



JUNE VESTRY MEETING

Tuesday, June 23, 2009
Council Room, Diocesan House; 6-9:00p.m.

Vestry Members Present

Phil Haas, Sr. Warden
Bob Muglia, Jr. Warden
Margaret Rothschild, Jr. Warden
Randy Revelle, Jr. Warden
Kathleen Croston
Dennis Andersen
Terry Brandon
Nancy Jacobs
Patty Baker
Marge Anderson
John Friedman
Janet McCully

Vestry Members Absent

Sam Fleshman
Bob Kirkman
Alan Mack, Bishop's Rep.
Bishop Greg Rickel

Officers Present

Steve Moen, Treasurer
Virginia Lenker, Clerk

Officers Absent

John Hoerster, Chancellor

Staff Members Present

Rev. Rebecca McClain, Canon Missioner
Alan de Puy, Clerke of the Works
Mary Coon, Director of Abundance
Rev. David Mesenbring
Liz Sloat

Guests

Lee Danecker
Erik Anderson
Jean Leed, Foundation Chair

Call to Order

Rebecca called the meeting to order and introduced the guests.

Spiritual Reflection, Church in the World (CIW) Update

David offered a reflection about Jesus' appearance to the disciples on the road to Emmaus, in Luke 24:13-44, and the transformational ministry of service and being served.

David distributed an updated brochure and organizational chart of Church in the World's ministries. There are seven "legacy" ministries, most of which have been around since David arrived 3 years ago. The Church in the World Coordinating Committee (CIWCC) provides oversight for the legacy ministries and new ministry initiatives. This year CIWCC distributed approx \$30,000 from the general operating fund. Members of the CIWCC serve for 3 years. Paul Ahern and Liz Shea will be the next co-chairs. The CIWCC has worked on defining terms and developing standards, both to encourage new ministries—referred to as 'initiatives'—and to hold those ministries accountable. The newest initiative will be permanent group to support Tent City visits—currently this group is formed anew each year.

Action Items

The Vestry accepted the Consent Agenda consisting of the following:

- Approval of Minutes of May 26, 2009 Vestry Meeting
- Receipt of Reports/Notes/Minutes of Meetings of Vestry Committees
 - Stewardship

Canon Missioner Report

Spending Reduction – staff response

Rebecca and Phil met with staff individually in early June, to discuss cutbacks in hours, furloughs, and layoffs in response to expected revenue shortfalls. Four staff positions (office manager, facilities manager and 2 facilities assistants) were eliminated. Long-time facilities manager Scott Gibson was offered a new 80% position,

or a lay-off package. Scott had not responded to the offer at the time of the meeting. Staff members will decide individually when to take furlough days.

Mutual Ministry review

Rebecca will be meeting with the Bishop and wardens to develop a review document in line with the targets and goals of the new strategic plan. This document will be used as a template for other staff reviews.

Preschool update

The Cathedral Preschool, which is owned by the Cathedral, was started in 1992 as a ministry by cathedral members and used by some of their children. In the past few years, the director has been the only link to the Cathedral. It functions with no Cathedral advisory board or Vestry liaison. Rebecca recommended creating an advisory board and strengthening the preschool's identity as part of Saint Mark's Cathedral outreach ministries. Additionally, the diocese is recommending that the parish preschools across the diocese become separate 501(c)3s. Rebecca also announced that Linda Crisalli, Preschool Director, has resigned. The search for her replacement will begin soon.

Senior Warden Report

Treasurer vacancy

Steve Moen will conclude his service as Cathedral Treasurer at the end of July. Phil noted that Ralph Carskadden, then Priest-in-Charge, appointed Steve in March 2008 to the Treasurer's position to help the Cathedral through a difficult time. Steve, who had held the position for 6 years in the 1980s, was selected because of the trust people had in him. Steve is confident that the clergy and lay leadership have restored trust in leadership and the congregation, and are ready to face new challenges. Phil appreciated Steve's efforts to build a bridge from Vestry to Foundation, by being Treasurer for both groups and encouraging the creation of the Joint Investment Committee. Phil thanked Steve for the gift of Rev. Gerald Keucher's book *Remember the Future: Financial Leadership and Asset Management for Congregations*. The Vestry thanked Steve with a round of applause and bouquet of roses from Marge Anderson's garden, which Steve took home to his wife Kathie since it was her birthday.

Buildings and Grounds report – Alan DePuy, Clerke of the Works

The cathedral has hired a 'green' cleaning service called "My Environment" to clean 6 days/week. Some of their current projects are cleaning the Narthex floor, dusting the Cathedral, and cleaning the Nave floor. Future projects include cleaning the glass screen on the west wall and fixing weather stripping. Ed Carpenter, who designed the screen, will be coming in July to film a movie about his life's work. Recent painting projects include the Nave's east wall under the organ loft, and the conference room. The offices will be painted soon, along with the preschool. Alan has discovered that the cathedral has many storage spaces which need to be cleaned and organized. A consultant will be making an assessment on boilers and mechanical systems and suggest ways to heat Bloedel and offices more efficiently. Alan will also work with the person who originally soldered the copper roof in 1997 to determine its condition. Alan is increasing the downstairs office volunteer corps to be more open and inviting. Discussions are underway with St. Joseph's (Catholic) Church to be a reciprocal church in case of emergency.

Committee Reports

Hospitality, Maintenance and Management Committee – Kathleen Croston, chair

Kathleen distributed a list of committee members, which includes two newcomers and some who have been around for years. The committee is working on priorities, and determining roles and responsibilities in light of strategic goals of hospitality and welcoming. Phil suggested that the Master Planning Task Force would look at long range planning of 5-10 years, the Hospitality committee would address concerns of the next 2-3 years and Alan and staff would see to day-to-day issues.

Nominating/Parish Leadership Committee

The committee, appointed by Rebecca, will be announced in July and in addition to nominations for Vestry and Convention will strive to cultivate new leadership throughout the year.

Parish Finance-Mary Coon

Mary reviewed the Operating Fund Summary as of May 31, 2009; the revenue forecast is based on scenario's reviewed with the Finance Committee and Vestry in May; the expense forecast has been updated to reflect savings from personnel changes (furloughs, reductions in time and layoffs) and costs associated with outsourcing some of that work. The May forecast indicates a loss (dependent on revenue forecast) of \$32,000 - \$170,000. The Finance Committee requested that the Cathedral not take the investment spending amounts (approximately \$50,000) in the approved budget.

The audit will be completed in July. This is the first year that our annual audit includes the Foundation; as a result the audit is taking longer than originally scheduled. The combined audit has necessitated the gathering and reviewing of documents not previously archived in one place. Steve emphasized the importance of consolidating records and bookkeeping (between the Cathedral and the Foundation) going forward, to achieve a level of confidence in the Foundation, which will help in soliciting future donations.

Stewardship – Randy Revelle, chair

The stewardship committee has been updating the database, including merging membership data into the general database for use in the Annual Campaign. Members of 'The Gratitude Project', chaired by Penny Reid, have called all pledgers from the 2009 Annual Campaign to thank them for giving and to invite them to attend a 'Gratitude Gathering' this summer. Randy urged all vestry members to attend at least one of these gatherings.

Randy announced that Jo Ann Bailey has agreed to serve as Annual Campaign co-chair, along with Rebecca and himself. The leadership or 'stealth phase' of the Annual Campaign will start on Sept 10, the public phase on Oct 10, and it will be wrapped up on Dec. 20- five weeks earlier than last year. He is trying to recruit 20- and 30-year-olds to the committee.

Major Gifts has been renamed 'Special Gifts', defined as being in the range of \$5K to \$50K. A sub-committee has identified potential donors—who have a history of giving \$10K or more—to approach before the start of the Annual Campaign. Recently and unexpectedly, 3 parish members approached Randy with a challenge to raise \$200,000 to meet this year's shortfall. They have collectively promised to pay \$30K if the committee raises \$170K.

Jonie and Llew Pritchard have agreed to be honored at *Saint Mark's Celebrates the Saints* on Friday, Oct. 9. It will be an evening gala, with seats set aside for staff and parishioners who cannot afford tickets. The Pritchards requested a focus on the arts. There will be a silent auction and entertainment will include Craig Sheppard, UW Professor of Music, on the piano. The coordinating committee is in the process of being formed.

Finance Committee – Steve Moen

The Joint Investment Committee will be sending Requests for Proposal to professional financial advisors soon. Steve praised the committee's expertise: Bob Moser, chair; Bob Kirkman, Steve, Mary Mullen, Marshal McReal, Mimi Howard, and Mary Dickinson, new Foundation treasurer. The Finance committee is working on addressing the strategic target to create sustainable stewardship.

Foundation Board – Jean Leed, chair

Jean asked people to arrive early to the joint vestry/foundation board meeting to have time to socialize. The agenda will include a facilities tour.

Jean has been reviewing past Foundation minutes and noted it was run "on a shoestring" for many years under Steve Reid's chairmanship. Nan Grayston implemented more structure and policies on spending, investment, conflict of interest, etc. in coordination with the Cathedral's director of development, Lucy Leitzell. Over the past 3 years, reflecting the Cathedral's leadership turmoil, the foundation has been in hibernation mode. Jean reiterated the Foundation's purpose from the beginning has been to support the Cathedral with a focus on the future.

Mary discussed some financial concerns about the Foundation. The Foundation distributes 6% annually (5% to the Cathedral, plus 1% for Foundation operating expenses). Typically, non-profits distribute no more than 5% total. Expenses have grown over the years due to changes in accounting and reporting standards. Current expenses include: \$7900 for audit, \$1000 for directors and officers insurance, and \$9500 for staff costs (\$2500 for

bookkeeper -donated by a former board member- and \$7000 for cathedral staff). The total overhead comes to \$18,400 while revenue (income) from endowments is \$8,000 (1% of endowment). Historically, Foundation board members have made donations to cover operating expenses.

Jean and Phil proposed (and the Foundation Board approved at its meeting yesterday) that John Hoerster chair a Vestry and Foundation Working Group to explore ways to achieve the Foundation's mission in a manner that is sustainable, demonstrates good stewardship and fiduciary responsibility, and works best from the perspective of donors. They will present a work plan and timeline at the joint Vestry/Foundation meeting next week. They will also consult with Clark Nuber, the Consortium of Endowed Episcopal Parishes (CEEP), and others for advice. The Foundation's total endowments are lower than the current value of the Cathedral's total endowments because the corpus has not increased at the same rate. Its original intent was to raise money from the greater Seattle community who want to support its facilities, and over time that purpose was expanded to include enhancing endowments for programs.

Phil believes we are beyond the struggle of "who is in control" and Steve described the two groups as a division of labor, not division of talent.

New Business

Foundation board members and directors

Virginia and Phil circulated a list of foundations to which we might apply for grant support, and asked members to indicate who they know on the list.

Refreshments

Bob and Terry offered to bring refreshments for July's meeting. John, Marge, Mary and Rebecca will help set up the joint foundation/vestry dinner next week.

Closing Prayer and Adjournment

Randy Revelle shared some prayers from a book of prayers and graces that was given to him as a small child. The meeting was adjourned at 9pm.

The Joint Vestry/Foundation dinner and meeting will be Tuesday, June 30 at 5:45pm in Council Room, Diocesan House.

The next Vestry meeting is Tuesday, July 28 at 6pm in Council Room, Diocesan House.

Respectfully submitted,

Virginia Lenker
Recording Secretary and Clerk

Liz Sloat
Vestry Support