

## Notes from Special Diocesan Council Meeting of July 24, 2008

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Subject: UPDATE on 24 July 2008 Diocesan Council Meeting

Date: Wed, 6 Aug 2008 14:10:49 -0500

Grace and peace be with you!

**The Diocesan Council met at St. John's Episcopal Church in Mankato on Thursday, 24 July 2008.** Those present were John Robertson(4), Rex McKee(7), Mark Kelm(6), Martha Beckwith(6), Gary Aamodt(8), Carole Johnson(1), Bill Van Oss(2), Doug Franzen(7), Stacy Abena(9), Susan Dusek(2), Andrew Waldo(9), Chuck Johnson(4), Pat Dibble(5), John Husband(3) and Doug Sparks(5). Malcolm McDonald (representing the Trustees) and Bill Gray (representing Diocesan Finance and Audit Committee – DFAC) were also present.

**In consultation with Bishop Jelinek and with his permission, Canon Gleason and other members of the Steering Committee decided to have the council meet without members of Diocesan Staff present.** This decision was communicated to members of council electronically and we spent some time in discussion about how the process of this decision as we gathered.

We then engaged in **scripture reflection using the process included in Gospel Based Discipleship.**

The next item on the agenda was **to recognize a transition in leadership.** Stacy Abena has served as First Vice President of the Council for two years. Bishop Jelinek appointed Doug Franzen to serve as First Vice President of the Council. We spent some intentional time focusing on this transition in leadership, thanking Stacy for her leadership and service and recognizing Doug in his new leadership position on the council. Doug spent some time sharing his hopes and concerns and expectations with us as members of council.

We then discussed some ground rules for our sharing throughout the day.

In the absence of a Clerk, Doug called for **a volunteer recorder. Pat Dibble agreed, after a "notable" pause.**

We then **approved the agenda for the day and the minutes from June Council meeting.**

**Members of the council were asked to give their initial reactions to the proposed 2009 DFAC Budgets A & B.** There was support for the extensive narrative that DFAC included in the budget. Concern was raised over the "us versus them" context in some places especially in reference to metro vs. out state congregations. ACG is not just a metro issue. Members of council expressed appreciation for the courage of DFAC in presenting two budgets and especially in preparing Budget B in response to the Financial Summit and both 1 and 15 July Hearings. Some members were not comfortable in a mandatory across the board 10 % cut expressing their desire to continue to support Congregational Development, DIW, Work of the Diocese and Mission beyond the Diocese. Many other sentiments were expressed, recognizing the challenges of rising fuel costs, and other uncertainties inherent in our life as a diocese.

**Bill Gray and Stacy Abena, (members of DFAC) then gave a summary presentation of the process of DFAC arriving at the current proposals of Budgets A & B.** Budget A includes a .5 % increase of ACG to cover the MSN expenses for 2009 and a 1.5 % one time ACG Relief which has a bottom line of \$ 2,545,216 ( \$91,000 less than 2008 budget - \$ 50,000 coming from not paying our full assessment to the National Church). Budget B was arrived at by DFAC in response to the concerns raised at the Finance Summit and both hearings in July which takes the 2008 Budget, cuts each department costs by 10 % and adds .5 % ACG to cover MSN expenses for 2009 and a 3.6 % one time ACG relief which has a bottom line of \$ 2,373,108. They also shared other information regarding no COLA increases, flat budget since 2004 and some staff reductions. **DFAC recommends Budget A to the council.**

**We broke for lunch.**

After lunch, **we received a report and Management Letter from Mr. Daryl DeKam of Virchow Krause regarding the 2007 Audit Report.** We received the most favorable report they can give. After some fruitful discussion, a motion was made to accept the audit and management letter. The motion passed.

We then **resumed our discussion regarding the DFAC Budgets.** Doug Franzen asked us to identify any commonalities we heard as we listened to one another. Members of the council expressed these commonalities:

1. 1. Sense of common support for areas of mission, DIW, congregational development and work of the diocese. These should continue at the current funding levels.
2. 2. Have the diocese more involved in working with congregations; thus encouraging their financial support as well.
3. 3. Concern that a mandatory across the board 10 % cut did not seem equitable.
4. 4. Bottom line Budget B agreed on, not each category.
5. 5. Continue paying 100 % to the National Church.
6. 6. Incorporate the cost of MSN into the budget, not separate funding. We need to move forward and beyond in our reductions.
7. 7. Compassion for congregations that are struggling financially. Need smaller overall budget. We need to be honest about who we are and the size of the budget we can sustain before we call the next bishop so that he/she is not in a difficult position from the beginning.
8. 8. Talking about ½ of what we spend and ½ of what we take in. Keep in consideration the totality of what we have. Be thoughtful of all the moving parts and what all of the implications of change are.
9. 9. Heard great awareness of work that the we are doing in the context of MSN and a new bishop and that we do that in a realistic framework. Narrative is intended to be a helpful guide and that we continue to help guide it.
10. 10. More concurrence with Budget B; perhaps move immediately to Budget B.
11. 11. Move on to Budget C, D or whatever that might be.

The discussion continued regarding issues of salaries, increases given by the bishop outside the budget passed at convention, concern over the fact that both Budgets A and B include and assumption that \$ 100,000 of ACG will not be paid.

**A motion was made to adopt the bottom line of Budget B (\$2,373,108) with the following exceptions: no reductions in DIW, congregational development (staff), work of the diocese or mission beyond the diocese. The motion was seconded and we moved into discussion.**

**A motion to go into executive session for the purpose of discussing the implications of this motion was made. This motion was seconded. A friendly amendment to limit discussion in executive session to the issue of personnel was adopted. A Roll Call vote was called for regarding the motion to go into executive session: Results 10 yes; 4 no.**

We moved into executive session. After some time, we moved out of executive session. Continued Budget discussion. **A request was made to redirect the motion with a friendly amendment. FRIENDLY AMENDMENT: Motion to direct DFAC to complete a detailed budget by our September meeting using the bottom line of Budget B (\$ 2,373,108) with the following exceptions: no reductions in DIW, congregational development (staff), work of the diocese or mission beyond the diocese. The motion was seconded. The motion passed unanimously.**

**A motion was made to recognize DFAC for their fine work. The motion was seconded. The motion passed unanimously.**

**The council meeting adjourned at 4:07 p.m.**

Pat Dibble served as RECORDER for the council and I received a copy of the summary minutes which I used to prepare this report to send to you. I believe it accurately describes the discussions and actions of Diocesan Council. If you have any questions, please call me or Pat Dibble or any other member of the council who was present for further clarification.

I am only attaching the June Council Minutes which we approved.

**Our next meeting is on 16 September 2008 at St. Martin's by the Lake in Minnetonka Beach.**

Every blessing,

***Doug***

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**"Be the change you want to see in the world"**  
*Mahatma Ghandi*