



**JANUARY
VESTRY MEETING**
Tuesday, January 27, 2009
Northup Room; 6-8:30pm

Vestry Members Present

Randy Urmston, Sr. Warden
Margaret Rothschild, Jr. Warden
Sam Fleshman
Carol Hoerster
Phil Haas
Nancy Jacobs
Alan Mack, Bishop's Rep.
Janet McCully
Randy Revelle
Herb Williams
Miller Adams
Dennis Andersen
Terry Brandon
Kathleen Croston

Vestry Members Absent

Bob Muglia, Junior Warden
Bishop Greg Rickel

Officers Present

Virginia Lenker, Clerk
Steve Moen, Treasurer

Officers Absent

John Hoerster, Chancellor

Staff Members Present

Rev. Rebecca McClain, Canon Missioner
Liz Sloat
Rev. Marilyn Cornwell
Mary Coon
Rev. David Mesenbring

Guests:

6 guests

Call to Order and Review of Agenda

Rebecca called the meeting to order. Randy thanked Dennis, Kathleen and Virginia for bringing refreshments. Randy Urmston read "The Goose Story," with observations about the importance of supporting each other and sharing a common direction and sense of community. He led a prayer of thanksgiving for Kate O'Sullivan, a former vestry member who died this month, remembering her work in the parish's healing process last year.

Action Items

The Vestry accepted the Consent Agenda consisting of the following:

- Approval of Minutes of December 2, 2008 Vestry Meeting
- Approval of Minutes of January 14, 2008 Special Vestry Meeting
- Receipt of Reports/Notes/Minutes of Meetings of Vestry Committees:
 - Finance Committee meeting notes – 11/24 (amended), 12/16 (draft), 1/20 (draft)
 - Mission & Strategy Committee notes – 12/11
 - Stewardship & Development Committee minutes – 12/11, 1/8

Canon Missioner's Report

Rebecca began with an update on the work of the Mission and Strategy committee, sharing some proposed mission statements that she has received since the meeting with Rev. Dr. Peter Steinke.

Rebecca distributed Peter's "Next Steps" chart, for addressing the Action Planning Team's (APT) concerns and recommendations concerning Mission, Governance, Communications, and Cathedral/Parish. The APT's report is on the website. Rebecca stressed the importance of honoring Peter's process and addressing the APT's issues in a timely way. After discussion, it was decided that the Mission and Strategy Committee and the Governance Committee, chaired by Bob and Margaret respectively, would oversee the

mission and governance sections. Janet and Randy U. agreed to oversee the communication section until a new Vestry member can take over. Marilyn Cornwell will oversee the Cathedral/Parish section. She announced a 3 part series of Wednesday night forums in February, "Looking Back to Move Forward," which will give historical perspectives on Episcopal cathedrals and Saint Mark's.

Clarifying the mission is the primary task, and will shape all other responses to the recommendations. Committees across the cathedral will discuss the draft mission statement during Lent. Rebecca intends to present the draft mission statement to the congregation before Lent, along with several strategic targets to address over the next 3-5 years.

Rebecca discussed changes in staff responsibilities: the Rev. Marilyn Cornwell will take over Faith Formation. Rebecca hopes the Rev. Sue Reid will oversee Congregational Care, but the sudden death of her husband means that Sue is still discerning "what next". (A celebration of Paul Buche's life will be held in Skinner Theater.) Liz Sloat will take over Communications from Elsie Dennis and Sean Horner, who served on an interim basis.

Rebecca has reorganized cathedral leadership into three parts: Mary Coon will take on a new position—title yet to be determined--- to oversee finance and stewardship. Rebecca will handle vision, overview, and governance. A new "clerke of the works" position will focus on hospitality, communications, and the facilities, including action on deferred maintenance issues. She has a candidate in mind.

Reports/Discussion

Stewardship Committee –Randy Revelle, co-chair.

Randy and Rebecca praised the hard work and commitment of committee members Greg Simon, Phil Haas, Randy U, Jo Ann Bailey, Louise Kind, Jean Leed, Penny Reid, Marilyn Cornwell, Mary Coon, Alicia Sands, Betsy Nelson and Becky Morrill: "every single person did their fair share."

The Annual Campaign's (AC) original goals were \$1.35M and \$1.7M. As a reminder, 2008 AC had 519 pledges, for \$1,315,000. Considering the economic situation, this year's goal was decreased for budgeting purposes to \$1.15M. By the official budgeting cutoff date (Sunday, Jan 25, including donations postmarked by Friday, Jan 23), the AC total was \$1,159,838 with 522 pledges.

Governance Committee – Margaret Rothschild, chair.

Margaret reported that the committee is working on clarifying Vestry roles and responsibilities, which will be part of her report at the Vestry retreat. Judy Andrews is helping Margaret on the governance committee while Margaret is undergoing chemotherapy.

Facilities committee – Carol Hoerster, chair

Carol referred to the book of deferred maintenance needs. The committee is prioritizing items, in light of a total cost of about \$1M. Mechanical malfunctioning will come first. Rebecca is helping the committee to evaluate other items that impact hospitality and other mission needs.

Main Thing – Budget 2009

Financial Committee – Phil Haas, chair

Phil distributed two versions of the budget. The 'Finance View' showed columns on 2007 actual, 2008 budget, 2008 forecast, 2009 status quo (original goals) and 2009 proposed revenue and expenses. The 'Stewardship View' separated revenue and expenses into three categories: programs and support, church in the world, and deferred maintenance. Randy R and others advised breaking out facilities and outreach because those are especially appealing areas for donors for major gifts and grants. Phil noted that two major grants for church in the world, which fund about half of the total expenses for that category, will expire at the end of 2009. The handout also included a detailed staff and salary breakdown, and a list of variable and fixed expenses.

The budget includes one new staff management position and a replacement for Sue Reid beginning in May; it does not include any staff layoffs, salary cuts, or furloughs, and has no salary increases. There are reductions in overtime, and open positions will not be filled. Staff members will not have administrative

assistants. Variable expenses will be decreased by 10%. The St. Nicholas building will be managed by Cathedral staff. Arts at Saint Mark's funding will rely on donations, not the general operating fund.

Historically the budget has been based on 95% of total pledges; however the Vestry, with recommendation from the Finance committee, approved basing the 2009 budget on 97% of total pledges. The operating budget continues to rely on major gifts and grants, a practice which Phil hopes to move away from in the future. \$130K in new major gifts must be raised to balance the 2009 budget. *Saint Mark's Celebrates Seattle (SMCS)* is budgeted to raise \$100K, an increase of \$60K from 2008's event. In addition, the Vestry, as recommended by the Finance Committee, approved a change in the calculation of the Cathedral's investment spending from an average of the previous three year-ends to an average of the previous twelve quarters for the 2009 budget.

There was discussion about increasing revenue from *SMCS* through in-house catering, an honoree who brings in more donations, and the timing not conflicting with events like the Bishop's Bash. Mary reminded the group that many previous *SMCS*'s have netted over \$100K. Carol noted that one of the event's original purposes was to bring in donors who are not connected with Saint Mark's. Rebecca is hopeful that *SMCS* can be a special and successful event even in the midst of difficult times. Steve pointed out that the development manager/ director position remains unfilled, since a major capital campaign is not being planned now.

Steve reiterated the wisdom of paying the dean's severance cost out of the vestry reserve or "rainy day fund". He pointed out that the 2009 expense budget, thanks to the leadership of Rebecca and Mary, is lower than the previous two years. It sends a message to the parish that the cathedral is ready to get working, despite lower dollars from endowments and lower Annual Campaigns results.

A motion to approve the 2009 budget as presented was made and seconded. The motion was approved unanimously, to applause.

Senior Warden's Report:

Randy remarked on the success of the Chinese New Year celebration last night, which was packed.

Saint Nicholas Building update

Mary Coon reported that negotiations on extending Bright Water School's lease are almost complete. The new agreements will allow access to the school's bathrooms when the Cathedral uses Skinner. Three National Church staff (youth ministry, earth ministry, and multi cultural ministry) now have offices on the second floor of Saint Nicholas building. Although they aren't paying rent, their presence is important in our work with the larger church. Several people agreed on the importance of the events that Saint Mark's hosts for the diocese, national church, and community at large. Rebecca assured the group that Bishop Greg is "our advocate" in maintaining diocesan funding of Saint Mark's.

Completion of the remodeling work on Skinner Theater was delayed due to the snow in December and January, however, the space will be ready for the celebration of the life of Sue Reid's late husband, Paul Buche.

Treasurer's Report –*Steve Moen*

At its annual meeting, members of the Foundation board discussed its complex history and changing relationship with the cathedral. Jean Leed is the new board chair, along with officers Roland Yancey (Vice Chair) and Karen Knudson (Secretary). Steve Moen will serve as treasurer to both the Foundation and the cathedral. The Foundation board would like to have a joint meeting with the Vestry to clarify roles and responsibilities, and begin the process of actively working with the Vestry. The Foundation's mission, besides managing and maintaining investments, includes raising funds for Saint Mark's. Board members already serve on Vestry committees. Carol noted that the Foundation has contributed to the Saint Mark's operating fund annually, a total of over \$600K. Steve assured the Vestry that the Foundation board does not recommend how Saint Mark's spends those funds.

The Finance Committee of the Vestry is considering appointing an outside investment advisor by the end of March. Steve explained that the cathedral's and foundation's investment allocations are the ones established four years ago and he and Phil would like professional guidance in these uncertain economic times.

The diocese has changed the way parish assessments are calculated, resulting in a higher assessment for Saint Mark's. The 2008 assessment was \$345,003, and the 2009 assessment is \$394,980. The Diocese offered and the Vestry accepted a phase-in grant over three years to ease the transition to the higher rate. The net 2009 Diocesan Assessment will be \$372,325.

A motion to approve Proposed Resolution #P-08-FI-21 (Diocesan Assessment 2009) was made and seconded. The motion was approved unanimously.

In 2003, Saint Mark's received an \$18K donation from the estate of Patricia Raymond to support the Nicaraguan Education and Health Assistance Project (NEHAP). Ms. Raymond was not a member of Saint Mark's but appreciated its work. NEHAP is no longer an active ministry but has a balance of funds of \$10,643. David spoke on behalf of the Church in the World Coordinating Committee which recommends giving remaining funds to Asociacion Aldea Global in Nicaragua, to establish a microloan fund to support rural women and sustainable agriculture. David and Rebecca agree that this donation will honor the donor's intent and maintain Saint Mark's engagement and interest in that area.

A motion to approve Proposed Resolution #P-08-FI-22 (NEHAP Remaining Funds Disbursement) was made and seconded. The motion was approved unanimously.

In the meantime, Steve distributed Remember the Future: Financial Leadership and Asset Management for Congregations by Rev. Gerald W. Keucher, Financial Officer of the Diocese of New York, which he recommends as an excellent resource for understanding church finances.

Tent City

Judy Andrews explained that Saint Mark's has been asked by Seattle Housing and Resource Effort/ Women's Housing, Equality, and Enhancement League (SHARE/WHEEL) to host Tent City 3 earlier this year than expected. In the current economic climate, the need is great, and there is a waiting list for the 100 person encampment. A group of volunteers, led by the Rev. Helen Harper and Barry Johnson, has come forward to coordinate the visit from Feb. 28-April 26, 2009. Judy recommended that everyone go to the neighborhood meeting to learn more about Tent City.

A motion to approve Proposed Resolution #P08-GO-17 was made and seconded. The motion was approved unanimously.

New Business

The Annual Meeting will be February 22 after the 11:00 service in Bloedel and following a community meal. Randy R, Steve, and Phil will talk with Mary about financial reporting for the Annual Report.

The vestry retreat will be at Camp Huston on Sat Mar 21 - Sun Mar 22.

Closing Prayer

Janet read a prayer from the National Cathedral, asking for God's help and vision.

Adjournment

The meeting was adjourned at 8:30pm.

The next Vestry meeting will be Tuesday, Feb. 24 , 2009 at 6pm. The Annual Meeting is Sunday Feb. 22 after the 11:00 service (approximately 12:30pm).

Respectfully submitted,

Virginia Lenker
Recording Secretary and Clerk

Liz Sloat
Communications Mgr & Vestry Support