Chancellor about the motion to publish individual salary and benefit packages for the episcopate and diocesan staff. He gave his opinion that such action is not "best practices" as it can lead to dissension within the workplace. Industry does not do this, he said. If churches do it, the only group that gets sees the information is within the church. As this information is published, it can also target people in office for identity theft. "We will do it," Jon said, "but you are making some individuals on your diocesan staff uncomfortable."

It was noted that Council sets only the bishop's salary; the bishop sets other salaries and benefits. The bishop's salary has not been adjusted since 2004 other than the standard COLA. Staff salaries and benefits comprise only about 35-40% of budget. This percentage is unusually low, Bill noted; salaries in

schools are generally 80-85% of the budget. Some of the amounts are offset by endowment or other revenue received. The Department of Indian Work has some restricted endowments that help pay salaries. In addition, a portion of the Finance salaries are covered from other sources. Other questions concerned the benefit breakdowns as well as housing allowances for clergy (which are part of their salaries).

Andrew Waldo said that Jon Tuttle's comments on discretion are well taken but he felt are at odds with the original Convention resolution. Convention delegates, he said, voted for full transparency; the sense of Convention was that this information would be available for everyone. Doug Sparks added that all such information has been made available in other dioceses where he had served and expressed amazement at "how anxious we are." Jon Tuttle restated his opinion that this is not a "best practice" Andrew Waldo said that if these numbers are not made available, the question could be asked of what we are hiding.

Rex McKee thanked the Finance Department for doing this work. "I recognize conflicts we have," he said, "And I hope to see that some day this diocese is fully transparent with every single parish. I think this is a good step on the way." Jon Tuttle added that the list that was distributed at this meeting fulfills the February resolution as stated in the minutes.

FINANCE MATTERS

BISHOP SEARCH: PAUL DOUBLE

Paul Double distributed a document with estimates for the cost of a bishop search, and various alternatives (as previously requested) on how to raise these funds. Certain endowments have been identified as possibilities for funding, and other funds are possibly available. Bill Gray added that a Joint Finance/Audit Committee from both Council and Trustees have met every month in 2008 and will continue to do so. Gary Aamodt noted that a resolution had been passed in February designating a portion of the 2007 budget surplus for the bishop search in addition to the \$15,000 set aside in the diocesan budget. The bishop search document also presented three possible scenarios for special assessments to help cover the cost of the bishop search, and these were discussed as well. There was some additional discussion the possibility of temporarily increasing the draw on appropriate endowment funds. The Joint Finance/Audit Committee will bring its final recommendations to Council on funding sources in the next few months.

MISSION STRATEGY NETWORK: JIM HUBER

Jim is co-chair of the new group that has been formed to work on the implementation of the Mission Strategy plan that was approved at last October's Diocesan Convention. It calls itself the "Mission Strategy Network." Co-chairs are Jim Huber and the Rev. Daniel Pearson, who both served on the Bishop's Commission on Mission Strategy (BCMS). The Rev. Mariann Budde continues in her previous role as spiritual advisor, and the Rev. Craig van Gelder has returned as consultant. Bronwyn Skov is staff liaison. Not all members of the new group are former BCMS members, however. A January meeting brought together both returning and newly-appointed members of the group, along with others who responded to a call for people with an interest in the continuing mission strategy work. The leadership team is also working to expand the group to ensure that it includes representation from a broad spectrum of Minnesota Episcopalians. The group has been guided in its work by the mission strategy plan that was passed at the October 2007 Diocesan Convention, studying portions of it at each meeting in a manner akin to Gospel-Based Discipleship.

Fred Burnham, retired director of the Trinity Institute, who was already in the Twin Cities for another meeting, met with some members of MSN earlier this winter. "The work going on in the diocese of Minnesota is very significant and is breaking new ground," Burnham told the group.

Spiritual transformation and network building are the two major goals the Mission Strategy Network

will work on this year, Jim told Council. He added that Fred Burnham suggested that the networks have to get going first, and that Fred had said that “Spiritual transformation is a gift that keeps being rechargeable.”

Mission Strategy Network members have determined that the traditional regional divisions may be an outdated paradigm for this type of work. For example, the people of Region 3 noted that they do not fit into any of the usual north/south/central classifications. Jim noted that there are good networks that already exist, giving faith formation, Teens Encounter Christ (TEC), the Department of Indian Work, and Total Ministry congregations as just a few examples. He asked that other suggestions be sent to him.

Council members reported on work in their regions and offered some suggestions for other networks. Canon Missioner Bronwyn Skov noted that she was very excited to hear this conversation, as much of this work is what the canon missionaries have been trying to do. She expressed the hope that the Mission Strategy Network would also be in conversation with the Bishop Search Committee. The Mission Strategy Network plans to present regular reports to Diocesan Council throughout the year.

Following prayer, Council adjourned for lunch. Martha Beckwith, a member of Ascension, offered a tour of the church after lunch.

Council’s afternoon session began with two reports. Stacy Abena noted that continuing this journey of inviting diocesan-related organizations to report to Council helps to learn more about the role and work of the bishop in the diocese, especially in anticipation of electing a new bishop in 2009.

EPISCOPAL HOMES: MARVIN PLAKUT

Marvin has been CEO at Episcopal Homes for ten years. “Connecting with the Episcopal Church felt right from Day One,” he said, noting the fairness, welcome, opening, and inclusiveness he has felt. Marvin presented the attached report and answered a few questions from Council, noting in particular that EH strives to serve moderate to low income seniors with a full continuum of services. “You are a big part of what is happening at Episcopal Homes,” Gary Gleason said. “Thank you for what you have brought to the name ‘Episcopal’ around Minnesota.” Marvin was thanked with applause.

HOUSE OF PRAYER: WARD BAUMAN

Ward is Director of the House of Prayer. He noted that he is aware that the House of Prayer is kind of a secret. People may go for retreats on occasion, but many are unaware of its other activities. His report is attached.

TRUSTEES: MALCOLM McDONALD

The Trustees are taking steps to “break even” on their budget. This work consists of several parts: generating revenue from investments, controlling expenses necessary for performing Trustee’s work, renting open space in the Episcopal Center building, and effectively managing mission real estate.

Trustees thanked Council for passing a resolution in February concerning insurance minimum requirements for churches in the diocese. The Joint Finance/Audit Committee of the Diocese and Trustees met last week, and all feel they are on the same page now. The Trustees need to increase participation in the Pooled Investment Fund, and need to find a way to reach out to churches and diocesan entities that are not participating.

In real estate news, Malcolm stated that the Trustees are engaged with Gethsemane, Minneapolis in some repair work. Gethsemane is currently involved with the repair and replacement of its heating

system. Installation has begun of new boilers in the church and in the parish house.

Church buildings currently for sale this year are St. Edward's in Duluth and St. John's in Hutchinson. The Trustees continue their work with Episcopal Community Services on Cass Lake Episcopal Camp, but the Trustees must still pay the camp expenses. Malcolm reported some construction work is now taking place in the UEC's former space to ready it for occupancy by the University of Minnesota. Malcolm added that the consultation work by Sarah Harris has been very helpful in this area, and could serve as a model for similar work.

RETURN TO TRANSPARENCY ISSUE

Stacy said she understood that there is the expectation that reporting of individual compensation information would be continued beyond the March Council meeting. "As a finance committee member, I will carry that back to the committee," she said, adding that the numbers are not likely to be terribly dynamic. "I want to bring a conclusion that is satisfactory to all," Stacy added.

The meeting closed with a prayer for social service.

The meeting was adjourned at 2.16 pm.

Respectfully submitted,

Gary Gleason
Secretary of Council

Susan Barksdale, recorder

CINCINNATUS

STRATEGY • LEADERSHIP • SOLUTIONS

March 1, 2008

To: Gary Gleason
Stacy Abena
Aron Kramer

From: Sarah Strickland

Re: Mutual Ministry Assessment Project for Gethsemane

Thank you for the opportunity to offer my services to the Diocesan Council, Gethsemane and the people serving this mission and ministry. I have talked with Aron and below I offer my best sense of a process that will accomplish the goals that the Council and Aron share. I hope this meets your expectations and I look forward to starting the project.

The assessment goals are to:

- Determine the resources, support and systems that will help Aron and Gethsemane succeed.
- Conduct a financial review and determine realistic goals for the future.
- Understand the consequences if the financial benchmarks are not met.
- Determine how the Council can contribute to achieving the revised Gethsemane plan.
- Revisit the assumptions for urban parish development – what are the development trends, the tactical needs and resources?
- Understand what is changing in people's lives because of the Gethsemane mission.
- Prepare a set of assumptions and priorities that will guide the work of the Council and Gethsemane leadership over the next three years.

The assessment process has five parts.

Part I: Information Review and Interview Preparation

Collect and review all relevant financial, ministry and program documents to provide context for the assessment. Clearly understand the current operating assumptions for the mission. Meet with Gary, Stacy and Aron to finalize the project deliverables, process, interview goals and topics.

(Time Estimate – 4-6 hours)

Part II: Gethsemane Interviews

Conduct 4 group interviews with Gethsemane leadership

(1) Aron and the Wardens (2) Missional members (3) New young adult members (4) Long-standing members.

(Time Estimate – 10-12 hours)

Part III: Diocesan Council and Key Stakeholder Interviews

Conduct 5 interviews with individuals or groups

(1) Bishop Jelenick (2) Stacy and 1-2 selected Council members (3) BMSC co-leads Jim Huber and Daniel Pearson (4) 1-3 Trustees (5) Other key stakeholders as selected

(Time Estimate – 12-14 hours)

Part IV: Diocesan Council & Gethsemane Leadership Retreat

A one-day retreat to review the report findings, set the mission assumptions and three-year priorities.

(Time Estimate – 12-15 hours)

Part V: Retreat Report Preparation and Presentation to the Diocesan Council

(Time Estimate – 10 hours)

Project Fees

Fee Range: \$150 - \$200 per hour

Proposed Project Fee: \$150 per hour

Project Time Estimate: 48 - 57 hours

Project Estimate: \$7200 - \$8550

Project Timetable

The final timetable will be finalized. The Diocesan Council retreat is June 4-5th. Every effort will be made to take advantage of this pre-scheduled meeting to help meet the project goals.

Thank you again for the opportunity to work on behalf of the Episcopal Dioceses of MN. I will call you on the 11th to see if there are questions or additional information I can provide for your meeting on the 13th.

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Faith Based and Mission Driven Since 1894

It all began 114 years ago with the founding of Episcopal Church Home by **Sister Annette Relf**, a nurse and Minnesota's first Episcopal Deaconess. While Sister Annette received the bishop's blessing to proceed with her endeavor, the Church Home was financially independent of the diocese. Episcopal Homes remains so to this day.

Our mission is to enhance the quality of life for senior adults by providing homes and services that support each individual's physical, social and spiritual needs. We have always been open to all.

The original Episcopal Church Home was a rented home in Saint Paul. It served four residents. The Church Home moved to its current location in the 1920's, where it grew from a single large home to a large home with a large wing. The Church Home expanded to the current 126-bed facility in 60's and 70's.

The Episcopal Church Home Board developed **Becketwood**, a 210-unit senior cooperative. Becketwood opened in 1986 and remains one of Minnesota's largest, most successful senior cooperatives. Episcopal Homes has provided management services from the beginning.

Because providing **Assisted Living** is consistent with our mission, **Iris Park Commons** was added in 1992

The **Rt. Rev. James L. Jelineck** has been an Honorary Episcopal Homes Board Member since 2001.

It is implicit in our mission that limited income needn't mean limited quality of life. For that reason, we built **Seabury**, subsidized affordable senior housing, in 2002. **Iris Park Commons** was also expanded that year.

It is implicit in our mission to serve senior adults who require short-term rehab following hospitalization, so we transformed the Church Home's third floor into a **Transitional Care Center**.

It is implicit in our mission to serve independent senior adults who seek security and community, so we completed our campus with **Cornelia House** (named for Cornelia Whipple) in 2005. Adjoining Cornelia House is **Coventry Chapel**, which was dedicated and consecrated by Bishop Jelinek on October 17, 2005. Holy Eucharist is celebrated at Coventry Chapel every Thursday morning, and concerts for the entire campus community are held there every month.

Episcopal Homes received **six Excellence Awards** from a variety of civic organizations between 2002 and 2006. The U.S. Department of Housing and Urban Development (HUD) officials proclaimed **Seabury** to be *"the finest HUD 202 project in the nation."*

In response to the need for affordable senior housing in the University-Lexington neighborhood, we built **Carty Heights** (named for Father Denzil Carty). It opened in November 2007 as a full house with a waiting list. It is the first HUD residence in the nation to employ energy-saving *geothermal heating and air conditioning*.

At present, we are investing over \$10 million in Episcopal Church Home. In addition to totally renovating the building, we are revolutionizing what it means to be a nursing home. When work is completed later this year, the Church Home will be divided into six resident-directed **Household Communities**. It is a model of care in which the physical and cognitive status of many residents actually improves.

All Episcopalians can be justly proud of Episcopal Homes and the mission it serves.

The Episcopal House of Prayer Collegeville, Minnesota

OUR VISION: The VISION of the House of Prayer is to be a ministry of spiritual transformation at the heart of the Episcopal Diocese of Minnesota.

OUR MISSION is:

- ~ assisting in the ongoing work of discerning God's voice, both within ourselves and in the world.
- ~ providing guidance in the search for wisdom
- ~ teaching forms of contemplative prayer
- ~ offering training in the inner work of the spiritual Life

BOARD COMPOSITION: Bishop, ecumenical spectrum, monastic

WE SERVE: an interfaith group of people from across the U.S. and Canada, mostly within Minnesota.

- ~ weekend groups are full, with many turned away
 - ~ church groups, educational groups, spiritual life groups, medical related groups
- ~ weekday groups are busy and often fill the calendar
 - ~ schools, churches, spiritual life, corporations
- ~ HOP program: 12 or so retreats a year
 - ~ four week-long (Wisdom Schools, Kenosis, Benedictine)
 - ~ 8 or so, weekend, Yoga, Recovery, Mid-life, Food, Silent

HOUSE OF PRAYER IN THE CITY: We offer weekly classes, contemplative arts, yoga, etc. Serving many outside "organized" religion and on periphery of church. Many seeking spirituality without an organized faith.

FINANCES: Our yearly budget (2007) is approximately \$200,000

- ~ revenue taken from program approximately \$93,000
- ~ revenue from annual gifts approximately \$81,000
- ~ transfer from investment funds approximately \$25,000