

**SAINT MARK'S CATHEDRAL
VESTRY MEETING MINUTES**
January 23, 2007 – 6:00 to 8:30 p.m.
St. Nicholas Building – Room 216

Vestry Members Present:

Betsy Greenman, Bp. Rep.	LaVerne Hall	Tracy Garland, Treasurer
Robert Taylor, Dean	Michele Hasson	
Carol Hoerster, Senior Warden	Ben Porter	Staff:
Jordan Gross, Junior Warden	Diane Stevens	Ryan Marriott
George Robertson, Junior Warden	Randy Urmston	Karen Scott
Barbara Erickson, Clerk	Judy Whetzel	Absent:
Greg Davis	Herb Williams	Miller Adams
Connie Espe		Larry Clarkson

Call to Order

Dean Taylor called the meeting to order at 6:00 p.m. and extended apologies from those unable to attend. He reviewed the Agenda, noting copies of the following at each person's place: Revised Agenda, Revised Vestry Resolutions #FI-07 and #GO-05, and minutes of the MPTF Executive Committee meeting on January 2.

Spiritual Reflection

Dean Taylor spoke of the state of being "unfinished," and the importance of being who we are, even in our "unfinished-ness." He quoted James Carroll, who spoke recently at Trinity Church in New York City and emphasized how all of us are unfinished. The Dean recommended the reading of the first few chapters in the Book of Jeremiah, where Jeremiah struggles to understand God's plans for him, in spite of his feelings of incompleteness. Robert referred to the unfinished Cathedral as a metaphor of how all of us are unfinished, and yet we are called to do the work of the life and mission of Saint Mark's Cathedral. He offered a closing prayer.

Action Item

Consent Agenda

The Vestry accepted the Consent Agenda of the following:

- Approval of Minutes of December 5, 2006 Vestry Meeting
- Receipt of Reports/Notes/Minutes of Meetings of Vestry Committees
 - Finance Committee meeting notes – 12/05/06
- Receipt of Diocesan Council Reports for 11/05/06 & 12/04/06

Reports/Discussion

Dean's Report

Staffing

1. Mary Coon has accepted the position of Vice Dean/COO and will return to the Cathedral staff beginning on Tuesday, February 20, 2007.
2. Karen Scott, the Dean's Executive Assistant, will leave her position in early March. The position has been posted with the hope of finding a replacement for Karen in time for her to help train the new person.
3. The Director of Development position is posted.
4. Robert reported that there was a staff in-service day in December on communications, led by Steve Forman.
5. There will be another staff in-service day in the spring.
6. The staff heard a budget presentation today (1/23) reviewing end-of-year figures for 2006 and looking at the 2007 budget being presented to the Vestry at this meeting.
7. Robert announced that the annual staff party, which he and Jerry host each year, will be held at their home on Tuesday, January 30.

Important happenings at Saint Mark's

- Robert highlighted the current Arts at Saint Mark's show in the Nave, featuring paintings and textile art from Eastern Zimbabwe. The pieces include photos and biographical information about the artists and are selling quickly. Proceeds will be returned to the artists, to be used for a clean water project, the rebuilding of their fragile houses, transportation to medical care, and caring for AIDS orphans.
- Robert reported that a group of 90 high schoolers and 25 adults from around the Diocese, known as the HYC Conference, spent a week-end at the Cathedral. Robert expressed appreciation for Cindy Spencer's coordination of the event.
- Robert noted two opportunities for hospitality and fellowship which Sue Reid has fostered at the Cathedral: a monthly Sunday brunch following the 8 o'clock service, with a clergyperson joining the parishioners, and the greatly increased attendance at Wednesday evening suppers.
- Tent City3 returns to the Cathedral on Saturday, February 24, for its eighth stay at the Cathedral, this time for ten weeks, ending the first week in May.

Community Connections

- Robert noted that it was the Annual Week of Prayer for Christian Unity. Held at Saint Mark's in 2006, it will be held this year at Saint James Cathedral on Tuesday, January 24.
- March is National Women's History Month, and Mount Zion is sponsoring an event which LaVerne Hall is spearheading and in which Ann Redding is participating.
- Robert announced that on the weekend of January 27-28, an event titled "Guiding Lights" will be held at Seattle Center, consisting of 36 workshops on leadership and mentoring, and Robert will lead one of the workshops.
- Robert reported that people from Saint Mark's will be involved in two rallying days in Olympia during February. The first is a rally advocating for homelessness and housing issues on February 1, and the second is on February 26, the Equality Day Rally. Robert will be a speaker at the Homelessness Rally.

Dean's Nomination of Community Representative (#P-06-GO-05)

Each year the Dean appoints, with the advice and consent of the Vestry, a person from the community to serve on the Vestry for a three-year term, which results in three community members serving on the Vestry. Dean Taylor presented Proposed Vestry Resolution #P-06-GO-05, which approves the Dean's appointment of Margaret Rothschild as Community Representative to the Vestry for a three-year term beginning in March 2007.

Vestry Resolution #P-06-GO-05 was moved, seconded, and passed unanimously.

Senior Warden's Report

Nominating Committee Report

Senior Warden Carol Hoerster reviewed the annual Vestry election process. Those completing their terms include Larry Clarkson, Community Representative; George Robertson, Diocesan Representative; and Judy Whetzel, Vestry member, who are completing three year terms, and Greg Davis and Ben Porter completing one year terms to which they were appointed when former Vestry members resigned before the end of their terms. Sam Fleshman from Tacoma was elected at Diocesan Convention to be the new Diocesan Representative, and Margaret Rothschild, appointed by the Dean, will be the new Community Representative. Elections of new Vestry members from Saint Mark's will take place at the Annual Meeting on February 25. The candidates' forum will be on February 4 at the 10 o'clock Faith Formation hour in Bloedel Hall, at which time copies of the Election Brochure will be available. Susan Lewis, a candidate listed in the brochure, has found it necessary to withdraw, due to illness in her family. As a result, the candidates for Vestry are Paula Clapp, Susan Knirk, Paul Johns, Bob Muglia (replacing Greg Davis), and Ben Porter.

Mutual Ministry Review

Carol reported that with 13 copies of the Mutual Ministry Review completed and the final two expected, there would be 100% participation. Results will be synthesized and presented at the February Vestry meeting.

Volunteers for Wednesday, March 14, evening meal

In response to the opportunity offered by Sue Reid for Saint Mark's groups and ministries to join in fellowship at the Wednesday evening meal by participating in set-up and clean-up, Carol chose March 14 as the Vestry's evening to participate. Barbara Erickson, Randy Urmston, Diane Stevens, and Herb Williams volunteered to join Carol in responding to this opportunity.

Schedule of Vestry and Vestry Committee Meetings 2007-2008

Carol requested that Vestry members review the draft calendar of Vestry meetings and Vestry Committee meetings for Vestry Year 2007-2008, included in the Vestry email packet, and let Karen Scott know of any conflicts or discrepancies. The calendar will be presented for approval at the February Vestry meeting.

Treasurer's Report

Proposed Vestry Resolution #P-06-FI-07

Treasurer Tracy Garland presented a resolution seeking Vestry approval of an unrestricted \$20,000 gift from Camilla Munson, to be deposited in the Saint Mark's Endowment Fund 16-A. The Resolution was moved, seconded, and passed unanimously. Betsy Greenman, the Bishop's Representative, reported that Camilla had donated a similar gift to the Diocese.

Milliman, Inc. Third Quarter Report

Tracy distributed copies of the Milliman, Inc. Investment Performance Report for Saint Mark's investments, as of September 30, 2006. Tracy gave a guided overview of the essential pages of the report, noting that investments supporting the Cathedral total \$4,325,000, of which approximately \$2,100,000 is controlled by the Cathedral, \$1,055,000 by the Cathedral Foundation, and \$1,170,000 by the Diocese in the Hodges Fund. The Report provides a list of investment accounts held for the Cathedral, and a spreadsheet showing performance compared to benchmarks; the Cathedral's investments have performed well over the past year. In addition, there is a percentage allocation chart indicating what percent of total investments is in US Equities, International Equities, Fixed Income, or Cash. Tracy noted that the Finance Committee reviews the quarterly investment reports, and if asset allocation percentages vary from the Cathedral's Investment Allocation Policy, adjustments are made.

Finance Committee Chair George Robertson and Tracy indicated that the fourth quarter report from Milliman will be the final report from that firm. The Cathedral, the Cathedral Foundation, and the Diocese are contracting with US Bank for their investment custodial services, due to the fact that Milliman no longer has a local office and US Bank is offering broader services at a lower cost than Milliman had been providing. US Bank will provide reports similar to the ones the Cathedral has been receiving from Milliman.

George and Tracy made clear that the services of Milliman and US Bank are not investment management services; they are investment performance reporting services.

Planned Giving Statement

Development Manager Ryan Marriott presented a statement titled, "Saint Mark's Cathedral Vestry Statement on Planned Giving," which expressed the Vestry's support of legacy giving to the Cathedral by Vestry members and by all members of Saint Mark's Parish. Ryan reported that there is a recently re-activated Planned Giving Committee consisting of Kathy Sodergren, Sandra Hernshaw, Dick Blount, Carl Knirk, and Roland Yancey representing the Cathedral Foundation. The Committee is staffed by Ryan and his assistant, Sara Collins. Ryan referred to the pie chart on page 18 of the Narrative Budget, which illustrates the small amount of revenue available for the Operating Budget from endowment income, only a small part of the 10% of the 'Other' category. Most large churches and cathedrals have sizeable endowments supporting them, which is currently not the case at Saint Mark's Cathedral.

Discussion and comments following Ryan's presentation supported the importance and integrity of planned giving. The Statement will be put in the form of a resolution and re-presented to the Vestry in February or March. Also, the Planned Giving Committee will continue to develop publicity and educational opportunities aimed toward raising general awareness in the Saint Mark's and Diocesan communities about the appropriateness and simplicity of legacy giving.

Master Planning Update

Master Planning Task Force Co-Chair Judy Whetzel reported that during December and January only the Task Force Executive Committee met. The full Task Force will meet again on February 26, after the new Vice Dean/COO, Mary Coon, is on-board. The Task Force will be moving toward developing a case statement and conducting the feasibility study. The feasibility study will be started once the Development Director position is filled.

In preparing to do the case statement, Task Force members have been looking at the actual physical structure of the Cathedral and beginning to assess what the needs are and what is possible. For example, there is a need for an elevator in both buildings. Judy observed that the question becomes ‘what is feasible?’

Judy expressed appreciation to the Vestry for approving the feasibility study the Task Force will oversee.

“The Main Thing” – 2007 Operating Budget

Operating Fund Preliminary End-of-Year Report of Budget vs. Actual Totals, December 31, 2006

As introduction to discussion of the proposed 2007 Operating Budget, Finance Committee Chair George Robertson distributed copies of the preliminary 2006 Operating Budget End-of-Year Report. Emphasizing that the final year-end figures may differ with this report, George noted that preliminary figures show the year ending with expenses exceeding revenue by \$60,000. Both Pledges and Gifts & Grants came in under-budget. Expenses were also under-budget, primarily due to open staff positions. Overall, the deficit was less than previously predicted, largely due to special efforts to request major gifts, and to several generous gifts from Vestry members and others, and also due to the many phone calls by Ryan and his assistant to previous pledging households who had not yet pledged.

2007 Annual Campaign Update

Because the Operating Budget depends heavily on pledge income, Development Manager Ryan Marriott distributed copies of the updated 2007 Annual Campaign report, which indicated that the number of pledging households was lower than the comparable period of the 2006 Campaign. Also, the percentage received to-date of the stated dollar goal at 77.67%, is lower than 2006. At the same time, the average pledge increase is 25.9%, which indicates that those who have pledged have been unusually generous.

Ben Porter and Susan Payne, 2007 Campaign Co-Chairs, together with a friend of Susan, made over 230 phone calls toward the end of 2006 to people who had not pledged to-date. The calls not only resulted in many pledges being submitted, but also resulted in being important to people in a pastoral way. Additional calls are planned to those who pledged in 2006 but have not pledged as yet for 2007.

The figures and categories which Ryan provided on the Campaign Summary sheet, stimulate attempts at analysis of the Campaign and illustrate the importance of such information for conducting annual campaigns.

Ben expressed the opinion that the Annual Campaign should be ongoing throughout the year in addition to the intense, focused period of the Campaign in the fall.

Proposed 2007 Revenue

George Robertson distributed copies of the 2007 Operating Budget proposed by the Finance Committee.

Of the three budget alternatives prepared by the Finance Committee for 2007 – one with lower revenue, one with moderate revenue, and one with higher revenue – the Committee considered the middle budget to be most prudent and feasible, and the one the Committee is recommending to the Vestry. This budget proposes total revenue of \$2,300,000, which is virtually identical to the budget for 2006, with some variation between specific revenue items. George considers the \$2,300,000 revenue goal to be conservative and do-able.

The two main revenue items are the Annual Campaign (\$1,225,000) and Gifts & Grants (\$485,000). Ryan distributed a sheet titled, “Annual Stewardship Campaigns, Historical Data (1999-2007),” which included graphs and a spreadsheet showing trends at Saint Mark’s in pledges made, pledges received, and average pledges. For each of the years, at least 95% of pledges made were actually received. Therefore, the \$1,225,000 budgeted for 2007 is 95% of \$1,289,000, the actual goal for the 2007 budget. Based on the fact that, to-date, pledges for 2007 total \$1,150,000 and there are still approximately \$170,000 in 2006 pledges that have not been renewed, Ryan expressed confidence that with some of those pledges renewing as a result of personal contacts yet to be made, and with pledges from 2007 newcomers, the \$1,289,000 is realistic.

Dean Taylor spoke from a spreadsheet which Ryan distributed, titled, "Gifts & Grants Requests, OPERATING BUDGET." This document listed proposed and already-pledged gifts and grants for the four years 2007-2010. The column for 2007 totals \$524,800, with \$152,800 already pledged. Robert noted how different 2007 already is from 2006, when the major part of the gifts were not raised until the fall. With over \$150,000 already pledged, Robert is confident that the \$485,000 budgeted amount for gifts & grants is feasible and prudent.

Proposed 2007 Expenses

George explained that the expense portion of the budget for 2007 is based on the 2006 expense budget with adjustments. The largest single expense item is Personnel, budgeted at \$1,382,000 plus \$69,000 to maintain 2006 levels, including the Diocese's mandated 3.6% COLA beginning on September 1. Non-personnel items total \$848,000 plus \$34,000 to adjust for inflation. Total expenses total \$2,333,000, which exceeds revenue of \$2,300,000. To bring the budget into balance, certain adjustments will be made to expenses. For example, a portion of certain staff position compensations will be absorbed by the Capital Campaign Operating Budget, the Repair & Maintenance budget will be increased over 2006, and there will be a \$90,000 reduction in expenses to be determined by the Dean.

Capital Campaign Operating Budget

The Dean presented a document listing the amounts and status of current Gifts & Grants Requests for the Capital Campaign Operating Budget. Spread over the four years 2007 through 2010, the list of requests totals \$4,120,000 of which \$390,000 has been received. The Dean described the nature and status of various requests. It is from this budget that portions of the salaries of the Cathedral's COO/Vice Dean, the Development Director, and the Dean, and various other capital campaign related Cathedral operating expenses, will be met from Capital Campaign funds, to the extent of their involvement in the Capital Campaign.

Adoption of the 2007 Operating Fund Budget

George Robertson moved adoption of the 2007 Operating Fund Budget; Connie Espe seconded the motion.

The 2007 Operating Fund Budget was adopted unanimously.

Herb Williams recommended that a congregational forum be held to introduce and discuss the 2007 budget.

New Business

Open Mike

Appreciation and Gratitude: LaVerne Hall expressed appreciation for the work involved in producing the 2007 budget and the reports and documents supporting it. Ben Porter was grateful for the opportunity to serve on what seemed to him to be an unusually smoothly working Vestry. And the Dean expressed appreciation for the work of Michele Hasson and others in the development of the Seattle Sculpture Garden.

Diocesan News: Betsy Greenman gave two pieces of diocesan news: 1) the names of final candidates for Bishop Diocesan, to succeed Vincent Warner, will be announced in February; the election will be in May, and 2) Betsy and Bishop Warner went, on January 14, to St. Catherine's in Enumclaw to conduct the liturgy to close a church. St. Catherine's was the first church Vincent Warner visited in this Diocese after becoming Bishop.

Closing Prayer/Adjournment

The meeting adjourned at 8:30 p.m. with a reflection/prayer read by Diane Stevens from a book by Rabbi Chaim Stern, titled, *Day by Day: Reflections on the themes of the Torah from Literature, Philosophy, and Religious Thought.*

Respectfully submitted,

Jean S. Greene
Assistant Clerk to the Vestry
St. Mark's Cathedral Vestry Minutes, January 23, 2007

Barbara Erickson
Clerk of the Vestry