



AUGUST VESTRY MEETING

**Tuesday, August 25, 2009
Council Room, Diocesan House; 6-9:00p.m.**

Vestry Members Present

Phil Haas, Sr. Warden(via phone)
Bob Muglia, Jr. Warden
Margaret Rothschild, Jr. Warden
Randy Revelle, Jr. Warden
Terry Brandon
Sam Fleshman
Bob Kirkman
John Friedman
Patty Baker
Marge Anderson
Janet McCully
Eric Anderson

Vestry Members Absent

Nancy Jacobs
Dennis Andersen
Kathleen Croston
Alan Mack, Bishop's Rep.
Bishop Greg Rickel

Staff Members Present

Rev. Rebecca McClain, Canon Missioner
Mary Coon, Director of Abundance

Officers Present

Virginia Lenker, Clerk

Guests

Jo Ann Bailey, Stewardship Committee

Officers Absent

John Hoerster, Chancellor

Call to Order

Rebecca called the meeting to order and offered an opening prayer. Phil attended via conference call from Hartford, Conn. Rebecca and Phil are working with Mary Coon on a transition plan, as she will leave the cathedral staff at the end of the year to join the Clinical Pastoral Program at Harborview.

Action Items

The Vestry accepted the Consent Agenda consisting of the following:

- Approval of Minutes of July 28, 2009 Vestry Meeting (with corrections)
- Approval of Minutes from June 30, 2009 Joint Vestry/Foundation Board Meeting
- Receipt of Reports/Notes/Minutes of Meetings of Vestry Committees
 - Stewardship: 6/25, 7/9
 - Finance: 8/18

Canon Missioner Report

Mutual Ministry Review

Bishop Rickel will suggest some names of consultants to the process.

Interim Treasurer

Jonathan Nicholas, a member of Saint Mark's for about 5 years and a current member of the Finance Committee, has agreed to serve as interim treasurer through the end of 2009. Bob Kirkman referred to Jonathan's extensive finance background and insightful questions at finance committee meetings. He serves on boards of other non-profits. There was discussion about process to appoint a permanent treasurer at the end of the year, and the roles and responsibilities that person will fill.

A motion to appoint Jonathan Nicholas as Interim Treasurer was made and seconded. The motion passed unanimously.

Financial report – Mary Coon

Operating Fund Summary as of July 31, 2009

On the revenue side, YTD gifts and grants and interfund transfers are below budget, as discussed in previous meetings. Plate income is coming in at 80% of budget, which is better than earlier in the year when it was 50% of budget. Forecast A (“most likely”) projects total year end revenue at \$1.8MM. On the expense side, savings from furloughs, reductions in hours and staff reductions are forecast to be approx \$222K. Forecast A projects a year end deficit of \$63K.

Cathedral’s balance sheet as of June 30, 2009

Mary reviewed the Cathedral’s balance sheet with the Vestry. Assets total \$12.4MM and liabilities total \$2.3MM resulting in net assets of \$10.1MM. Mary remarked that it is necessary for the Cathedral to have a strong ratio of assets to liabilities, because the assets do not generate a significant cash flow.

Average Sunday Attendance

Mary reported that average August attendance has increased over 2008 and returned to 2007 averages. (Average attendance in August 2008 was 340 people; in August 2009 it had risen to 365 people).

Pledge Update for current year,

Mary reported that total pledges for 2009 Annual Campaign were \$1.15MM. Subtracting \$11K in write-offs, net pledges are \$1.14MM. That represents a \$45K cushion for future write offs between now and the end of the year. In addition, some pledgers have added employer matching funds totaling \$14K. (Employer matches are not added to pledge totals until the money is received, though so far they have been coming in as expected.) It is helpful when pledgers call to request changes to their pledges for any reason, because it assists in accurate forecasting.

Bright Water School

Mary is in discussions with leadership from the school who are interested leasing basement space for a woodworking shop.

Audit Preview

Clark Nuber will present the audit at next month’s vestry meeting. The meeting will be moved to Skinner Theatre to accommodate members of the foundation board, joint investment committee, and finance committee who will be invited. The auditor doesn’t have major comments about the Cathedral’s management. The auditors recommended that the Cathedral’s balance sheet should include the Hodges Fund (approx \$1MM) as an “asset held by others.” The Foundation’s assets are approx \$870K. Approx \$600K in assets were transferred from the Cathedral: \$400K from the sale of the Greenbelt and \$200K from Century II. The auditor recommended that those transfers also be listed as “assets held by others” on the Cathedral’s balance sheets. The draft audit report will be emailed to Vestry before next month’s meeting.

Committee Reports

Finance Committee report– Bob Kirkman, chair

Bob reviewed the finance committee’s discussions about creating a budget that clearly reflects the strategic plan and targets, and referred to a page of the Annual Campaign’s brochure: “Budgeting for a Sustainable Future.” The committee also recommended that the 2010 operating budget be based on current income streams, not special gifts and grants. In the upcoming months, the committee and Vestry will work to categorize expenses in two ways: one being required, necessary enhancements, and desirable options, and the other as elements of the 5 strategic targets. Bob acknowledged that the change in process will cause concern among some people, but discussions will not be secretive and will include parish forums.

Rebecca and others discussed that the proposal that the Annual Campaign support parish life/worship, faith formation, governance/leadership and staff costs. Special gifts and events would not be included in the operating budget, and will support outreach, service in the world, arts, and hospitality. Greater clarity and separation of purpose will make it easier to solicit major gifts. Currently, many “outreach” gifts actually fund internal expenses.

Stewardship Committee – Randy Revelle, co-chair

Randy distributed an outline of the 2010 Annual Pledge Campaign and a draft brochure. The Stewardship Committee recommended increasing the campaign’s goal to 600 pledgers, up from 522 last year. Based on advice from the finance committee and cathedral staff, the dollar goal is \$1.2MM. This is a conservative increase from last year’s total of \$1.15MM.

The co-chairs are Jo Ann Bailey, Randy, and Rebecca. The campaign theme is “The World of the Generous gets Larger and Larger” from Proverbs. The brochure will be printed at cost by AlphaGraphics. Campaign materials include an explanation of the number of pledges in different dollar categories, a calendar of campaign events, and finally a meditation. The pledge card invites pledgers to let us know “what inspires you to pledge?” Jo Ann displayed a \$5 Cathedral Shop coupon for the first 100 or so pledgers of Phase Two, as an incentive for early pledging. Randy is looking for underwriting support for the coupons or the cost of buttons with the campaign logo. Vestry and leadership (who have pledged) are encouraged to wear the buttons early, to raise awareness.

With a vote on the budget scheduled for Dec 22, this will be the first year the Vestry has adopted a budget before January. It was noted that several pledgers complained that last year’s campaign ran too long—August 23-Jan 25. The committee has recommended that, unlike past campaigns, there will be no further solicitation of a pledging household once a pledge card is received.

Phase One will include vestry, staff, clergy, foundation board, major donors, vestry committees (about 140 people) to be solicited Sept. 14-Oct. 11, with hopes of raising half of the campaign goal. Randy stressed the importance of 100% *participation* in Phase One.

Phase Two, from Oct 11-Dec 20 will include all members of the Cathedral. The database for Phase Two mailings has been increased with names from a former membership spreadsheet, plus names of parishioners who serve on committees, but have not pledged in the past. This year, a matching gift program for new pledgers and those who didn’t pledge in 2009 will start at the beginning of the campaign. Randy asked if Vestry members could contribute \$1,000 to \$5000 to the matching program.

Phil praised the Stewardship and Finance Committees for their transformational leadership and courage in creating an Annual Pledge Campaign to support the strategic plan.

A motion to approve the Proposed Vestry Resolution P09-GO-06 (2010 Annual Campaign and Budgeting for a Sustainable Future). The motion was seconded and passed unanimously.

Saint Mark’s Celebrates the Saints - John Friedman and Janet McCully, Co-Chairs – Fri. Oct. 9, 6-9pm

John gave an update on preparations for this event honoring Llew and Jonie Pritchard. The keynote speaker is Bill Gates Sr, and master of ceremonies is Tom Skerrit.

Approx 20 tables of 10 people per table have been sponsored so far, out of a total of 30. Margaret Rothschild and Sallie Bodie will continue to make calls to potential sponsors. John explained that some seats have been underwritten for parishioners who would like to attend but can’t afford \$125/seat. He has been saying “please don’t let finances deter you from attending.” There are about 60 items procured for the silent auction so far. The Vestry group item will be a wine basket, with bottles donated by Vestry members. John encouraged Vestry members to donate experiences or items by the Sept. 9 deadline.

Katie Bishop, a new parishioner, has been working with Virginia on creative ways to publicize the event, to highlight Saint Mark’s to a younger generation, and increase awareness across the greater Seattle community. Katie will share her expertise with social media to draw both volunteers and patrons to the event. Many volunteers are being recruited. Susan Knirk and Heather Hodsdon are helping with event planning. Bids are coming in from various vendors.

Rebecca noted that a future event will be clearly dedicated to raising funds for outreach and not for meeting the operating budget.

Nominating/Parish Leadership Committee—Margaret Rothschild, chair

Margaret reported on the Nominating and Leadership Committee. The committee has been appointed and will start meeting in September. Margaret asked the Vestry for recommendations and requests for membership. Those Vestry members whose terms expire this year are on the list of potential members.

Personnel Committee –Terry Brandon, chair

Terry will be working on staff job descriptions and personnel evaluations. A similar effort was done a few years ago, but many of those positions have been changed or eliminated. Terry suggested current job descriptions should be written based on the strategic plan and values.

New Business

IndoHispanic Program

Patty reported that Alfredo Feregrino, a candidate for Holy Orders, did a great job leading this recent weekend retreat.

Clean Greens Project

Marge reported on this program where parishioners purchase a box of organic produce every week, and the same number of boxes are distributed at no charge to parishioners at New Hope Baptist Church. 16 boxes have been purchased so far.

Closing Prayer and Adjournment

Rebecca led the group in reading the Annual Campaign's prayer on generosity.

The meeting was adjourned at 9pm.

The next Vestry meeting is Tuesday, Sept.22 at 6pm in Skinner Theater, Saint Nicholas building.

Respectfully submitted,

Virginia Lenker
Recording Secretary and Clerk

Liz Sloat
Vestry Support